1997-98

INTERIM

JOINT APPROPRIATIONS - TRANSPORTATION COMMITTEE

MINUTES

JOINT APPROPRIATIONS

SUBCOMMITTEE ON TRANSPORTATION MEMBERS 1997 INTERIM SESSION

(October 1997 - April 1998)

MEMBER (COMMITTEE CLERK)	TELEPHONE	OFFICE	
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Rep. Jerry Dockham, Co-Chair - Clerk, Joanna Mills	733-5822	1106	
Rep. Ed McMahan, Co-Chair - Clerk, Sharon Cram	733-5732	2213	
Rep. Bobby Barbee - Clerk, Rosa Murray	733-5908	1025	
Rep. Dan Blue - Clerk, Lin Threatt	715-2528	1227	
Rep. Jim Gulley - Clerk, Lucille Carter	733-5860	1307	
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Rep. Mary McAllister - Clerk, Annecia Norwood	733-5706	603	
Rep. Mickey Michaux - Clerk, Karlene Scott	733-5609	1409	
Rep. Jane Mosely - Clerk, Gennie Thurlow	733-5781	2221	
Rep. Richard T. Morgan - Clerk, Dixie Epps	715-3028	404	
Rep. Drew P. Saunders - Clerk, Ruth Fish	733-5530	1017	
Rep. Ronnie Sutton - Clerk, Juanita Coley	733-5782	1317	
Rep. Jim Crawford, Liaison - Clerk, Linda Winstead	733-5824	1301	
Rep. Leo Daughtry, Ex-Officio - Clerk, Bernice Bullard	715-0850	2301	
Rep. Julia Howard, Ex-Officio - Clerk, Gail Stewart	733-5904	1021	
Rep. Stephen Wood, Ex-Officio - Clerk, Sylvia Perkins	733-5807	2208	
Sen. Luther Jordan, CoChair -Clerk, Gloria Haywood	751-3034	407	
Sen. Charlie Albertson, V/C - Clerk, Julia Birdsong	733-5705	525	
Sen. Robert Carpenter, RMM - Clerk, Helen Carpenter	733-5675	517	
Sen. Eric Reeves - Clerk, Becky Hedspeth	733-3460	2111	
Sen. Robert Rucho - Clerk, Carole Walker	733-5650	1113	
Fiscal Research Staff	733-4910	619	
Tony Goldman			
Karl Knapp			
Staff Attorney	733-6660	401	
Ken Levenbook			
Committee Clerks			
Sharon Gaudette, Sharon Cram - House	733-5853	733-5732	
Gloria Haywood, Senate	733-3034		



Joanne W. Bowie
Co-Chair



Jerry C. Dockham
Co-Chair



W. Edwin McMahan
Co-Chair



Bobby Harold Barbee, Sr.



Daniel T. Blue, Jr.



Jim Gulley



Thomas C. Hardaway



William S. Hiatt



Mary E. McAllister



Richard T. Morgan



Drew P. Saunders



Ronnie Sutton



N. Leo Daughtry
Majority Leader
Ex-Officio Member



Julia Craven Howard
Majority Whip
Ex-Officio Member



Stephen Wood
Speaker Pro Tem
Ex-Officio Member

APPROPRIATIONS - DEPARTMENT OF TRANSPORTATION

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715-3034
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FISCAL RESEARCH

Karl Knapp
Tony Goldman
Room 619
733-4910

STAFF ATTORNEY
Kenneth Levenbook
715-5459

SENATE APPROPRIATIONS

SUBCOMMITTEE ON TRANSPORTATION

1997 SESSION



Luther Henry Jordan, Jr.
Co-Chair



Charles W. Albertson
Vice-Chairman



Robert C. Carpenter
Ranking Minority Member



Eric Miller Reeves



Robert A. Rucho

NORTH CAROLINA GENERAL ASSEMBLY

MEMORANDUM

TO: Joint Appropriations Subcommittee Chairs

FROM: Senator Aaron Plyler and Representative George Holmes
Appropriations Chairmen

RE: Interim Appropriation Committee Meetings

DATE: September 25, 1997

Section 22 of Chapter 443, 1997 Session Laws authorizes the standing Appropriations Committees and Subcommittees to meet during the interim between the Regular 1997 and 1998 Sessions of the General Assembly to review matters related to the State budget, the organization of State government and any other matter as they deem appropriate.

Enclosed is a copy of the legislation that spells out the charge to the subcommittees for review of the budgets in their area of responsibility. We expect you primarily to focus your review on the continuation budget as set out in Section 22 and to utilize the performance budget documents to help you identify marginal, obsolete or duplicative programs in the various State departments.

We plan for the subcommittees to meet the third Tuesday, Wednesday and Thursday of each month beginning in October and ending in April. To allow sufficient time to conduct your reviews, you should plan to meet on Tuesdays beginning at 10:00 a.m. and on Wednesdays beginning at 9:00 a.m. concluding each day around 4:00 p.m. On Thursdays, we expect you to begin at 9:00 a.m. and continue until 1:00 p.m. Of course, if your work demands a longer meeting time, then please feel free to schedule as appropriate. We have decided that all of these meetings will be joint meetings of the Senate and House membership. Also, all meetings will be held in Raleigh unless you have made a request in writing to us showing reason why you should meet in another location and have received approval from us.

You should contact your Fiscal Research Division staff and begin to formulate a plan of work that you intend to follow during the course of this review. Staff is putting together a list of reports that are required by statute to be presented to the Appropriations Subcommittees, to the Joint Legislative Commission on Governmental Operations, to the Joint Legislative Oversight Committees and to the General Assembly. You will need to work with staff to determine an assignment of these reports in order to avoid duplication of a committee's work in reviewing and evaluating them and to avoid burdening legislators and department personnel with duplicative reporting. In addition, you may wish to pursue the feasibility of some joint meetings with the Legislative Oversight Committees or other independent study committees. We also understand that the Senate ProTem and the Speaker of the House will be assigning some LRC studies to the Appropriations Subcommittees and to the other committees mentioned above. Hopefully during the interim, we can accomplish some efficiencies and streamlining by recommending elimination of reports whose purpose and impact are no longer useful and by making recommendations consolidating effort among the numerous legislative committees meeting during the interim. So we understand clearly your subcommittee's key issues, focus, and objectives, please provide us with your written plan of work prior to the November meeting.

The full Joint Appropriations Committee may meet from time to time during the interim to discuss issues relevant to all subcommittees. These meetings will be announced in advance in order not to interfere with your planned agenda. Subcommittee chairs will be expected to provide to the Appropriations oversight committee a written summary of the issues studied and actions taken as a result of each month's meeting within ten working days following that month's meeting.

We are currently discussing with the leadership the procedure we will follow for clerical assistance to the subcommittees during the interim. We will let you know this information as soon as a final decision is made. In the meantime, if you have other questions or need further clarification, please contact us.

Having Appropriation meetings during the interim is new. We are committed to work together to make this "pilot program" a success. Our goal for all of us is to prepare us and position us to make informed decisions regarding the Governor's budget recommendations and, hopefully, in a more timely fashion.

Your dedication and commitment are critical to this task; and, we look forward to working with you. We will do all that we can to make things run smoothly for you.

Enclosure

-----ANALYSIS OF STATE BUDGET DURING THE INTERIM

Section 22. (a) The President Pro Tempore of the Senate shall authorize the standing Appropriations Committees and standing Appropriations Subcommittees of the Senate and the Speaker of the House of Representatives shall authorize the standing Appropriation Committees and standing Appropriation Subcommittees of the House of Representatives to meet separately or jointly during the interim between the Regular 1997 and 1998 Sessions of the General Assembly to review matters related to the State budget, the organization of State government, and any other matter as they deem appropriate. The review shall include, but not be limited to, an analysis of the budget of each agency to determine:

(1) The cost savings that could be realized from improvements in administrative structure, practices, and procedures in State agencies;

(2) Ways to increase efficiency in budgeting and use of resources; and

(3) Instances in which functions of agencies are duplicative, overlapping, obsolete, incomplete in scope or coverage, or fail to accomplish legislative objectives, and should be abolished, transferred, or modified to accomplish cost savings.

(b) The President Pro Tempore of the Senate shall appoint an oversight committee comprised of the Senate Appropriations Committee Chairs and one member of each Senate Appropriations Subcommittee and the Speaker of the House of Representatives shall appoint an oversight committee comprised of the House Appropriations Committee Chairs and one member of each House Appropriations Subcommittee to meet separately or jointly to oversee the work of the Appropriations Committees and Subcommittees during the interim.

ATTENDANCE

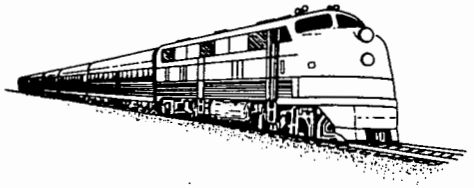
JOINT APPRO/subcommittee on Transportation

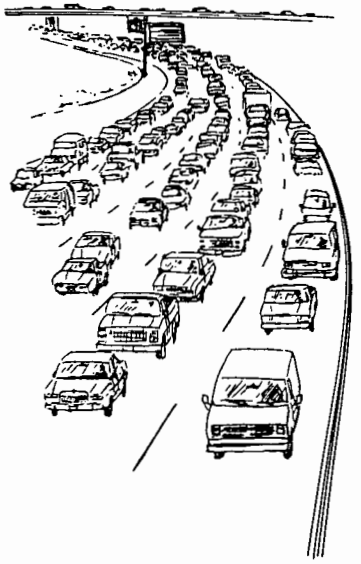
INTERIM WORK 1997-1998

	GH			SG			GH		SG		GH				
MEMBERS:	10/21	10/22	10/23	11/18	11/19	11/20	1/20	1/21	2/17	2/18	3/17	3/18			
Rep. Joanne Bowie, Co-Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Rep. Jerry Dockham, Co-Chair	✓	✓	✓	✓	A	A	✓	✓	✓	✓	✓	✓			
Rep. Ed McMahan, Co-Chair	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	A			
Rep. Bobby Barbee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Rep. Dan Blue	A	✓	A	A	A	A	A	✓	A	A	A	A			
Rep. Thomas Hardaway	✓	✓	A	A	✓	✓	✓	✓	✓	A	✓	✓			
Rep. Bill Hiatt	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Rep. Jim Gulley	✓	✓	✓	✓	✓	✓	✓	✓	A	A	A	A			
Rep. Mary McAllister	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Rep. Mickey Michaux	—	—	—	—	—	—	A	A	A	A	A	A			
Rep. Jane Mosley	—	—	—	—	—	—	✓	✓	A	A	A	A			
Rep. Richard Morgan	A	A	A	A	A	A	A	A	A	A	A	A			
Rep. Drew Saunders	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Rep. Ronnie Sutton	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓	✓			
(15) Rep. Jim Crawford, Liaison	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓			
Sen. Luther Jordan, Co-Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Sen. Charlie Albertson, V-Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓			
Sen. Robert Carpenter	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A			
Sen. Eric Reeves	A	A	A	A	✓	A	✓	A	A	✓	A	A			
Sen. Robert Rucho	A	A	A	A	A	A	A	A	A	A	A	A			
Ex. Officio Members:															
Rep. Leo Daughtry															
Rep. Steve Wood				✓											
Rep. Julia Howard															

Committee _____ Work Booklet

Transportation Program Area







TRANSPORTATION PROGRAM AREA

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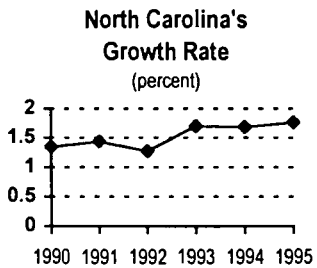
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Transportation Program Area
Continuation Budget Summary by Department
(in millions)

Program Area: Transportation	1997-98 DOT	1997-98 Wildlife	1997-98 COMM	1997-98 Total	1998-99 DOT	1998-99 Wildlife	1998-99 COMM	1998-99 Total
Goal I - Plan, design, construct, repair, and maintain roads and highways	**1,742.95**	**0.00**	**0.00**	**1,742.95**	**1,771.90**	**0.00**	**0.00**	**1,771.90**
• Plan, design, construct, and expand roads and highways	1,191.30	-	-	1,191.30	1,216.18	-	-	1,216.18
• Major arterial highways	1,025.17	-	-	1,025.17	1,045.35	-	-	1,045.35
• Secondary roads	149.03	-	-	149.03	153.73	-	-	153.73
• Special purpose projects	17.10	-	-	17.10	17.10	-	-	17.10
• Maintain and repair roads and highways	551.65	-	-	551.65	555.72	-	-	555.72
• Major arterial highways	246.66	-	-	246.66	246.59	-	-	246.59
• Secondary roads	304.99	-	-	304.99	309.13	-	-	309.13
Goal II - Expand, improve, and support alternative and non-highway modes of transportation	**71.82**	**0.00**	**0.00**	**71.82**	**72.47**	**0.00**	**0.00**	**72.47**
• Expand, improve, maintain, and operate public transit systems	23.25	-	-	23.25	23.25	-	-	23.25
• Revitalize railroads and preserve railway corridors	1.21	-	-	1.21	1.21	-	-	1.21
• Plan, develop and support the North Carolina aviation system	28.18	-	-	28.18	28.82	-	-	28.82
• Establish, maintain and operate ferries	19.18	-	-	19.18	19.19	-	-	19.19
Goal III - Ensure safe transportation through education and regulation	**91.57**	**2.29**	**0.03**	**93.89**	**91.53**	**2.23**	**0.03**	**93.79**
• Regulate motor vehicles and motor vehicle operators that use highways	91.57	-	-	91.57	91.53	-	-	91.53
• Regulate motor vehicle operators	29.14	-	-	29.14	29.06	-	-	29.06
• Register motor vehicles and enforce highway laws	57.71	-	-	57.71	57.75	-	-	57.75
• Coordinate highway safety programs	4.72	-	-	4.72	4.72	-	-	4.72
• Regulate water transportation and boating	-	2.29	0.03	2.32	-	2.23	0.03	2.26
Auxiliary services and administration	99.31	-	-	99.31	99.47	-	-	99.47
Reserves, transfers and other accounting funds	407.94	-	-	407.94	408.97	-	-	408.97
Total Requirements	**2,413.59**	**2.29**	**0.03**	**2,415.91**	**2,444.33**	**2.23**	**0.03**	**2,446.59**
Receipts/Cash Balances	537.73	2.29	0.03	540.05	538.37	2.23	0.03	540.63
General Fund Appropriation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Highway Fund Appropriation	1,875.86	0.00	0.00	1,875.86	1,905.96	0.00	0.00	1,905.96
Number of Positions	14,298.60	36.00	0.00	14,334.60	14,298.60	36.00	0.00	14,334.60

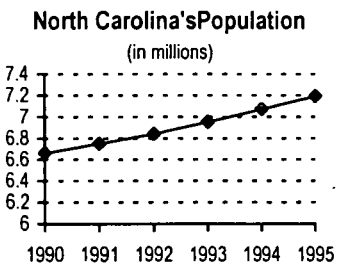
TRANSPORTATION PROGRAM AREA

Transportation modes and availability are critical components in economic growth and development, delivering goods and services, and citizen's quality of life. In North Carolina, there are a variety of transportation modes available. This is important to the extremely mobile lifestyle to which we have become accustomed. Whether it be by road, rail, bus, boat, ship, or plane, virtually every part of the state is accessible. In addition, access to and from neighboring states, the nation as a whole, and many foreign countries has been made easier through the development and implementation of strategies and activities represented in this program area.



North Carolina's population has been growing steadily since 1990. However this growth has occurred primarily in Mecklenburg County (+13% or 65,998 people) and Wake County (21.6% or 91,970). Counties surrounding these counties have also experienced a higher than average rate of growth. Other urban areas, such as the Triad, Wilmington, and Asheville, have grown, but at slower rates. Many rural areas have seen little or no growth. These trends impact the Transportation Area in the following ways:

Highways: Urban systems will have increased traffic potentially resulting in greater congestion and delays. Rural areas will rely almost totally on roads and highways for transportation needs.



Alternative transportation modes: Increases in urban populations will allow public transit systems to operate more conveniently and efficiently in urban areas of greater population, but increasing suburbanization will slow grow of public systems into outlying bedroom communities. For rural areas, the lack of growth or net loss of population will make public transit more difficult and inefficient.

Motor vehicles and licensed drivers: More people need drivers licenses and more vehicles will need to be registered in the state as the populations grows. There will be a growing need for bilingual staff, information, and testing materials.

The Transportation Program area includes state policies and activities directed towards three goals:

Plan, design, construct, repair, and maintain roads and highways.

By far this is the largest goal in the program area in terms of funds, activities, personnel, and impact on current transportation modes. Motor vehicles are the most popular mode of transportation and a well planned, designed, constructed and maintained network of major arterial highways and secondary roads is critical to meet this demand. North Carolina's Intrastate Highway System has opened many areas of the state to multi-lane access. This improved access has helped disperse economic growth to underdeveloped areas and attract additional industry to the state. Economic growth, measured in net-job-increase, is projected to be four percent each year in areas within five minutes of a multi-lane highway.

Once a road or highway is built or expanded, it must be maintained. Maintenance of both highway surfaces (77,000 miles) and bridges (17,000) is important for safety, damage to vehicles, and further deterioration to the highway system. Increased traffic, overweight trucks, extreme weather conditions, and age and quality of construction all influence the need for repair and maintenance. Routine needs total $315,956,000 while resurfacing needs total $123,417,000. Reducing the backlog of maintenance projects is a major focus of this subprogram.

Expand, improve, and support alternative and non-highway modes of transportation.

In addition to private vehicle and trucks on roads and highways, other modes of transportation important to the state, include: public transit systems, railroads, air transport, ferries, and bicycles.

With the percentage of the population living in urban and rural areas being approximately even, providing regular, convenient, comprehensive, and cost-effective public transit is difficult. Especially when population density is taken into account. Two major urban areas in the state, Charlotte and the Research Triangle, are growing rapidly, while other cities have relatively steady or

decreasing populations. Traffic congestion in the major urban areas may soon increase the effectiveness of public transportation.

Railroad passenger service along the I-85/I-40 corridor is being expanded to improve non-highway transportation. This is being achieved by revitalizing rail corridors, improving service availability, and reducing travel times utilizing high-speed trains. Emphasis is on using or upgrading existing rail corridors rather than constructing new ones. Rail programs also support maintaining corridors vital for rail freight traffic.

Air travel is a major transportation mode in North Carolina with important air transport routes within the state, across the nation, and internationally. There are 116 public-use airports in the state including 15 with scheduled commercial service. There are two major airline hubs in the state (USAir in Charlotte and Continental Airlines in Greensboro). Midway Airlines has its home base of operations at Raleigh-Durham International Airport. Air transportation will be a vital force as the state's economy becomes more globally focused.

Alternatives to road and highway transportation will be increasingly important as the population continues to grow. Improving the movement of people, goods, and services within the state, as well as outside the state, using non-highway transportation will be critical to a healthy economy and high quality of life.

Ensure safe transportation through education and regulation.

The regulation of transportation in North Carolina is directed at assuring safety through vehicle operator competency and vehicle and boat registration. Assuring an adequate level of competency for motor vehicle operators is most important. As the population ages and as more people move into the state with a minimum proficiency of the English language, monitoring a driver's comprehension and physical ability will be needed.

Vehicle registration and motor vehicle record keeping is important to the collection of user fees, tracking lost and stolen vehicles, and providing records and data to other agencies involved with public safety, insurance and other aspects of the use of vehicles on the state's roads and highways.

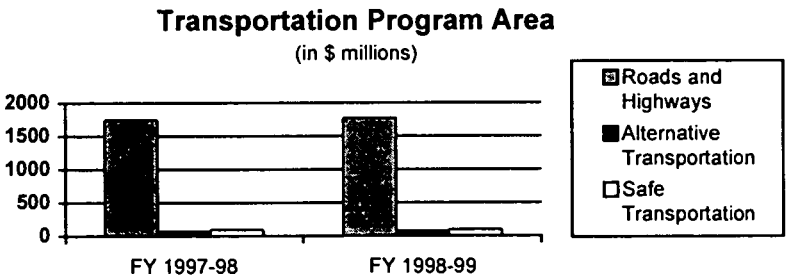
The number of boats in the state is increasing. Providing access to public waters and improving the convenience and efficiency of boat registration is a primary focus in the subprogram addressing boating transportation.

Challenges facing agencies working towards objectives in the Transportation Program area include:

- balancing a variety of transportation needs and technologies to provide the best overall options to meet a wide range of public and private needs,
- improving and maintaining the existing transportation system,
- protecting the environment, natural resources, and cultural resources while developing transportation systems,
- maintaining all sources of funding to meet the ever-growing demand for transportation development and maintenance.

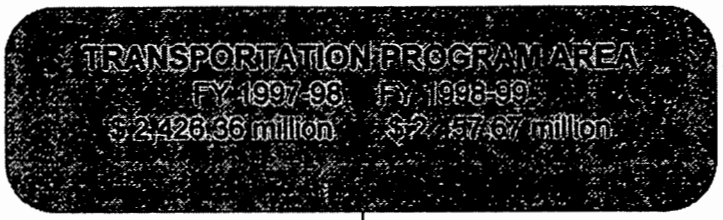
Budget by Goal (in millions)

Goal	1997-98	1998-99
Plan, design, construct, repair, and maintain roads and highways	$1,742.95	$1,771.90
Expand, improve and support alternative and non-highway modes of transportation:	$ 71.82	$ 72.47
Ensure safe transportation through regulation	$ 93.89	$ 93.79



TRANSPORTATION PROGRAM AREA

The Transportation program area includes state policies and activities that are directed toward planning, constructing, and maintaining roads and highways; developing and improving alternate transportation modes; and ensuring safe transportation through education and regulation.



Goals

Plan, design, construct, repair, and maintain roads and highways	Expand, improve, and support alternative and non-highway modes of transportation	Ensure safe transportation through education and regulation
FY 1997-98 $1,742.95 million	FY 1998-99 $1,771.90 million	FY 1997-98 $71.82 million	FY 1998-99 $72.47 million	FY 1997-98 $93.88 million	FY 1998-99 $93.79 million

Programs

1. Plan, design, construct, and expand roads and highways.
2. Maintain and repair roads and highways.

1. Expand, improve, maintain, and operate public transit systems.
2. Promote and improve railroad service.
3. Plan, develop and support the aviation system.
4. Establish, maintain and operate ferries.

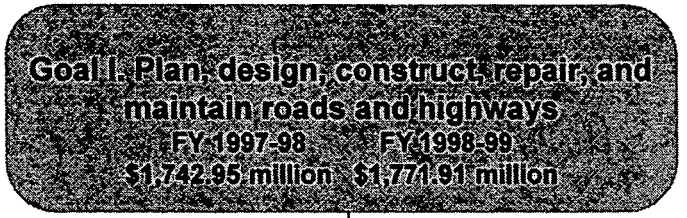
1. Regulate motor vehicles and motor vehicle operators that use highways.
2. Regulate water transportation and boating.

Note: *The Goal budget figures do not include administrative and reserve totals associated with P/PB 8998 and 8999, which total $507.25 million for FY 1997-98 and $508.43 million for 1998-99.*

Goal I. Plan, design, construct, repair and maintain roads and highways

This goal is directed toward planning, designing, constructing, repairing and maintaining roads and highways throughout North Carolina so that they have minimal impact on the environment. The orientation is toward highway "products" in several categories: major arterial, secondary, and urban, public access (to factories, schools, etc.). This goal also includes activities aimed at bicycles and pedestrian modes of transportation conducted as part of highway and road projects.

TRANSPORTATION PROGRAM AREA



Programs

Plan, design, construct, and expand roads and highways		Maintain and repair roads and highways	
FY 1997-98	FY 1998-99	FY 1997-98	FY 1998-99
$ 1,191.30 million	$ 1,216.18 million	$ 551.66 million	$ 555.72 million

Subprograms

1. Major arterial highways
2. Secondary roads
3. Special purpose projects

1. Major arterial highways
2. Secondary roads

8100 Plan, design, construct, and expand roads and highways

Purpose

The purpose of this program is to plan, construct, and maintain major arterial highways and secondary roads to provide statewide transportation.

Expected outcomes

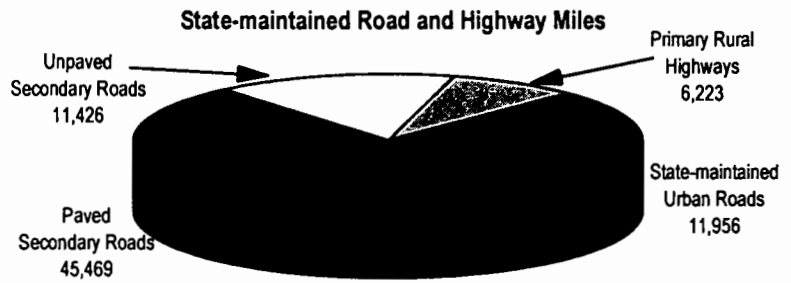
The expected outcome of this program is convenient, safe and efficient travel on roads and highways.

Budget by subprogram (in millions)

Subprogram	1997-98	1998-99
Major arterial highways (8110)	$1,025.17	$1,045.35
Secondary roads (8120):	$149.03	$153.73
Special purpose projects (8130):	$17.10	$17.10

Background and trends

North Carolina, the 10th largest state in area, has 77,000 miles of state maintained roads making it the largest state-maintained highway system in the nation. Sixteen percent of these are major arterial roads and highways (11,956 miles) that link cities and towns. A network of state-maintained urban roads make up eight percent (6,223 miles) mostly within those municipalities. The other 77 percent (56,895 miles) is made up of a network of secondary roads.



A growing interrelationship of rural bedroom-type communities with major urban employment areas is expected to continue increasing the demand on the transportation system in these areas. These "peak hour" commute trips are expected to increase in greater proportion than urban population growth. These residential and employment patterns are expected to continue to disperse because of increasing land and construction costs.

Initiatives to protect valuable wetlands are requiring that there be no net loss of these environmentally sensitive areas. Highway construction in these areas is expected to be reduced or delayed due to national and/or state regulations. Other valuable resources, such as historical sites and endangered species, are identified carefully to prevent disturbance that could result from transportation route planning and location decisions.

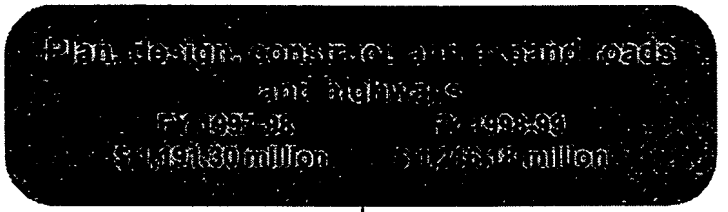
Vehicle miles of travel will continue to increase at 4.8 percent per year. Growth in population and "intra" and "inter" state movement of commerce and people influence the miles of travel in the state.

Population growth and where the growth takes place determine the demands placed on the transportation system. The expected population growth of 11.6 percent in the next decade is projected to occur predominantly in suburban areas. Slightly over half of this growth will be the result of net migration into the state. This concentration of growth in and around urban areas will result in more congestion and increased travel times.

Inflation is expected to have a continued effect on right-of-way costs in the next few years. Currently, right-of-way costs are 24 percent of total project expenses. This proportion is expected to increase as more and more construction occurs in urbanized areas. Efforts are in place to purchase right-of-way as early as possible in the development of a project.

Maintenance requirements will continue to grow as the transportation system expands. Resurfacing, maintaining roadside right-of-ways, and replacing bridges will require increased support as the network of roads and highways ages. Implementing ways to increase the life-span of these systems will be necessary to help off-set future expenditures.

8100 Plan, design, construct, and expand roads and highways



Subprograms

Major arterial highways		Secondary roads		Special purpose projects	
FY 1997-98	FY 1998-99	FY 1997-98	FY 1998-99	FY 1997-98	FY 1998-99
$1,025.17 million	$1,045.35 million	$149.03 million	$153.73 million	$17.10 million	$17.10 million

Objectives

Major arterial highways

1. Implement design and highway improvements to reduce fatality and accident rates one percent per year.
2. Improve travel times on the major arterial highways to meet a minimum level of Service C (satisfactory operating speed, stable flow, maneuverability restricted) on 90 percent of the system.
3. Provide an overall implementation rate of 90 percent on TIP projects.

Secondary roads

1. Reduce the number of secondary road bridges with posted weight limits eight percent annually.
2. Pave 75 percent of unpaved secondary roads by 2005.

Special purpose projects

1. Respond annually to as many specific qualified traffic flow improvement and safety needs annually.
2. Provide and improve access to local school systems and industry locations which apply and qualify for assistance.

8110 Major arterial highways

Purpose

The purpose of this subprogram is to plan, design, construct, and expand major arterial highways.

Expected outcomes

Improved safety, travel time, efficiency, and access to highways.

Background and trends

Major arterial highways provide a safe and convenient way to travel throughout the state. They are made up of the primary rural highways connecting cities and towns and the state-maintained urban roads and highways within municipalities.

The roads and highways of this system provide movement of most of the vehicular travel in the state.

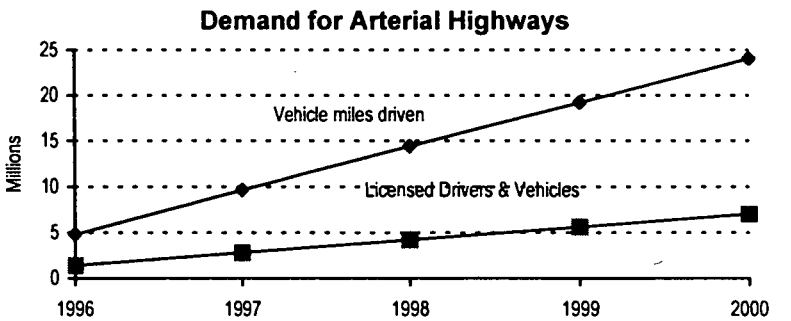
Expansion of the intrastate network of four-lane highways will bring 96 percent of all North Carolinians within 10 miles of a major multi-lane highway. This improved access will help disperse economic growth to underdeveloped areas and attract additional industry to the state. Economic growth, measured in net-job-increase, is projected to be four percent each year in areas within five minutes of a multi-lane highway. Multi-lane access to 96 percent of the population will foster greater suburbanization and increase demand on highway networks to transport people using private or low-occupancy vehicles from numerous outlying regions into urban centers. This will make convenient, efficient public transportation options more difficult to implement.

Proper planning is required to locate new roads and highways in areas of greatest need and minimal environmental impact. Safe and efficient design, utilizing the latest standards, will help ensure proper construction, public safety and convenience. Implementation of proper design can contribute to reducing accidents and fatalities on roads and highways. A primary focus of highway expanison planning and implementation will be improving highway travel times to provide a level of service that ensures satisfactory operating speeds and a stable flow of traffic.

The arterial highway system is the backbone of industry in North Carolina. Highway corridors that foster growth and development are of special interest in certain parts of the state. Several factors combine to spark this interest: highway construction revenues are limited, demand and need for highways to transport a greater number of vehicles is increasing, and the economic and industrial landscape is spreading throughout the state.

Where highways are located has significant impact on where people live and work. The concept of "just-in-time" delivery of inventory and products has reduced the cost of doing business. The basis of this theory is that final products are assembled near points strategic to regional and national markets. Major arterial highways are the "strategic corridors" that are the lifeline to support this type of economic development into the next century.

Tourism is the fastest growing industry in North Carolina. The desire for improved access to vacation areas is creating additional demand for multi-lane highways. The expansion and planned improvements to the "intrastate" multi-lane highway network will open up predominately remote tourist locations to travelers.



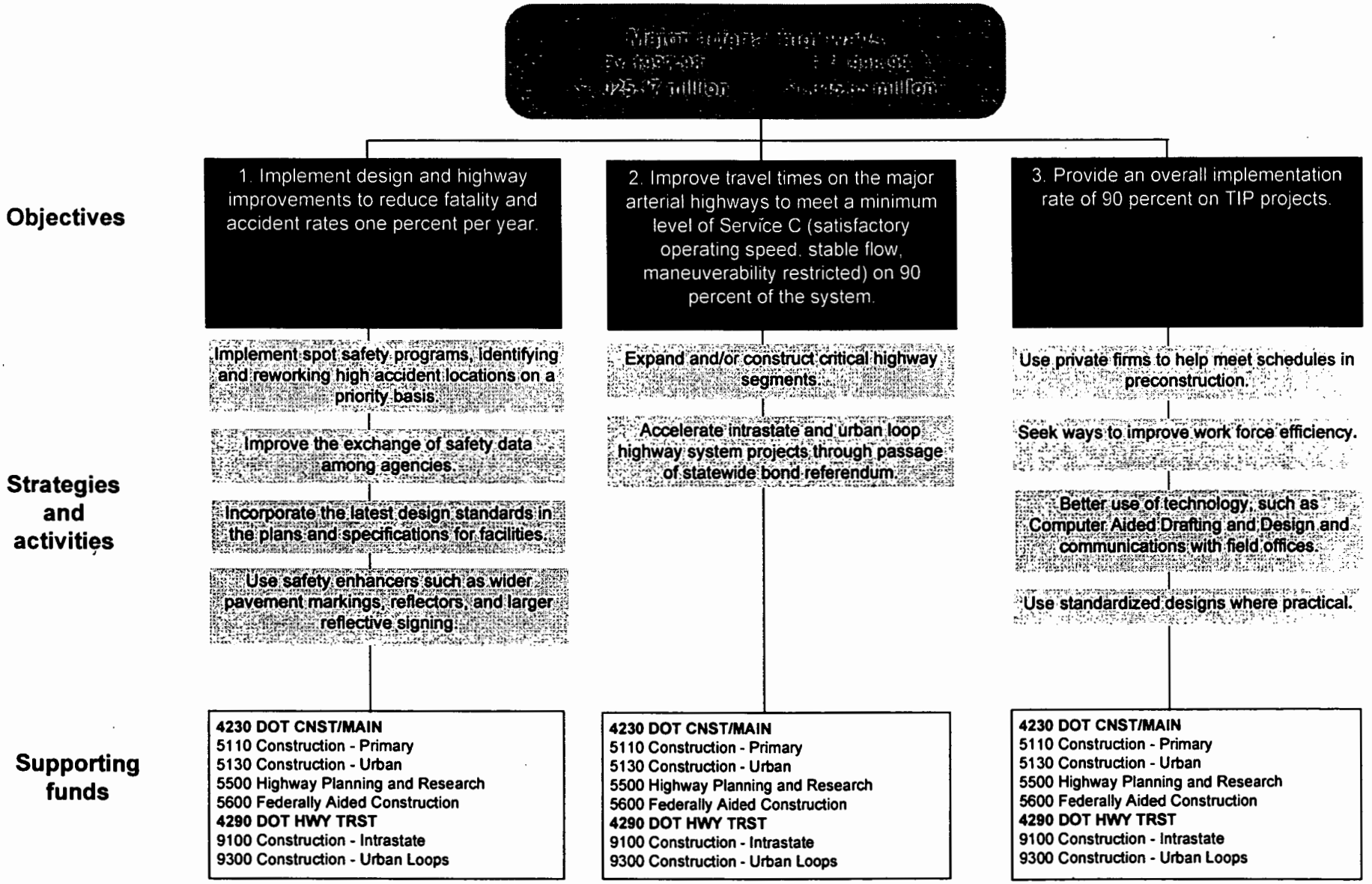
Vehicle miles of travel should continue to increase at 4.8 percent per year.

Registered vehicles and licensed drivers are expected to increase at a rate of 1.4 percent per year. Because of economic fluctuations, this growth rate is based on historical trends during the last five years.

The arterial highway system is only 9.4 percent of the total mileage in North Carolina, but 61 percent of the travel occurs on this system. The trucking industry, for example, transports 880 million ton miles of freight in the United States, mostly on the arterial system.

Recycling efforts will result in a greater use of products made from waste products in highway construction. Examples include recycled pavement and the use of tires and other road products in new construction.

8110 Major arterial highways



8110 Major arterial highways

Objective 1: Implement design and highway improvements to reduce accident rates one percent per year.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Accidents per 100 million vehicle miles	n/a	n/a	276	288	295	*292*	*289*	*286*
Performance Measures:								
Total number of reported crashes	172,868	184,489	199,209	214,658	227,489	*n/a*	*n/a*	*n/a*
Total number of registered vehicles (millions)	5.8	6.0	6.2	6.3	6.5	*n/a*	*n/a*	*n/a*
Persons killed in highway accidents	1262	1384	1429	1443	1427	*n/a*	*n/a*	*n/a*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5110 Construction - Primary
5130 Construction - Urban
5500 Highway Planning and Research
5600 Federally Aided Construction

4290 DOT HWY TRST
9100 Construction - Intrastate
9300 Construction - Urban Loops

8110 Major arterial highways

Objective 2: Maintain travel times on the major arterial highways to meet a statewide average minimum level of Service C (satisfactory operating speed, stable flow, maneuverability moderately restricted).

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Statewide average level of service (C>B>A)	n/a	n/a	B	B	B	*B*	*C*	*C*
Performance Measures:								
Total number of registered vehicles (millions)	5.8	6.0	6.2	6.3	6.5	*n/a*	*n/a*	*n/a*
Estimated miles driven (billions)	66.8	66.5	71.9	74.4	77.0	*n/a*	*n/a*	*n/a*
Federal funds apportioned (million $)	447.6	491.9	501.1	523.9		*n/a*	*n/a*	*n/a*
Rate of return on NC dollars sent to Washington, D.C.	83.1%	80.7%	79.6%	81.6%		*n/a*	*n/a*	*n/a*
Average expenditure per small urban project	$30,079	$27,779	$52,423	$45,387	$53,165	*$50,000*	*$50,000*	*$50,000*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5110 Construction - Primary
5130 Construction - Urban
5500 Highway Planning and Research
5600 Federally Aided Construction

4290 DOT HWY TRST
9100 Construction - Intrastate
9300 Construction - Urban Loops

8110 Major arterial highways

Objective 3: Provide an overall implementation rate of 90 percent on TIP projects.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of planned TIP projects programmed	n/a	n/a	89%	90%	88%	*90%*	*90%*	*90%*
Performance Measures:								
Number of highway projects in TIP	2631	2524	2697	2424	2522	*n/a*	*n/a*	*n/a*
Average expenditure per small urban project	$30,079	$27,779	$52,423	$45,387	$53,165	*$50,000*	*$50,000*	*$50,000*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5110 Construction - Primary
5130 Construction - Urban
5500 Highway Planning and Research
5600 Federally Aided Construction

4290 DOT HWY TRST
9100 Construction - Intrastate
9300 Construction - Urban Loops

Purpose

The purpose of this subprogram is to plan, design, expand, and construct secondary roads.

Expected outcomes

The expected outcomes are a reduction in number of weight-posted bridges, improved access, quality, and safety on secondary roads, and improved travel times.

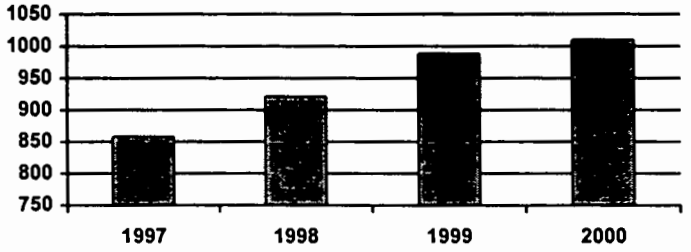
Background and trends

The county, now known as the secondary, road system of North Carolina was the responsibility of local government until 1931. During the depression the state took over these roads and now maintains the largest secondary road system in the nation. The secondary road system has provided access for the agricultural industry to markets both "intra" and "inter" state. The total miles of secondary roads represents 61 percent of the state's total road miles, but only seven percent of the vehicle miles of travel. The system has been one of the contributing factors toward industrialization in all parts of the state. Many suburban and rural citizens depend on the secondary road system to access the major arterial system for commutes to employment centers.

Local governments still maintain a portion of the control on the county system. Highway revenues dedicated to the secondary roads are allocated based on the miles of unpaved roads in each county as a percent of state miles. Priorities to pave in each county are approved by the county commissioners. The priority system takes into consideration safety factors, adjacent land-use development (families, schools, churches and businesses), school bus and mail routes and the daily traffic volume. For a number of years the rights-of-way for the improving and paving of secondary roads are required to be provided at no cost.

Paving Targets for Secondary Roads

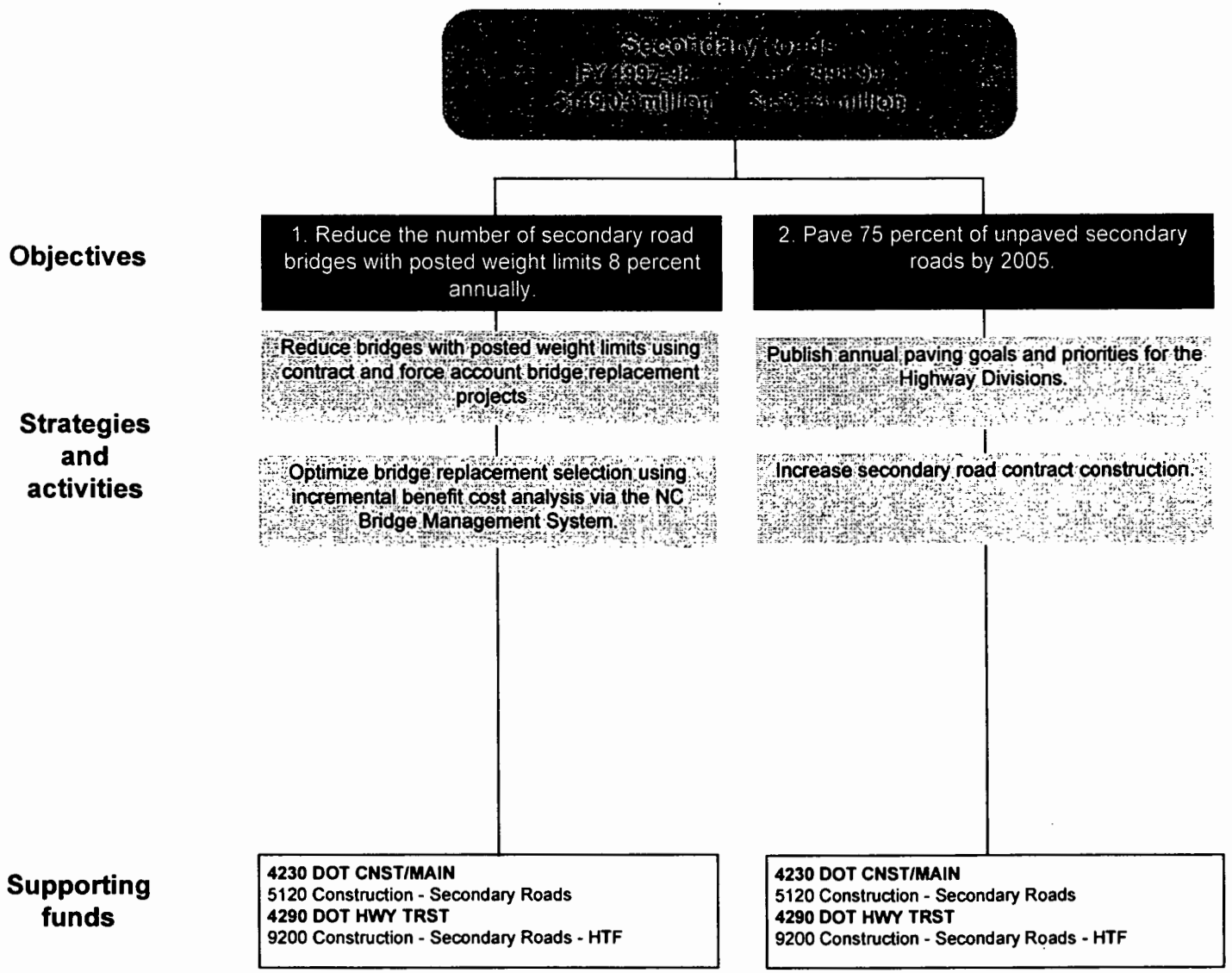
(in miles)



The development of the secondary road system is a result of the cooperative planning between local governmental agencies and the Department of Transportation. This spirit of cooperation has assured an orderly development for this network of roads and will assure the continued growth of the system. The system will allow the agricultural and industrial economy to prosper in the rural areas of our state.

Trends affecting secondary roads include:

- Residential development is expected to increase on the unpaved secondary road system and will increase the demand for paving dirt roads.
- The trend to larger farms requires both paving and engineering improvements on secondary roads as well as improvements to bridges that currently restrict movement of commercial and agricultural products.
- A paving target of nearly 4,000 miles of unpaved roads in the next four years is based on Highway Trust Fund projected revenues dedicated to secondary roads.
- Tourism is expected to be one of North Carolina's fastest growing industries, intensifying demand for better access, often in rural and remote locations.


Objectives
Strategies and activities
Supporting funds
1. Reduce the number of secondary road bridges with posted weight limits 8 percent annually.
2. Pave 75 percent of unpaved secondary roads by 2005.
Reduce bridges with posted weight limits using contract and force account bridge replacement projects
Publish annual paving goals and priorities for the Highway Divisions.
Optimize bridge replacement selection using incremental benefit cost analysis via the NC Bridge Management System.
Increase secondary road contract construction.
4230 DOT CNST/MAIN
5120 Construction - Secondary Roads
4290 DOT HWY TRST
9200 Construction - Secondary Roads - HTF
4230 DOT CNST/MAIN
5120 Construction - Secondary Roads
4290 DOT HWY TRST
9200 Construction - Secondary Roads - HTF

Objective 1: Reduce the number of secondary road bridges with posted weight limits 8% annually.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent reduction in the number of secondary road bridges with posted weight limits	n/a	n/a	8%	8%	8%	*8%*	*8%*	*8%*
Performance Measures:								
Number of secondary road bridges	n/a	n/a	11,330	11,346	11,346	*11,346*	*11,346*	*11,346*
Number of secondary road bridges with weight limits	n/a	n/a	6,600	5,679	4,771	*3,863*	*2,955*	*2,048*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5120 Construction - Secondary Roads
4290 DOT HWY TRST
9200 Construction - Secondary Roads - HTF

Objective 2: Pave 75% of unpaved secondary roads by 2005.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percentage of unpaved secondary roads measured annually as compared to baseline of unpaved mileage in 1989	n/a	n/a	82%	77%	72%	*69%*	*64%*	*59%*
Performance Measures:								
Miles of secondary roads	59,322	59,367	59,459	59,361	59,463	*59,463*	*59,463*	*59,463*
Miles of secondary roads paved	n/a	n/a	824	868	870	*875*	*875*	*875*
Miles of unpaved secondary roads	14,144	13,476	12,900	12,133	11,424	*10,674*	*9,924*	*9,174*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5120 Construction - Secondary Roads
4290 DOT HWY TRST
9200 Construction - Secondary Roads - HTF

8120 Secondary roads

		Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
			1996-97 Authorized Expenditures			
Funds reviewed by						
Transportation Appropriations Subcommittee:						
4230	DOT-CNST/MAIN					
5120	CONSTRUCTION-SECONDARY	0.00	76,666,941.00	0.00	76,666,941.00	53.90
4290	DOT-HWY TRST FD					
9200	SECONDARY ROADS CONSTR	0.00	65,567,796.00	0.00	65,567,796.00	46.10
	TOTAL FOR 8120 FUNDS	0.00	$ 142,234,737.00	$ 0.00	$ 142,234,737.00	100.00

8120 Secondary roads

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	142,234,737	6,794,606	149,029,343	11,495,538	153,730,275
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	0	0	0	0	0
NET APPROPRIATION	0	0	0	0	0
HIGHWAY FUND APPROPRIATION	142,234,737	6,794,606	149,029,343	11,495,538	153,730,275

8130 Special purpose projects

Purpose

The purpose of this subprogram is to complete special purpose projects to improve highway access safety and reduce traffic congestion.

Expected outcome

The expected outcomes of this subprogram are reduced congestion and improved access and safety.

Background and trends

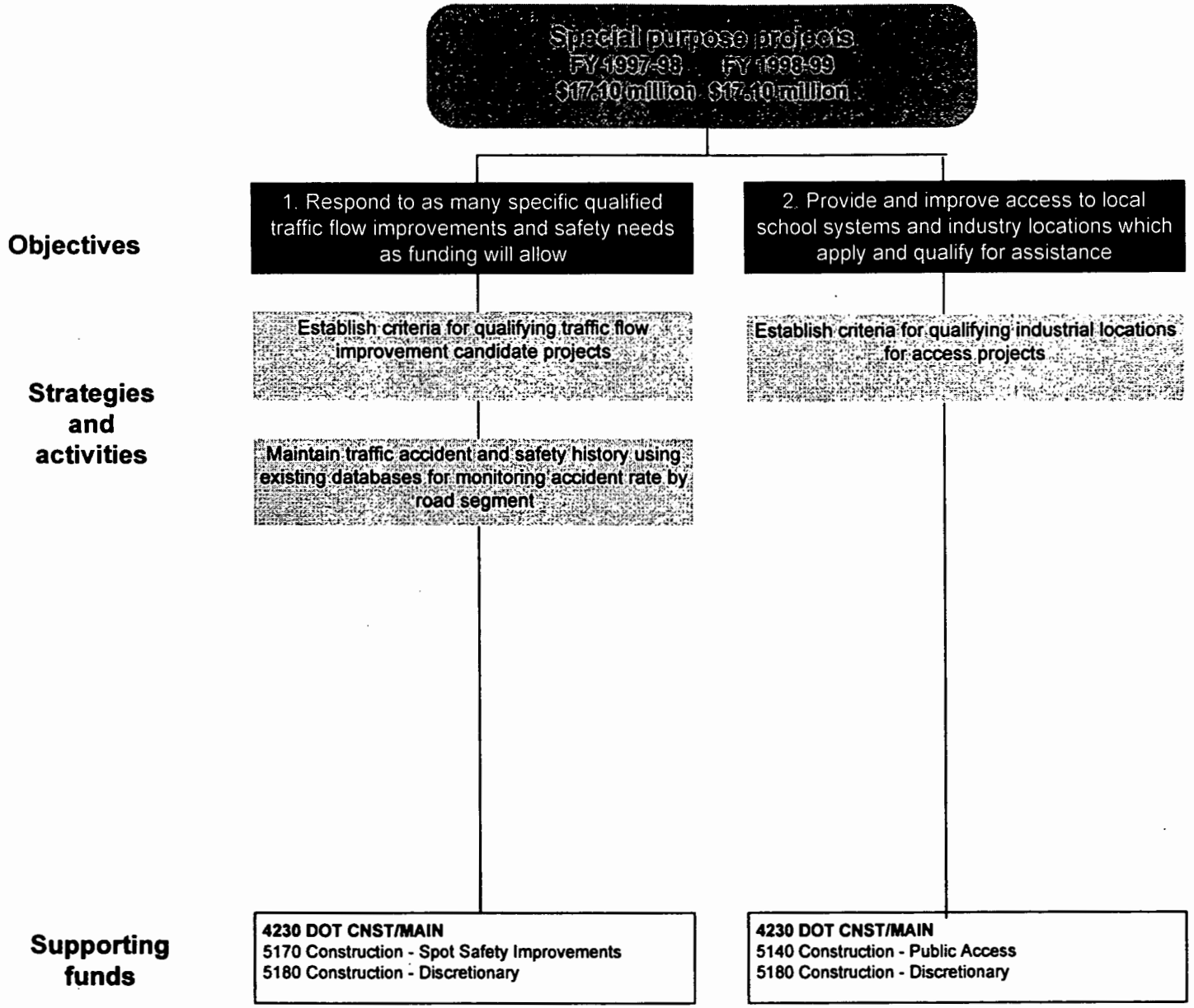
It takes several years to bring a highway project from the first stage of approval to completion. Planning, design, right-of-way purchase, environmental impact determination and actual construction are the major tasks of this lengthy process.

There is a need to meet small demands for transportation improvements in a shorter time span than the normal 7 to 10 years needed for most projects. Examples include traffic control problems remedied by small construction improvements, and improved vehicular access to schools and sites. These needs can be met quickly from the special discretionary funding sources of this subprogram.

There are areas of rapid growth in many rural areas that become prime residential locations for commuters to adjacent metropolitan counties. There are numerous requests and needs in these areas to improve or widen these access roads due to congestion along the rural primary and secondary connecting roads near major arterial highways. Examples of these improvements include traffic signals, improved visibility, and adding traffic merge lanes.

Another need met by special project funds is to improve locations that have experienced an increase in traffic accidents. These locations require immediate safety analysis and improvements to prevent an increase in traffic-related injuries and fatalities.

Citizens may bring requests for small, special transportation improvements to the attention of their elected state representatives or the Transportation Board member appointed to their area of the state.


Special purpose projects
FY 1997-98 FY 1998-99
$17.10 million $17.10 million
Objectives
1. Respond to as many specific qualified traffic flow improvements and safety needs as funding will allow
2. Provide and improve access to local school systems and industry locations which apply and qualify for assistance
Strategies and activities
Establish criteria for qualifying traffic flow improvement candidate projects
Establish criteria for qualifying industrial locations for access projects
Maintain traffic accident and safety history using existing databases for monitoring accident rate by road segment
Supporting funds
4230 DOT CNST/MAIN
5170 Construction - Spot Safety Improvements
5180 Construction - Discretionary
4230 DOT CNST/MAIN
5140 Construction - Public Access
5180 Construction - Discretionary

8130 Special purpose projects

Objective 1: Respond to as many specific qualified traffic flow improvements and safety needs as funding will allow.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percentage of specific qualified traffic flow improvement and safety needs to which a project was programmed	n/a	n/a	n/a	n/a	n/a	75%	75%	75%
Performance Measures:								
Number of spot safety projects completed	296	204	258	220	218	*207*	*197*	*187*
Average cost per spot safety project completed	$34,450	$32,330	$34,505	$39,237	$35,094	*$36,958*	*$38,835*	*$40,192*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5170 Construction - Spot Safety Improvements
5180 Construction - Discretionary

Objective 2: Provide and improve access to local school systems and industry locations which apply and qualify for assistance.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percentage of projects approved	n/a	n/a	82%	77%	72%	69%	64%	59%
Performance Measures:								
Number of industry access roads completed	19	19	30	55	35	*n/a*	*n/a*	*n/a*
Average cost per industry access road	$49,103	$52,661	$53,036	$57,092	$53,288	*n/a*	*n/a*	*n/a*
Number of school accesses completed	48	26	50	25	25	*n/a*	*n/a*	*n/a*
Average cost per school access completed	$25,718	$22,645	$17,481	$31,032	$18,423	*n/a*	*n/a*	*n/a*
Dollars expended on access and public service roads projects (in thousands)	n/a	n/a	$2,300	$2,172	$2,465	*$2,000*	*$2,000*	*$2,000*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5140 Construction - Public Access
5180 Construction - Discretionary

8130 Special purpose projects

		1996-97 Authorized Expenditures			
		Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by						
Transportation Appropriations Subcommittee:						
4230	DOT CNST/MAIN					
5140	CONSTRUCTIN-PUB SRVC RDS	0.00	2,000,000.00	0.00	2,000,000.00	9.95
5170	CONSTRUCTION-SPOT SAFETY	0.00	9,100,000.00	0.00	9,100,000.00	45.27
5180	CONSTRUCT-DISCRETIONARY	0.00	9,000,000.00	0.00	9,000,000.00	44.78
	TOTAL FOR 8130 FUNDS	0.00	$ 20,100,000.00	$ 0.00	$ 20,100,000.00	100.00

8130 Special purpose projects

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	20,100,000	-3,000,000	17,100,000	-3,000,000	17,100,000
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	0	0	0	0	0
NET APPROPRIATION	0	0	0	0	0
HIGHWAY FUND APPROPRIATION	20,100,000	-3,000,000	17,100,000	-3,000,000	17,100,000

8200 Maintain and repair roads and highways

Purpose

The purpose of this program is to maintain and repair major arterial highways and secondary roads to provide improved transportation.

Expected outcomes

The expected outcome of this program is properly maintained and repaired roads and highways.

Budget by Subprogram (in millions)

Subprogram	1997-98	1998-99
Major arterial highways (8210)	$246.66	$246.59
Secondary roads (8220	$304.99	$309.13

Background and trends

North Carolina's highway system consists of 77,000 miles of roadways and 17,000 bridges. The fourteen Highway Divisions and the Bridge Maintenance Unit have the responsibility of maintaining this system. Department of Transportation employees and private contractors are used to maintain the system.

The general trend in highway maintenance has been that the road and bridge system continues to increase in size while the purchasing power of the maintenance funding dollar is failing to keep pace. Historically, funding levels have not been sufficient to maintain the systems to a minimum acceptable level of service. Furthermore, introduction of new maintenance programs and expansion of existing activities without concurrent funding increases have had the effect of decreasing funds available for accomplishing traditional maintenance activities.

Maintenance needs are categorized in three categories:

- annual routine maintenance needs,
- backlog of maintenance needs, and
- annual resurfacing needs.

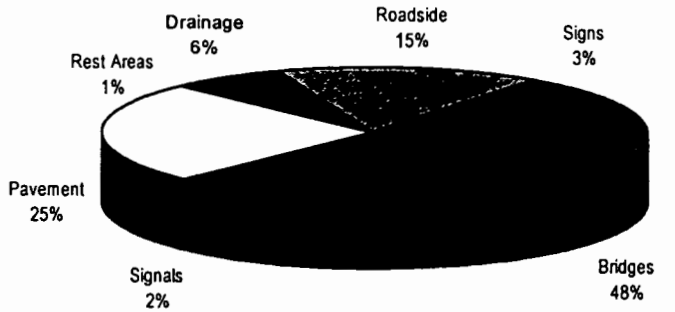
Annual Maintenance Needs



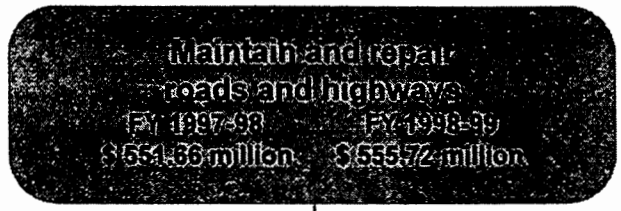
Backlog Maintenance Needs

Bridge Maintenance	$123,836,000
Pavement Marking/Striping/Maintenance	65,908,000
Roadside Maintenance	40,220,000
Drainage	16,683,000
Signs	6,600,000
Signals	5,500,000
Rest Area/Welcome Centers	1,950,000
Backlog of Routine Maintenance Needs Total	**$260,697,000**

Backlog Maintenance Needs



8200 Maintain and repair roads and highways



Subprograms

Major Arterial Highways

FY 1997-98 $246.66 million

FY 1998-99 $246.59 million

Secondary Roads

FY 1997-98 $304.99 million

FY 1998-99 $309.13 million

Objectives

Major Arterial Highways

1. Reduce the highway pavement backlog by applying maintenance overlays on a ten-year cycle time for primaries and a twelve-year cycle time for urban facilities.
2. Reduce the highway routine maintenance backlog by 10 percent annually.

Secondary Roads

1. Reduce the highway pavement backlog by applying maintenance overlays on a twelve-year cycle time.
2. Reduce the highway routine maintenance backlog by 10 percent annually.

8210 Major arterial highways

Purpose

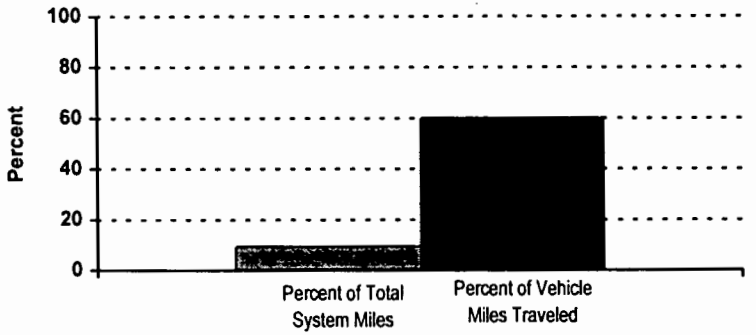
The purpose of this subprogram is the maintainance and repair of the state's major arterial highways.

Expected outcomes

The expected outcomes are reduced road user costs, increased highway safety, and increased quality road surface.

Background and trends

The major arterial highways represent 9.4 percent of total system miles and carries 60 percent of the vehicle miles of travel.

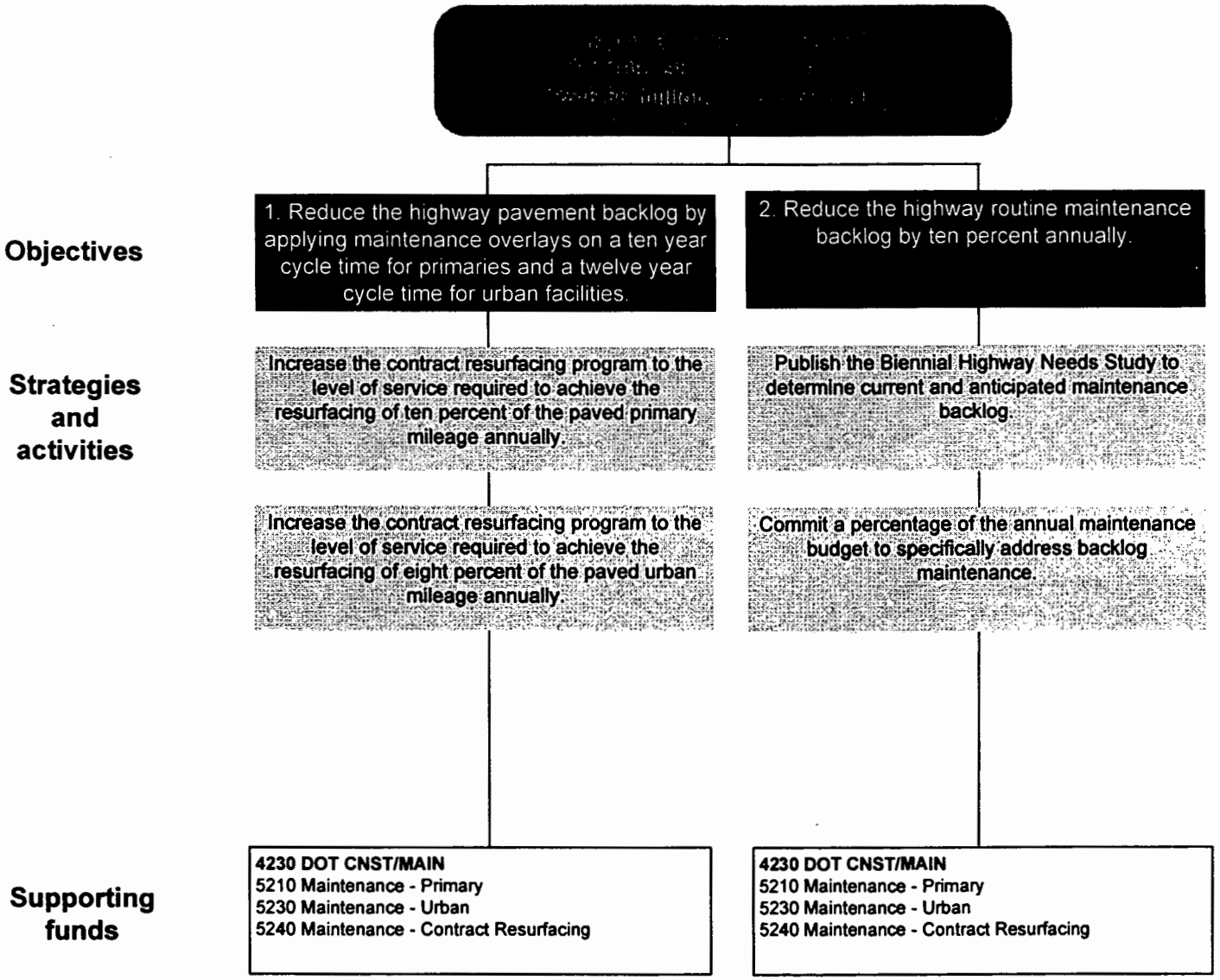


This percent of miles to total traffic presents special maintenance needs. The majority of trucks that are certified at gross weights of 80,000 pounds travel on this predominately multi-lane system. Consequently, the design costs and pavement thickness required are much greater than for other road types. Repairs on the arterial system must be done at the first sign of deterioration. The degree and cost of repairing these pavements increase substantially if repairs are delayed.

Another effect of deteriorating pavements on this heavily traveled system is the increased cost of repairs to vehicles that must travel on a rutted and uneven surface. Increased tire wear, lower fuel economy and structural damage to vehicles are calculated results of travel on pavements in disrepair.

Safety is an additional concern. Maintenance needs must be met since the incidence of vehicle accidents increases with accelerated pavement deterioration. Other maintenance problems that contribute to vehicle accidents include standing water caused by poor drainage, gouged and rutted shoulder edges, damaged or removed road signs, and structurally deficient bridges.

8210 Major arterial highways



8210 Major arterial highways

Objective 1: Reduce the highway pavement backlog by applying maintenance overlays on a ten year cycle time for primaries and a twelve year cycle time for urban facilities.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Cycle times between average primary and urban system overlay coverage measured in years	n/a	n/a	18	18	22	*16*	*13*	*10*
Performance Measures:								
Miles of highway resurfacing completed - primary system	n/a	n/a	662	682	561	*740*	*916*	*1,191*
Miles of highway resurfacing completed - urban system	n/a	n/a	286	234	257	*380*	*474*	*514*
Mileage inventory of primary system	n/a	n/a	11,149	11,106	11,919	*11,919*	*11,919*	*11,919*
Mileage inventory of urban system	n/a	n/a	5,948	6,014	6,174	*6,174*	*6,174*	*6,174*
Cost per mile resurfacing primary & urban system	n/a	n/a	$64,000	$74,800	$80,000	*$80,000*	*$80,000*	*$80,000*
Miles of resurfacing completed under contract	2,662	2,233	2,124	1,798	1,717	*1,700*	*1,650*	*1,600*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5210 Maintenance - Primary
5230 Maintenance - Urban
5240 Maintenance - Contract Resurfacing

Objective 2: Reduce the highway routine maintenance backlog by ten percent annually.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of maintenance allocation dedicated to addressing the routine maintenance backlog	n/a	n/a	0%	10%	9%	*10%*	*10%*	*10%*
Performance Measures:								
Amount of funds available for backlog maintenance	n/a	n/a	n/a	$30M	$28M	*$33M*	*$34M*	*$35M*
Total maintenance funds available	n/a	n/a	n/a	$315M	$320M	*$330M*	*$340M*	*$350M*
Miles of resurfacing completed under contract	2,662	2,233	2,124	1,798	1,717	*1,700*	*1,650*	*1,600*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5210 Maintenance - Primary
5230 Maintenance - Urban
5240 Maintenance - Contract Resurfacing

8210 Major arterial highways

1996-97 Authorized Expenditures

	Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by					
Transportation Appropriations Subcommittee:					
4230 DOT CNST/MAIN					
5210 MAINTENANCE-PRIMARY	0.00	109,635,113.00	0.00	109,635,113.00	44.40
5230 MAINTENANCE-URBAN	0.00	36,414,035.00	0.00	36,414,035.00	14.75
5240 MAINTENANCE-CONTR RESURF	0.00	100,875,815.00	0.00	100,875,815.00	40.85
	0.00	$246,924,963.00	$0.00	$246,924,963.00	100.00

8210 Major arterial highways

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	246,924,963	-260,559	246,664,404	-332,532	246,592,431
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	0	0	0	0	0
NET APPROPRIATION	0	0	0	0	0
HIGHWAY FUND APPROPRIATION	246,924,963	-260,559	246,664,404	-332,532	246,592,431

8220 Secondary roads

Purpose

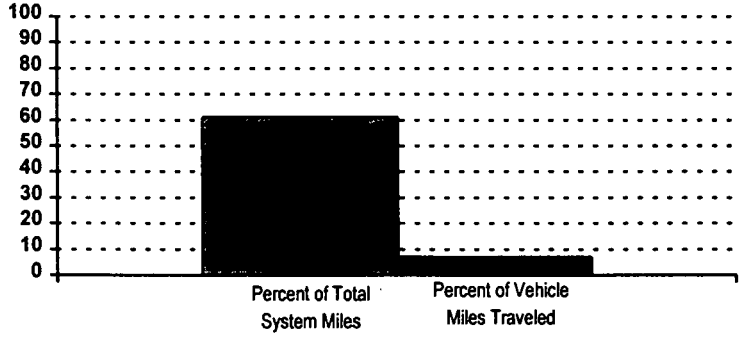
The purpose of this subprogram is to maintain and repair secondary roads.

Expected outcomes

The expected outcomes are reduced road user costs, increased highway safety and increased road surface quality.

Background and trends

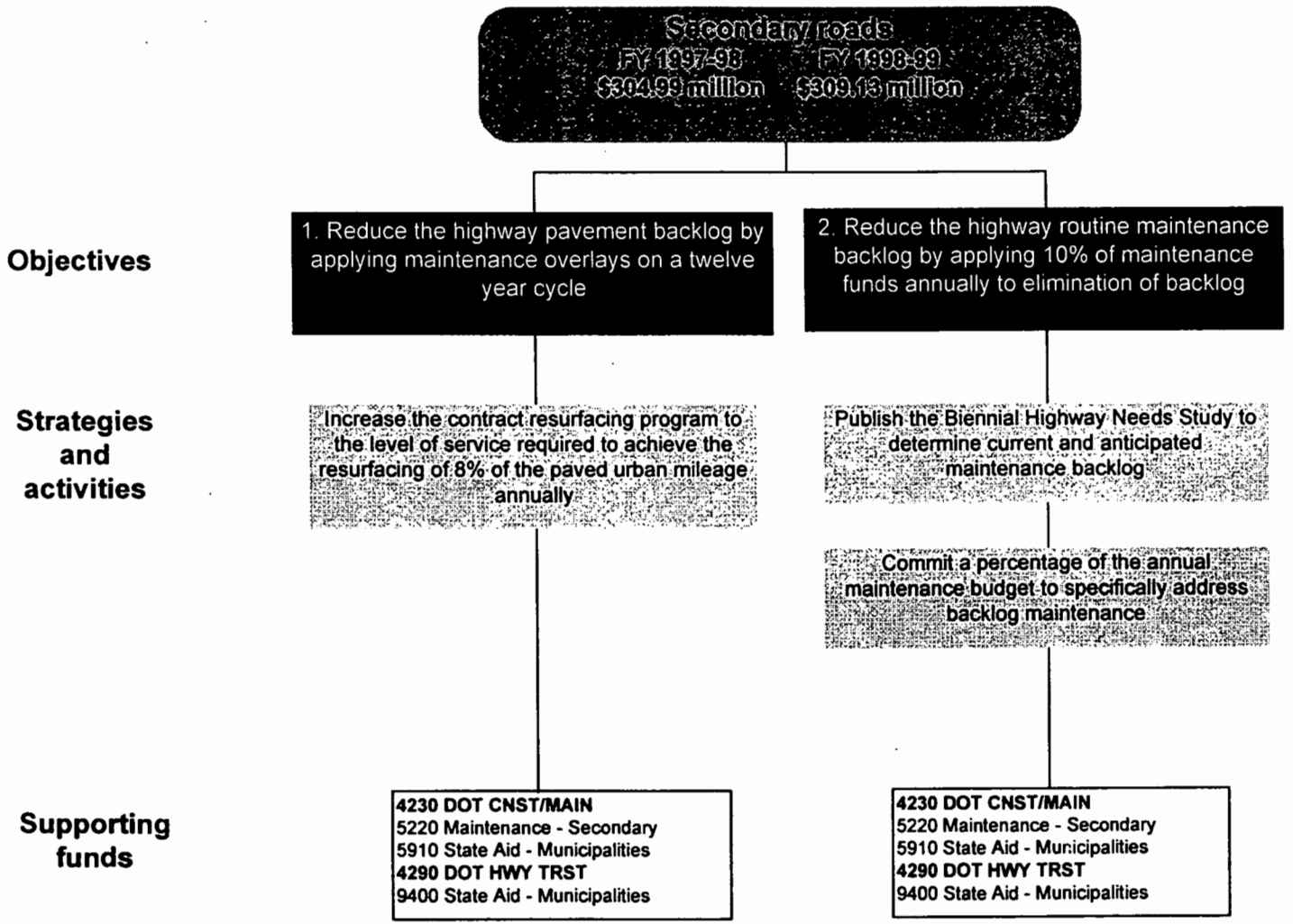
The secondary road system in North Carolina consists of 59,631 miles of paved and unpaved surfaces. Secondary roads make up the biggest proportion (61%) of the states road miles.



The traffic on these county roads is only seven percent of the total, but the importance of the system is not diminished. A majority of school children who must use a bus are transported daily on secondary roads and the maintenance of these roads is important to their safety.

Commuters leaving the suburbs and residential developments common in rural areas adjacent to the metropolitan counties must travel secondary roads to access the major highway system. The condition of the roads is of major concern to these users. In surveying public attitudes concerning the highway system, there is an appreciation for multi-lane highways, but the condition of the road near their homes attracts their attention daily. Road shoulders that are deeply rutted, potholes, standing water, and poorly striped lanes initiate numerous requests to the department for immediate repairs.

Twenty four percent of the secondary road system is unpaved. This compounds the maintenance requirements. Proper and continuous grading of these dirt and gravel surfaces ensure that North Carolina will not be stuck in the mud as was common in the first half of this century. Farmers are severely restricted on the size and weight of vehicles that they may use if the unpaved road surface is soft with mud or rutted and covered with holes. The movement of product to market is restricted and an economic burden is placed on the small farmer struggling to compete in a world market.


Secondary roads
FY 1997-98
$304.99 million
FY 1998-99
$309.13 million
Objectives
1. Reduce the highway pavement backlog by applying maintenance overlays on a twelve year cycle
2. Reduce the highway routine maintenance backlog by applying 10% of maintenance funds annually to elimination of backlog
Strategies and activities
Increase the contract resurfacing program to the level of service required to achieve the resurfacing of 8% of the paved urban mileage annually
Publish the Biennial Highway Needs Study to determine current and anticipated maintenance backlog
Commit a percentage of the annual maintenance budget to specifically address backlog maintenance
Supporting funds
4230 DOT CNST/MAIN
5220 Maintenance - Secondary
5910 State Aid - Municipalities
4290 DOT HWY TRST
9400 State Aid - Municipalities
4230 DOT CNST/MAIN
5220 Maintenance - Secondary
5910 State Aid - Municipalities
4290 DOT HWY TRST
9400 State Aid - Municipalities

8220 Secondary roads

Objective 1: Reduce the highway pavement backlog by applying maintenance overlays on a twelve year cycle.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Cycle times between average overlay coverage on secondary roads (in years)	n/a	n/a	28	32	37	*25*	*20*	*15*
Performance Measures:								
Miles of secondary roads resurfaced	n/a	n/a	1,602	1,428	1,275	*1,952*	*2,477*	*3,352*
Mileage inventory - paved secondary roads	44,397	45,174	45,886	48,037	48,037	*48,789*	*49,539*	*50,290*
Cost per mile - resurfacing	n/a	n/a	$33,500	$35,800	$40,000	*$40,000*	*$40,000*	*$40,000*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5220 Maintenance - Secondary
5910 State Aid - Municipalities
4290 DOT HWY TRST
9400 State Aid - Municipalities

Objective 2: Reduce the highway routine maintenance backlog by applying 10% of maintenance funds annually.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of maintenance allocation dedicated to addressing the routine maintenance backlog	n/a	n/a	0%	10%	9%	*10%*	*10%*	*10%*
Performance Measures:								
Amount of funds available for backlog maintenance	n/a	n/a	n/a	$30M	$28M	*$33M*	*$34M*	*$35M*
Total maintenance funds available	n/a	n/a	n/a	$315M	$320M	*$330M*	*$340M*	*$350*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5220 Maintenance - Secondary
5910 State Aid - Municipalities
4290 DOT HWY TRST
9400 State Aid - Municipalities

8220 Secondary roads

		1996-97 Authorized Expenditures			
		Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by Transportation Appropriations Subcommittee:						
4230	DOT CNST/MAIN					
5220	MAINTENANCE-SECONDARY	0.00	187,394,152.00	0.00	187,394,152.00	62.78
5910	STATE AID-MUNICIPALITIES	0.00	76,666,941.00	0.00	76,666,941.00	25.69
4290	DOT HWY TRST FD					
9400	STATE AID-MUNICIPALITIES	0.00	34,409,796.00	0.00	34,409,796.00	11.53
	TOTAL FOR 8220 FUNDS	0.00	$ 298,470,889.00	$ 0.00	$ 298,470,889.00	100.00

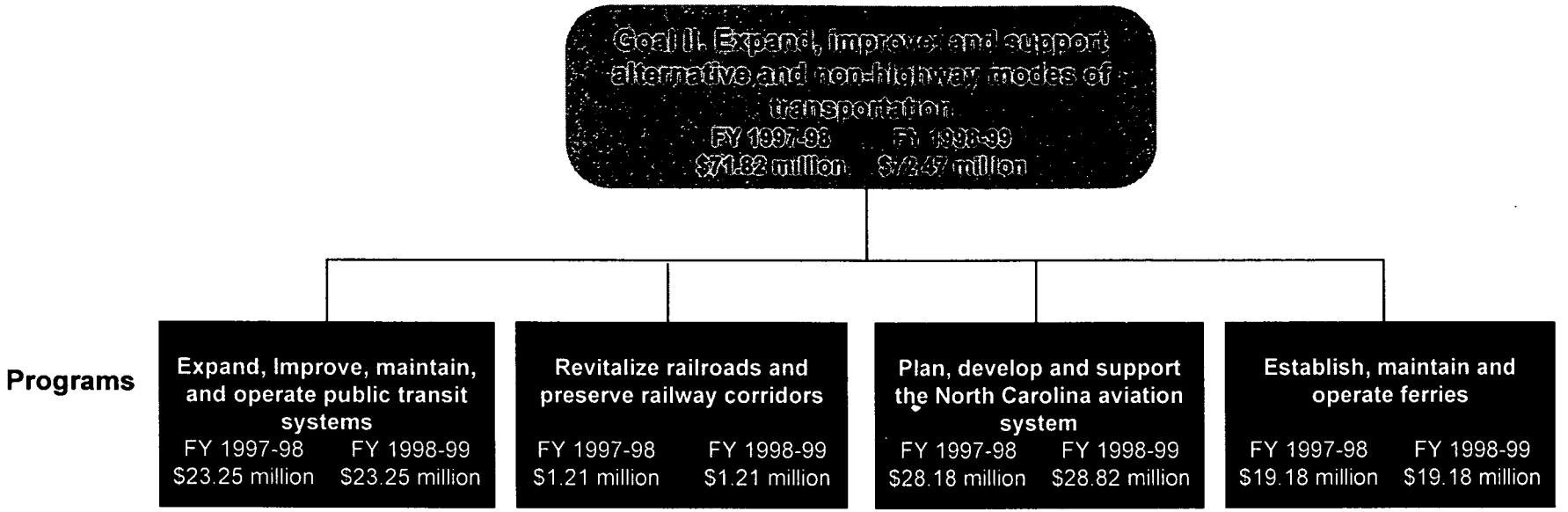
8220 Secondary roads

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	298,470,889	6,523,749	304,994,638	10,658,966	309,129,855
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	0	0	0	0	0
NET APPROPRIATION	0	0	0	0	0
HIGHWAY FUND APPROPRIATION	298,470,889	6,523,749	304,994,638	10,658,966	309,129,855

Goal II. Expand, improve, and support alternative and non-highway modes of transportation

This goal is comprised of activities that are directed toward reducing congestion on the state's roads and highways, and providing service to the transportation disadvantaged. These activities include public transit, rail, aviation, and ferries.

TRANSPORTATION PROGRAM AREA



8300 Expand, improve, maintain, and operate public transit systems

Purpose

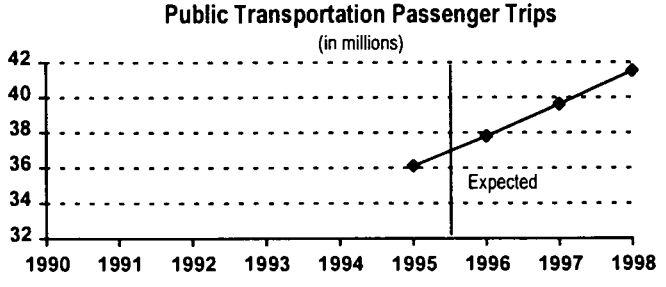
The purpose of this program is to provide funding, coordination, planning and training for public transportation systems in the state.

Expected outcomes

The expected outcomes for this subprogram are public transportation access to medical care, shopping, education, employment, and reduced highway congestion.

Background and trends

North Carolina's population is evenly divided between urban areas (50.4%) and rural areas (49.6%). With the state's population spread over a large area, providing regular, comprehensive, cost-effective public transportation in rural and urban areas alike is difficult. Despite this, over 38 million passenger trips were provided by all forms of public transportation.

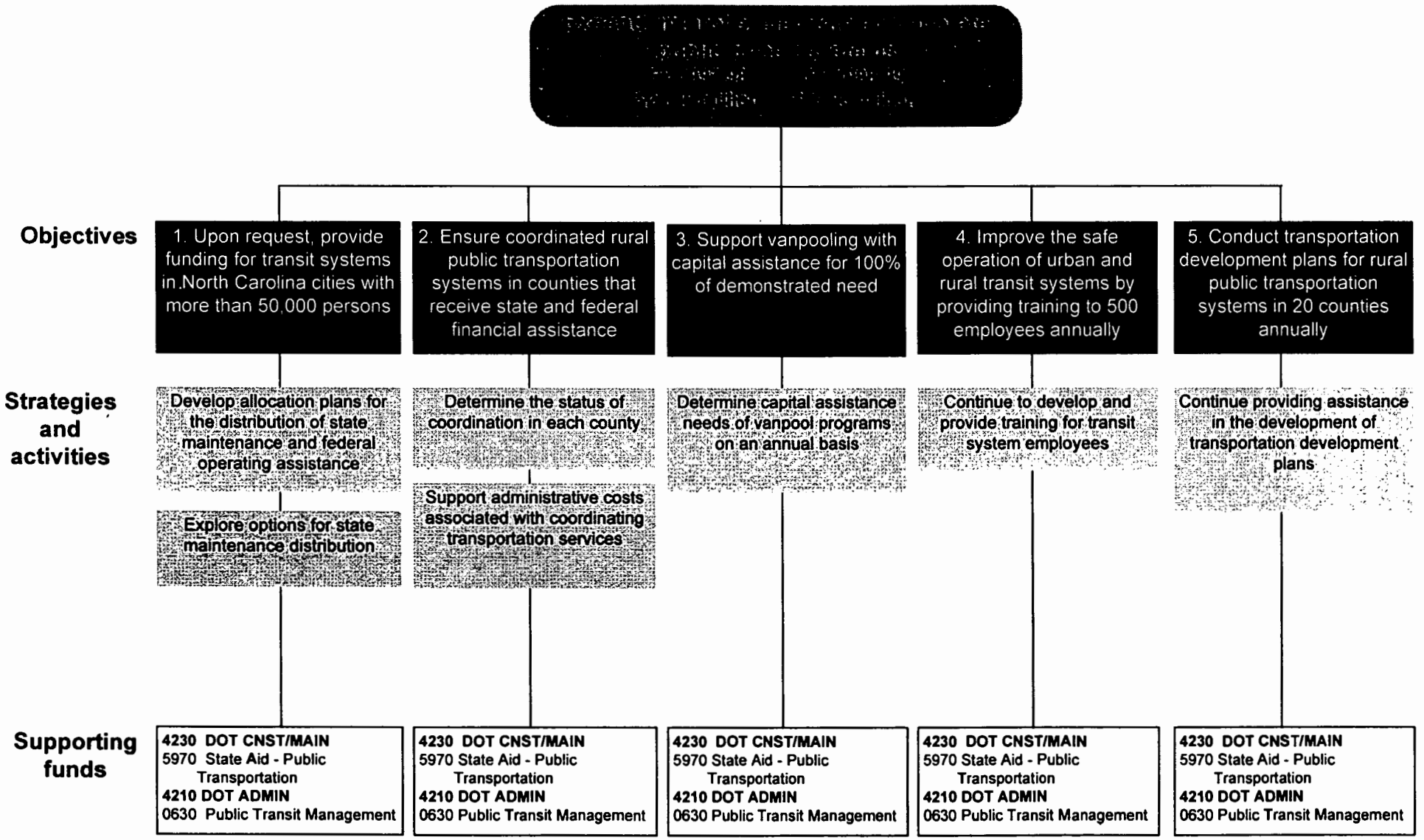


There are seventeen publicly-owned bus systems in North Carolina. More than 33 million passengers rode approximately 13.5 million miles in 1995. Carpool/vanpool services are available in eleven counties, mostly in the urban areas of Charlotte, the Triad, and the Research Triangle. Approximately three million citizens have access to rural public transportation services in 50 counties and towns. All 100 counties receive assistance to serve the special transportation needs of the elderly and disabled. Trends affecting this subprogram include:

- Federal transit assistance for capital investment remains relatively stable, while assistance for operating public transit systems continues to be reduced.
- Growth patterns are expected to increase demand on the transportation system as increasing numbers of urban and suburban residents continue the so-called "many-to-many" origin and destination patterns that are prevalent in areas with a dispersed settlement pattern. A growing interrelationship of rural bedroom-type communities with major urban employment areas is expected to continue. "Peak hour" commute trips from rural and suburb communities to urban areas are expected to increase as land and construction costs continue to rise in urban areas.
- Travel behavior may change slightly over the next four years due to attempts by local transportation planners and officials to improve the use of public transportation and increase the occupancy rates of the vehicles. To be successful, however, these improvements require higher density settlement and development patterns along major transportation corridors and thoroughfares.
- Congestion/incident management is a part of the department's continuing effort to improve the overall utilization of major thoroughfares in urban areas. The new Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) provides specific programming funds to support these efforts. Limited resources are to be managed carefully with consideration of alternative transportation measures before construction of additional lanes on congested corridors. Urban population will increase from 57 to 59 percent of total state population between the years 1990 and 2000.
- Increased interest in alternative transportation is a result of congestive growth in urban areas and the need to provide transportation to those who need it. Currently, alternative transportation is available to only 60 percent of North Carolina's population, however these needs are continuing to grow.

Growth in regional public transportation authorities is expected to improve the effectiveness in meeting inherent transportation needs throughout the area without artificial political boundary interference. These authorities should form and increase in activity and scope in the Charlotte metro region, Triad region, Research Triangle and possibly smaller areas that are geographically aligned with common bonds and interests.

8300 Expand, improve, maintain, and operate public transit systems



8300 Expand, improve, maintain, and operate public transit systems

Objective 1: Upon request, provide funding for transit systems in North Carolina cities with more than 50,000 persons.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of fixed route transit systems in North Carolina cities with populations greater than 50,000 that formally request state and federal financial assistance	n/a	n/a	100%	100%	100%	*100%*	*100%*	*100%*
Performance Measures:								

Current Situation:

Funds:

4230 DOT CNST/MAIN
5970 State Aid - Public Transportation
4210 DOT ADMIN
0630 Public Transit Management

Objective 2: Ensure coordinated rural public transportation systems in counties that receive state and federal financial assistance.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of counties that receive assistance with coordinated systems	n/a	n/a	100%	100%	100%	*100%*	*100%*	*100%*
Performance Measures:								

Current Situation:

Funds:

4230 DOT CNST/MAIN
5970 State Aid - Public Transportation
4210 DOT ADMIN
0630 Public Transit Management

Objective 3: Support vanpooling with capital assistance for 100% of demonstrated need.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of vanpools requesting assistance from the department that receive capital assistance	n/a	n/a	100%	100%	100%	*100%*	*100%*	*100%*
Performance Measures:								

Current Situation:

Funds:

4230 DOT CNST/MAIN
5970 State Aid - Public Transportation
4210 DOT ADMIN
0630 Public Transit Management

Objective 4: Improve the safe operation of urban and rural transit systems by providing training to 500 employees annually.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of employees trained annually	n/a	n/a	n/a	n/a	n/a	*n/a*	*500*	*550*
Performance Measures:								

Current Situation:

Funds:

4230 DOT CNST/MAIN
5970 State Aid - Public Transportation
4210 DOT ADMIN
0630 Public Transit Management

8300 Expand, improve, maintain, and operate public transit systems

Objective 5: Conduct transportation development plans for rural public transportation systems in 20 counties annually

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of plans completed annually	n/a	n/a	n/a	n/a	n/a	*n/a*	*20*	*20*
Performance Measures:								

Current Situation:

Funds:

4230 DOT CNST/MAIN
5970 State Aid - Public Transportation
4210 DOT ADMIN
0630 Public Transit Management

8300 Expand, improve, maintain, and operate public transit systems

	1996-97 Authorized Expenditures				
	Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by					
Transportation Appropriations Subcommittee:					
4210 DOT-ADMIN					
0630 PUBLIC TRANSPORTATION	7.00	374,341.00	0.00	374,341.00	1.59
4230 DOT CNST/MAIN					
5970 PUBLIC TRANSPORTN PROGRM	0.00	23,174,978.00	7,128,057.00	16,046,921.00	98.41
TOTAL FOR 8300 FUNDS	7.00	$ 23,549,319.00	$ 7,128,057.00	$ 16,421,262.00	100.00

8300 Expand, improve, maintain, and operate public transit systems

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	23,549,319	-303,802	23,245,517	-303,802	23,245,517
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	7,128,057	-300,000	6,828,057	-300,000	6,828,057
NET APPROPRIATION	0	0	0	0	0
HIGHWAY FUND APPROPRIATION	16,421,262	-3,802	16,417,460	-3,802	16,417,460
NUMBER OF POSITIONS	7.00	.00	7.00	.00	7.00

8400 Revitalize railroads and preserve railway corridors

Purpose

The purpose of this subprogram is to revitalize railroads, reserve railway corridors and increase rail passenger service.

Expected outcomes

The expected outcomes are reduced rail travel time, reliable freight transport, improved passenger service, and safer rail travel and crossings.

Background and trends

The railroads were the early backbone of North Carolina's transportation system. Many highways that now carry the bulk of traffic were built to follow major rail lines. These same rail lines are now a valuable transportation resource for passengers and industries.

The NCDOT began work in 1977 to promote, preserve and develop the state's railroad system as part of an efficient multi-modal transportation network. The Rail Division's top priorities include: preserving and modernizing railroad tracks, purchasing inactive railroad corridors, improving safety at railroad-highway intersections, and providing, marketing and improving state-sponsored passenger service between cities.

Increasing suburbanization and urban sprawl has increased the demand for roads and highways for travel by private vehicle. Highway congestion is increasing in the major metropolitan areas as people are willing to drive further to get to their place of employment, shopping and homes. The public's acceptance or dissatisfaction with increasing travel times on roads and highways will be a factor in increasing the acceptance and efficiency of rail travel.

The state has 3,655 miles of rail track, with over 75 percent, or 2,692 miles, being operated by two companies. The remaining miles are operated by 22 short-line railroads which range in size from three miles to 140 miles in length. There are also rail-highway links in Charlotte and rail-water links at the state's ports in Morehead City and Wilmington. More than 105 million tons of freight and over 386,000 passengers were carried by rail in 1995.

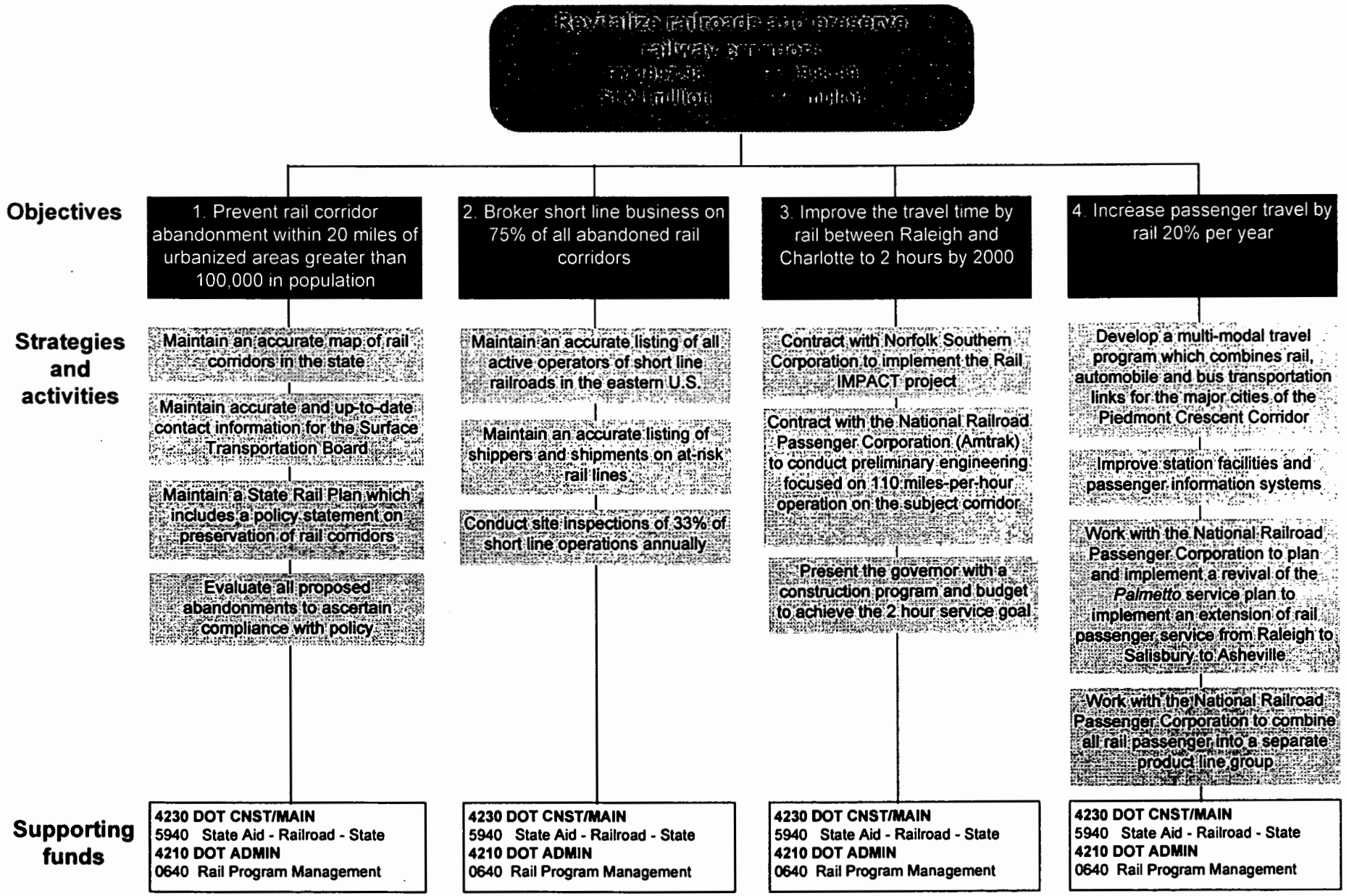
The long-range preservation of rail corridors in the public interest will continue to be of growing importance and interest in the future. Encouraging the maintenance of rail corridors by supporting private companies or through public investment in abandoned rail corridors will be needed to facilitate expanded rail service. An awareness of the relationship between the largely private railroads and the state's economic interests will continue to grow, creating continued pressure to sustain and revitalize this transportation alternative.

Improving the travel time and availability of rail passenger travel will attract more riders. Expanded service along the I-85 corridor should allow for increased business and leisure use. Improving tracks and removing speed restrictions is allowing travel to be more competitive with automobile travel. Developing the use of high-speed trains to reduce travel times between Raleigh and Charlotte will be critical in further reducing travel times between these metropolitan areas.

The state-sponsored, Amtrak-operated *Piedmont* and *Carolinian* trains provide passenger service between Raleigh and Charlotte and points north. A program of rail infrastructure improvements called Rail IMPACT (Improvement Measure to Provide Alternate Corridor Transportation) will increase the maximum train speed between Raleigh and Greensboro from 59 to 79 miles per hour and will reduce travel time to three hours and 15 minutes. To reduce that travel time, the IMPACT program calls for adding and improving grade crossing signals, realigning track switches, increasing super-elevation in curves and installing signals and a traffic control system between Greensboro and Cary. Engineering work is underway to design further improvements to the route with the goal of designing a railroad that would allow for two-hour service between Raleigh and Charlotte. Efforts are also being directed towards consolidating redundant and or unsafe railroad crossings and testing new crossing signal technologies.

As North Carolina's population increases and its economy grows, so will the need for faster, more frequent, reliable rail service.

8400 Revitalize railroads and preserve railway corridors



8400 Revitalize railroads and preserve railway corridors

Objective 1: Prevent rail corridor abandonment within 20 miles of urbanized areas greater than 100,000 in population.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of freight rail miles available to the state after local abandonment	n/a	n/a	n/a	n/a	90%	*90%*	*90%*	*90%*
Performance Measures:								

Current Situation: Prevention of rail corridor abandonment may involve purchasing the corridor by the Rail Divison if it is not donated by the railroad industry. If federal funds are used for the acquisition, the Uniform Act requires that an appraisal be made and that an offer be made based on fair market price. If state funds are used for the acquisition, a negotiated offer may be made on the property.

Funds:

4230 DOT CNST/MAIN
5940 State Aid - Railroad - State
4210 DOT ADMIN
0640 Rail Program Management

Objective 2: Broker short line business on 75% of all abandoned rail corridors.								
	Actual					*Estimated*	*Expected*	*Expected*
Measures	**1991-92**	**1992-93**	**1993-94**	**1994-95**	**1995-96**	***1996-97***	***1997-98***	***1998-99***
Outcome Measures:								
Percent of abandoned short line rail lines brokered annually	n/a	n/a	n/a	n/a	75%	*75%*	*75%*	*75%*
Performance Measures:								

Current Situation: More than two dozen short line railroads provide essential freight services to small towns throughout North Carolina. When a rail line with active shippers is considered for adandonment, the Rail Division will attempt to broker a short line operation, and if the property is preserved as a rail corridor and there is shipping interest, the division will seek federal or state assistance to rehabilitate the line for lease operation.

Funds:

4230 DOT CNST/MAIN
5940 State Aid - Railroad - State
4210 DOT ADMIN
0640 Rail Program Management

8400 Revitalize railroads and preserve railway corridors

Objective 3: Improve the travel time by rail between Raleigh and Charlotte to 2 hours by 2000.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Travel time on rail corridor between Raleigh and Charlotte (hours:minutes)	n/a	n/a	n/a	n/a	3:45	*3:25*	*3:00*	*2:45*
Performance Measures:								

Current Situation: Funding was received from the Federal Railway Administration under Section 1036 of Intermodal Surface Efficiency Act (ISTEA) to conduct master planning for high speed rail passenger service from Charlotte to Raleigh and Raleigh to Richmond, VA. This corridor was one of five national high speed rail corridors designated under ISTEA. Amtrak Engineering has been contracted to coordinate and complete an assessment of the corridor. A draft report will be released in December 1996.

Funds:

4230 DOT CNST/MAIN
5940 State Aid - Railroad - State
4210 DOT ADMIN
0640 Rail Program Management

Objective 4: Increase passenger travel by rail 10% over the next two years.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number/percent increase in rail passengers annually	n/a	n/a	n/a	n/a	180,000/ 0%	*200,000/ 11.0%*	*225,000/ 12.5%*	*250,000/ 1.1%*
Performance Measures:								

Current Situation: In 1995, a second passenger train, the Piedmont, was added for service between Raleigh and Charlotte to complement the service of the first passenger train to serve these cities, the Carolinian. In 1996, Amtrak added an additional train, the Silver Palm, to its other trains, the Silver Star, the Silver Meteor, and the Crescent, serving the state. Improved services, stations, passenger amenities and information systems are being implemented to increase the number of rail passengers. Program focus has been directed at revenue recovery which was 85 percent of train, route and system costs in 1995.

Funds:

4230 DOT CNST/MAIN
5940 State Aid - Railroad - State
4210 DOT ADMIN
0640 Rail Program Management

8400 Revitalize railroads and preserve railway corridors

		1996-97 Authorized Expenditures			
	Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by					
Transportation Appropriations Subcommittee:					
4210 DOT-ADMIN					
0640 RAIL PROGRAM ADMIN	8.00	404,554.00	0.00	404,554.00	31.01
4230 DOT CNST/MAIN					
5940 RAILROAD PROGRAM	0.00	900,000.00	100,000.00	800,000.00	68.99
TOTAL FOR 8400 FUNDS	8.00	$ 1,304,554.00	$ 100,000.00	$ 1,204,554.00	100.00

8400 Revitalize railroads and preserve railway corridors

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	1,304,554	0	1,210,503	24	1,210,527
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	0	0	0	0	0
NET APPROPRIATION	1,304,554	0	1,210,503	24	1,210,527

8500 Plan, develop and support the North Carolina aviation system

Purpose

The purpose of this subprogram is to establish and support air transportation.

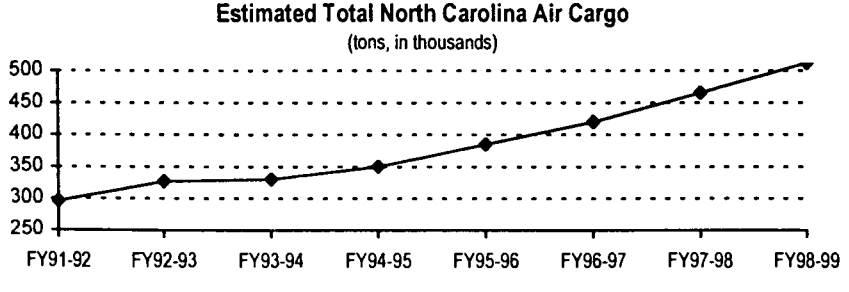
Expected outcomes

The expected outcomes of this program are:

- improved airport standards,
- reduced travel time,
- improved safety,
- improved airport maintenance, and
- supporting the programs of the Department of Transportation.

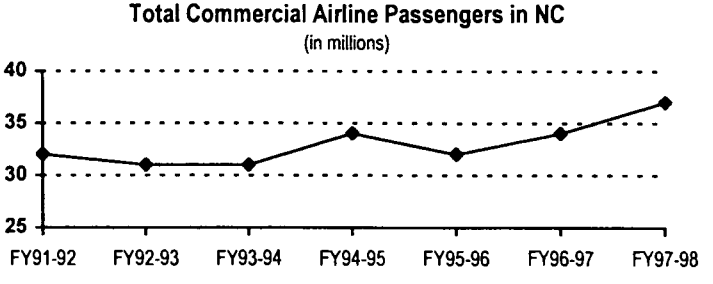
Background and trends

North Carolina is proud of its heritage as the birthplace of powered flight. From the Wright Brothers first flight at Kill Devils Hills on December 17, 1903, the state has occupied a strategic position on our nation's air commerce routes. Long term economic development in North Carolina has benefited from a far-ranging system of airports, airways, navigational aids and commercial airline services.



Aviation activity in North Carolina ranks high among the states. There are 116 public-use airports in the state, including 75 publicly-owned airports, of which 15 have scheduled commercial service. There are also 41 privately-owned public-use airports. North Carolina also has three publicly-owned and one privately-owned public-use heliports.

In 1994, 36 million air passengers moved through North Carolina airport terminals. There are currently two major airline hubs in the state: USAir operates a hub at Charlotte-Douglas International Airport, and Continental Airlines operates a hub at Piedmont-Triad International Airport. Midway Airlines has its corporate operations based at Raleigh-Durham International Airport.



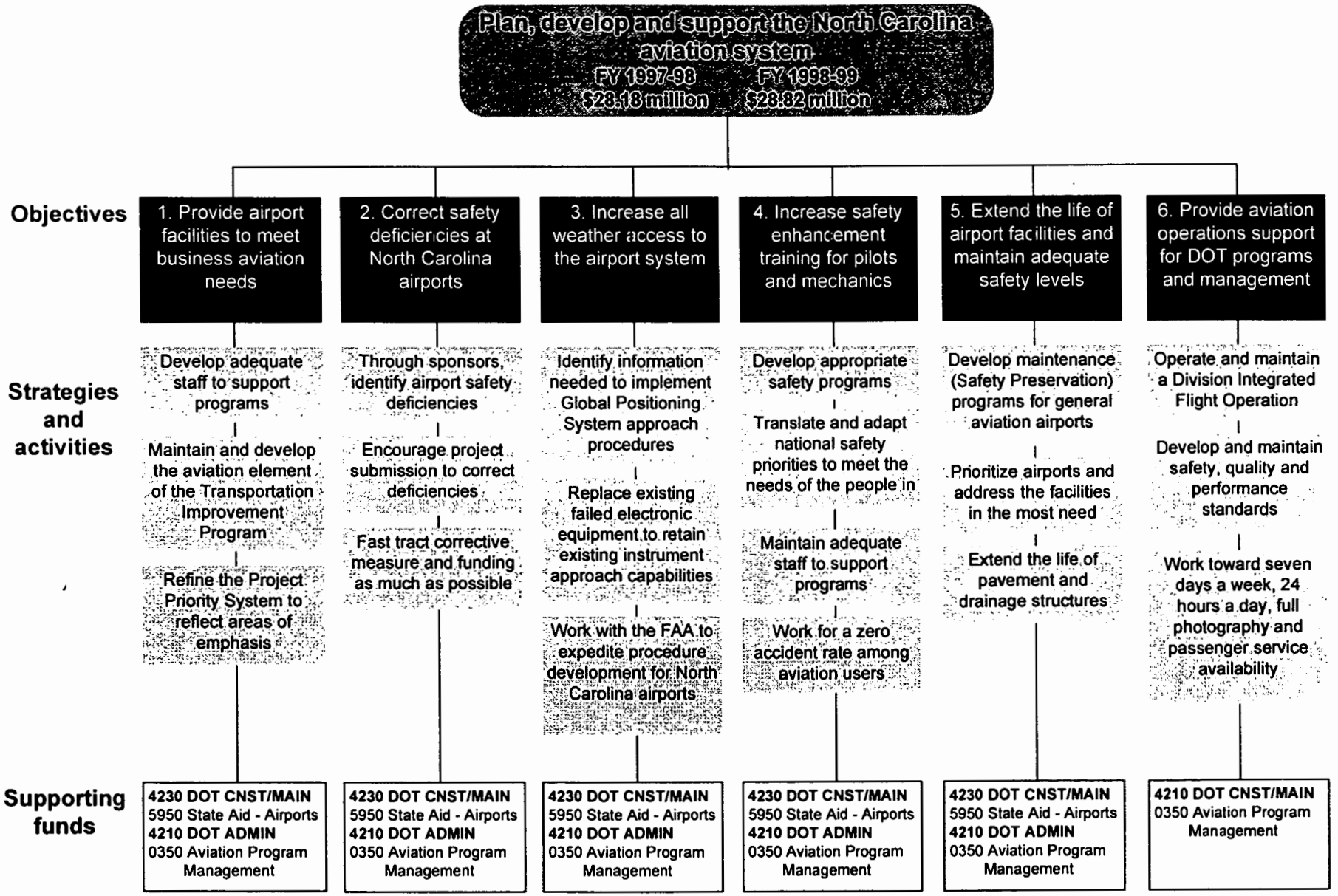
Over 350,000 metric tons of air cargo was estimated to be transported through North Carolina during FY 94-95. The air cargo business has continued to grow in the state, and this trend is expected to continue.

Major activities of this program include developing public airport facilities, developing the North Carolina Airport System Plan to project aviation needs on a regional and local basis, and supporting of the Department of Transportation's programs by providing aerial photography, and FAA/NTSB accident investigations.

Trends affecting this subprogram include:

- Business aviation will continue to grow as business expands into more non-traditional locations resulting in needed improvements for airports and other aviation systems throughout the state.
- Commercial air travel will double nationwide by the year 2010 as compared to 1993. North Carolina airports will follow a similar pattern.
- Freight movements continue to be the fastest growing element of North Carolina's air transportation system with an 800% increase in shipment weights over 1990 expected by the year 2010.
- Air service will change with market demands, resulting potentially in two new air service points in North Carolina.
- Community air access will continue to be an important element and will allow small communities to directly access the National Air Transportation System through general aviation.

8500 Plan, develop and support the North Carolina aviation system



8500 Plan, develop and support the North Carolina aviation system

Objective 1: Provide airport facilities capable of meeting the needs of modern business aviation users.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of airports meeting N.C. business aviation standards	n/a	n/a	n/a	n/a	36	*37*	*38*	*40*
Performance Measures:								
Number of airport safety inspections held by DOT	83	120	120	148	160	*170*	*183*	*195*
Total aviation system investment by state, federal, and local governments (in millions) *Cut back in federal funds	$78	$75	$72	$61*	$79	*$80*	*$80*	*$80*
Number of local government sponsors receving state aid to airports	44	44	46	52	55	*60*	*60*	*60*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5950 State Aid - Airports
4210 DOT ADMIN
0350 Aviation Program Management

8500 Plan, develop and support the North Carolina aviation system

Objective 2: Correct existing safety deficiencies at North Carolina airports.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of safety deficiency areas addressed in the aviation system	n/a	n/a	0	0	2	*5*	*10*	*15*
Performance Measures:								
Number of airport safety inspections held by DOT	83	120	120	148	160	*170*	*183*	*195*
Number of aviation safety program attendees	2,315	2,825	2,975	4,850	n/a	*3,350*	*n/a*	*n/a*
Number of local governments receiving State Aid to Airports	44	44	46	52	55	*60*	*60*	*60*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5950 State Aid - Airports
4210 DOT ADMIN
0350 Aviation Program Management

8500 Plan, develop and support the North Carolina aviation system

Objective 3: Increase all weather access to the airport system.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of instrument approach procedures and weather reporting systems installed	n/a	n/a	n/a	n/a	200	*212*	*220*	*229*
Performance Measures:								
Number of local governments receiving State Aid to Airports	44	44	46	52	55	*60*	*60*	*60*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5950 State Aid - Airports
4210 DOT ADMIN
0350 Aviation Program Management

Objective 4: Increase safety enhancement training for pilots and mechanics across North Carolina.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of safety program attendees	n/a	n/a	2975	4850	5275	*5540*	*5816*	*6106*
Performance Measures:								
Number of airport safety inspections held by DOT	83	120	120	148	160	*170*	*183*	*195*
Number of aviation safety program attendees	2,315	2,825	2,975	4,850	n/a	*3,350*	*n/a*	*n/a*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5950 State Aid - Airports
4210 DOT ADMIN
0350 Aviation Program Management

Objective 5: Increase full service airport maintenance programs to extend the life of the facilities and maintain adequate safety levels.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of airports on NCDOT maintenance program	n/a	n/a	0	0	3	*6*	*9*	*12*
Performance Measures:								
Number of airport safety inspections held by DOT	83	120	120	148	160	*170*	*183*	*195*
Number of aviation safety program attendees	2,315	2,825	2,975	4,850	n/a	*3,350*	*n/a*	*n/a*
Number of local governments receiving State Aid to Airports	44	44	46	52	55	*60*	*60*	*60*
Total aviation system investment by state, federal, and local governments (in millions)*	$78	$75	$72	$61*	$79	*$80*	*$80*	*$80*

*Cut back in federal funds.

Current Situation:

Funds:

4230 DOT CNST/MAIN
5950 State Aid - Airports
4210 DOT ADMIN
0350 Aviation Program Management

8500 Plan, develop and support the North Carolina aviation system

Objective 6: Provide aviation operations support for DOT programs, missions and management.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
The number of flight hours supporting DOT programs	n/a	n/a	1244	1177	1192	*1400*	*1400*	*1400*
Performance Measures:								
Total number of flight missions conducted	480	459	482	519	494	*500*	*520*	*530*
Total flight hours flown *More time efficient aircraft.	1,150	1,215	1,240	1,202*	n/a	*1,395*	*n/a*	*n/a*
Number of photogrammetry missions accomplished *Increased demand.	240	272	289	391*	297	*350*	*350*	*350*

Current Situation:

Funds:

4230 DOT CNST/MAIN
0350 Aviation Program Management

8500 Plan, develop and support the North Carolina aviation system

		1996-97 Authorized Expenditures			
	Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by					
Transportation Appropriations Subcommittee:					
4210 DOT-ADMIN					
0350 AERONAUTICS	17.00	2,090,089.00	293,717.00	1,796,372.00	7.57
4230 DOT CNST/MAIN					
5950 AIRPORTS PROGRAM	0.00	25,525,272.00	25,525,272.00	0.00	92.43
TOTAL FOR 8500 FUNDS	17.00	$ 27,615,361.00	$ 25,818,989.00	$ 1,796,372.00	100.00

8500 Plan, develop and support the North Carolina Aviation system

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	27,615,361	560,888	28,176,249	1,200,673	28,816,034
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	25,818,989	562,644	26,381,633	1,199,235	27,018,224
NET APPROPRIATION	0	0	0	0	0
HIGHWAY FUND APPROPRIATION	1,796,372	-1,756	1,794,616	1,438	1,797,810
NUMBER OF POSITIONS	17.00	.00	17.00	.00	17.00

8600 Establish, maintain and operate ferries

Purpose

The purpose of this program is to establish, maintain and operate ferries.

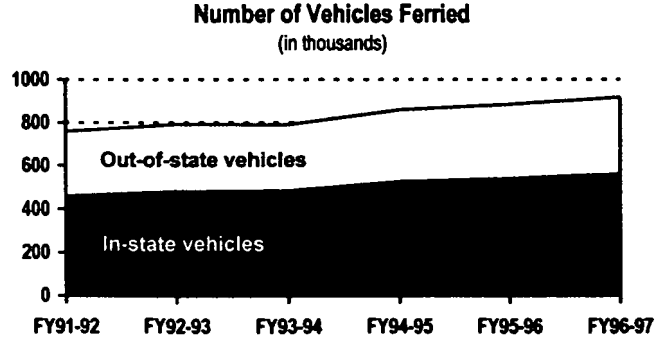
Expected outcomes

The expected outcomes are:

- emergency evacuation;
- transportation to shopping, medical, employment and school locations; and
- assisting the growth of the tourist industry.

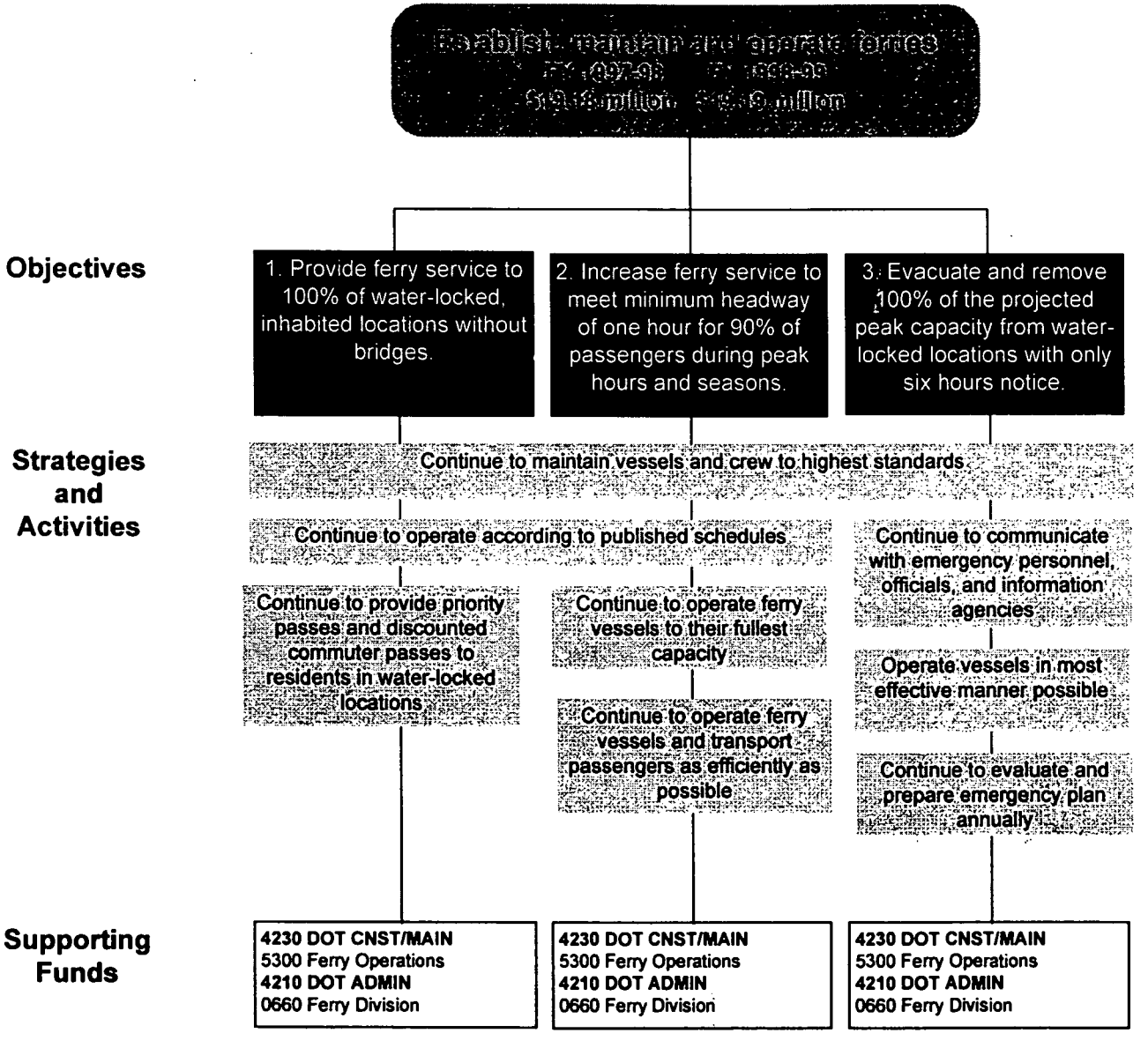
Background and trends

North Carolina is served by one of the largest state-operated ferry systems in the nation. Seven ferry routes provide year-round service for both local citizens and tourists. Currently, over 2.3 million passengers and 850,000 vehicles use the ferry system yearly. The ferry system is extremely important to coastal North Carolina, especially water-locked communities such as the island of Ocracocke and provides an important link in the highway system in coastal areas. Ferries serve an increasing number of in-state vehicles, annually, as well as a growing number of out-of-state vehicles.



Twenty-four ferries provide year-round service on seven routes throughout the coastal area and over 2.1 million passengers were transported in 1995. There are 204 schedule runs offered daily in the peak summer season. Crossings vary in length from 2 to 28 miles which require 20 minutes to 2 hours and 15 minutes to complete. Four of the seven routes provide free passage.

Tourism is the fastest growing industry in North Carolina. While over 61 percent of the 2.1 million annual passengers are from North Carolina, the remaining are from other states and countries. Since 1993, ferry vehicle traffic has grown approximately 12 percent, and ferry passenger traffic has grown approximately 7 percent. Demand for ferry service to tourist locations served by ferries is expected to grow.


Establish, maintain and operate ferries
FY 07-08 FY 08-09
$19.8 million $18.9 million
Objectives
1. Provide ferry service to 100% of water-locked, inhabited locations without bridges.
2. Increase ferry service to meet minimum headway of one hour for 90% of passengers during peak hours and seasons.
3. Evacuate and remove 100% of the projected peak capacity from water-locked locations with only six hours notice.
Strategies and Activities
Continue to maintain vessels and crew to highest standards
Continue to operate according to published schedules
Continue to provide priority passes and discounted commuter passes to residents in water-locked locations
Continue to operate ferry vessels to their fullest capacity
Continue to operate ferry vessels and transport passengers as efficiently as possible
Continue to communicate with emergency personnel, officials, and information agencies
Operate vessels in most effective manner possible
Continue to evaluate and prepare emergency plan annually
Supporting Funds
4230 DOT CNST/MAIN
5300 Ferry Operations
4210 DOT ADMIN
0660 Ferry Division
4230 DOT CNST/MAIN
5300 Ferry Operations
4210 DOT ADMIN
0660 Ferry Division
4230 DOT CNST/MAIN
5300 Ferry Operations
4210 DOT ADMIN
0660 Ferry Division

8600 Establish, maintain and operate ferries

Objective 1: Provide ferry service to all water-locked, inhabited locations without bridges.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of locations, out of a total of seven, served	n/a	n/a	7	7	7	*7*	*7*	*7*
Performance Measures:								
Number of in-state vehicles ferried (in thousands)	459	481	484	525	862	*887*	*914*	*941*
Number of out-of-state vehicles ferried (in thousands)	301	310	306	334	336	*346*	*356*	*367*
Number of ferries in operation	21	22	23	24	25	*25*	*25*	*25*
Revenue collected (in thousands)	$1,346	$1,366	$1,419	$1,419	$1,461	*$1,505*	*$1,550*	*$1,597*
Percent of annual operating costs received from collected revenue	7.1%	7.5%	7.8%	7.8%	7.3%	*7.3%*	*7.3%*	*7.3%*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5300 Ferry Operations
4210 DOT ADMIN
0660 Ferry Division

Objective 2: Increase ferry service to meet minimum headway of one hour for 90% of passengers during peak hours and seasons.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of total ferry passengers required to wait greater than one hour for ferry service	n/a	n/a	0%	0%	0%	*0%*	*0%*	*0%*
Performance Measures:								
Number of ferries in operation	21	22	23	24	25	*25*	*25*	*25*
Number of in-state vehicles ferried (in thousands)	459	481	484	525	862	*887*	*914*	*941*
Number of out-of-state vehicles ferried (in thousands)	301	310	306	334	336	*346*	*356*	*367*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5300 Ferry Operations
4210 DOT ADMIN
0660 Ferry Division

Objective 3: Evacuate and remove 100% of projected peak capacity from water locked locations within six hours of notice.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of total population requiring evacuation by ferry that can be removed in six hours	n/a	n/a	100%	100%	100%	*100%*	*100%*	*100%*
Performance Measures:								
Number of ferries in operation	21	22	23	24	25	*25*	*25*	*25*

Current Situation:

Funds:

4230 DOT CNST/MAIN
5300 Ferry Operations
4210 DOT ADMIN
0660 Ferry Division

8600 Establish, maintain and operate ferries

		1996-97 Authorized Expenditures			
	Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by					
Transportation Appropriations Subcommittee:					
4210 DOT-ADMIN					
0660 FERRY DIVISION	18.00	1,079,493.00	0.00	1,079,493.00	5.63
4230 DOT CNST/MAIN					
5300 FERRY OPERATIONS	0.00	18,098,290.00	0.00	18,098,290.00	94.37
TOTAL FOR 8600 FUNDS	18.00	$ 19,177,783.00	$ 0.00	$ 19,177,783.00	100.00

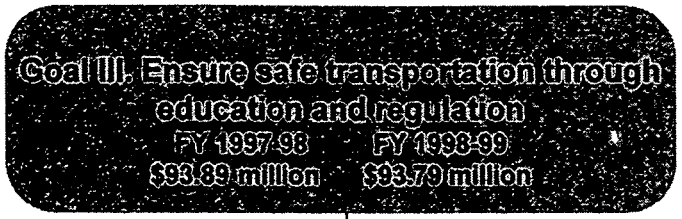
8600 Establish, maintain and operate ferries

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	19,177,783	6,074	19,183,857	8,055	19,185,838
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	0	0	0	0	0
NET APPROPRIATION	0	0	0	0	0
HIGHWAY FUND APPROPRIATION	19,177,783	6,074	19,183,857	8,055	19,185,838
NUMBER OF POSITIONS	18.00	.00	18.00	.00	18.00

Goal III. Ensure safe transportation through regulation

This goal is directed at ensuring safe transportation by regulating users, vehicles, and boats. This includes the issuing of driver's licenses, driver education, vehicle registration, and boat registration.

TRANSPORTATION PROGRAM AREA



Programs

Regulate motor vehicles and motor vehicle operators that use highways		Regulate water transportation and boating	
FY 1997-98	FY 1998-99	FY 1997-98	FY 1998-99
$ 91.57 million	$ 91.53 million	$2.31 million	$2.26 million

Subprograms

1. Regulate motor vehicle operators
2. Register motor vehicles and enforce highway laws
3. Coordinate highway safety programs

8700 Regulate motor vehicles and motor vehicle operators that use highways

Purpose

The purpose of this program is to ensure competent motor vehicle drivers, register motor vehicles and promote safe driving conditions.

Expected outcomes

The expected outcomes of this program are safe driving conditions.

Budget by Subprogram (in millions)

Subprogram	1997-98	1998-99
Regulate motor vehicle operators (8710)	$29.14	$29.06
Register motor vehicles and enforce highway laws (8720)	$57.71	$57.75
Coordinate highway safety programs (8730)	$4.72	$4.72

Background and trends

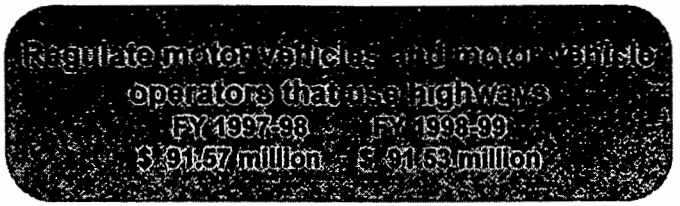
Motor vehicles are the most common mode of transportation in North Carolina and the nation. They are also the leading cause of accidental death in the state and the number one cause of all deaths in young people. This program area has programs and activities to make sure the motoring public is as safe as possible.

The growth of North Carolina's population has increased the number of vehicle drivers and the number of vehicles on the road. Increasing urbanization and improved access to multi-lane highways has resulted in more people living further from employment centers. This, in turn, has resulted in more highway miles being driven. Requiring a standard knowledge of highway laws and regulations will help in reducing vehicle accidents, injuries and deaths.

The state's demographics also indicate a rapidly increasing youth population (age 1 to 21). Traffic accidents are the leading cause of all deaths in this age group. Several approaches are needed to prevent injuries and deaths from vehicle accidents in this group. These including: requiring child restraint seats for infants and toddlers, increasing the use of seat belts in vehicles, and making sure that young drivers are fully competent to operate a motor vehicle.

Registering vehicles provides information important in the enforcement of vehicle laws, recovering stolen vehicles, and the collection of revenue relative to the ownership and operation of all motor vehicles.

8700 Regulate motor vehicles and motor vehicle operators that use highways



Subprograms

Regulate motor vehicle operators

FY 1997-98 $29.14 million

FY 1998-99 $29.06 million

Register motor vehicles and enforce highway laws

FY 1997-98 $57.71 million

FY 1998-99 $57.75 million

Coordinate highway safety programs

FY 1997-98 $4.72 million

FY 1998-99 $4.72 million

Objectives

1. Make sure that all driver license applicants are knowledgeable of highway, traffic and safety laws.
2. Make sure that all school bus drivers are medically and physically capable of operating school buses.
3. Improve the availability of monthly and annual statistical crash data from 30 to 15 days by 1998.

1. Prevent damage to highway surfaces by enforcing statutory weight of vehicles and load laws.
2. Ensure an 80% recovery rate of all reported stolen vehicles.
3. Ensure that all vehicle inspection stations conduct valid inspections.
4. Reduce the amount of time required to process registration and titling documents and materials by 25% in 1998.
5. Make sure that all fleet vehicles based in North Carolina are properly registered under the International Registration Plan reciprocity agreement.

1. Increase seat belt usage by drivers and front seat passengers in vehicles to 85% statewide by 1997-98.
2. Decrease the percentage of alcohol-related fatalities to 26% of total traffic fatalities by 1997-98.

8710 Regulate motor vehicle operators

Purpose

The purpose of this subprogram is to regulate motor vehicle operators.

Expected outcomes

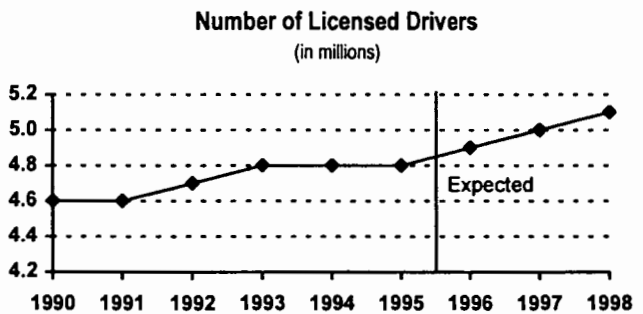
The expected outcomes of this subprogram are competent drivers, reduced insurance costs, safer highways, fewer problems in student transportation and improved customer service.

Background and trends

It takes skill and knowledge to drive on today's roads and highways. Drivers must be able to protect themselves as well as drivers of other vehicles. The primary aim of this subprogram is to make sure that drivers holding a North Carolina drivers license are knowledgeable and medically able to operate motor vehicles.

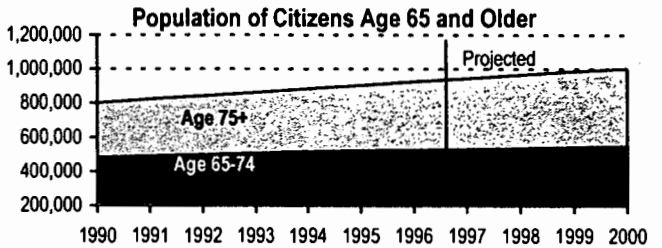
Improved customer service is a key component of this subprogram. Obtaining and maintaining a valid drivers license is something that touches virtually every citizen age 16 years and older. Thorough tests must be developed and properly administered to ensure a minimum level of knowledge of highway and safety laws. Records of motor vehicle crash data and revoked driver's licenses are kept and provided to law enforcement agencies as well as to automobile insurers.

There has been a consistent increase in the number of licensed drivers in the state.



The growth in licensed drivers traditionally approximates growth rates in population. A slight decline in the population segment of young adults is expected to be offset by net migration of new eligible drivers into North Carolina. During the last five years, the number of licensed drivers has increased at an annual average growth rate of 1.4 percent; in the next decade it is expected to remain relatively constant at 1.4 percent per year.

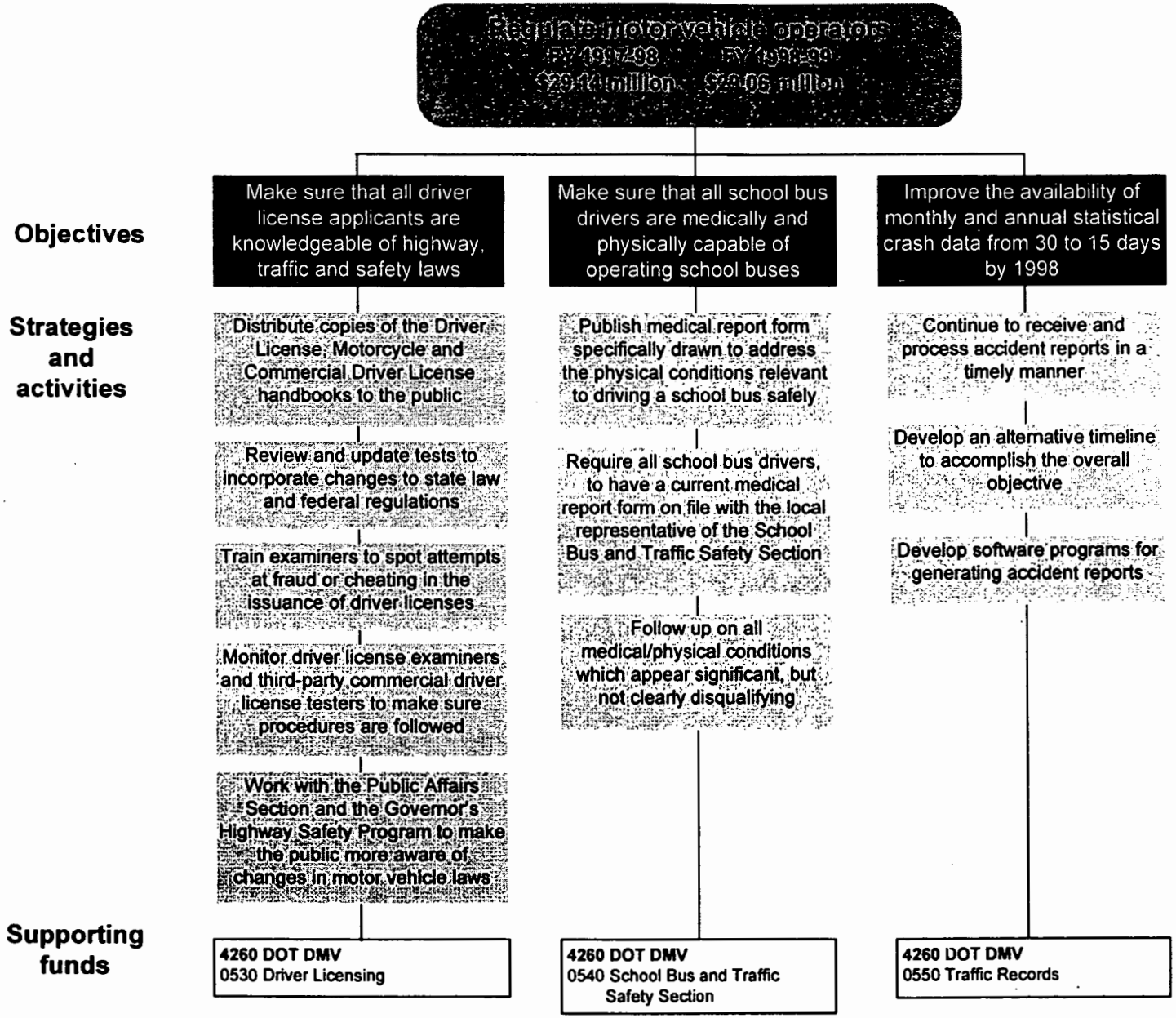
Population aging brings special needs that must be met by the transportation system. In this decade North Carolina's population age 75 and over is expected to increase at a faster rate than the overall population (see figure below).



Most drivers in the age 65+ bracket tend to impose restrictions upon themselves; however, some must be legally restricted. In terms of safe driving, physical condition is more important than age itself. Consequently, the need for closer scrutiny of medical conditions will become more acute among older drivers. This is particularly important as more retired adult drivers seek part-time employment as school bus drivers. A second effect of driver aging will be a higher demand for defensive driving courses taught by the Division of Motor Vehicles. Other needs of older drivers include more comprehensive public transportation in rural and urban areas, larger and better illuminated highway signs, and the increased use of reflective marking on road surfaces.

An increase in the number of non-English speaking customers presents unique challenges in terms of educating prospective drivers about rules and regulations for driving. It also presents additional challenges for examiners, hearing officers and other support personnel testing applicants. This non-English speaking population is expected to increase 50 to 75 percent in the next five years, an increase of 250,000 to 375,000 people.

8710 Regulate motor vehicle operators



8710 Regulate motor vehicle operators

Objective 1: Ensure all driver license applicants are knowledgeable of highway, traffic, and safety laws.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of drivers license applicants that meet or exceed a test score of 70 percent	n/a	n/a	n/a	n/a	n/a	*99.5%*	*99.5%*	*99.5%*
Performance Measures:								
Driver license examinations	1,630,757	1,893,334	2,026,386	2,284,374	3,306,669	*3,736,538*	*4,259,653*	*4,344,846*
Original driver licenses issued	263,473	273,001	249,035	310,167	328,375	*525,400*	*599,966*	*610,945*
Renewal driver licenses issued	927,439	920,301	977,058	970,865	1,054,734	*1,144,386*	*1,235,936*	*1,334,810*
Learner permits issued	101,070	104,680	152,435	120,643	125,632	*130,657*	*135,883*	*141,318*
Duplicate drivers licenses issued	338,775	355,712	359,768	397,747	421,054	*484,212*	*498,738*	*513,700*
Driver license records maintained (in thousands)	7,317	7,316	7,594	7,964	8,293	*8,624*	*8,969*	*9,328*

Current Situation:

Funds:

4260 DOT DMV
0530 Driver Licensing

Objective 2: Ensure all school bus drivers are medically and physically capable to operate school buses.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of school bus drivers that are certified as medically and physically capable to operate school buses	n/a	n/a	500 (estimate)	500 (estimate)	500 (estimate)	*500 (estimate)*	*13,000*	*15,000*
Performance Measures:								
Number in attendance at school bus passenger safety programs. (91-92 for first three measures is June 1, 1991 through May 31, 1992) (*Value is lower because focus was on recertifying bus drivers.)	188,921	176,036	172,849	138,539*	124,256*	*180,000*	*180,000*	*180,000*
Number of instructors certified	255	482	543	544	548	*540*	*540*	*540*
Number of persons beginning driver improvement clinics	5,664	5,629	5,228	3,550	2,616	*4,000*	*8,000*	*16,000*
Number of school bus drivers trained and certified. (*This value is much higher because it corresponds to the first 4-year renewal cycle for required CDLs.)	11,493	5,696	6,995	11,970*	11,267*	*7,500*	*6,500*	*6,500*
Number in attendance at pedestrian safety programs	10,821	8,476	11,488	12,507	8,332	*10,000*	*10,000*	*10,000*

Current Situation:

Changes to the administrative code will require all school bus drivers to obtain a medical certification every two years when they renew their bus driver certificate. This change is expected to take place in 1997.

Funds:

4260 DOT DMV
0540 School Bus and Traffic Safety Section

Objective 3: Improve the availability of monthly and annual statistical crash data from 30 to 15 days by 1998.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of days required to produce reports of monthly and annual statistical crash data. (Based on automation of collision report system.)	n/a	n/a	45	35	45	*30*	*25*	*15*
Performance Measures:								
Number of collision reports processed	193,238	210,555	231,497	253,212	259,052	*265,010*	*271,106*	*277,341*

Current Situation:

Funds:

4260 DOT DMV
0550 Traffic Records

8710 Regulate motor vehicles operators

1996-97 Authorized Expenditures

		Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by						
Transportation Appropriations Subcommittee:						
4260	DOT-DMV					
0530	DRIVER LICENSING	541.00	23,135,247.00	35,000.00	23,100,247.00	78.30
0540	TRAFFIC SAFETY EDU SERV	96.00	4,692,224.00	10,400.00	4,681,824.00	15.88
0550	TRAFFIC RECORDS	53.00	1,718,096.00	181,600.00	1,536,496.00	5.82
	TOTAL FOR 8710 FUNDS	690.00	$ 29,545,567.00	$ 227,000.00	$ 29,318,567.00	100.00

8710 Regulate motor vehicle operators

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	29,545,567	-402,203	29,143,364	-484,517	29,061,050
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	227,000	0	227,000	0	227,000
NET APPROPRIATION	0	0	0	0	0
HIGHWAY FUND APPROPRIATION	29,318,567	-402,203	28,916,364	-484,517	28,834,050
NUMBER OF POSITIONS	690.00	.00	690.00	.00	690.00

8720 Register motor vehicles and enforce highway laws

Purpose

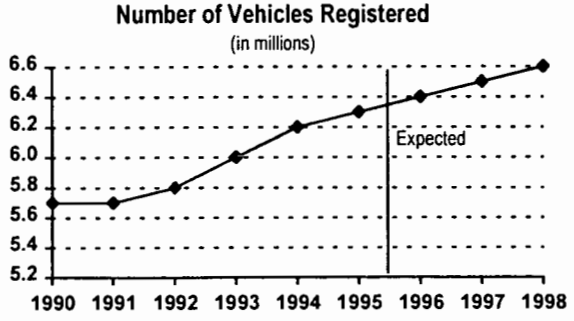
The purpose of this subprogram is to regulate motor vehicles and motor vehicle operators.

Expected outcomes

The expected outcomes of this subprogram are reduced road maintenance, improved highway safety, reduced vehicle theft, improved customer service, enhanced state revenue, reduced vehicle theft and lower insurance rates, reduce rest area crime, and compliance with N.C. driver license and financial responsibility laws.

Background and trends

The registration of motor vehicles is important to ensure legal titling and ownership and to establish tax valuation. Proper records are needed to aid in the recovery of stolen vehicles and to assist law enforcement agencies in tracking and verifying vehicle ownership. The number of registered vehicles is expected to increase at a rate of 1.4 percent per year based on historical trends over the last five years.



The motor vehicle is the second-most valuable possession of most citizens (a primary residence ranks first). This makes motor vehicles prime targets of crime and theft. Currently, North Carolina has one of the highest recovery rates of stolen vehicles in the nation (80%). Strategies and activities of this subprogram work to make sure this rate is maintained.

Enforcing vehicle weight limits is a key activity of this subprogram. Vehicle weight limits are set to meet the design requirements of highway surfaces and bridges. Vehicles that exceed posted limits damage pavement surfaces and pavement integrity resulting in more frequent and costly maintenance and repair. While maintenance and repair of highways is addressed in subprograms 8210 and 8220, this subprogram includes weight limit enforcement activities and operation of weigh stations. Increasing truck size and raising weight limits continues to be an important objective of the trucking industry nationally. While the new Intermodal Surface Transportation Efficiency Act (ISTEA) places a moratorium on expanded weights and limits, the issue will continue to be pursued in the future by the trucking industry.

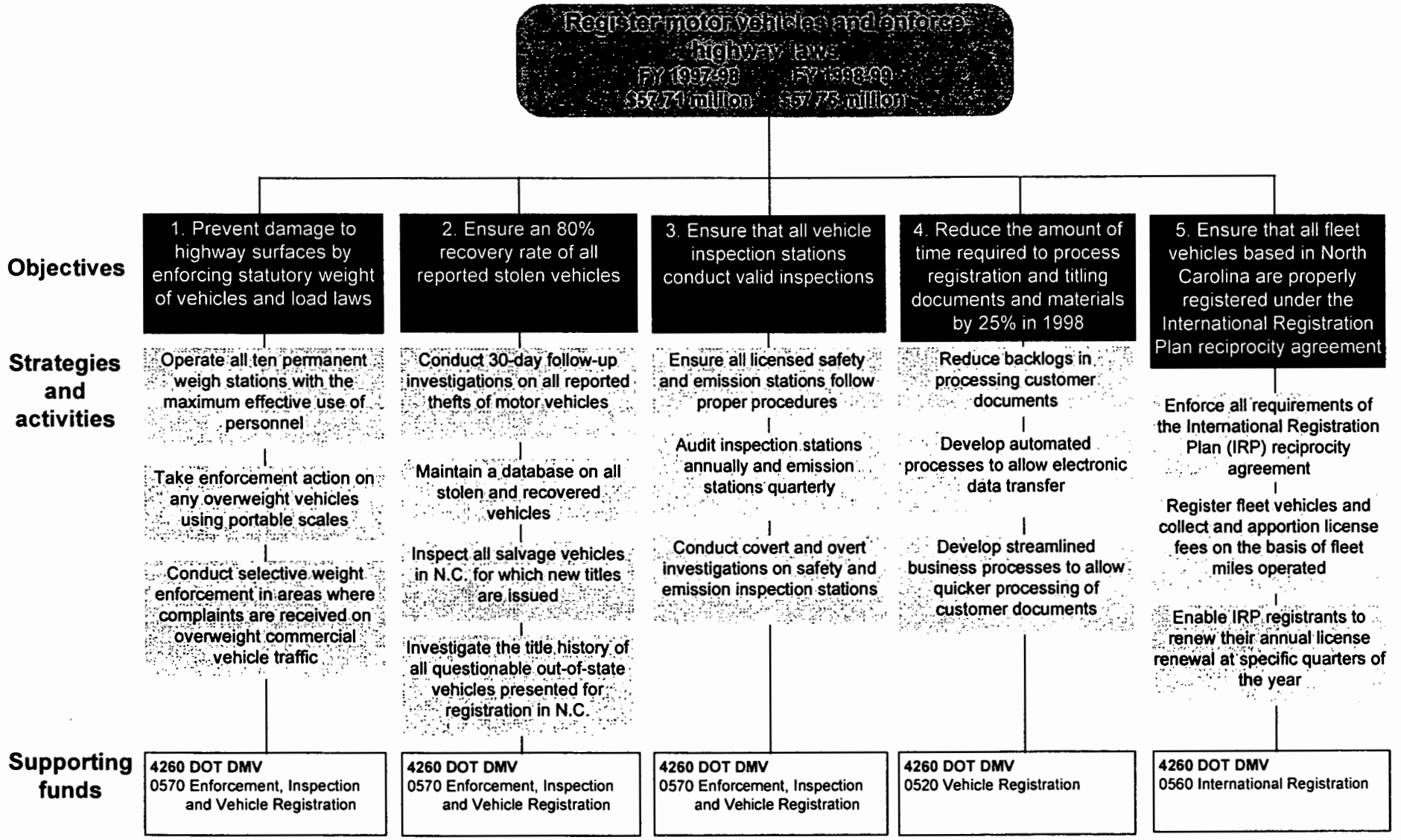
There are approximately 2 million commercial vehicle registrations in North Carolina. The state is losing approximately $40 million annually in revenue due to commercial vehicle fuel tax evasion. Activities in this subprogram work to reduce evasion of this important source of revenue.

With the economic impact of domestic tourism in North Carolina exceeding $9.2 billion a year, it is imperative that travelers not only feel safe, but are safe as they travel and use the state's facilities. Funds in this subprogram support "Rest Assured" activities to ensure safe conditions at highway rest areas.

All motor vehicles are subject to an annual inspection to make sure that safety equipment is in proper working order. Inspection stations are monitored through covert operations to make sure that thorough and accurate inspections are being conducted.

Because of the large number of people that are served by vehicle registration activities, good customer service must be a key component of conducting business. A new computer system (near completion) will provide more accurate data along with faster, more complete customer service.

8720 Register motor vehicles and enforce highway laws



8720 Register motor vehicles and enforce highway laws

Objective 1: Prevent damage to highway surfaces by enforcing statutory weight of vehicles and load laws.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
The percent decrease in over-weight violations detected annually	n/a	n/a	29%	7%	9%	*5%*	*5%*	*5%*
Performance Measures:								
Total vehicles stopped. (In millions)	8.1	7.5	5.9	5.1	5.2	*5.3*	*5.3*	*5.4*
Total amount overload. (In millions)	144.9	157.5	134.4	149.1	150.7	*152.1*	*163.2*	*154.6*
Trucks stopped at established weigh stations (in millions)	7.9	7.4	5.8	5.1	5.1	*5.2*	*5.4*	*5.5*
Number of trucks stopped by portable weighing crews. (*Rest area activities have reduced some of the portable weighs.)	165,616	112,728	55,565*	38,758	37,193	*40,000*	*43,000*	*45,000*

Current Situation:

Funds:

4260 DOT DMV
0570 Enforcement, Inspection and Vehicle Regulation

Objective 2: Ensure an 80% recovery rate of all reported stolen vehicles.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Recovery rate of stolen vehicles	n/a	n/a	78%	81%	76%	*80%*	*80%*	*80%*
Performance Measures:								
Number of stolen vehicles recovered	15,733	14,922	15,565	16,684	16,610	*16,544*	*16,462*	*16,308*
Anti-theft inspections	44,176	48,800	51,200	49,314	50,309	*51,315*	*52,331*	*53,377*
Number of undercover investigations completed	2,297	2,421	2,532	3,947	2,324	*2,340*	*2,350*	*2,375*
Registration Investigations	9,261	10,497	11,000	10,473	8,280	*8,000*	*7,700*	*7,550*

Current Situation:

Funds:

4260 DOT DMV
0570 Enforcement, Inspection and Vehicle Regulation

Objective 3: Ensure all vehicle inspection stations conduct valid inspections.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of vehicle inspection stations cited for invalid vehicle inspections	n/a	n/a	9%	5%	5%	*5%*	*5%*	*5%*
Performance Measures:								
Number of vehicles inspected and certificates issued, including regular, windshield, motorcycle, and trailer (in millions). (*counties added to Emission Program)	4.456*	5.626	5.825	5.731	6.125	*6.600*	*6.900*	*7.100*
Number of vehicles in violation	36,018	34,491	23,483	22,819	18,884	*17,674*	*16,500*	*16,000*
Number of suspensions (dealers and safety inspection stations)	132	501	457	203	248	*300*	*325*	*350*
Number of revocations (dealers and safety inspection stations)	173	441	440	213	170	*150*	*140*	*130*
Mechanic licenses suspended. (*change in points for suspension)	159*	158	146	141	248	*275*	*305*	*330*
Number of dealer revocations		94	62	81	56	*53*	*48*	*44*

Current Situation:

Funds:

4260 DOT DMV
0570 Enforcement, Inspection and Vehicle Regulation

Objective 4: Reduce the amount of time required to process registration and titling documents and materials by 25 percent in 1998.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percentage reduction in the amount of time required to process registration and titling documents and materials annually	n/a	n/a	n/a	-100%	-25%	*60%*	*50%*	*0%*
Performance Measures:								
Number of vehicles registered (nearest thousand)	5,695	5,870	5,889	6,168	6,304	*6,443*	*6,585*	*6,730*
Average number of days required to return Motor Vehicle Certificates or title to the owner, operator, or lien holder	10	10	10	20	25	*10*	*5*	*5*
Titles processed	1,572,161	1,738,930	1,937,045	2,049,849	2,078,020	*2,106,489*	*2,135,348*	*2,164,602*
Number of apportioned vehicles titled	9,652	11,432	14,133	14,256	14,171	*14,250*	*14,350*	*14,450*
Number of apportioned vehicles licensed (tractors and trailers)	63,793	65,863	60,090	76,956	83,616	*85,000*	*86,000*	*87,000*
Number of rental vehicles licensed. (Figures for 92/93 have dropped due to recalling plates in previous years for fading and wear. For 92/93, stickers were issued.)	26,693	12,457	12,381	12,233	12,072	*12,200*	*12,300*	*12,350*

Current Situation:

Funds:

4260 DOT DMV
0520 Vehicle Registration

Objective 5: Ensure that all fleet vehicles based in North Carolina are properly registered under the International Registration Plan reciprocity agreement.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of North Carolina based fleet vehicles properly registered under the plan	n/a	n/a	74,394	81,489	83,616	*84,500*	*85,500*	*86,500*
Performance Measures:								
Number of audits conducted	821	867	705	704	557	*750*	*750*	*750*
Number of apportioned vehicles titled	9,652	11,432	14,133	14,256	14,171	*14,250*	*14,350*	*14,450*
Number of apportioned vehicles licensed (tractors and trailers)	63,793	65,863	60,090	76,956	83,616	*85,000*	*86,000*	*87,000*
Number of interstate (apportioned) trailers licensed	12,131	12,854	14,450	11,844	17,098	*17,500*	*18,000*	*18,500*

Current Situation:

Funds:

4260 DOT DMV
0560 International Registration

8720 Register motor vehicles and enforce highway laws

		1996-97 Authorized Expenditures				
		Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by						
Transportation Appropriations Subcommittee:						
4260	DOT-DMV					
0520	VEHICLE REGISTRATION	457.00	30,610,029.00	3,466,428.00	27,143,601.00	52.66
0560	INTERNATIONAL REG. PLAN	41.00	1,760,602.00	34,928.00	1,725,674.00	3.03
0570	ENFOR., INSP., VEHIC REG	539.00	25,760,579.00	1,694,970.00	24,065,609.00	44.31
	TOTAL FOR 8720 FUNDS	1,037.00	$ 58,131,210.00	$ 5,196,326.00	$ 52,934,884.00	100.00

8720 Register motor vehicles and enforce highway laws

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	58,131,210	-424,012	57,707,198	-376,928	57,754,282
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	5,196,326	-116,468	5,079,858	-112,445	5,083,881
NET APPROPRIATION	0	0	0	0	0
HIGHWAY FUND APPROPRIATION	52,934,884	-307,544	52,627,340	-264,483	52,670,401
NUMBER OF POSITIONS	1,037.00	.00	1,037.00	.00	1,037.00

8730 Coordinate highway safety programs

Purpose

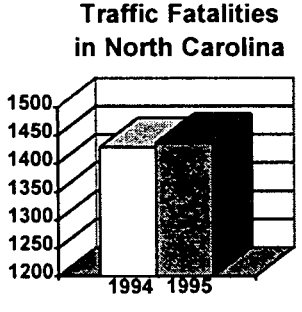
The purpose of this subprogram is to improve safe driving conditions on roads and highways.

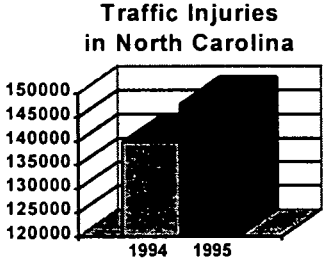
Expected outcomes

The expected outcome of this subprogram is reduced traffic crash-related fatalities and injuries.

Background and trends

In 1967, after the passage of the Federal Highway Safety Act of 1966, North Carolina established the Governor's Highway Safety Program (GHSP). This program was established in response to the growing number of vehicle accidents and deaths due to an increasing number of vehicles on the nation's highways. The mission of the GHSP is to plan and coordinate an interdisciplinary program within the framework of federal regulations to develop continuing, self-supporting state and community highway safety action programs.





Programs of the GHSP encompass a wide realm of highway and traffic safety with projects that touch the lives of every child and adult who ride in a motor vehicle. Traffic safety improvements are the primary concern of the GHSP. The major focus is on driver behavior related to safety issues.

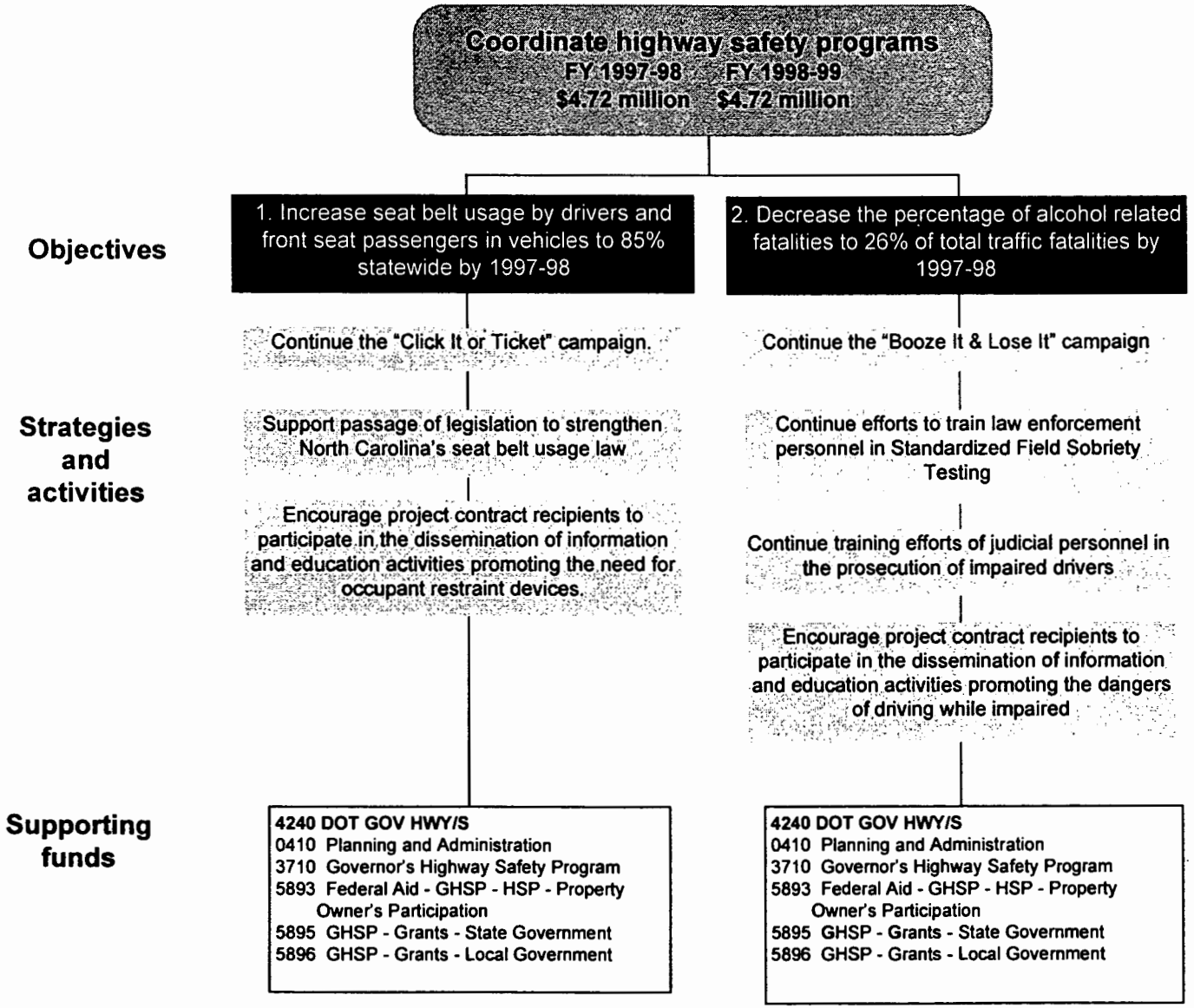
Public support for improving traffic safety is very high. Studies revealed that almost 90 percent of North Carolinians surveyed approved of, and were in favor of, traffic safety programs similar to the Governor's Highway Safety Initiative's "Click It or Ticket." Child restraint and safety belt education and enforcement is aimed at informing parents about the responsibilities and values of these items as life savers.

Education and public information help fight drunken and drug-impaired driving. Alcohol-impairment education begins early in a child's life with programs in schools. North Carolina has made substantial progress against impaired driving since the passage of the 1983 Safe Roads Act.

Pedestrian and bicycle safety is also covered in this subprogram. Among cyclists and pedestrians, the most at-risk are children under age 15. Through programs based in schools and in community parks and recreation departments, the injuries to our youngest citizens are being reduced. Children and their parents are urged to wear bike helmets while riding bicycles.

The most visible GHSP highway safety education tool is the North Carolina Safety Exposition (EXPO). This rolling exhibit encompasses the major areas of highway safety and is funded by a public/private partnership. Other areas of emphasis are police traffic services, motorcycle safety, emergency medical services, roadside safety, and traffic records.

To facilitate implementation of these programs, GHSP has enlisted the aid of local schools, police departments, health departments, and hospitals by providing seed money to start traffic safety enforcement education and training programs. The distribution of federal highway safety dollars is based on local traffic crash data. Traffic safety problems are identified and ranked according to locality. This information is then used to channel limited funding into geographic areas that will provide the state the highest likelihood of return on investment.


Coordinate highway safety programs
FY 1997-98 $4.72 million
FY 1998-99 $4.72 million
Objectives
1. Increase seat belt usage by drivers and front seat passengers in vehicles to 85% statewide by 1997-98
2. Decrease the percentage of alcohol related fatalities to 26% of total traffic fatalities by 1997-98
Strategies and activities
Continue the "Click It or Ticket" campaign.
Support passage of legislation to strengthen North Carolina's seat belt usage law
Encourage project contract recipients to participate in the dissemination of information and education activities promoting the need for occupant restraint devices.
Continue the "Booze It & Lose It" campaign
Continue efforts to train law enforcement personnel in Standardized Field Sobriety Testing
Continue training efforts of judicial personnel in the prosecution of impaired drivers
Encourage project contract recipients to participate in the dissemination of information and education activities promoting the dangers of driving while impaired
Supporting funds
4240 DOT GOV HWY/S
0410 Planning and Administration
3710 Governor's Highway Safety Program
5893 Federal Aid - GHSP - HSP - Property Owner's Participation
5895 GHSP - Grants - State Government
5896 GHSP - Grants - Local Government
4240 DOT GOV HWY/S
0410 Planning and Administration
3710 Governor's Highway Safety Program
5893 Federal Aid - GHSP - HSP - Property Owner's Participation
5895 GHSP - Grants - State Government
5896 GHSP - Grants - Local Government

Objective 1: Increase seat belt usage by drivers and front seat passengers in vehicles to 85% statewide by 1997-98.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of drivers and front seat passengers that use seat belts	n/a	n/a	80.5%	82.0%	83.0%	*83.0%*	*85.0%*	*88.0%*
Performance Measures:								
Number of contracts for state highway safety programs	34	37	53	50	48	*33*	*35*	*35*
Number of highway safety contracts with local governments	15	20	29	26	25	*18*	*20*	*25*

Current Situation:

Funds:

4240 DOT GOV HWY/S
0410 Planning and Administration
3710 Governor's Highway Safety Program
5893 Federal Aid - GHSP - HSP - Property Owner's Participation
5895 GHSP - Grants - State Government
5896 GHSP - Grants - Local Government

Objective 2: Decrease the percentage of alcohol related fatalities to 26% of total traffic fatalities by 1997-98.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percentage of alcohol-related fatalities of total traffic fatalities	n/a	n/a	33.9%	32.0%	27.2%	*25.8%*	*25.8%*	*24.5%*
Performance Measures:								
Number of driving while intoxicated (DWI) crashes	14,804	11,827	10,982	11,115	10,800	*10,500*	*10,200*	*9,900*
Total number of automobile crashes	161,020	184,489	199,209	214,824	226,400	238,600	*251,000*	*265,100*
Number of contracts for state highway safety programs	34	37	53	50	48	*33*	*35*	*35*
Number of highway safety contracts with local governments	15	20	29	26	25	*18*	*20*	*25*

Current Situation:

Funds:

4240 DOT GOV HWY/S
0410 Planning and Administration
3710 Governor's Highway Safety Program
5893 Federal Aid - GHSP - HSP - Property Owner's Participation
5895 GHSP - Grants - State Government
5896 GHSP - Grants - Local Government

8730 Coordinate highway safety programs

		1996-97 Authorized Expenditures			
	Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by					
Transportation Appropriations Subcommittee:					
4240 DOT-GOV HWY/SAFE					
0410 GHSP - ADM	12.00	624,945.00	0.00	624,945.00	13.24
3710 GOV'S HIGHWAY SAFETY PRO	3.00	95,152.00	95,152.00	0.00	2.02
5895 FA GHSP - HSP	0.00	2,000,000.00	2,000,000.00	0.00	42.37
5896 FA GHSP - HSP	0.00	2,000,000.00	2,000,000.00	0.00	42.37
0410 GHSP - ADM	0.00	0.00	315,459.00	315,459.00	0.00
TOTAL FOR 8730 FUNDS	15.00	$ 4,720,097.00	$ 4,410,611.00	$ 940,404.00	100.00

8730 Coordinate highway safety programs

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	4,720,097	-3,480	4,716,617	-2,539	4,717,558
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	4,410,611	-5,603	4,405,008	-5,133	4,405,478
NET APPROPRIATION	0	0	0	0	0
HIGHWAY FUND APPROPRIATION	309,486	2,123	311,609	2,594	312,080
NUMBER OF POSITIONS	15.00	.00	15.00	.00	15.00

8800 Regulate water transportation and boating

Purpose

The purpose of this subprogram is to register and title boats and to provide boating access to public waters.

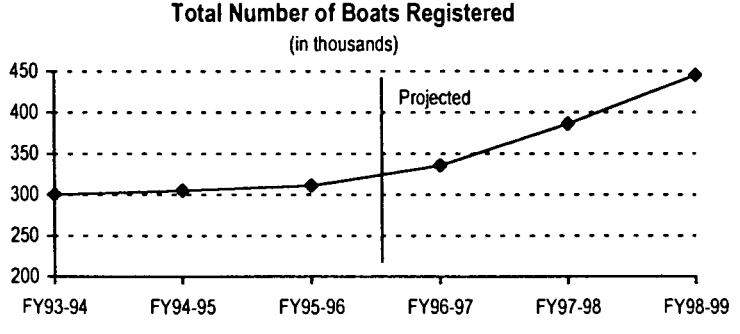
Expected outcomes

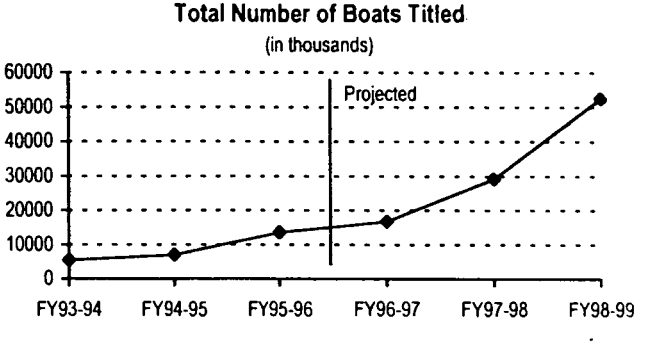
The expected outcomes are:

- accurate, efficient boat registration and titling, and
- convenient access to public waterways for boaters.

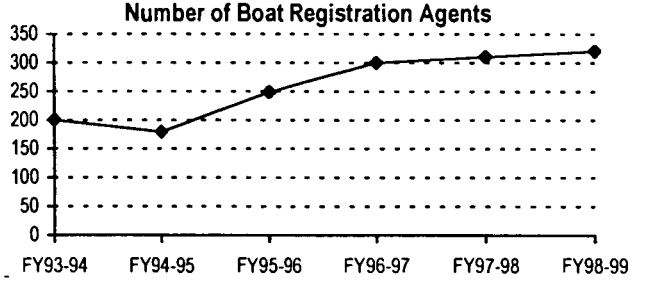
Background and trends

Boats have long been used as a mode of transportation on the inland and coastal waters of the state. Historically, they provided an important means of transporting people and goods, as well as commercial fishing, and defense. Today, most boats registered in the state are used for recreational activities. A trend toward more leisure time, an increase in the acres of rivers and lakes available, and a healthy economy have contributed to the increase in the ownership, titling and registration of boats.



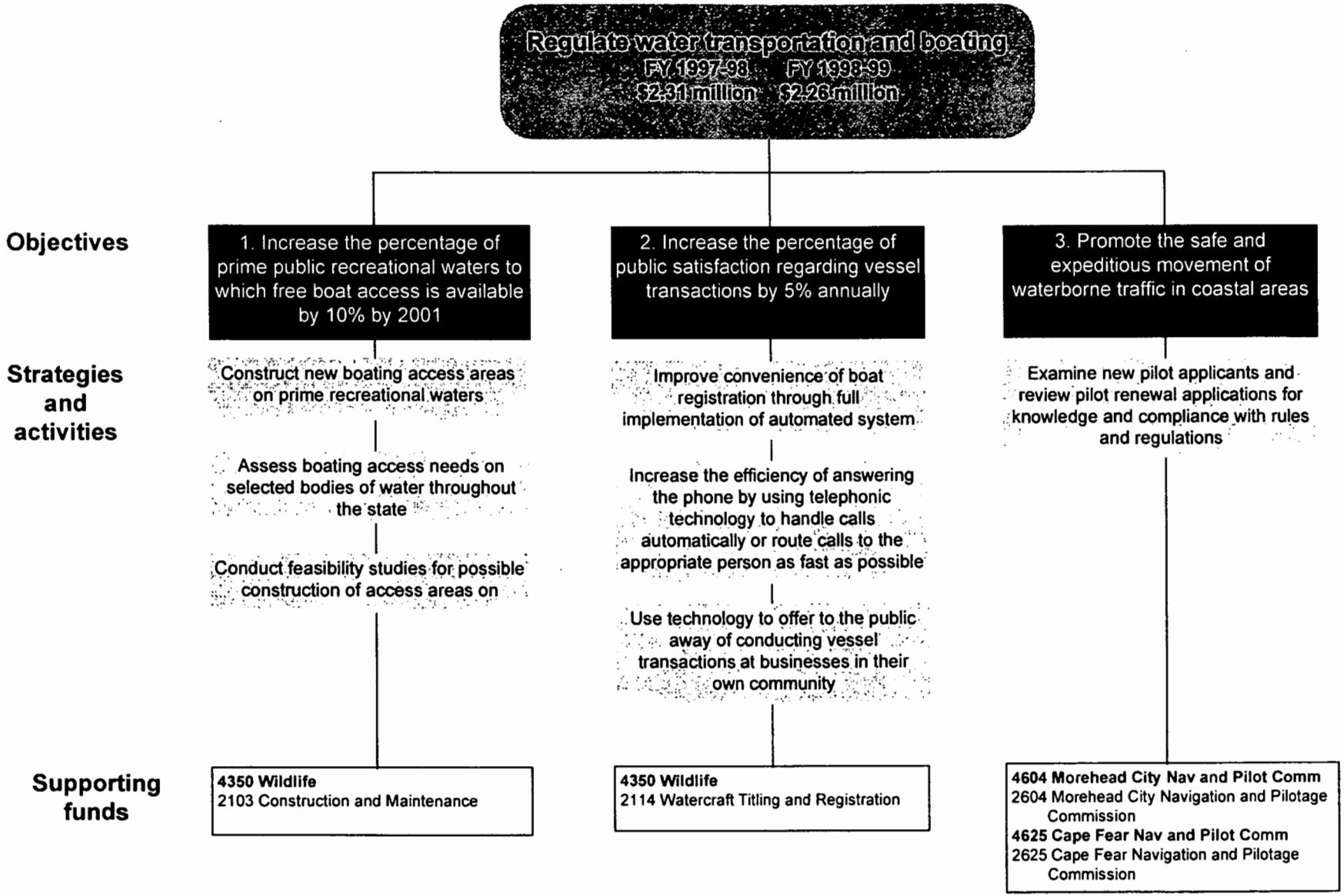


This increase is expected to continue. To meet the increased demands of the boating public, efforts have been focused on improving customer service. Automated boat registration systems will allow a faster, more convenient way to register boats. More private agents will be needed to register boats to meet increased customer demand.



With increased boat ownership will come an increased demand for access to public waters, both inland and coastal. Efforts to identify locations where boat access facilities are needed will continue across the state.

8800 Regulate water transportation and boating



Objective 1: Increase the percentage of prime public recreational waters to which free boat access is available by 10% by 2001.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
The percent increase of prime public recreational waters to which free boat access is available	n/a	n/a	n/a	n/a	n/a	*being developed*		
Performance Measures:								
Number of boating access areas maintained	164	168	172	168	170	*172*	*174*	*176*
Number of boating access areas constructed	0	1	3	2	2	*2*	*2*	*2*
Number of bouys replaced	147	327	276	312	168	*150*	*150*	*150*
Number of new marker bouys installed	46	86	37	42	31	*35*	*20*	*15*

Current Situation:

Funds:

4350 Wildlife
2103 Construction and Maintenance

Objective 2: Increase the percentage of public satisfaction regarding vessel transactions by 5% annually.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percentage of positive response from customers in periodic surveys	n/a	n/a	n/a	n/a	n/a	*n/a*	*5%*	*5%*
Performance Measures:								
Boating titles issued	4,828	5,581	5,400	6,971	13,500	*16,700*	*29,160*	*52,400*
Number of boats titled (cumulative)	13,825	19,407	27,680	35,225	39,928	*56,000*	*85,200*	*138,000*
Number of registrations renewed by agents	26,176	24,742	24,150	17,852	15,551	*16,000*	*100,000*	*125,000*
Total number of boats registered	280,759	294,058	300,000	305,000	311,000	*335,300*	*386,200*	*445,000*
Revenue from boat registrations (in millions)	$1.35	$1.37	$1.90	$1.8	$2.8	*$3.0*	*$3.5*	*$3.9*
Boat title fees collected	$104,660	$194,811	$161,200	$161,350	$270,000	*$243,000*	*$437,000*	*$944,800*

Current Situation:

Funds:

4350 Wildlife
2114 Watercraft Titling and Registration

Objective 3: Promote the safe and expeditious movement of waterborne traffic in coastal areas.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measure:								
Number of waterway accidents during the fiscal year. (Baseline data for this measure have not been developed.)	n/a	n/a	n/a	n/a	n/a	*n/a*	*n/a*	*n/a*
Performance Measures:								
Number of licenses issued to new pilots								
Number of licenses renewed								
Number of licenses suspended								
Number of fines issued								

Current Situation:

Funds:

4604 Morehead City Nav and Pilot Comm
2604 Morehead City Navigation and Pilotage Commission
4625 Cape Fear Nav and Pilot Comm
2625 Cape Fear Navigation and Pilotage Commission

8800 Regulate water transportation and boating

1996-97 Authorized Expenditures

		Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by						
Natural and Economic Resources						
Appropriations Subcommittee:						
4350	WILDLIFE					
2103	CONSTRUCTION & MAINTENAN	22.00	1,385,898.00	481,283.00	0.00	67.90
2114	WATERCRAFT TITLING & REG	14.00	629,244.00	300.00	0.00	30.83
4604	MOREHEAD CITY NAVIGATION					
2604	MOREHEAD CITY NAVIGATION	0.00	17,714.00	17,714.00	0.00	0.87
4625	CAPE FEAR RIVER NAVIGATI					
2625	CAPE FEAR RIVER NAVIGATI	0.00	8,180.00	8,180.00	0.00	0.40
	TOTAL FOR 8800 FUNDS	36.00	$ 2,041,036.00	$ 507,477.00	$ 0.00	100.00

8800 Regulate water transportation and boating

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	2,041,036	274,740	2,315,776	218,406	2,259,442
INTER/INTRA TRANSFERS IN	472,833	0	472,833	0	472,833
OTHER ESTIMATED RECEIPTS	34,644	0	34,644	0	34,644
NET APPROPRIATION	0	0	0	0	0
CHANGE IN CASH BALANCE	-1,533,559	-274,740	-1,808,299	-218,406	-1,751,965
NUMBER OF POSITIONS	36.00	.00	36.00	.00	36.00

8998 Transportation support services and administration

		1996-97 Authorized Expenditures			
		Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by						
Transportation Appropriations Subcommittee:						
4210	DOT-ADMIN					
0110	BOARD OF TRANSPORTATION	0.00	126,352.00	0.00	126,352.00	0.12
0120	PUBLIC AFFAIRS	17.00	927,070.00	77,024.00	850,046.00	0.88
0130	PERSONNEL	62.00	3,210,646.00	425,536.00	2,785,110.00	3.06
0140	HWY BEAUTIFICATION PROG	3.00	249,928.00	23,660.00	226,268.00	0.24
0160	MANAGEMENT ASSESSMENT	7.00	359,040.00	164,788.00	194,252.00	0.34
0170	LEGAL	19.00	1,062,712.00	214,928.00	847,784.00	1.01
0180	RESEARCH & POLICY ANALYS	4.00	229,034.00	51,422.00	177,612.00	0.22
0190	ADMINISTRATION (SEC'S)	19.00	1,250,292.00	23,656.00	1,226,636.00	1.19
0210	FISCAL SECTION	134.00	5,799,738.00	1,534,287.00	4,265,451.00	5.53
0220	MANAGEMENT INFOR SYSTEMS	99.00	25,654,245.00	706,174.00	24,948,071.00	24.48
0230	PURCHASING	38.00	1,460,186.00	320,662.00	1,139,524.00	1.39
0240	GENERAL SERVICES	90.00	13,495,568.00	742,738.00	12,752,830.00	12.88
0250	INTERNAL AUDIT	9.00	575,555.00	167,071.00	408,484.00	0.55
0270	PRODUCTIVITY MANAGEMENT	8.00	419,419.00	43,973.00	375,446.00	0.40
0290	DIRECTOR OF ADMIN.	1.00	1,892,964.00	1,204,088.00	688,876.00	1.81
4260	DOT-DMV					
0510	COMMISSIONER'S OFFICE	16.00	1,604,160.00	11,000.00	1,593,160.00	1.53
4210	DOT-ADMIN					
610	BICYCLE PROGRAM	5.00	259,435.00	0.00	259,435.00	0.25
4220	DOT-OPERATIONS					
1020	STATE HIGHWAY ADMINISTRA	12.00	1,004,412.00	291,008.00	713,404.00	0.96
1030	CHIEF ENGINEER OF OPERAT	6.00	784,328.00	275,622.00	508,706.00	0.75
1040	CHIEF ENGINEER-PROGRAMS	48.00	2,615,955.00	774,711.00	1,841,244.00	2.50

8998 Transportation support services and administration

1996-97 Authorized Expenditures

8998 - *Continued*	Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
1060 SECONDARY ROADS	3.60	181,326.00	16,584.00	164,742.00	0.17
1080 ASST. ADMIN-PRE-CO	4.00	380,872.00	157,024.00	223,848.00	0.36
2010 DIVISION ONE	20.00	1,117,055.00	20,597.00	1,096,458.00	1.07
2020 DIVISION TWO	22.00	1,222,103.00	129,611.00	1,092,492.00	1.17
2030 DIVISION THREE	22.00	1,251,312.00	58,569.00	1,192,743.00	1.19
2040 DIVISION FOUR	24.00	1,316,758.00	113,942.00	1,202,816.00	1.26
2050 DIVISION FIVE	23.00	1,295,814.00	52,217.00	1,243,597.00	1.24
2060 DIVISION SIX	21.00	1,166,998.00	64,432.00	1,102,566.00	1.11
2070 DIVISION SEVEN	22.00	1,250,657.00	109,209.00	1,141,448.00	1.19
2080 DIVISION EIGHT	22.00	1,243,376.00	145,841.00	1,097,535.00	1.19
2090 DIVISION NINE	19.00	1,141,524.00	70,381.00	1,071,143.00	1.09
2100 DIVISION TEN	26.00	1,359,527.00	164,980.00	1,194,547.00	1.30
2110 DIVISION ELEVEN	22.00	1,206,150.00	134,553.00	1,071,597.00	1.15
2120 DIVISION TWELVE	20.00	1,148,058.00	142,924.00	1,005,134.00	1.10
2130 DIVISION THIRTEEN	19.00	1,163,562.00	151,571.00	1,011,991.00	1.11
2140 DIVISION FOURTEEN	22.00	1,204,246.00	168,027.00	1,036,219.00	1.15
2210 HIGHWAY DESIGN	62.00	4,561,776.00	1,565,361.00	2,996,415.00	4.35
2230 MAINTENANCE	68.00	3,677,760.00	349,819.00	3,327,941.00	3.51
2240 CONSTRUCTION	41.00	2,330,130.00	334,194.00	1,995,936.00	2.22
2260 SAFETY & LOSS CONTROL	30.00	1,835,251.00	0.00	1,835,251.00	1.75
2320 TRAFFIC ENGINEERING	48.00	2,763,213.00	225,252.00	2,537,961.00	2.64
2330 RIGHT OF WAY	70.00	3,168,695.00	448,330.00	2,720,365.00	3.02
2350 SUPPORT SERVICES	10.00	655,541.00	426,552.00	228,989.00	0.63
2360 COMPUTER SYSTEMS	3.00	239,537.00	141,755.00	97,782.00	0.23
2380 PLANNING - ENVIRONMENTAL	9.00	513,722.00	513,722.00	0.00	0.49
2420 ENGINEER TRAINEE PROGRAM	57.00	2,479,655.00	1,884,532.00	595,123.00	2.37
4230 DOT CNST/MAIN					
5400 CAPITAL IMPROVEMENTS	0.00	1,958,126.00	0.00	1,958,126.00	1.87
TOTAL FOR 8998 FUNDS	1,306.60	$ 104,813,783.00	$ 14,642,327.00	$ 90,171,456.00	100.00

8998 Transportation support services and administration

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	104,813,783	-5,505,228	99,308,555	-5,344,855	99,468,928
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	14,642,327	-402,267	14,240,060	-399,141	14,243,186
NET APPROPRIATION	0	0	0	0	0
HIGHWAY FUND APPROPRIATION	90,171,456	-5,102,961	85,068,495	-4,945,714	85,225,742
NUMBER OF POSITIONS	1,306.60	.00	1,306.60	.00	1,306.60

8999 Transportation reserves, transfers and other accounting funds

1996-97 Authorized Expenditures

		Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by						
Transportation Appropriations Subcommittee:						
4200	DOT					
0000	G/F DOT	0.00	10,147,210.00	0.00	10,147,210.00	1.74
4270	DOT-RESERVES					
6210	DEPT OF AGRIC-GAS IN	0.00	3,162,344.00	0.00	3,162,344.00	0.54
6220	EHNR (LUST TRUST FUND)	0.00	6,162,602.00	0.00	6,162,602.00	1.05
6230	DEPT OF REVENUE-TAX CO	0.00	2,270,054.00	0.00	2,270,054.00	0.39
6250	EHNR (CHEMICAL TEST)	0.00	396,643.00	0.00	396,643.00	0.07
6270	DEPT CRIME CTL & PUB SAF	0.00	111,083,376.00	0.00	111,083,376.00	19.00
6310	DEPT OF PUBLIC INSTRUCTI	0.00	21,249,501.00	0.00	21,249,501.00	3.63
6320	DEPT OF STATE TREASURER	0.00	11,853,450.00	0.00	11,853,450.00	2.03
6330	RES. FOR GLOBAL TRANSPRK	0.00	750,000.00	0.00	750,000.00	0.13
6370	TR TO HIGHWAY TRUST FUND	0.00	32,300,000.00	0.00	32,300,000.00	5.52
6801	LEG SALARY INC-SAL. INC.	0.00	15,827,652.00	0.00	15,827,652.00	2.71
6819	RAIL TRAVEL ENHANCEMENT	0.00	1,700,000.00	0.00	1,700,000.00	0.29
6820	DMV COMPLEX PLANNING FUN	0.00	650,000.00	0.00	650,000.00	0.11
4280	DOT-DEBT SVC					
7395	HWY BONDS-1986-BOND REDE	0.00	4,895,000.00	0.00	4,895,000.00	0.84
7396	HWY BONDS-1986-INTEREST	0.00	83,215.00	0.00	83,215.00	0.01
4290	DOT-HWY TRST FD					
9500	PROGRAM ADMINISTRATION	0.00	22,124,520.00	0.00	22,124,520.00	3.78
9600	TRANSFER TO GENERAL FUND	0.00	170,000,000.00	0.00	170,000,000.00	29.08
9600	TRANSFER TO GENERAL FUND	0.00	170,000,000.00	0.00	170,000,000.00	29.08
	TOTAL FOR 8999 FUNDS	0.00	$ 584,655,567.00	$ 0.00	$ 584,655,567.00	100.00

8999 Transportation reserves, transfers and other accounting funds

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	417,392,503	1,005,182	418,397,685	2,648,910	420,041,413
INTER/INTRA TRANSFERS IN	0	0	0	0	0
OTHER ESTIMATED RECEIPTS	0	0	0	0	0
NET APPROPRIATION	10,459,146	0	10,459,146	617,090	11,076,236
HIGHWAY FUND APPROPRIATION	406,933,357	1,005,182	407,938,539	2,031,820	408,965,177

AGENDA

Joint Appropriations Subcommittee on Transportation
October 21, 1997
10:00 a.m. - 4:00 p.m.
Rm. 643 LOB and 1228 LB

I. Full Committee Meeting - Rm. 643 LOB (10:00-10:20)

Move to Rm. 1228 LB

II. Remarks by Secretary Garrett (10:30-10:45)

III. Review of 1997 Transportation Appropriations Actions (10:45-11:15)
- Karl Knapp, Fiscal Research
- Tony Goldman, Fiscal Research

IV. Review of 1997 Legislation Affecting Transportation (11:15-12:00)
- Ken Levenbook, Bill Drafting

LUNCH ON YOUR OWN

V. Planning to Paving - Highway Construction and Maintenance (1:00-4:00)
- Larry Goode - State Highway Administrator
- Don Morton - Deputy State Highway Administrator
- C.A. Gardner - Deputy Chief Engineer

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

Minutes

October 21, 1997

Room 1228 LB

10:45 A.M.

Senator Luther H. Jordan, Jr. Opened the meeting. Three Senate members were present. The following members of the House attended: Rep. Joanne Bowie

Rep. Jerry Dockham	Rep. Ed McMahan
Rep. Bobby Barbee	Rep. Jim Gulley
Rep. Thomas Hardaway	Rep. Bill Hiatt
Rep. Mary McAllister	Rep. Drew Saunders
Rep. Ronnie Sutton	Rep. Jim Crawford

Senator Jordan introduced Garland Garrett, Secretary, Department of Transportation. Mr. Garrett's speech is attached. Mr. Garrett introduced the following members of his staff, also attending the meeting: Larry Goode, State Highway Administrator; David King, Deputy Secretary for Aviation, rail, public transportation and bikes; Ruth Sappie, Legislative Liaison. The highlights of Mr. Garrett's speech include: N. C. DOT is being used as a national model by the Federal Highway Administration for our phased environmental study process; North Carolina is one of the first states to address environmental issues at the beginning of the transportation planning process. DOT signed an agreement with the Federal Highway Administration and the Corps of Engineers to expedite construction of transportation projects. The department now has five wetland mitigation sites, totaling 320 acres under construction and plans to construct 17 more sites totaling 8,000 acres over the next two years. The department has recycled close to 800,000 pounds of litter from our roadsides and over 4.5 million scrap tires. In the past year, the Disadvantaged Business Enterprise Program for minorities and women grew from 403 to 508 contracts in the past year. A committee has been formed to help improve customer service. Federal funds are being sought to help with high speed rail efforts, and on October 28, 1997, the department is sponsoring a Work First Transportation Forum and the committee is invited. The bicycle funding has increased from $2 to $3 million.

Senator Jordan introduced staff, Karl Knapp who handed out Transportation Appropriations Highlights. Mr. Knapp highlighted the cuts that had to be made in the Highway Fund budget due to an accounting error. That error showed 75% of motor fuels tax to the Highway Fund when it should have been to the Highway Trust Fund. The Budget Conferees made the adjustments some of which from Federal Aid Match and some from DMV Enforcement equipment (large portable scales for temporary weigh stations). DMV looked at the budget request and at the use of the scales and found the scales would not be cost effective. Mr. Knapp continued to walk committee through budget changes in the document which had been distributed. Mr. Knapp stated that the $61 million for railroad acquisition came out of the General Fund, not out of any transportation funding. Mr. Knapp continued with the Highway Trust Fund Budget Summary in the original handout. In response to a question, $1million for the DMV

building is for the design. In response to a question by Rep. McAllister, $170,000,000 transfer to the general fund is statutory and no change has been made to that. In response to a question by Senator Jordan, the state aid to municipalities Powell Bill is equal to 6.5% of revenue going to the trust fund. This is also by statue. Mr. Knapp handed out a one page document, 1997-98 Revenue Collections Through 9/30/97. Mr. Knapp highlighted certain factors on this document such as the large decrease in Investment Income. Mr. Knapp also said that this chart will be reprised in February and should give a better fix on collections for the year. The Highway Trust Fund is doing robustly. Rep. McMahan suggested that in the future, on the Revenue Projections, it would help to show the actual budget as well as what is outlined.

Mr. Tony Goldman, staff was introduced. Mr. Goldman referred the committee back to the Transportation Appropriations Highlights handout to the Transportation Special Provision Summary. Mr. Goldman mentioned that the Federal Environmental Impact study had been issued for Global Transpark finally. We need to find out if the Highway Fund will be reimbursed $1.8 million for the study. He highlighted provision 32.7, the increase in Branch Agent Transactions, 32.25, Federal Drivers Privacy Protection Act Compliance. He stated that South Carolina had filed a suit and got an injunction against this act. Provision 32.27, Western Passenger Rail Service Route Major Investment Study, the Triad transit authority has to get authorization from DOT for funding, and progress reports will be made to Transportation Oversight. Provision 32.22 relates to the Oregon Inlet Study for which membership has not yet been appointed but the committee will be kept apprised. Provision 32.30, Railroad Acquisition - The meeting of the Shareholders should take place in November or December, then North Carolina Railroad will sit with Norfolk Southern to look at passenger rail service especially between Raleigh and Charlotte. Senator Plyler asked when the new board would take effect, Mr. Goldman stated that the Governor wants some continuity so that the new board would not take affect until July 1999.

Ken Levenbook, staff attorney was introduced. He passed out a document titled Draft Transportation Enactments, attached. Mr. Levenbook read through the enactments which are changes in the laws affecting the Division of Motor Vehicles, Drivers Licenses and Vehicle Registration, Driving While Impaired, Highways, License Plates, Motor Vehicle Dealers, Public Transportation, and Trucks. The miscellaneous law changes affect the Moped Definition, Aircraft/Ferry Acquisitions, North Carolina Railroad Acquisition, Speeding on School Grounds, and Left Turn Rules Studies will be undertaken by the Legislative Research Commission,, Special Registration Plates, and Watercraft Safety. Independently the Joint Legislative Transportation Oversight committee has been appointed. Among the things they will look at will be Encouraging growth of trucking industry, Motorcycle helmets, Truck width and length, Unpaved secondary roads, Vehicle safety inspections, Safe operation of trucks, as well as Trucking industry growth issues.

At this point, Senator Jordan announced a break for lunch, committee to reconvene in one hour.

The meeting resumed as scheduled. Senator Jordan introduced Mr. Larry Goode, State Highway Administrator, DOT. Mr. Goode provided a power point presentation regarding the long rang planning process for TIP (Transportation Improvement Program). Municipalities share their land use plans with DOT. Wake County grew by 26% from 1990 to 1996. Vehicle miles travel grew by 120% which is higher than population growth between 1980 and 1990. Overall, through the state, vehicle miles travel is growing much faster than the population. In response to a question by Rep. Bowie, Mr. Goode said more and more, cities are requiring traffic impact study for major developments. If those studies show a negative impact, the developer has to pay for improvement. In long range planning, all modes of transportation are evaluated. TIP is a seven year document due to environmental studies, design, planning, right away acquisition if needed. In response to Rep. Bowie, regarding the secondary road program, once you're in the top ten, the road is locked in the top ten. In 1997-98, $1288.5 million or 46.4% of the budget if for TIP. Mr. Goode gave the Equity Formula for all TIP projects except the loops which is 50% population, 25% equal share, and 25% intrastate mileage. .He said there are 14 highway divisions but only 7 funding regions. Over a ten year period only a 10% change may occur in spending. Mr. Goode promised to get the transportation improvement program presentation to the committee and in color.

Mr. Dan Morton, Deputy Highway Administrator was the next speaker. He passed out Phases of Major Highway Projects from which he read. That chart shows each step in the planning process as well as the approximate time it takes for each step. The process takes up to six years from planning to construction. In response to a question regarding acquisition of private housing, fair market price is offered, it is made sure that replacement housing is available. They can offer up to $22,000 in relocation costs over the purchase costs of the house. Mr. Morton also said that they can purchase land that they can restore to wetlands. Rep. McMahan wanted to know why the planning is the longest period in the TIP process. Mr. Morton said it is due to so many other agencies being involved.

Mr. C. A. Gardner, Deputy Chief Engineer DOT was the next speaker. He presented slides regarding highway construction and maintenance. See handout titled Operations. The highway construction and maintenance program also includes Billboards, Bridges, and Landscaping.

Mr. Goldman projected items for future discussions over the next several months, mainly Program Performance Budgeting.

In response to a question by Rep. Bowie, Mr. Goode said the successful wetland creations are on farmland that already had ditches drawn which they are able to hydraulize. Sen. Carpenter wanted to know if the continuation of taking farmland to restore wetlands is going to create a problem. Mr. Goode said if they don't take farmland on a large scale, no problem should be created, especially since they prefer farmland adjacent to watersheds.

Senator Jordan asked if there were more questions. There were none and he adjourned the meeting at 3:30

Senator Luther H. Jordan, Jr.
Senate Chairperson

Gloria Haywood
Senate Committee Clerk

VISITOR REGISTRATION SHEET

Joint Appropriations Transportation Subcommittee
Name of Committee

Date 10/21/97

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Larry Goode	NCDOT
Garland Garrett	NC DOT
Shannon Bullock	GHSP
DAVID KING	NC DOT
Ruth Sappie	NCDOT
Burt Isaacs	NCDOT
C.A. GARDNER	NCDOT
Dan Morton	"

Remarks for
Secretary Garrett
Tuesday, October 21, 1997

Good morning.

I'm happy to see all of you here – and I appreciate the opportunity to talk with you.

I have with me today:

- **Larry Goode, state highway administrator**
- **David King, deputy secretary for aviation, rail, public transportation and bikes**
- **Ruth Sappie, our legislative liaison**
- **–and Dan DeVane is still recuperating.**

First, I want to thank all of you for your help with DOT issues in the last legislative session. Your work will help this state in years to come.

I've been looking forward to today – and hope this will help us better understand where we're all coming from.

That's why I'd like the complete text of my prepared remarks put in the record.

I want to take a few minutes today to make some introductions. I want to introduce you to a North Carolina Department of Transportation that you're not reading about.

A department that is working hard for its citizens.

A department that is customer friendly.

A department that uses taxpayer's money efficiently and effectively.

A department that listens to local priorities – and acts accordingly.

A department that cares about the environment – and our natural resources.

Yes, this kind of Department of Transportation does exist. And many of you know this.

And I'm here today to let you know how proud I am of the department – and how proud you should be.

You have a Department of Transportation that is a model for the rest of the nation in many areas.

Listen to what we're doing on the environmental front.

* **Your Department of Transportation is being used a national model by the Federal Highway Administration for our phased environmental study**

process. North Carolina is one of the first states to address environmental issues at the first part of the transportation planning process – instead of at the end. This process holds great promise in reducing environmental and social impacts.

For the past five years the department has conducted monthly meetings with the Corps of Engineers and other permit review agencies to review our projects and to make sure we have either avoided or minimized impacts to wetlands, threatened and endangered species and sensitive environmental habitats.

Also, this year we signed an "Inter-Agency" agreement with the Federal Highway Administration and

the Corps of Engineers to improve coordination and efficiency of our operations, to expedite construction of transportation projects – and to protect and enhance the waters of the United Sates.

Since 1994, the department has purchased 32 wetland mitigation sites – totaling more than 9,000 acres. We now have five mitigation sites – totaling 320 acres under construction. During the next two years, 17 more sites – totaling 8,000 acres will be constructed.

- Our Roadside Environmental Unit has made erosion and sediment control a top priority. Our programs contain preventive measures – which are designed to eliminate or reduce pollutants at the site – as well

as control measures which are designed to remove or reduce pollutants from stormwater runoff. An example of how well this is working for us came after a major rain storm a few months ago. DENR stated our work on the I-40 interchange in west Raleigh was a model on sediment control.

And recycling.

The department is recycling in the workplace – and at rest areas, welcome centers and along the state's 78,000 miles of roadway.

Since the department started its recycling efforts, we've used over 4.5 million scrap tires – and recycled close to 800,000 pounds of litter from our roadsides.

* **Even though we have more to do in this area – I'm proud that our Disadvantaged Business Enterprise Program for minorities and women has grown at a steady pace in the past year -- from 403 contracts to 508.** Also, the number of minorities and women who are certified to bid on contracts has increased to more than 444 firms. In the past year, over $100 million in contracts has gone to minority and women firms. In July, Lanier Construction Company in Snow Hill won a $7.5 million federal aid contract for improvements to U.S. 258 north of Kinston in Lenoir County.

Many of you many not know this -- but the state's TIP process in 25 years old.

During this time, the department has relied heavily on input from our citizens to determine which highway projects to build. Every significant road project in the current TIP is a result of a request from another governmental or public body – including what everybody is calling "Ram Road."

There are exceptions, though. We program bridge replacements, safety projects and interstate

maintenance work based on statewide priority needs as determined by field surveys and conditions. I truly believe that the citizens of this state understand and appreciate having our engineering professionals make the decisions regarding where guardrail is needed – or when a bridge needs to be replaced.

And while I'm on the subject of our Transportation Improvement Program – I want to make it clear that we're not looking to build new highways all the time.

Our TIP simply reflects the wishes of communities across the state. If we could stop building highways – we would.

Maintenance continues to be a high priority with us.

Many of you have heard or read news reports of a study by the Surface Transportation Policy Project released last month that implies almost half of our urban freeways are poorly maintained.

Nothing could be further from the truth. This group was extremely careless with their facts.

It said our state spends only $14 million a year in federal funds to maintain its 78,000 miles of highways. The crafters of this report totally ignored the fact that most states – including ours – use state funds to maintain their highways. We spend more than $450 million a year to maintain our state's highways.

In rating our freeways, the report implies that highways in all the states are judged using the same criteria. However, evaluation of each state's highways is made by that state and no two states rate their highways in the same way. We're proud of the fact that we have higher standards than most other states.

And while I'm on the subject of being misrepresented -- I want to say something about our Board of Transportation.

This is a citizen board whose members represent taxpayers in the counties that comprise their divisions. They serve without a salary – unless you call $15 a day compensation a salary – and must make tough decisions on which projects get funded and which have to wait.

Members are contacted day and night with requests from ordinary citizens and government and civic leaders to build projects in their area. It's not an easy job – but every member of the board is doing the best he or she can to

make North Carolina highways the safest and best in the nation.

And you'll be hearing more about my new customer service plan at the department.

I want our plan to be a model for state government – and the private sector.

I am instructing all our employees to go the extra mile and do some specific things:

- Answer the telephone by the second ring
- Talk to everyone in a friendly manner
- Fulfill callers' needs –

- Acknowledge all visitors immediately – regardless of whom they are to see.

I have a customer service committee that is helping me develop this plan – and keep it on the forefront in everyone's minds.

And Public Transportation.

With your help, we've come a long, long way.

I keep saying over and over that we're not just a highway department – we're a transportation department.

The local system transit bill signed into law in August gives the state's major metropolitan areas additional methods for raising revenue for their mass transportation needs. Also included is $26 million – plus $10 million from CMAQ funds – which will really help us get on our way.

We're also aggressively seeking federal funds to help with our high speed rail efforts.

On Oct. 28, the department is co-sponsoring the "Work First Transportation Forum." We'll bring together about 600 professionals from various fields to help solve the problem of finding affordable and dependable transportation to work. Governor Jim Hunt considers

transportation to be the greatest challenge confronting welfare recipients seeking a job.

I'm excited about this – and hope you will come.

And our Piedmont Train – we're No. 1 in customer satisfaction – and our ridership is up 50 percent since we started in May of 1995.

We've increased our bicycle funding from $2 to $3 million.

And I'm proud of our Ferry Division. They're extending the midsection by 60 feet of the Motor Vessel Carteret – one of our most heavily used ferries, with our

own forces at Mann's Harbor. This kind of work used to be sent out of state.

It was scheduled to be finished Memorial Day 1998 at a $6 million cost. But I'm happy to report that the project will be finished ahead of schedule at a final cost of less than $2.5 million.

A majority of the contract work went to North Carolina-based companies. Using North Carolina labor and North Carolina products are key in saving taxpayers money and finishing the project before the completion date.

And DMV is moving forward – with the excellent leadership of Janice Faulkner.

Just listen to some the accomplishments:

- cleared up vehicle registration backlog
- implemented new policies for emission inspectors and successfully completed EPA audit
- reorganized Enforcement hearings process to better accommodate work load
- mobile license units hit the road
- and signed a contract with MCI to begin registration denial phase for emissions control.

Do we do everything perfectly?

No.

Can we improve?

Yes.

But we can't loose sight of the fact that with all of the negative attacks across the front pages – that we're doing some really good things. In a lot of our programs, we're viewed as the best in the nation.

We have a lot to be proud of. You have a lot to be proud of.

And if you ever have a concern – you know where I am. You can call me – I'm always available.

I understand my staff will be talking with you about different programs within the department. They're available to you as well.

And I'd like for you to hold your committee meetings here – or at any other DOT office. Come and tour the building, our projects -- anything that will help you understand better what we do.

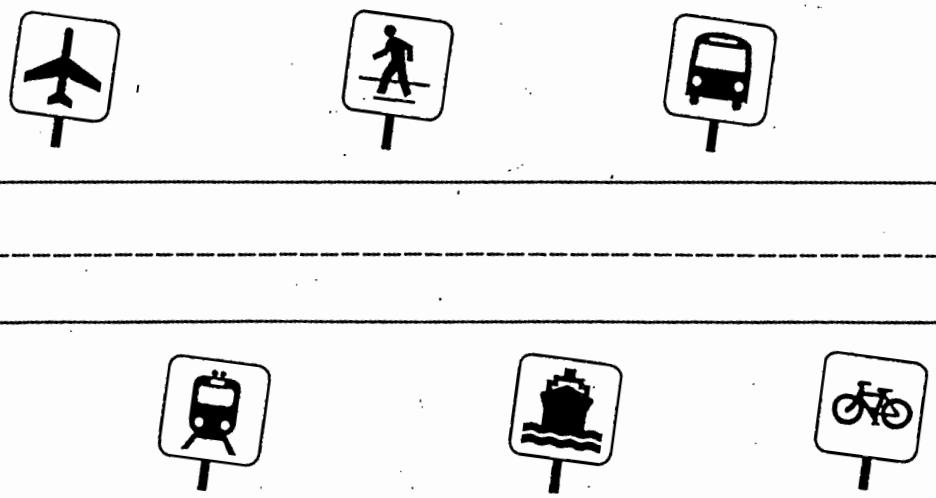
I've made a conscious effort to get to every corner of this state to see first-hand what your Department of Transportation is doing for you. And this has put me in a better position to understand the needs and concerns across the state.

I am convinced that with your cooperation – there's not a thing we can't accomplish.

Madame Chairman – I'm prepared to answer any questions.

TRANSPORTATION APPROPRIATIONS HIGHLIGHTS

1997 General Assembly Session



Fiscal Research Division
September 1997

HIGHWAY FUND BUDGET SUMMARY

1997-98 Highway Fund Budget

	Governor	Senate	House	Conference
Governor's Budgeted Availability	$1,160,654,000	$1,160,654,000	$1,160,654,000	$1,160,654,000
Legislative Revisions				
1996-97 Revenue Overcollections	...	$5,426,492	$5,426,492	($10,821,792)
1996-97 Reversions	...	...	...	$3,082,339
1997-98 Revenues	...	$5,540,022	$5,540,022	($759,978)
Legislative Availability	$1,160,654,000	$1,171,620,514	$1,171,620,514	$1,152,154,569
Governor's Continuation Budget	$1,082,397,705	$1,082,397,705	$1,082,397,705	$1,082,397,705
Legislative Continuation Budget Changes	...	$236,437	$236,437	($3,835,515)
Legislative Continuation Budget	$1,082,397,705	$1,082,634,142	$1,082,634,142	$1,078,562,190
Expansion Availability	$78,256,295	$88,986,372	$88,986,372	$73,592,379
Governor's Expansion Request				
Year 2000 Conversion	$4,835,000	$4,835,000	$4,835,000	$4,835,000
Vehicle Registration System Support	$1,200,904	$1,200,904	$1,200,904	$1,200,904
Driver License System Support	$562,470	$562,470	$562,470	$562,470
Maintenance	$20,984,255	$20,984,255	$19,576,964	$19,176,764
Capital Improvements	$12,000,000	$12,100,000	$12,000,000	$12,100,000
Welcome Centers	$1,400,000	...	...	...
Public Transit *	$26,000,000	$26,000,000	$26,000,000	$26,000,000
Eliminate Sales Tax Transfer	($12,600,000)	...	...	...
Driver License Automated Testing	$270,000	$270,000	$270,000	$270,000
Renovate 11 Driver License Offices	$494,722	$494,722	$494,722	$494,722
Driver License Customer Queuing	$369,500	$369,500	$369,500	$369,500
DMV Enforcement Equipment	$814,630	$814,630	$814,630	$591,830
Driver Improvement Clinics	$53,600	$53,600	$53,600	$53,600
Registration Equipment Maintenance	$150,000	$150,000	$150,000	$150,000
Computer Replacement Reserve	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Pay Raise	$12,569,514	$12,569,514	$16,759,356	$16,759,356
DMV Building	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Federal Aid Match	...	($8,783,547)	($8,783,547)	($23,954,740)
Collision Reports Reengineering	$1,774,500	$1,774,500	$1,774,500	$1,774,500
IRP Software Improvements	$1,270,600	$1,270,600	$1,270,600	$1,270,600
CJIN	$4,106,600	$4,106,600	$4,106,600	$4,106,600
Total	$78,256,295	$80,772,748	$83,455,299	$67,761,106
Additional Jointly Considered Expansion Items				
Branch Agent Transaction Volume	...	$2,565,263	$2,027,695	$2,027,695
License Plates and Stickers	...	$226,291	$226,291	$226,291
Driver License Photo Equipment	...	$191,444	$191,444	$191,444
Graduated License - Expenditures	...	$122,654	$122,654	$122,654
Graduated License - Revenues	...	($166,730)	($166,730)	($166,730)
Driver License Office Staffing	...	$1,000,000	$1,000,000	$1,000,000
Total	...	$3,938,922	$3,401,354	$3,401,354
Additional Senate Expansion Items				
Vehicle Registration Receipts	...	($1,016,780)	($889,760)	($889,760)
Raise Branch Agent Transaction Rate	...	$1,366,482	$1,028,619	$1,028,619
Discretionary Funding	...	$4,000,000	$4,000,000	$4,000,000
Mid-State Visitor Center	...	$75,000	...	...
State Fire Protection Grant Fund	...	$150,000	$150,000	$150,000
Minority Contractor Development	...	$300,000	...	$150,000
Additional Reductions	...	($600,000)	($600,000)	($600,000)
Total	...	$4,274,702	$3,688,859	$3,838,859
Additional House Expansion Items				
Driver License Privacy Implementation	...	...	$137,600	$137,600
Highway Patrol Helicopters	...	...	$103,660	$103,660
Lower Retirement Contribution Rate	...	...	($3,300,400)	($1,650,200)
Retirement Incentives	...	...	$1,500,000	...
Total	...	...	($1,559,140)	($1,408,940)
Availability Minus Expansion	...	...	...	...

* DOT will also spend $10 million in Federal highway funds on public transportation.

1998-99 Highway Fund Budget

	Governor	Senate	House	Conference
Governor's Revenue Availability	$1,138,617,000	$1,138,617,000	$1,138,617,000	$1,138,617,000
Legislative Changes	...	$5,636,457	$5,636,457	$5,636,457
Legislative Availability	$1,138,617,000	$1,144,253,457	$1,144,253,457	$1,144,253,457
Governor's Continuation Budget	$1,087,670,091	$1,087,670,091	$1,087,670,091	$1,087,670,091
Legislative Changes	...	$263,590	$263,590	$263,590
Legislative Availability	$1,087,670,091	$1,087,933,681	$1,087,933,681	$1,087,933,681
Expansion Availability	$50,946,909	$56,319,776	$56,319,776	$56,319,776
Governor's Expansion Request				
Year 2000 Conversion	$5,575,000	$5,575,000	$5,575,000	$5,575,000
Vehicle Registration System Support	$600,457	$600,457	$600,457	$600,457
Driver License System Support	$421,852	$421,852	$421,852	$421,852
Maintenance	...	$9,589,211	$10,159,365	$7,408,965
Capital Improvements	...	...	...	...
Welcome Centers	$1,400,000	...	...	...
Public Transit *	$26,000,000	$12,600,000	$12,600,000	$12,600,000
Eliminate Sales Tax Transfer	($13,400,000)	...	...	...
Driver License Automated Testing	$260,000	$260,000	$260,000	$260,000
Renovate 11 Driver License Offices	...	...	...	...
Driver License Customer Queuing	$39,500	$39,500	$39,500	$39,500
DMV Enforcement Equipment	...	...	...	...
Driver Improvement Clinics	$18,500	$18,500	$18,500	$18,500
Registration Equipment Maintenance	$165,000	$165,000	$165,000	$165,000
Computer Replacement Reserve	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Pay Raise	$12,569,514	$12,569,514	$15,679,786	$15,679,786
DMV Building	$14,698,021	...	...	...
Federal Aid Match	($15,205,951)	...	...	...
Collision Reports Reengineering	$2,058,000	$1,742,527	$1,742,527	$1,742,527
IRP Software Improvements	$1,766,000	$1,766,000	$1,766,000	$1,766,000
CJIN	$156,600	$156,600	$156,600	$156,600
Total	$38,122,493	$46,504,161	$50,184,587	$47,434,187
Additional Jointly Considered Expansion Items				
Branch Agent Transaction Volume	...	$3,633,359	$3,052,783	$3,052,783
License Plates and Stickers	...	$392,763	$392,763	$392,763
Driver License Photo Equipment	...	$399,598	$399,598	$399,598
Graduated License - Expenditures	...	$284,202	$284,202	$284,202
Graduated License - Revenues	...	($372,280)	($372,280)	($372,280)
Driver License Office Staffing	...	$1,162,500	$1,162,500	$1,162,500
Total	...	$5,500,142	$4,919,566	$4,919,566
Additional Senate Expansion Items				
Vehicle Registration Receipts	...	($1,210,329)	($1,073,146)	($1,073,146)
Raise Branch Agent Transaction Rate	...	$1,475,802	$1,110,909	$1,110,909
Discretionary Funding	...	$4,000,000	$4,000,000	$4,000,000
Mid-State Visitor Center	...	...	...	...
State Fire Protection Grant Fund	...	$150,000	$150,000	$150,000
Minority Contractor Development	...	$500,000	...	$150,000
Additional Reductions	...	($600,000)	($600,000)	($600,000)
Total	...	$4,315,473	$3,587,763	$3,737,763
Additional House Expansion Items				
Driver License Privacy Implementation	...	...	$124,600	$124,600
Highway Patrol Helicopters	...	...	$103,660	$103,660
Lower Retirement Contribution Rate	...	...	($3,300,400)	...
Retirement Incentives	...	...	$700,000	...
Total	...	...	($2,372,140)	$228,260
Availability Minus Expansion	$12,824,416	...	...	...

* DOT will also spend $10 million in Federal highway funds on public transportation.

Changes to the 1997-98 Availability Made During the Appropriations Conference

House and Senate Budgets	
Budgeted Availability	$1,171,620,514
Joint Continuation Budget	($1,082,634,142)
Budgeted Expansion Availability	$88,986,372
Changes	
Credit Balance Revisions	
1996-97 Revenues Overcollections	($16,248,284)
1996-97 Reversions	$3,082,339
1997-98 Revenue Revisions	($6,300,000)
Continuation Budget Revisions	$4,071,952
Revised Expansion Availability	$73,592,379

CREDIT BALANCE

Revenue Overcollections - The House and Senate budgets assumed that the 1997-98 credit balance would include 1996-97 revenue collections of $29.1 million. During the fourth quarter of 1996-97, it became apparent that several revenue sources (investment income, IRP fees, driver license fees) would not meet the projections assumed in the House and Senate budgets. It did appear that revenues from two other sources (motor fuels tax, truck registrations) would provide sufficient revenue to cover most of the shortfall. Unfortunately, the projections for motor fuel tax revenues were based on incorrect information about revenue collections for 1996-97. An accounting error at DOT had caused too much motor fuel tax revenue to be credited to the Highway Fund, and not enough to be credited to the Highway Trust Fund. Because projections of motor fuel revenue were based on the incorrect Highway Fund figures, the projections were too high. The error was not noticed and corrected by DOT until the fiscal year had ended. At that time, DOT revised the revenue figures and it became apparent that 1996-97 revenue overcollections would be only, $12.8 million, or $16.3 million below projections.

Reversions - The House and Senate budgets assumed that the 1997-98 credit balance would include $17.8 million in 1996-97 reversions. Actual reversions were higher than projections, and an additional $3.1 million was added to the availability.

1997-98 REVENUES

Based on the performance of revenues during 1996-97, several adjustments must be made to the revenue projections for 1997-98. The adjustments netted to a $6.3 million reduction to projected revenues.

Changes Made by the Appropriations Conference Committee to Compensate for Availability Changes

The Appropriations conferees made four changes to the Highway Fund budget to compensate for the decrease in 1997-98 availability. Two of these changes were made to expansion items and two to continuation items. The House and Senate budgets originally include a one-time reduction to fund to match Federal aid of $8.8 million. The conferees increased this reduction to $24.0 million. The House Senate budgets also included $$0.8 million for DMV Enforcement equipment. DMV indicated that some of these funds were for equipment that DMV no longer felt it needed, and the appropriation was reduced to $0.6 million.

Reductions to the continuation budget were made by lowering the amounts for two items to the level required by statute. The continuation budget amounts for Powell Bill and secondary road funds are based on motor fuel tax collections for the prior fiscal year. Because actual 1996-97 motor fuel tax collections were below the level assumed in the Governor's continuation budget, the amounts for Powell Bill and secondary roads can be reduced, for a savings of $4.1 million.

HIGHWAY TRUST FUND BUDGET SUMMARY

	1997-98	1998-99
Motor Fuel Tax	$253,393,000	$259,875,000
Highway Use Tax	$437,374,305	$455,479,348
Certificates of Title	$73,334,000	$74,654,000
Miscellaneous Title Fees	$13,303,000	$13,599,000
Treasurer's Investments	$28,377,000	$29,086,000
Total Revenues	$805,781,305	$832,693,348
Transfer From Highway Fund	$38,000,000	$38,000,000
Total Highway Trust Fund Availability	**$843,781,305**	**$870,693,348**
Intrastate System Improvements	$381,880,586	$397,487,432
Secondary Road Paving	$71,497,038	$73,700,275
Urban Loop Construction	$154,416,605	$160,727,363
State Aid to Municipalities - Powell Bill	$40,068,181	$41,705,703
Program Administration	$25,918,895	$27,072,575
Transfer to General Fund	170,000,000	170,000,000
Total Highway Trust Fund Appropriation	**$843,781,305**	**$870,693,348**

HIGHWAY FUND CONFERENCE REPORT

Transportation

HIGHWAY FUND

	FY 97-98	FY 98-99
Recommended Budget	**$1,082,397,705**	**$1,087,670,091**

Legislative Changes

Administration

(0000) All Divisions

1 Position Reductions ($135,000) R ($135,000) R

Eliminate 3 vacant positions: -3.00 -3.00

Asst. Sec. for Government Affairs
Deputy Secretary
Personnel Tech III

2 Reduce Operating Expenses ($130,000) R ($130,000) R

Travel/Other Employee Expenses (22XX)	($10,000)
Payments for Services (22XX)	($100,000)
Materials and Supplies (24XX)	($10,000)
Equipment (25XX)	($10,000)
Total	($130,000)

(0110) Board of Transportation

3 Reduce Operating Expenses ($26,000) R ($26,000) R

Per Diem (2231)	($16,000)
Board-Council Expenses (2235)	($10,000)
Net	($26,000)

(0210) Fiscal

4 Reduce Operating Expenses ($10,000) R ($10,000) R

Travel and Subsistence (2236-40)	($18,000)
Hwy Trust Fund Trans. (0914)	$ 8,000
Net	($10,000)

(0220) MIS

5 Support for Year 2000 Conversion

Contract personnel to provide technical support for the Year 2000 conversion. $4,835,000 NR $5,575,000 NR

6 Support for Vehicle Registration System (STARS) $600,457 R $600,457 R

Contract personnel to provide programming support for the Vehicle Registration System (STARS). $600,447 NR

7 Support for Driver License System $421,852 R $421,852 R

Contract personnel to provide programming support for the Driver License System. $140,618 NR

(0250) Internal Audit

8 Reduce Operating Expenses ($1,350) R ($1,350) R

Educational Expenses (2233)	($3,000)
Hwy Trust Fund Trans. (0914)	$1,650
Net	($1,350)

(0290) Director of Administration

9 Reduce Operating Expenses $0 R $0 R

Professional Fees (2310)	($50,000)
Hwy Trust Fund Trans. (0914)	$50,000
Net	($ 0)

10 Increase Receipts ($185,000) R ($185,000) R

Employee Commuting Fees (0994) $185,000

(0660) Ferry Division

11 Increase Receipts

Charges to Work Orders (0910) $10,000 ($10,000) NR

Operations

(0000) All Divisions

12 Reduce Operating Expenses ($85,000) R ($85,000) R

Travel/Other Employee Expenses (22XX)	($30,000)
Payments for Services (22XX)	($30,000)
Materials and Supplies (24XX)	($10,000)
Equipment (25XX)	($15,000)
Total	($85,000)

(1030) Chief Engr of Operations

13 Reduce Operating Expenses ($8,600) R ($8,600) R

Educational Expenses (2233)	($20,000)
Hwy Trust Fund Trans (0914)	11,400
Net	(8,600)

(2050) Division Five

14 Reduce Operating Expenses ($18,510) R ($18,705) R

	97/98	98/99
Telephone (2322)	($7,000)	(7,210)
Data Processing Equip (2510)	(15,000)	(15,000)
Hwy Trust Fund Trans.(0914)	3,490	3,505
Net	(18,510)	(18,705)

(2140) Division Fourteen

15 Reduce Operating Expenses	($2,250)	R	($2,250)	R
Repairs (2342) ($3,000)				
Hwy Trust Fund Trans.(0914) 750				
Net ($2,250)				

(2210) Highway Design

16 Reduce Operating Expenses	($51,710)	R	($51,710)	R
Subsistence & Travel (2236;7) ($20,000)				
Repairs (2347) (5,000)				
Photographic Supplies (2410) (12,000)				
Engr & Drafting Equip (2512) (20,000)				
Services by Other Hwy Div.(2640) (30,000)				
Hwy Trust Fund Trans. (0914) 35,290				
Net (51,710)				
17 Increase Estimated Receipts	($75,000)	R	($75,000)	R
Direct Charges to Job Orders (0910) ($50,000)				
Other Receipts (0990) (25,000)				
Net (75,000)				

(2230) Maintenance

18 Reduce Operating Expenses	($33,350)	R	($33,350)	R
Subsistence & Travel (2236;7) ($35,000)				
Rent of Equip (2522) (5,000)				
Hwy Trust Fund Trans. (0914) 6,650				
Net (33,350)				

(2240) Construction

19 Reduce Operating Expenses	($7,000)	R	($7,000)	R
Laboratory Equipment (2514) ($7,000)				

(2260) Safety & Loss Control

20 Reduce Operating Expenses	($24,000)	R	($24,000)	R
Educational Expenses (2233) ($9,000)				
Subsistence and Travel (2236;7;8;9;40) (15,000)				
Net (24,000)				

(2320) Traffic Engineering

21 Reduce Operating Expenses	($6,300)	R	($6,300)	R
Subsistence and Travel (2236;7;8;9;40) ($7,500)				
Hwy Trust Fund Trans. (0914) 1,200				
Net (6,300)				

(2330) Right of Way

22 Reduce Operating Expenses	($5,000)	R	($5,000)	R
Subsistence and Travel (2236;7;8;9;40) ($5,000)				

(2420) Highway Engineering Assoc. Prog.

23 Increase Receipts	($250,000)	R	($250,000)	R
Direct Charges-Work Orders (0910) $250,000				

Construction and Maintenance

(5120) Secondary Roads

24 Technical Adjustment Based on Actual Revenues	($2,035,976)	R		
The continuation budget amount for Secondary Roads is equal to 1-3/4 cents of total FY 96/97 gas tax revenues. Based on actual FY 96/97 revenues this amount should be reduced below the amount in the Governor's continuation budget.				

(5180) Construction - Discretionary

25 Increase Small Urban Programs	$4,000,000	R	$4,000,000	R
Provides additional funding for rural and small urban highway improvements, industrial access and spot safety. [SB 352, Sec. 32.5, p. 423]				

(5240) Contract Resurfacing

26 Additional Resurfacing Funds	$7,408,965	R	$7,408,965	R
To provide additional funds for contract resurfacing.	$11,767,799	NR		

(5400) Capital Improvements

27 Capital Facilities Improvements

To provide funds for capital facilities improvements. $12,100,000 NR

1.R.E.U. Office/Assembly & Storage Facility
Newton - $434,000
2.Equipment Shop, Const.
Marion - $1,103,000
3.Transportation Bldg. Upgrade - Chiller
Raleigh - $469,000
4.Site Planning & Utilities Const.
Asheboro - $128,000
5.Equipment Shop, Const.
Asheboro - $1,024,000
6.Century Center Renovation - Electrical
Raleigh - $439,000
7.Maint. Office/Assembly
Franklin - $405,000
8.DMV - Bldg. Renovation & Addition
Morganton - $198,000
9.Resident Engr's. Office, Const.
Lumberton - $294,000
10.DMV - Bldg. Renovation & Addition
Charlotte - $262,000
11.R.E.U./Road Oil Building
North Wilkesboro - $1,127,000
12.Land Purchase, 1.5 Acres
Currituck - $84,000
13.DMV - HVAC Replacements
Statewide - $300,000
14.DOH - Water and Sewage Systems
Statewide - $132,000
15.Transportation Bldg. Upgrade - Plumbing
Raleigh - $303,000
16.DOH - Misc. (Small) Office Additions
Statewide - $120,000
17.DMV - Life Safety Upgrades
Raleigh - $142,000
18.DMV - Water and Sewage Systems
Statewide - $100,000
19.Weigh Stations - Electrical Renovations
Statewide - $100,000
20.Weigh Stations - HVAC Renovations
Statewide - $84,000
21.DMV - Pkg. Lot Renovations
Statewide - $185,000
22.Div. Traffic Serv. Office/Shop/Whse.,Const.
Carthage - $1,355,000
23.Pesticide Storage Bldg., Const.
Carthage - $75,000
24.Salt Storage Facilities
Statewide - $532,000
25.Repair/Supply Facility, Const.
Hatteras North Dock - $721,000
26.DMV - Bldg. Renovation & Addition
North Wilkesboro - $198,000
27.DMV - Roof Replacements

Statewide - $263,000
28.DMV- Exterior Renovations
Statewide - $238,000
29.DMV - Interior Renovations
Statewide - $182,000
30.DMV - Bldg. Renovations & Addition
Sanford - $378,000
31.DMV - Renovation & Addition
Graham - $60,000
32.DMV - Computer Room Renovation
Raleigh - $99,000
33.Land Purchase, 0.75 Acre
Hayesville - $100,000
34.New Division Office, Land Purchase & Des.
North Wilkesboro - $366,000
35.Renovate Maintenance Facility
Onslow County - $100,000

(5600) Federal Construction

28 Reduce Federal Aid Match

Reduce Highway Fund appropriations used to match Federal Aid. ($23,954,740) NR

(5910) State Aid to Muncipalities (Powell Bill)

29 Technical Adjustment Based on Actual Revenues ($2,035,976) R

The continuation budget amount for Powell Bill Funds is equal to 1-3/4 cents of total FY 96/97 gas tax revenues. Based on actual FY 96/97 revenues this amount should be reduced below the amount in the Governor's continuation budget.

(5940 & 5970) State Aid - Rail & Public Transit

30 Public Transportation Improvements $12,600,000 R $12,600,000 R

Additional funds for the improvement of passenger rail service and support of local public transportation systems. [SB 352, Sec. 32.17, p. 429] $13,400,000 NR

Division of Motor Vehicles

(0000) All Divisions

31 Federal Driver License Privacy Act Implementation $124,600 R $124,600 R

Federal law requires restricted access to motor vehicle records after September 13, 1997. DMV requies additional positions to implement new information request procedures. [SB 352, Sec. 32.25, p. 432] $13,000 NR
2.00 2.00

(0520) Vehicle Registration

32 Adjust Operating Expenses		$300,000	R	$300,000	R
Professional Fees (2310)	($ 40,000)				
Insurance and Bond Premium (2351)	($ 30,000)				
Uniforms, Arms, Etc (2412)	($ 1,409)				
Branch Agent Commissions (2314)	$268,909				
Data Processing Equipment (2510)	$ 40,000				
Hwy Trust Fund Trans. (0914)	$ 62,500				
Net	$300,000				
33 Increase Receipts		($260,000)	R	($260,000)	R
Registration Info. Receipts (0985)	$225,000				
Acknowledgment Fees (0986)	$ 35,000				
Net	$260,000				
34 Service and Maintenance of Equipment		$150,000	R	$165,000	R
Increased service and maintenance costs for data processing equipment.					
35 Branch Agent Transaction Volume		$2,027,695	R	$3,052,783	R
Increased costs related to larger number of transactions performed by Branch Agents, based on current transaction rates.					
36 Increase Highway Trust Fund Receipts		($889,760)	R	($1,073,146)	R
Highway Trust Fund receipts increase due to growth in Highway Use Tax transactions.					
37 Branch Agent Rate Increase		$1,028,619	R	$1,110,909	R
Branch Agent rate increases from $1.20 per transaction to $1.35 for non-Highway Use Tax transactions. [SB 352, Sec. 32.7, p. 425]					
38 License Plates and Stickers		$226,291	R	$392,763	R
Increased costs related to larger number of license plates.					

(0530) Driver Licensing

39 Adjust Operating Expenses		$0	R	$0	R
Repairs and Services to Equip. (2342)	($ 8,000)				
Repairs and Services to DP Equip.(2347)	($ 9,000)				
Office supplies (2410)	($70,000)				
Photographic Supplies (2473)	($ 5,000)				
Printing and Binding (2411)	$75,000				
Driver License Photo Equipment (2524)	$17,000				
Net	$ 0				
40 Automated Testing System				$30,000	R
Install automated testing equipment in 10 offices.		$270,000	NR	$230,000	NR
41 Renovate 11 Driver License Offices					
The following offices are scheduled for renovation:		$494,722	NR		
East Greensboro, Asheboro, Clyde, Concord, Greenville,					

Monroe, Morehead City, Morganton, Rocky Mount, Taylorsville and Whiteville

42 Automated Customer Queuing System	$9,500	R	$39,500	R
Install Queuing Systems in 20 Driver License offices.	$360,000	NR		
43 Photo Equipment	$191,444	R	$399,598	R
Increased costs of leasing digitized photo equipment due to increases in number of transactions performed.				
44 Graduated Driver License Implementation	$101,789	R	$255,607	R
Expenditures to implement graduated driver license legislation. Additional funding and positions will be required in FY 99-00.	$20,865 3.00	NR	$28,595 7.00	NR
45 Driver License Office Staffing	$904,940	R	$1,138,735	R
Additional staffing necessary to meet customer demands.	$95,060 28.00	NR	$23,765 35.00	NR

(0540) School Bus and Traffic Safety

46 Adjust Operating Expenses	$0	R	$0	R
Dues, Subscriptions, Promo.(2352) ($5,000) Repairs and Services to Equip.(2342) ($2,000) In-State Transportation (2237) $7,000 Net $ 0				
47 Driver Improvement Clinics	$18,500	R	$18,500	R
To enable drivers to complete clinic in one day.	$35,100	NR		

(0550) Traffic Records

48 Increase Receipts	($7,400)	R	($7,400)	R
Reimbursement NHSTA (0959) $7,400				

(0560) International Registration Plan

49 Adjust Operating Expenses	($4,700)	R	($4,700)	R
Travel and Subsistence (2238-9) ($5,000) Telephone and Telegraph (2322) ($2,000) In-State Transportation (2237) $2,000 Hwy Trust Fund Trans. (0914) $ 300 Net ($4,700)				

(0570) Enforcement

50 Adjust Operating Expenses $0 R $0 R

Educational Expenses (2233)	($ 2,186)
Repairs and Service DP Equip. (2347)	($ 36,000)
Motor Vehicle Operations (2469)	($ 2,331)
In-State Subsistence (2236)	($213,184)
Rent of Other Equipment (2523)	($ 10,000)
In-State Transportation (2237)	$189,184
Out of State Subsistence (2238)	$ 12,000
Out of State Transportation (2239)	$ 6,000
Other Travel Expenses (2240)	$ 6,000
Training Data Processing (2250)	$ 2,186
Professional Fees (2310)	$ 10,000
Shop Supplies and Small Tools (2474)	$ 2,331
Data Processing Equipment (2510)	$ 57,500
Safety Inspection Invest. (2637)	($ 21,500)
Net	$ 0

51 Equipment

To provide funds to purchase portable scales, scale racks, and 800 MHZ radios. $591,830 NR

(0590) Motor Vehicle Exhaust Emission Inspec.

52 Adjust Expenditures and Receipts $0 R $0 R

To budget additional receipts and expenditures for this fee supported program, based on program requirements

	97/98	98/99
Expenditures	$3,959,086	$1,478,941
Receipts	($3,959,086)	($1,478,941)
Net	0	0

Reserves

(0000) Reserves

53 Minority Contractor Development $150,000 R $150,000 R

To provide funds to the Department of Transportation for the development of minority contractors.

54 State Fire Protection Grant Fund $150,000 R $150,000 R

Highway Fund portion of grants to local fire units for protection of State facilities.

(6270) Crime Control and Public Safety

55 Criminal Justice Information Network (CJIN)

Provide funds for installation of 18 data transmitters and purchase of 200 mobile data units. $4,106,600 NR $156,600 NR

56 Highway Patrol Helicopters $103,660 R $103,660

Provides funds to move two State Highway Patrol helicopters to Asheville and Kinston. Funds for operations, maintenance

and flight time.

(6310) Dept. of Public Instruction

57 Increased Driver Education Cost Increased Driver Education Cost due to revised 9th grade Average Daily Membership (ADM) estimates. [SB 352, Sec. 32.6, p. 425]	$922,607	R	$939,955	R

(6610) Employer Retirement Cont

58 Reduce Retirement Contribution Savings realized by a reduction in retirement rate contribution. Contribution rate is reduced from 10.83% to 10.46% for FY 97/98 only. [SB 352, Sec. 33.23, p. 453]	($1,650,200)	R		

(6810) Compensation Increases

59 Reduction of Reserve for Compensation Increases The reserve amount provided in 1996 for the 4.5% FY 96/97 compensation increase was more than was needed to pay for the annualized cost of the increase. As a result, compensation funds can be reduced by $250,000.	($250,000)	R	($250,000)	R
60 Legislative Salary Increase Provides funds for a 2% cost of living adjustment and a 2% career growth salary increase for employees paid from Highway Fund appropriations. Employees at the top of their pay scale receive a one-time bonus instead of a 2% career growth increase. [SB 352, Sec. 33.18, p. 443]	$15,679,786 $1,079,570	R NR	$15,679,786	R

(6820) New DMV Building

61 New DMV Building Provides design funds for new DMV Building.	$1,000,000	NR		

(6825) Computer Replacement

62 Computer Replacement Reserve Provides funds to allow for ongoing replacement of obsolete personal computers.	$1,000,000	NR	$1,000,000	NR

(6826) New DMV Systems

63 Collisions Reports Re-engineering Provide funds for the re-engineering of the way data is collected relating to automobile accidents.	$1,774,500	NR	$1,742,527	NR
64 International Registration Plan (IRP) Provide funds for enhancements to outdated IRP software.	$1,270,600	NR	$1,766,000	NR

Total Legislative Changes	**$38,932,623**	R	**$46,433,159**	R
	$30,990,971	NR	**$10,522,487**	NR
Total Position Changes	30.00		41.00	
Revised Budget	**$1,152,321,299**		**$1,144,625,737**	

TRANSPORTATION SPECIAL PROVISION SUMMARY

1997 **Session:** Senate Bill 352

Department: Transportation

Section: 32

Title: Global Transpark Authority to Reimburse Highway Fund From Federal Sources

Summary: Extends for two years a reimbursement provision for $1.8 million appropriated to the Global Transpark for an environmental impact statement (EIS). If the Federal Aviation Administration (FAA) reimburses the State for the EIS, the Federal Funds would be deposited into the Highway Fund.

Section: 32.1

Title: Aircraft and Ferry Acquisitions

Summary: Establishes in G.S. a requirement for the Board of Transportation to estimate the operating and capital costs of adding an aircraft or ferry to the fleet and report such costs to the Joint Legislative Commission on Governmental Operations.

Section: 32.2

Title: Department of Transportation to Pay Department of Correction only for Actual Medium Custody Inmate Labor

Summary: The Department of Transportation shall pay the Department of Correction only for the actual labor performed by medium custody inmates.

Section: 32.3

Title: Highway Fund Allocations by Controller

Summary: Establishes in G.S. that the DOT Controller shall allocate funds to eliminate all overdrafts on State maintenance and construction projects.

Section: 32.4

Title: Small Urban Construction Program Discretionary Funds

Summary: Appropriates $14 million for small urban construction projects located within one mile of municipal corporate limits and $10 million for rural or small urban highway improvements, industrial access roads, and spot-safety projects.

Section: 32.5

Title: Use of Annual Unreserved Highway Fund Credit Balance

Summary: Allows the excess credit balance at year end to be used to create reserves for access and public roads, unforeseen events, and other needs of the department. After the reserves are established, any remaining credit balance goes to maintenance.

Section: 32.6

Title: Drivers Education Funding

Summary: States that funding for increase in Driver Education costs will be covered by funds appropriated to DOT. In allocating funds to driver training, the State Board of Education shall consider the needs of small and low-wealth local school administrative units.

Section: 32.7

Title: Branch Agent Transaction Rate

Summary: Raises branch agents transaction rate from $1.20 to $1.35 per transaction for all transactions except collection of Use Tax. The transaction rate for Use Tax remains at $1.20 per transaction. Also requires DOT to develop performance measures for branch agents. The performance measures are to be reported to Transportation Oversight for review by Dec. 1, 1997.

Section: 32.8

Title: Merger of International Registration Plan and Vehicle Registration

Summary: Merges budget fund codes for International Registration Plan and Vehicle Registration.

Section: 32.9

Title: Plan for Privatization of School Bus Driver Training

Summary: DOT shall prepare a plan for the privatization of school bus driver training as recommended by MGT performance audit.

Section: 32.10

Title: Highway Fund Limitations on Overexpenditures

Summary: Allows overexpenditures of certain fund codes within the Construction and Maintenance budget code, as long as there are offsetting underexpenditures of those funds.

Section: 32.11

Title: Department of Transportation Exemption from General Statutes for Experimental Project – Congestion Management

Summary: Exempts from bidding and contracting laws a project on I-77 in Mecklenburg County designed to reduce congestion, improve safety and improve air quality on major traffic arteries. The project involves the installation of an advanced traffic control system and an advanced traveler communication and information system to allow motorists to avoid congestion and accidents.

(Note - this contract has been awarded. DOT feels that this SP should be continued to address any contract amendments should they arise.)

Section: 32.12

Title: Resurfaced Roads may be Widened

Summary: Establishes in G.S., permission for DOT to use 15% of the contract resurfacing funds to widen existing roads scheduled for resurfacing.

Section: 32.13

Title: Cash Flow Highway Fund and Highway Trust Fund Appropriations

Summary: This provision sets out certified revenue estimates for the Highway Fund and Highway Trust Fund for the four years following the current biennium. Estimates will be used by the Department of Transportation to determine the amount of funding that can be used for projects funded on a cash flow basis.

Section: 32.14

Title: F.E.M.A. Receivables

Summary: DOT is required to report to the Joint Legislative Transportation Oversight Committee by March 1, 1998 on the status of Federal Emergency Management Agency receivables for past natural disasters.

Section: 32.15

Title: Feasibility Study of Drivers Education Testing

Summary: DOT and the Department of Public Instruction shall conduct a feasibility study of having the drivers education instructors, rather than DMV examiners, administer the required written and road tests before a student is issued a permit or license. DOT is required to report the results of the study to the Joint Legislative Transportation Oversight Committee by March 1, 1998.

Section: 32.16

Title: Global Transpark Authority Business Plan for Disadvantaged Business Participation

Summary: Requires the Global Transpark Authority to develop a business plan for meeting its ten percent goal for disadvantaged business participation in contracting. The Global Transpark Authority is required to submit a copy of the plan to the Joint Legislative Transportation Oversight Committee by March 1, 1998.

Section: 32.17

Title: Use of Public Transportation and Passenger Rail Funding

Summary: Requires the DOT to prepare a plan for the use of the expansion funds provided in the budget for the improvement of public transportation and passenger rail service. DOT is required to present the plan to the Joint Legislative Transportation Oversight Committee by October 1, 1997.

Section: 32.18

Title: Federal Funds for Public Transportation Improvements

Summary: To the extent allowable by federal law, the DOT shall use ten million dollars ($10,000,000) of federal highway funds for improvements to public transportation.

Section: 32.19

Title: Biennial Report on Maintenance Requirements

Summary: In each even numbered year, the DOT shall survey the conditions of the State highway system and shall prepare a report of the findings of the survey. On the basis of the report, the DOT shall develop a state-wide annual maintenance program for the State highway system. The report shall be presented to the Joint Legislative Transportation Oversight Committee by November 30 of each even numbered year.

Section: 32.20

Title: Graduated Drivers License Program

Summary: Eliminates the language form the recently passed "Graduated Drivers License" bill that says the bill only becomes effective if the General Assembly appropriates the "necessary" funds from the Highway Fund to the DOT to administer the provisional license program. (Note - the Senate's budget includes funding for the Graduated Drivers License Program.)

Section: 32.21

Title: Highway Patrol – Underground Fuel Tank Removal and Remediation Funds

Summary: Requires that $650,000 from the unreserved credit balance of the Highway Fund as of June 30, 1997 be used to pay for the removal and replacement of underground fuel storage tanks located at various State Highway Patrol installations.

Section: 32.22

Title: Oregon Inlet Stabilization Project Study

Summary: Requires the Legislative Research Commission to study the cost and benefits of the stabilization of the Oregon Inlet, and to report to the 1998 session of the General Assembly.

Section: 32.23

Title: Department of Transportation Minority and Women Owned Business Participation Plan

Summary: Requires DOT to develop a plan for meeting its goals for minority and women owned business participation in constructions and supply contracts. DOT shall submit the plan to Joint Legislative Transportation Oversight Committee by December 1, 1997.

Section: 32.24

Title: Contaminated Property Remediation

Summary: If available, allows any funds previously set aside for a battery dump cleanup site to be used for other contaminated sites. Original appropriation was $115,000, it now appears that some amount less than $115,000 will be needed for the battery site cleanup.

Section: 32.25

Title: Federal Drivers Privacy Protection Act Compliance

Summary: Amends General Statutes to comply with the Federal Drivers Privacy Protection Act. The Federal Law becomes effective Sep. 13, 1997. The Federal act allows less public access to driver and motor vehicle records than does current law. The provision allows mass marketers access to certain vehicle records, but only if the vehicle owner signs a form permitting access.

Section: 32.26

Title: Salvage Vehicle Inspections

Summary: Amends General Statutes to require vehicle inspection, by the Enforcement Division, of any motor vehicle up to six model years old damaged by collision or other occurrence which is to be retitled in NC.

Section: 32.27

Title: Western Passenger Rail Service Route Major Investment Study

Summary: Provides that from funds appropriated to the DOT, $750,000 shall be used to conduct a major investment study of passenger rail service that will include: 1) a passenger rail proposal providing service between Raleigh and Asheville through Winston-Salem, and 2) commuter rail services between Winston-Salem, Greensboro, High Point and outlying communities.

The study will be conducted by the Triad Regional Transportation Authority in consultation with DOT and MPO's in Forsyth County, Greensboro and High Point. The DOT shall approve funding requests for the study and make progress reports to Transportation Oversight.

Section: 32.29

Title: Contract Agent Transaction Analysis and On-line Registration Feasibility Study

Summary: Requires the Office of Productivity Management in DOT to study the current cost of transactions performed by tag agents. The study shall be reported to Joint Legislative Transportation Oversight Committee by March 1, 1998.

The DMV shall study the feasibility of a system that would allow motor vehicle dealers to enter information onto the STARS system for issuance of certificates of title, registration plates, or both for new vehicles sold by them.

Section: 32.30

Title: North Carolina Railroad Acquisition

Summary: Instructs the State Treasurer to invest up to $61 million of the General Fund in a loan for the purpose of the State acquiring 100% ownership of the voting stock of the North Carolina Railroad Company. The loan is not subject to repayment of principal and interest prior to action of the 1999 Session of the General Assembly. The Governor shall recommend to the 1999 Session of the General Assembly, by Feb. 1, 1999, a plan of repayment of the loan.

The provision also provides that the Governor, Speaker of the House, and the President Pro Tempore of the Senate will appoint the directors of the NCRR board. The Governor shall appoint 5 members of the board, and the Speaker and President Pro Tempore shall each appoint 2. The board shall elect a chairman from its membership.

REVENUE FORECASTS

HIGHWAY FUND FORECAST

The Highway Fund is supported from three primary revenue sources: three-fourths of the motor fuels tax; license and fee revenues collected by the Division of Motor Vehicles; and interest earned from investment of highway funds by the State Treasurer.

FY 1996-97 REVENUE COLLECTIONS

Highway Fund collections totaled $1.076 billion in FY 1996-97, a 6.6% increase over FY 1995-96 collections of $1.049 billion, and $12.8 million (1.2%) above the certified budget level. Motor fuels tax collections exceeded the certfied budget by just under $5 million (0.7%). The difference was due largely to a higher than forecasted tax rate as a result of increased gas prices. Although overall revenue was above the certified budget level, not all revenues performed ahead of projections. Investment income was significantly below , $6 million (31.6%), the certified budget level. This difference was due to a reduction to Highway Fund cash balances that occurred when those balances were use to fund the cost incurred by DOT as part of Hurricane Fran clean-up efforts. The cash balances were to be replenished by reimbursements from the Federal Emergency Management Agency, but the reimbursements did not occur during the fiscal year.

1997-99 FORECAST

Compared to actual collections in FY 1996-97, Highway Fund revenues are projected to grow 42.5 million (4.0%) in FY 1997-98, and an additional $26 million (2.3%) in 1998-99. Motor fuel tax revenue represents the largest portion of this increase, and is projected to grow by $29.8 million (4.0%) into 1997-98. Statewide fuel consumption is expected to grow by 2.5% into 1997-98, and the variable component of the State motor fuel tax is expected to remain at an average of 22.6 cents. Driver license fees are projected to decrease by $5.3 million (7.6%) from 1997-98 to 1998-99. This decrease is projected because the revenue windfall that was gained from the change to a five-year license renewal period will begin to subside in 1998-99.

HIGHWAY FUND REVENUE
(Millions)

	1996-97 Actual	1997-98 Projected	1998-99 Projected
Fuels Taxes:			
Motor Fuels Tax	$730.9	$760.3	$779.7
Gasoline Inspection Fee	11.7	12.4	12.7
Highway Use Registration Fee	0.2	0.3	0.5
Total Fuels Taxes	**$742.8**	**$773.0**	**$792.9**
Licenses, Fees, and Penalties:			
Staggered Vehicle Registration	$131.5	134.8	$136.2
Truck Licenses	54.0	55.2	54.8
International Registration Plan	41.5	43.0	47.4
Drivers Licenses	68.1	70.2	64.9
Other	25.1	25.5	26.2
Total Licenses, Fees, and Penalties	**$321.2**	**$328.7**	**$330.5**
Investment Income	**13.1**	**17.0**	**21.2**
TOTAL HIGHWAY FUND REVENUE	**$1,076.1**	**$1,118.7**	**$1,144.6**

HIGHWAY TRUST FUND FORECAST

The 1989 Session of the General Assembly established the Highway Trust Fund, whose revenues are used almost exclusively for highway construction. This fund was created with new State revenues in addition to highway taxes and fees traditionally deposited into the State Highway Fund. The primary revenue sources are: one-fourth of the motor fuel taxes; a 3% use tax levied whenever a motor vehicle title is transferred (unless specifically exempt by general statute); title fees and various registration fees collected by the Division of Motor Vehicles,; interest earned from investment of the Trust Fund cash balance; and, an annual transfer from the Highway Fund equal to the reduction in highway bond debt service relative to the level of debt service in 1989.

FY 1996-97 REVENUE COLLECTIONS

Highway Trust Fund revenues for FY 1996-97 totaled $772.8 million, representing a 4.4% increase over FY 1995-96 revenues of $739.6 million. Highway use tax revenues exceeded the certified budget by $41.8 million (11.4%), and Treasurer's investments exceeded projections by $8.2 million (29.7%) due to higher than expected cash balances being available for investment.

1997-99 BIENNIUM FORECAST

Highway Trust Fund revenues are expected to increase in FY 1997-98 by 4.3% to $805.8 million, and in FY 1998-99 by 3.3% to $832.7 million.. Continued growth at current rates is expected for revenues from taxes and fees, but investment income is expected to decrease into 1997-98 as cash balances are spent down.

HIGHWAY TRUST FUND REVENUE
(Millions)

	1996-97 Actual	1997-98 Projected	1998-99 Projected
Revenues			
Motor Fuels Revenue	$243.7	$253.4	$259.9
Motor Vehicle Use Tax	407.6	437.4	455.5
Title Fees:			
Certificates of Title	73.0	73.3	74.7
Miscellaneous Title Fees	12.7	13.3	13.6
Treasurer's Investments	35.7	28.4	29.0
Total Revenue	$772.7	$805.8	$832.7
Amount Required to be Transferred to the General Fund	(170.0)	(170.0)	(170.0)
Amount Required to be Transferred from the Highway Fund	32.3	38.0	38.0
BALANCE AVAILABLE	**$635.0**	**$673.8**	**$700.7**

1997-98 Revenue Collections
Through 9/30/97

Highway Fund

	1996-97	1997-98	$ Diff.	% Diff.
Motor Fuels Tax	$185.4	$197.2	$11.8	6.4%
Staggered Registration	32.0	33.6	1.6	5.0%
Truck Registration	1.4	1.2	(0.2)	-14.3%
International Registration	4.5	5.6	1.1	24.4%
Driver License	17.9	17.2	(0.7)	-3.9%
Investment Income	3.1	1.8	(1.3)	-41.9%
Other	7.0	9.0	2.0	28.6%
Total	251.3	265.6	14.3	5.7%

Highway Trust Fund

	1996-97	1997-98	$ Diff.	% Diff.
Motor Fuels Tax	61.5	65.7	4.2	6.8%
Highway Use Tax	97	111.7	14.7	15.2%
Title Fees	16.5	19.3	2.8	17.0%
Other Fees	3.3	3.1	(0.2)	-6.1%
Investment Income	5.5	5.8	0.3	5.5%
Total	183.8	205.6	21.8	11.9%

Fiscal Research Division
20-Oct-97

DRAFT

TRANSPORTATION ENACTMENTS

1997 SESSION

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TRANSPORTATION

Division of Motor Vehicles

Two Year Driver Instructor License (S.L. 1997-33; HB 178): S.L. 97-33 increases from one year to two years the duration of a license issued by the Division of Motor Vehicles for a commercial driver training school or a commercial driver training instructor under Article 14 of Chapter 20. The fee rate for the license remains the same. S.L. 1997-33 became effective July 1, 1997.

Branch Agent Reimbursement Rate (S.L. 1997-443, Sec. 32.7; SB 352, Sec. 32.7): Sec. 32.7 of S.L. 97-443 sets the reimbursement rate for Division of Motor Vehicle commission contractors at $1.35 or $1.20 per transaction, specifically describes those tasks that constitute a transaction, and specifies the rate that applies to each. These changes became effective July 1, 1997.

Modify Emissions Inspection Laws (S.L. 1997-29; SB 260): This act, which was recommended by the Joint Legislative Transportation Oversight Committee, modifies the penalty schedule for violations of the vehicle emission inspection program, clarifies the procedure for imposing the penalties, and make other changes to the vehicle emission inspection law as recommended by the Environmental Review Commission. Under existing law, a motor vehicle is subject to an emissions inspection if it is a 1975 or later model, and it is required to be registered in an "emissions county" as indicated in the statute. An emissions county is one in which the State either is required by federal law to conduct emissions testing or has agreed to conduct emissions testing. Emissions inspections are currently required in Cabarrus, Durham, Forsyth, Gaston, Guilford, Mecklenburg, Orange, Union, Wake counties. The act made forgery of an inspection sticker and related acts a class I felony, effective for offenses committed on or after November 1, 1997, and made all other changes effective July 1, 1997. A technical change to correct a statutory citation was subsequently made by S.L. 97-456; HB115, Section 35.

Fail Community Service/Revoke License (S.L. 1997-234; SB 393): This act requires the revocation of a person's drivers license or limited driving privilege for willful failure to complete court-ordered community service, and provides that the limited driving privilege granted a person convicted of impaired driving will be revoked until any delinquent

community service requirement has been met. On the basis of information provided by the clerk of court, DMV will revoke the license of any person who has willfully failed to complete court-ordered community service when the court has issued a revocation order. The revocation continues in effect until DMV receives certification from the clerk of court that the person has completed the court-ordered community service. The act also amends G.S. 20-179.4 and 143B-475.1, to provide that community service coordinators will be appointed in consultation with the chief district court judge. Prior law provided that the judge must be consulted with and must approve the appointments. The bill became effective October 1, 1997 and applies to any person hired or to any person notified of a hearing to determine if the person has willfully failed to perform community service on or after that date.

DMV Medical Information Immunity (S.L. 1997-464; HB 231): The act creates G.S. 20-9.1, which provides civil and criminal immunity to a North Carolina licensed physician or psychologist for disclosing to the Commissioner of Motor Vehicles a mental or physical disability that the physician or psychologist believes impairs a patient's ability to safely operate a motor vehicle. Disclosures authorized under the new provision may only include the patient's name, address, date of birth, and diagnosis. The information must be kept confidential by the Commissioner, and may only be used to determine whether the person is competent to operate a motor vehicle. In any liability proceeding brought as a result of a disclosure or nondisclosure under this section, the person bringing the action would have to show lack of good faith and the existence of malice on the part of the physician or psychologist. The bill also provides immunity for physicians providing medical information and testimony regarding a pilot to a government agency responsible for licensing pilots or to a government agency responsible for air safety. The bill became effective September 1, 1997.

Federal Drivers Privacy Protection Act (S.L. 1997-443, Sec. 32.25; SB 352, Sec. 32.25): Sec. 32.25 of S.L. 97-443 requires the Department of Transportation to restrict access to personal information in motor vehicles records in accordance with the Federal Driver's Privacy Protection Act of 1994. The federal act authorizes but does not require States to establish a procedure to ask any persons applying for a license or registration if they will allow the disclosure of personal information in their record for marketing, or for any other purpose. Section 32.25 of S.L. 97-443 authorizes DMV, on and after July 1, 1998, to establish a procedure to ask any person applying for a title, or filing application for a leased vehicle, if they will allow personal information in their records to be disclosed. Section 32.25 of S.L. 97-443 became effective July 1, 1997.

Salvage Vehicles Inspections (S.L. 1997-443, Sec. 32.26; SB 352, Sec. 32.26): Since 1989, the Enforcement Section of the Division of Motor Vehicles has been required by G.S. 20-71.3 to do preliminary and final inspections of all vehicles that have been damaged in collisions, and are to be retitled. This generally means vehicles that have been totaled and are being repaired for resale. Section 32.26 of S.L. 97-443 reduces the number of these inspection by about half, by requiring DMV to only inspect vehicles *up to six model*

years old. This section became effective July 1, 1997.

Drivers Licenses/Vehicle Registration

Increase Amount for Insurance Point (S.L. 1997-332; SB 234) : The act increases the statutory amounts that determine the assessment of safe driver incentive plan points and provides for a graduated insurance point and surcharge schedule for bodily injury caused in automobile accidents. The act raises the amount of property damage that constitutes a `major accident' from $2,000 to $2,500 or more; raises the amount of property damage that constitutes an `intermediate accident' from $1,000 to $1,500 but less than $2,500; and raises the amount of property damage that constitutes a `minor accident' from $1,000 to $1,500 or less. The Rate Bureau is required to assign varying Safe Driver Incentive Plan point values and surcharges for bodily injury in at-fault accidents that are commensurate with the severity of the injury. The North Carolina Rate Bureau was directed to amend the subclassification plan to implement the provisions of this act no later than October 1, 1997. The amendments to the plan become effective January 1, 1998, and apply to at-fault accidents that occur on or after that date. The act became effective July 25, 1997.

Sixty Days to Change DMV Info (S.L. 1997-122; SB 167): S.L. 97-122 establishes 60 days as the standard time period in which a new resident of this State must obtain a drivers license, a special identification card, or a vehicle registration and in which a current resident of this State must notify the Division of a change of address or name. It also makes standard a requirement that a person whose name changes notify the Division of the change within 60 days. Further, it establishes a standard requirement that a person who has not moved but whose address has changed must notify the Division of the change. Finally, it makes clarifying changes to the affected statutes. Under current law, some of these time periods are 30 days, some are 60 days, and some are unlimited and no notice is required in some instances for a change of name. S.L. 97-122 becomes effective December 1, 1997.

Dropout Prevention/Drivers License (S.L. 1997-507; HB 769): S.L. 97-507 seeks to encourage students to stay in school by making school enrollment a prerequisite to obtaining and keeping a permit or license to drive. The requirements of the act are coordinated with the graduated drivers' license program, which will go into effect on August 1, 1998, and do not apply to a person who holds a valid North Carolina limited learners' permit, a learner's permit, or a provisional drivers' license issued before December 1, 1997.

S.L. 97-507 amends G.S. 20-11 to provide that a person under the age of 18 must have a driving eligibility certificate or a high school diploma or its equivalent before the person may obtain a limited learner's permit, a limited provisional license, or a full provisional license. A driving eligibility certificate must be on a form approved by the Division of Motor Vehicles, must be dated within 30 days of the date when the person applies for a permit or license, and must be signed by an appropriate educational entity who indicates that he or she has determined that (i) the person is currently enrolled in school and is making progress towards graduation, (ii) a substantial hardship would be

placed on the person or the person's family if the person does not receive the certificate, or (iii) the person cannot make progress towards graduation.

G.S. 115C-12 is amended to add a new subdivision (27) to direct the State Board of Education to adopt rules applicable to public schools, charter schools, and accredited nonpublic schools that define what requirements a person must meet to be considered "making progress towards obtaining a high school diploma or its equivalent." The Board also must adopt rules for the procedures a person who was or is enrolled in one of these schools must follow and the requirements that person must meet in order to obtain a certificate. These rules also must provide for an appeal to an appropriate educational entity because the issue of whether a certificate was properly issued or improperly denied cannot be appealed to the Division of Motor Vehicles. G.S. 115D-5 is amended to direct the State Board of Community Colleges to adopt similar rules for students who were or are enrolled in a community college. Similarly, a new G.S. 115C-566 is created to direct the Secretary of Administration, upon consideration of the advice of the Division of Nonpublic Education in the Office of the Governor and representatives of nonpublic schools, to adopt similar rules for students who were or are enrolled in home schools or nonpublic schools that are not accredited by the State Board of Education. In addition, the State Board must adopt rules defining "what is equivalent to a high school diploma" for the purposes of receiving a drivers license or permit under this act; these rules would apply to public schools, charter schools, nonpublic schools, and community colleges. The State Board of Education must initiate and coordinate meetings with the Board of Community Colleges and the Division of Nonpublic Education so that the rules, procedures, and guidelines needed to implement the act are coordinated. In addition, Section 8 of S.L. 97-507 gives temporary rulemaking authority to the agencies that must adopt rules to implement this act.

S.L. 97-507 also amends G.S. 20-13.2 to direct the Division of Motor Vehicles to revoke the permit or license of a person under the age of 18 if the Division is notified by the appropriate school authority that the person has quit school. The revocation would last until the person's eighteenth birthday or until the Division restores the permit or license. (The general law is that revocation is for one year.) The person's license or permit must be restored if the person submits to the Division a high school diploma or its equivalent or a driving eligibility certificate. The restoration fee is set by statute at $25.00.

Section 7 of the act directs the State Board of Education to study the effectiveness of this act on dropout rates and graduation rates. The report must be completed and submitted to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by November 15, 2002.

The changes to G.S. 20-11 and G.S. 20-13.2 become effective August 1, 1998; the remainder of S.L. 97-507 became effective September 17, 1997.

Motorcycle License Changes (S.L. 1997-16, Sections 8 and 9; HB 248, Section 8 and 9; as amended by S.L. 1997- 456, Sections 32, and 33, HB 115, Sections 32 and 33): Sections 8 and 9 of S.L. 97-16, as amended by Sections 32 and 33 of S.L. 97-456, authorize DMV to issue a motorcycle learner's permit to a person with a full provisional license or a regular drivers license who passes a vision, road sign, and written test. In addition, these sections provide that a person may obtain a motorcycle endorsement if they

pass a road test and a written or oral test, and they have a full provisional drivers license or a regular drivers license. These sections become effective December 1, 1997.

Graduated Drivers Licenses (S.L. 1997-16; HB 248, as amended by S.L. 1997-443, Sec 32.20; SB 352, Sec. 32.20 and S.L. 1997-443; Secs. 32 and 33, HB 115, Secs. 32 and 33): S.L. 1997-16, as amended, changes the statutes governing licensing of new drivers to institute a graduated licensing system. Beginning December 1, 1997, any person under the age of 18 who does not already have a learner's permit or license will be required to be licensed by level, as described below.

Level 1

A person who is at least fifteen years old and who has completed an approved drivers education course may apply for a Level 1 limited learner's permit. A Level 1 driver must be supervised at all times by a parent or guardian seated next to the driver, every person in the vehicle must be retrained by a seat belt or child seat, and, for the first six months under this level, the driver is restricted to driving between 5 a.m. and 9:00 p.m.

Level 2

At age 16, a person who has completed one year with a Level 1 limited learner's permit with no moving or seat belt violations may apply for a Level 2 limited provisional license. A Level 2 driver may drive without supervision *only* between the hours of 5 a.m. and 9 p.m., to and from work, or as a member of a volunteer fire or rescue squad. The driver and every person in a vehicle operated by a Level 2 driver must be restrained by a seat belt or child seat.

Level 3

If the Level 2 limited provisional license holder completes six months of driving with no moving or seat belt violations, the driver may apply for a Level 3 full provisional license. A Level 3 full provisional license is not subject to the additional restrictions of Level 1 and 2.

Other provisions

S.L. 1997-16 contains additional provisions governing licensing persons between 16 and 18 who move into North Carolina; setting a $10 fee for a Level 1 limited learner's permit and a Level 2 limited provisional license; clarifying that approved drivers education must include six hours of actual driving, and authorizing a motorcycle learner's permit.

S.L. 1997-16 becomes effective December 1, 1997.

Driving While Impaired

Governor's D.W.I. Initiative (S.L. 1997-379; HB 448): S.L. 97-379 strengthens the law which allows seizure of vehicles when used in driving while impaired offenses when the license has been revoked for an impaired driving offense, increases the penalty for driving while impaired, increases the mandatory administrative license revocation period for driving while impaired, strengthens the punishment for habitual impaired driving, and makes other changes related to the enforcement of DWI laws.

<u>Seizure of Vehicles Used in DWI Offenses</u>

S.L. 97-379 amends the laws regarding the forfeiture of vehicles that are used in DWI offenses. Under the new provisions, a vehicle is subject to forfeiture if the judge determines at the sentencing hearing for a driving while impaired offense that the defendant was driving with a revoked license at the time of the offense, and that the revocation was a result of an impaired driving offense. The prosecutor is required to determine who owns the car and whether there are any security interests noted on the title. The State must then notify the holder of each security interest, and if the defendant is not the owner, notice must be served on the owner.

If the defendant is a registered owner of the vehicle, the judge must order that the vehicle be forfeited. If the defendant is not a registered owner, the judge must order forfeiture unless the registered owner establishes by the greater weight of the evidence that the owner is an innocent party. If the registered owner establishes that they are an innocent party, the judge may order the vehicle released to the registered owner under specific conditions. An innocent party is defined as a registered owner that did not know and had no reason to know that the defendant's license was revoked, or knew that defendant's license was revoked, but the defendant drove the vehicle without the innocent party's express or implied permission.

If the vehicle is forfeited the judge may authorize the school board to sell the vehicle at judicial sale after notice to the registered owner and lienholders or to retain the vehicle for the board's own use. The judge may also release the vehicle to an innocent party lienholder under certain circumstances.

S.L. 97-379 also adds provisions requiring a law enforcement officer to seize and impound a vehicle when the officer has probable cause to believe that the vehicle is subject to forfeiture. Provisions are included for review of the impoundment by a magistrate and release of the vehicle pending trial if certain conditions are met. If a vehicle is impounded and no probable cause is found or the defendant is found not guilty the vehicle is returned to the registered owner.

Increase Penalty for Driving While Impaired Offenses

S.L. 97-379 amends G.S. 20-179 to change the punishment for DWI offenses as follows:

1) Level I Punishment - Any term of imprisonment may only be suspended if a condition of special probation is imposed that requires the defendant to serve a minimum of 30 days imprisonment. (Previous law required a minimum of 14 days or at least 4 consecutive days and house arrest for twice the number remaining of the 14 days.)
2) Level II Punishment - Any term of imprisonment may only be suspended if a condition of special probation is imposed that requires the defendant to serve a minimum of 7 days imprisonment. (Previous law required a minimum of 7 days or at least 2 consecutive days and house arrest for twice the number remaining of the 7 days.)
3) Levels III, IV and V Punishment - Removes the requirement in the previous law that an active sentence be suspended, therefore the law now allows active time for these levels of punishment.

4) Amends all levels of punishment to require all defendants placed on probation to obtain a substance abuse assessment. Also requires any defendant given active time to obtain a substance abuse assessment before becoming eligible for parole.
5) Amends G.S. 20-179(k1) regarding credit for inpatient treatment, to allow the trial judge to order that costs of treatment be absorbed by the State.

Increase Administrative License Revocation Period

S.L. 97-379 amends G.S. 20-16.2 and G.S. 20-16.5 to increase the immediate civil revocation period from 10 days to 30 days. There is a provision to allow a limited driving privilege after 10 days if: 1) at the time of the offense, the defendant held either a valid driver's license or a license that had been expired for less than one year; 2) the defendant has no other unresolved pending DWI offenses or intervening DWI convictions; and 3) the defendant obtains a substance abuse assessment and registers for and agrees to participate in any recommended training or treatment program.

Make Alcohol Screening Tests Admissible to Prove Offense of Driving after Drinking by a Person Under 21

S.L. 97-379 amends G.S. 20-183.3 (driving by a person under 21 after consuming alcohol or drugs) to allow the results of an alcohol screening test or a refusal to test to be used by law enforcement, the court or an administrative agency in determining if alcohol was present in the driver's body. There is also a provision that states that the odor of alcohol is not sufficient evidence to prove beyond a reasonable doubt that alcohol was present in the driver's body, unless the driver was offered an alcohol screening test and refused to provide the required samples.

Allow Drug Testing for Driving While Impaired

S.L. 97-379 amends G.S. 20-139.1 to provide that a person may be requested, under G.S. 20-16.2, to submit to chemical analysis of blood or other bodily fluid in addition to or in lieu of breath analysis. A refusal of such testing is "willful refusal" under G.S. 20-16.2.

Habitual Impaired Driving

S.L. 97-379 amends G.S. 20-138.5 by increasing habitual impaired driving to a Class F felony and required that a minimum active sentence of 12 months, which may not be suspended, be imposed. This offense was previously classified as a Class G felony.

This act becomes effective December 1, 1997 and applies to offenses committed on or after that date.

DWI/Felony Prior Record Level (S.L. 1997-486; HB 183): S.L. 97-486 provides that in felony sentencing, convictions for DWI will be included in the calculation of the offender's prior record level. A conviction for impaired driving in a commercial vehicle will also be included in felony prior record calculation. The act also provides for an indefinite civil suspension of a drivers license if the driver has, at the time of the offense, one or more pending DWI offenses. The civil suspension will remain in effect until a final judgment has been entered for all of the offenses. The act provides for the issuance of a limited driving privilege in the event of an indefinite civil suspension, when a judge finds that the limited driving privilege is necessary to overcome undue hardship. The defendant's license must be suspended for a minimum of 10 days before the limited driving privilege may be issued. The provisions regarding felony prior record level calculation become effective

December 1, 1997. Provisions regarding administrative license revocations and limited driving privileges become effective July 1, 1998.

UNC Alcohol Studies Fund (S.L. 1997-377; HB 524): The act raises the cap on the amount of drivers license restoration fees that will be deposited in a fund for alcohol studies endowment at UNC-Chapel Hill. The restoration fee is paid to DMV before a new license is issued to a driver whose license has been revoked, and is in addition to any other fees that may be required by law. Under existing law, except for persons convicted of impaired driving, any person whose drivers license has been revoked must pay a restoration fee of $25 in order to receive a new license. A person whose license has been revoked for an impaired driving offense must pay a restoration fee of $50 until the end of the fiscal year in which the cumulative total amount of such fees deposited in the General Fund reaches $10 million *(formerly $5 million).* The additional $25 restoration fee imposed on impaired driving offenders is deposited in the General Fund, with the intention that it be appropriated to the Board of Governors of UNC to be used for the Center for Alcohol Studies Endowment at UNC-Chapel Hill. The bill would became effective August 7, 1997.

Highways

Highway Fund Allocations (S.L. 1997-443, Sec. 32.3; SB 352, Sec. 32.3): Sec. 32.3 of S.L. 1997-443 requires the Controller of the Department of Transportation to allocate at the beginning of each fiscal year from appropriations made to the Department sufficient funds to eliminate all overdrafts on State maintenance and construction projects. This section became effective July 1, 1997.

Unreserved Highway Fund (S.L. 1997-443, Sec. 32.5; SB 352, Sec. 32.5): Sec. 32.5 of S.L. 1997-443 provides that if the unreserved credit balance in the Highway Fund on the last day of a fiscal year is greater than the amount estimated for that date in the Current Operations Appropriations Act, the Director of the Budget may allocate part or all of the excess to reserves for: access and public roads, unforeseen events requiring prompt action, or other urgent needs. Any amount not credited to these reserves shall be credited to the reserve for maintenance. In addition, this section requires the Board of Transportation to report monthly to the Joint Legislative Transportation Oversight Committee on the use of funds in the maintenance reserve. This section became effective July 1, 1997.

Resurfaced Roads May be Widened (S.L. 1997-443, Sec. 32.12; SB 352, Sec. 32.12): Sec. 32.12 of S.L. 1997-443 authorized DOT to use up to 15% of contract maintenance resurfacing program funds to be used to widen existing narrow pavements that are scheduled for resurfacing. This section became effective July 1, 1997.

Biennial Report on Maintenance Requirements (S.L. 1997-443, Sec. 32.19; SB 352, Sec. 32.19): Sec. 32.19 of S.L. 1997-443 requires the Department of Transportation to prepare a biennial state wide survey and report on the maintenance condition and costs of

the state highway system, and a state wide maintenance program based on the survey. The Department is directed to present the report to the Joint Legislative Transportation Oversight Committee by November 30 of each even-numbered year. This section became effective July 1, 1997.

DOT Infrastructure Program (S.L. 1997-428; SB 884): The act grants the Department of Transportation authority to establish, administer, and receive federal funds for a state transportation infrastructure banking program, under the Intermodal Surface transportation Efficiency Act of 1991 and the National Highway System Designation Act of 1995. The act authorizes the use of federal and state funds to provide loans through the infrastructure bank to governmental units, including toll authorities, to finance eligible transportation projects. It also requires DOT and the State Treasurer to establish a separate infrastructure banking account with necessary fiscal controls and accounting procedures, and authorizes DOT to establish rules necessary to implement the program. The act provides that the infrastructure banking program will not modify the regional distribution formula for distribution of funds under the Intrastate System and Transportation Improvement Program. The act became effective August 22, 1997.

NCDOT Engineering/Design Contract (S.L. 1997-196; SB 465): The act authorizes the Department of Transportation to establish fiscal policies for engineering and design contracts which will promote engineering and design quality and ensure maximum competition among competing professional firms. The act amends G.S. 136-28.1(f), and provides that the Department is permitted to solicit, under rules adopted by the Department for all contracts, proposals for professional engineering services and other kinds of professional or specialized services necessary in connection with highway construction, maintenance, or repair. The act became effective June 19, 1997.

DOT Infrastructure Bank Program (S.L. 1997-428; SB 884): S.L. 1997-428 authorizes the Department of Transportation to establish, in conjunction with the State Treasurer, an infrastructure banking program to distribute available federal funds, as authorized by the Intermodal Surface Transportation Efficiency Act of 1991, as amended. The program will use available funds for loans or other financial assistance to other governmental units in the State to finance transportation projects authorized by the federal act. S.L. 1997-428 became effective August 22, 1997.

License Plates

82nd Airborne Division Plates (S.L. 1997-156; HB 53): S.L. 1997-156 authorizes the Division of Motor Vehicles, after receipt of 300 applications, to issue an 82nd Airborne Division Association license plate to members of the Association. The plate would cost $10, plus the regular registration fee. S.L. 1997-156 became effective June 6, 1997.

Vietnam Veterans Plates (S.L. 1997-339; HB 299): S.L. 1997-399 authorizes the Division of Motor Vehicles to issue a Vietnam Veterans license plate to a veteran who

served in Vietnam, upon receipt of at least 300 applications. The plate would cost $10, plus the regular registration fee. S.L. 1997-339 became effective July 25, 1997.

Magistrates/Truck Special Plates (S.L. 1997-461; SB 426): S.L. 1997-461 makes several changes to the law governing special license plates. Sections 1 and 2, effective January 1, 1998, authorize DMV to issue special registration plates for commercial vehicles that are not registered under the international registration plan. Section 3, effective September 1, 1997, authorizes DMV to issue a special registration plate for magistrates. Section 5, effective September 1, 1997, authorizes the Legislative Research Commission to study the special plates laws of the State, and states the intent of the General Assembly to place a moratorium on new special plate authorizations until completion of the study of the issue, and a report to the 1998 Session.

Dealer/Transporter Plate Changes (S.L. 1997-335; SB 1059): S.L. 1997-335 amends the dealer and transporter plate laws. Section 1 rewrites the dealer plate law to require the driver of a vehicle with a dealer plate to (1) have a demonstration permit to test-drive the vehicle, and have the permit in the vehicle, or (2) be an officer or sales representative of the dealer, and be driving for a business purpose, or (3) be an employee of the dealer and be driving in the course of employment. Section 2 limits the number of *transporter* plates a dealer may obtain to the number of *dealer* plates the dealer can obtain; requires transporter plates issued to dealers to bear the words *dealer-transporter*; sets out new sanctions for misuse of dealer-transporter plates; and requires dealer-transporter plates to be issued on a fiscal year basis. S.L. 1997-335 becomes effective January 1, 1997.

Sheriff's Registration Plates (S.L. 1997-158; HB 704): The act authorizes DMV to issue special registration license plates to current sheriffs and to retired sheriffs who served for at least 10 years before retiring. The initial December 1, 1997 effective date was subsequently amended by SL 1997-461, SB 426, Sec.4, so that the act became effective June 6, 1997.

Smoky Mountains Special Plate (S.L. 1997-427; SB 812): The act authorizes the Division of Motor Vehicles to issue a special registration plate for supporters of the Great Smoky Mountains National Park. The plate would be issuable only if DMV receives at least 300 applications for the plate. A portion of the receipts from sales of the plate will go to The Friends of the Great Smoky Mountains National Park, and will be used for educational materials, preservation programs, capital improvements for the N.C. portion of the park, and operating expenses of the park. The act became effective August 22, 1997.

Special Plates (S.L. 1997-484; HB 1156): This act authorizes the development of special license plates for supporters of the March of Dimes, School Technology, and Scenic Rivers; it also authorizes the development of a registration plate for combat veterans. The Combat Veteran plate is issuable to anyone who served in the armed forces in a combat zone or in waters adjacent to a combat zone during a period of war (W.W.I or II, Korean Conflict, Vietnam, Persian Gulf, etc.) and who was separated from the armed forces under

honorable conditions. The Division of Motor Vehicles must receive 300 applications for either of the special plates before commissioning that particular plate. A portion of the receipts from sale of the March of Dimes plate will be transferred quarterly to the Eastern North Carolina Chapter of the March of Dimes Birth Defects Foundation for use in programs in North Carolina. A portion of receipts from sale of the School Technology plate will be transferred to the School Technology Fund established under G.S. 115C-102.6D. A portion of receipts from sale of the Scenic Rivers plate will be transferred to the Clean Water Management Trust Fund established in G.S. 113-45.3. The bill became effective September 10, 1997.

Soil and Water Conservation Plates (S.L. 1997-477; HB 1137): This act creates a special license plate to promote water and soil conservation and provides that a portion of the sales revenue goes to fund water quality and environmental education. The act became effective September 4, 1997.

Motor Vehicle Dealers

Modify Vehicle Dealer Equipment (S.L. 1997-429; SB 699): The act amends G.S. 20-288(d) to provide that the place of business of a motor vehicle dealer who sells only trailers or semitrailers of less than 2500 pounds unloaded weight does not have to meet the requirements set for an established office or salesroom of a motor vehicle dealer, but must have a place of business in this State where the required records are kept. The act became effective August 22, 1997.

MV Dealers/Manufacturers License Law (S.L. 1997-319; HB 739): S.L. 1997-319 makes several changes to the motor vehicle dealer and manufacturers licensing law.

Section 1 requires franchise agreements and forms to be consistent with State laws, and for revisions to the franchise agreement and the reasons for those revisions to be filed with the Commissioner of Motor Vehicles 60 days prior to the revision.

Section 2 provides the mechanism by which a dealer can file a complaint against the manufacturer or distributor for a violation of the licensing law and have a hearing on the complaint.

Section 3 gives the Commissioner flexibility in the time he has to render a decision in a hearing that is held to determine whether a new dealer can enter an existing dealer's market area. Current law requires a decision within 180 days of the time the existing dealer filed the protest. The bill provides that the Commissioner must attempt to render a decision within 180 days. In addition, a provision is added to subject satellite dealerships (where either new cars are sold or manufacturer's warranty work is performed) to the same market entry requirements as new dealerships. A 180-day decision period for cancellation of a motor vehicle franchise is also changed to require that the Commissioner attempt to render a decision within 180 days. Section 3 also prohibits the manufacturer or distributor from requiring the dealer to issue ownership interests in the dealership to a general manager or other persons involved in the dealership, unless the dealer principal or operator is an absentee owner; varying the price charged dealers in this State for new motor vehicles

based on listed factors; require the dealer to compensate the manufacturer or distributor for legal fees incurred when a dealer asserts its rights under the motor vehicle franchise law; or require the dealer to pay an additional fee, purchase ad displays, or remodel its facilities to receive any model or series of vehicles.

Section 4 prohibits manufacturers from denying dealer warranty claims if the dealer makes a good faith effort to perform the work in compliance with the manufacturer's procedures, the work was performed, and documentation is provided. Section 4 also provides for a stay of certain payments or charges to the dealer by the manufacturer while administrative proceedings involving manufacturer or distributor warranties are pending.

S.L. 1997-319 becomes effective October 1, 1997.

Public Transportation

Regional Transportation Authorities (S.L. 1997-393; HB 993) The act amends Chapter 160A (Cities and Towns) to allow the creation of additional regional transportation authorities for the area of any metropolitan planning organization of the State that, at the time of creation, consists of all or part of five contiguous counties - if at least two of the counties each have a population of at least 250,000 and are contiguous and if the other three counties each have a population of at least 100,000. The bill authorizes the city councils of the four largest cities within the area to create an RTA as specified in the act. It allows the new RTA, with the consent of the affected boards of county commissioners, to expand to include contiguous areas up to a total jurisdiction and service area of twelve counties. The act sets out the membership of the RTA, and grants the Authority the power to issue bonds and notes (pursuant to the Local Government Revenue Bond Act) for the purpose of financing public transportation systems; the purchase and lease of equipment; acquiring property by eminent domain; and requiring public utilities, railroads, and other public service corporations to relocate utility structures. The bill authorizes state and local government units to appropriate funds to the RTA for its operations, or to sell or otherwise convey property to the RTA. Real and personal property of the RTA is exempt from taxation; the interest on bonds or obligations issued by the RTA is exempt from State taxes. The act, which became effective August 14, 1997, was subsequently amended by S.L. 1997-443; SB 352, Section 32.27 and again by S.L. 1997-456; HB115, Section 56.5. The amended act provides that the Major Investment Study (MIS) for which funds are appropriated to the Department of Transportation for 1997-98, will include a passenger rail proposal providing service between Asheville and Raleigh through Winston-Salem generally following the I-40 corridor, and a passenger rail proposal providing for commuter rail services between Winston-Salem, Greensboro, High Point, and outlying communities. The MIS will be administered by the regional transportation authority created under this act, which includes Guilford and Forsyth Counties, with the approval of DOT, and in consultation with the Forsyth County Metropolitan Planning Organization (MPO), the Greensboro MPO, and the High Point MPO.

Trucks

Motor Carrier Safety (S.L. 1997-456, Secs. 36, 37, and 38; HB 115, Secs. 36, 37, 38): These three sections of S.L. 1997-456 clarify that DMV may stop, enter upon, and perform inspections of motor carriers' vehicles in operation in order to enforce federal motor carrier safety regulations, clarify the reference to the federal motor carrier regulations that DMV is to enforce, and clarify that the purpose of DMV enforcement is to minimize the dangers of transporting "other commodities", in addition to hazardous ones.

Adjust License Weight (S.L. 1997-36; HB 266): S.L. 1997-36 makes two changes to the motor vehicle law. First, the bill directs the Division of Motor Vehicles to issue "First in Flight" plates for vehicles licensed at 6,000 lbs. pounds or less. Under current law, vehicles licensed at 4,000 lbs. or less are issued "First in Flight" plates, and those licensed at over 4,000 lbs. receive a "commercial" plate (unless another plate requirement applies). Registration fees for vehicles affected by this bill would continue to be based on the declared license weight, and are *unchanged* by this bill. Second, the bill clarifies that the Division of Motor Vehicles *may issue* personalized plates for commercial vehicles, which they have been doing anyway for several years. Current language in the section amended by this bill, G.S. 20-63(b), and another statute, G.S. 20-79.4(a), give contradictory indications about the Division's current authority to issue personalized commercial plates. S.L. 1997-36 becomes effective January 1, 1998, and applies to new or renewal vehicle registrations occurring on or after that date.

Trucking Adjustment Act (S.L. 1997-466; HB 1096): S.L. 1997-466 makes several changes affecting the trucking industry. Section 1 authorizes DMV, as of January 1, 1998, to issue permanent truck and truck-tractor plates, subject to annual registration fees. Section 2, effective October 1, 1997, exempts from light traffic road limits (1) forest products originating and transported from a farm or from woodlands to first market without interruption or delay for further packaging or processing after initiating transport and (2) treated sludge collected from a wastewater treatment facility. Section 3, effective October 1, 1997, increases the penalty for failure to comply with motor carrier registration or insurance verification requirements from $75 to $1000, and requires a hearing if the penalty is protested. Section 4, effective September 1, 1997, requires DMV to study the feasibility of establishing a staggered registration system of commercial motor vehicles under the International Registration Plan, and report by April 1, 1998. Section 5 directs the Joint Legislative Transportation Oversight Committee to study replacement of the highway use tax on large vehicles with higher registration fees; and elimination of certain overweight penalties, and make a report to the 1999 General Assembly.

Tax at Rack Improvements (S.L. 1997-0060; SB 98): S.L. 97-0060 makes changes to the method of collecting motor fuel taxes commonly referred to as "tax at the rack", that was enacted by the General Assembly in the 1995 Session and became effective January 1, 1996. The method bears this name because it imposes the per gallon excise tax when motor fuel is delivered to a transport truck or railroad tank car by means of a "rack" at a refinery, terminal, or bulk plant. This act changes the licensing requirements for exporters and makes several conforming changes as described below.

Section 1 of the act ensures that the State's motor fuel tax will be considered a "pass-through" tax, by expressly stating that the tax is collected from the supplier or importer of the fuel but that the tax becomes part of the cost of the fuel and is consequently paid by the consumer. This statutory language was added in order to protect the State from a challenge to its motor fuel tax laws similar to that in the U.S. Supreme Court case of Oklahoma Tax Commission v. Chickasaw Nation (decided June 14, 1995). There the Oklahoma gas tax was held not to apply to Native American retailers because of tribal sovereign immunity, even though the tax was collected by the fuel distributor and passed through the chain of distribution on to the ultimate consumer. The Court emphasized that the Oklahoma statute imposing this tax did not expressly identify the party that bears the burden of the tax, and more importantly, did not contain a pass-through provision requiring distributors and retailers to pass the tax on to consumers.

Sections 2 and 4 of the act require exporters to be licensed. Under prior law, an exporter could have been but was not required to be licensed. A licensed exporter paid tax at the destination state rate, while an unlicensed exporter had to pay tax at the North Carolina rate. This difference in treatment resulted in the unlicensed exporter paying both the North Carolina tax and the tax of the destination state and then having to apply to North Carolina for a refund. The requirement under this act, that all exporters be licensed, parallels the existing requirement that all importers be licensed.

Section 3 of the act makes the following changes to the importer licensing provisions for a bulk-end user, such as a trucking company:

1. Allows bulk-end users to be bonded importers and thereby buy fuel at an out-of state terminal that does not precollect the North Carolina motor fuel tax. Prior law prohibited a bulk-end user from obtaining a bonded importer license.
2. Relieves bulk-end users of the importer licensing requirement if they buy all their imported fuel at an out-of-state terminal that precollects the North Carolina tax. Prior law required an occasional importer license in this circumstance. This change parallels the existing treatment of distributors, i.e., a distributor that imports only from a terminal that precollects the North Carolina tax is not required to have an importer license.

Section 5 of the act deletes the requirement that an exporter file a bond. This change was made because the act requires all exporters to be licensed. The purpose of licensing is primarily to track cross-border shipments of fuel, and the bonding requirement is not necessary for this purpose. Prior law required an exporter who chose to be licensed to pay a bond or provide an irrevocable letter of credit in an amount not less than $2,000 or more than $250,000.

Section 6 of the act deletes all references to unlicensed exporters, since sections 2 and 4 of the act require all exporters to be licensed.

Section 7 of the act imposes potential liability on an unlicensed exporter for the North Carolina tax on the fuel exported. If an unlicensed exporter buys fuel, the Department of Revenue can assess tax on the fuel purchased at the North Carolina rate.

Sections 8 and 22 of the act reduce the marking requirements for dyed diesel storage tanks so that they only apply to a person who is a retailer of dyed diesel fuel or who stores both dyed fuel and undyed diesel fuel for use by that person or another person. Prior law

required all dyed diesel storage tanks to be labeled "For Nonhighway Use" unless the fuel in the tank was for home heating, drying crops, or manufacturing and the tank was installed so that use of the fuel for any other purpose was made improbable.

Section 9 of the act clarifies the tax liability concerning the use of exempt cards and exempt access codes. A supplier is not liable for any tax due on fuel sold to a distributor or importer who represented that the fuel would be resold to an exempt governmental entity but who did not resell the fuel to a tax-exempt entity. Distributors and importers make this representation by using a card or access code issued by the supplier when getting the fuel at the terminal, and this card or code allows the distributor or importer to buy the fuel tax-free. If a distributor or importer in this circumstance sells tax-free fuel to a person who is not exempt, the distributor or importer is liable for any tax due on the fuel. The act also makes clear that a supplier that issues a card or code, enabling a person to buy fuel at retail without being charged the tax already paid on the fuel, has a duty to determine if the person is actually tax-exempt. A supplier is responsible for any tax due if the person to whom the supplier issued the card is not an exempt entity.

Section 10 of the act requires an out-of-state bulk-end user that buys fuel at a North Carolina terminal, as opposed to a bulk plant, to be licensed as a distributor or exporter. This change accompanies the changes made by Sections 2 and 4 of the act that require all exporters to be licensed. Unless the bulk-end user falls within the grandfather group of users that can get distributor licenses, the user will need to be licensed as an exporter.

Section 11 of the act changes the due date of a tax return of an occasional importer from the first of each month to the third of each month. This change was made at the request of sellers of racing gasoline who pointed out that if they buy fuel on the last day of a month it is difficult to prepare the return and send it in the next day. G.S. 105-449.66 defines an "occasional importer" as any of the following that imports motor fuel by any means outside the terminal transfer system:

1. A distributor that imports motor fuel on an average basis of no more than once a month during a calendar year.
2. A bulk-end user that is not a distributor.
3. A distributor that imports motor fuel for use in a race car.

Section 12 of the act deletes references to unlicensed exporters.

Section 13 of the act deletes references to an exporter.

Section 14 of the act adds imports to the categories of information contained on a supplier's return. It does this by replacing references to specific license holders in some places with the generic reference to "person receiving the fuel" and by adding references to "importer" in others.

Section 15 of the act allows a supplier to take a deduction on the supplier's return for taxes paid by the supplier on fuel that was subsequently sold at retail to a person who is exempt from tax and who used a card issued by the supplier to indicate his or her tax-exempt status when buying the fuel.

Section 16 of the act adds importers to the groups of license holders that must receive certain information from suppliers and about whom the suppliers must notify the Department of Revenue.

Section 17 of the act clarifies that anyone who pays tax on fuel that is exempt from

tax can apply for a refund of the tax paid.

Section 18 of the act adds a civil penalty for failure to get an importer confirmation number. The penalty is the same as the penalty for transporting motor fuel without a shipping document or with a false or incomplete document or for delivering motor fuel to a destination state other than as shown on the document. Prior law contained no penalty.

Section 19 of the act clarifies that the penalty for using dyed diesel or other non-tax-paid fuel in a highway vehicle applies to all fuel used in the vehicle. Prior law applied the penalty to fuel used "for highway use". This language could have been construed to mean that a vehicle that is parked at a rest area or the parking lot of a business and that had dyed diesel in its tanks was not subject to the penalty, because the fuel was not at that moment being used for a highway use.

Section 20 of the act clarifies that failure to pay a tax under the prior motor fuel tax laws is to be treated the same as a failure to pay under the revised laws. When tax at the rack was implemented, the existing motor fuel tax laws were repealed and replaced by the new provisions. Many assessments for taxes owed under the prior laws have not been paid.

Section 23 of the act requires a retailer or bulk user of alternative fuel that will be the taxpayer for the fuel to file a bond or irrevocable letter of credit with the Secretary of Revenue.

Section 24 of the act changes when the liability for tax on certain alternative fuel accrues. The section allows those retailers and users that use the same storage tank for highway and nonhighway alternative fuel to pay tax on the highway alternative fuel when it is metered from the tank. Prior law required taxes on alternative fuel to be paid when the fuel was delivered to the retailer of the fuel or the bulk user of the fuel. This created a problem when alternative fuel was used for a dual purpose, since the provider of the fuel did not know how much fuel would be used for a highway purpose when the fuel was delivered to the retailer or user.

Section 25 of the act allows retailers and bulk-end users of alternative fuel to store the fuel in a tank that holds both highway and nonhighway alternative fuel if the tank has separate metering devices to measure the fuel that is used for a highway use and fuel that is used for some other purpose.

All sections of the act, except three clarifying changes, became effective October 1, 1997. The clarifying changes became effective when the act became law (May 16, 1997).

Truckload Flag/Light Colors (S.L. 1997-178; HB 966): Prior law required loads that extended more than four feet beyond the bed or body of a vehicle to be marked with a *red* flag during day, and a *red* light at night. S.L. 1997-178 authorizes *orange* flags or *amber* lights in the same situations. S.L. 1997-178 became effective June 12, 1997.

Light Duty Road Use (S.L. 1997-373; HB 967): G.S. 20-118 sets the weight limits for State Highways. In this statute, DOT is granted authority to designate light traffic roads, and set lower weight limits on those roads. Vehicles carrying specified agricultural products or solid waste are exempt from these lower light-traffic road weight limits while traveling to the *nearest* highway. Section 1 of S.L. 1997-373) allows those exempt vehicles

to travel to *either* of the *two* nearest highways, instead of the closest one, with weight in excess of the light-traffic weight limit. Sections 2 and 3 of S.L. 1997-373 state that DOT may adopt a temporary or permanent rule to authorize issuance of special weight permits for vehicles transporting wood residuals on non-interstate highways. S.L. 1997-373 became effective July 29, 1997.

Miscellaneous

Moped Definition (S.L. 1997-456, Section 29; HB 115, Section 29): Section 29 of S.L. 1997-456 amends the definition of moped as follows: a vehicle with two or three wheels, no external shifting device, a motor that does not exceed 50cc displacement, and cannot travel greater that 20 mph. This section became effective August 29, 1997.

Aircraft/Ferry Acquisitions (S.L. 1997-443, Sec. 32.1; SB 352, Sec. 32.1): Sec. 32.1 of S.L. 1997-443 requires the Board of Transportation to prepare an estimate of operational and capital costs prior to approval of the purchase of an aircraft from the equipment fund or a ferry in the Transportation Improvement Fund, and report the information to the General Assembly and the Joint Legislative Commission on Governmental Operations. This section became effective July 1, 1997.

North Carolina Railroad Acquisition (S.L. 1997-443, Sec. 32.30; SB 352, Sec. 32.30): Sec. 32.20 of S.L. 1997-443 authorizes the State Treasurer to invest up to $61 million to purchase the North Carolina Railroad, and requires the company to present a business plan to the Joint Legislative Transportation Oversight Committee by November 20, 1998 This section became effective July 1, 1997.

Speeding on School Grounds (S.L. 1997-341; SB 625): S.L. 1997-341 authorizes local governments to enact ordinances making speeding on school grounds posted with appropriate signs an infraction, punishable by a penalty of not less than $25. Any public school system or private school affected must request or consent to the speed limit ordinance. S.L. 1997-341 also changes the penalty for the infraction of speeding in a school zone on a street or highway from "up to $100" to "not less than $25." S.L. 1997-341 became effective July 25, 1997.

Clarify Left Turn Rules (S.L. 1997-405; SB60): S.L. 97-405 amends G.S. 20-153(b) by removing a sentence that caused some confusion in the law regarding left turns and clarifies that left turns should be made from the leftmost available lane into the leftmost available lane. This act became effective August 18, 1997.

STUDIES

Legislative Research Commission

Public Transit (Section 2.8)

Special Registration Plates (S.L. 1997-461, Sec. 5, SB 426, Sec. 5)

Watercraft Safety (Section 2.1(21))

Independent

Joint Legislative Transportation Oversight

S.L. 1997-483; SB 32:

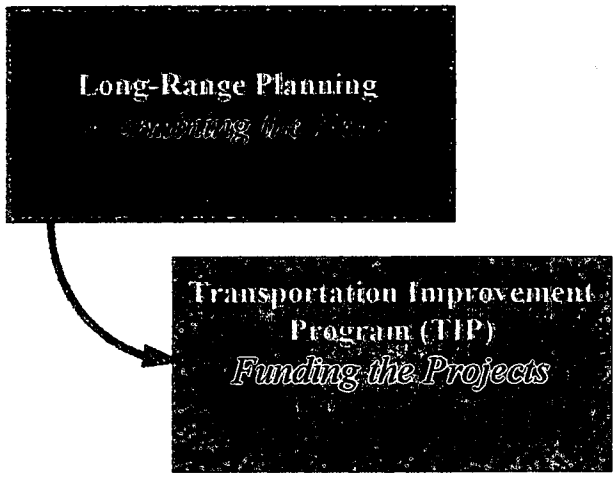
- Encouraging growth of trucking industry
- Motorcycle helmets
- Truck width and length
- Unpaved secondary roads
- Vehicle safety inspections
- Safe operation of trucks

S.L. 466; HB 1096:

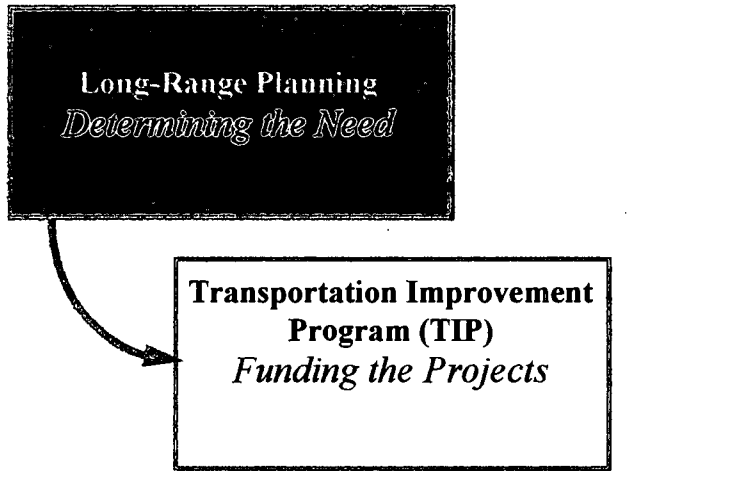
- Trucking industry growth issues

THE PLANNING AND PROGRAMMING PROCESS of Transportation Projects

NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION



NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION



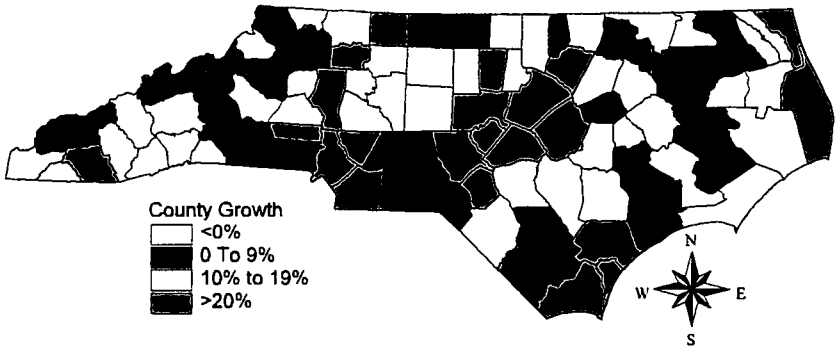
NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

Long-Range Planning - *Determining the Need*

- Cooperative with local areas
- Coordinated with local land use plans
- 20-year horizon

NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

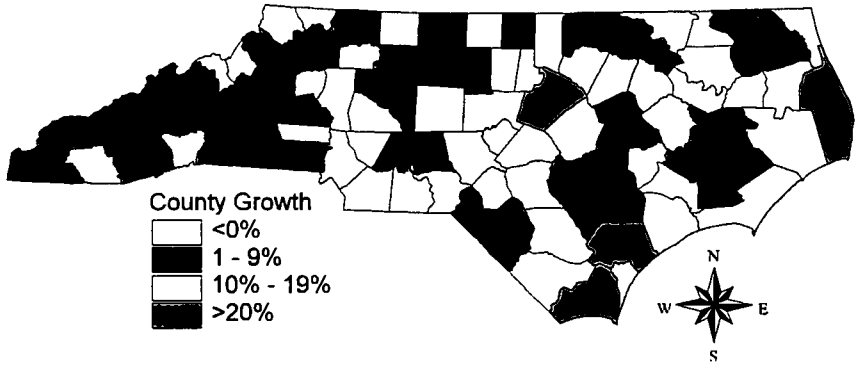
1990-2000 Growth





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DEPARTMENT OF TRANSPORTATION

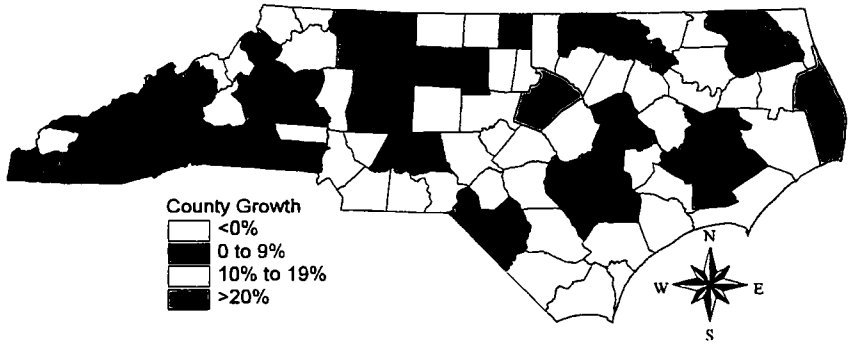
2000-2010 Growth





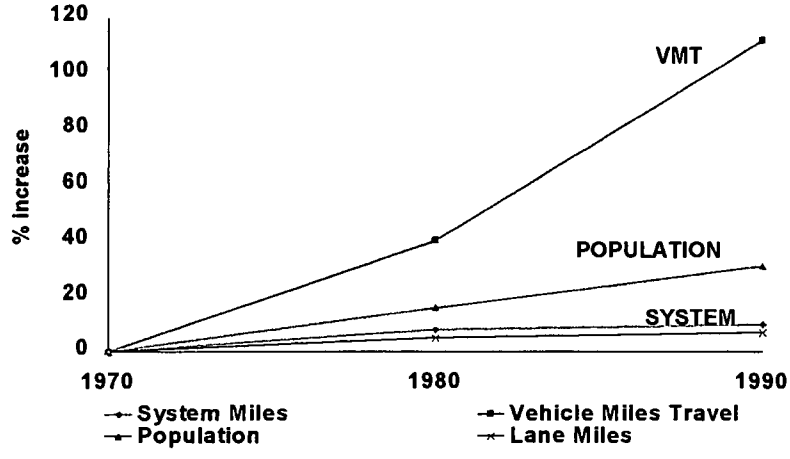
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2010-2020 Growth



NORTH CAROLINA
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Travel Growth Compared To System Growth



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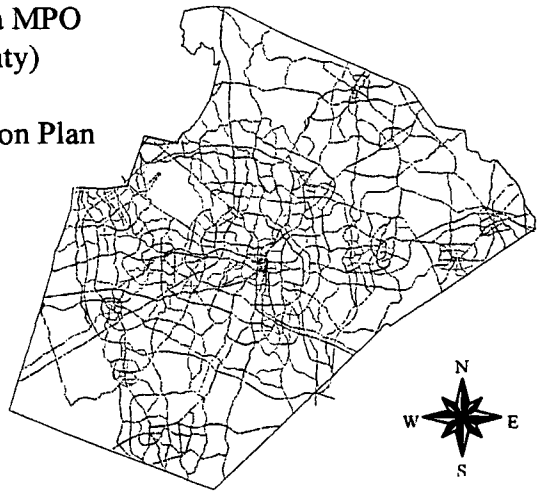
Long-Range Planning - *Determining the Need*

- Multi-modal
- Public involvement
- State and Federal requirements
- Mutually adopted

NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

Capital Area MPO
(Wake County)

Transportation Plan
for Roads



NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

Long-Range Planning - *Determining the Need*

- Corridor protection

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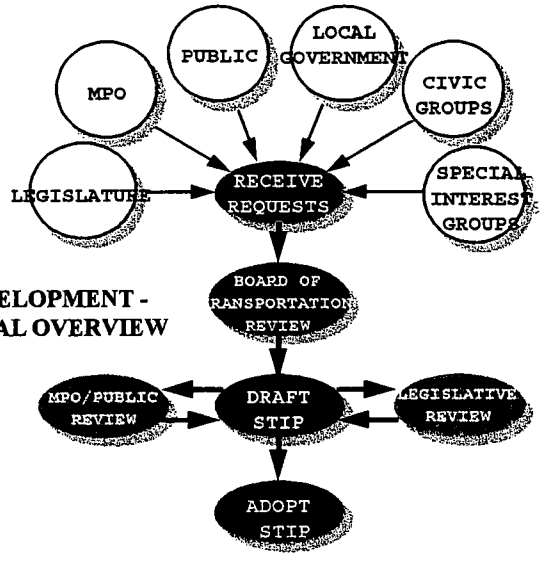


NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

Transportation Improvement Program (TIP)
Funding the Projects

- 7-year financial document
- Financially constrained
- Annual public hearings
- Staff and Board of Transportation review

NORTH CAROLINA
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STIP DEVELOPMENT - CONCEPTUAL OVERVIEW

NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

Transportation Improvement Program (TIP)
Funding the Projects

- Statewide funding distribution

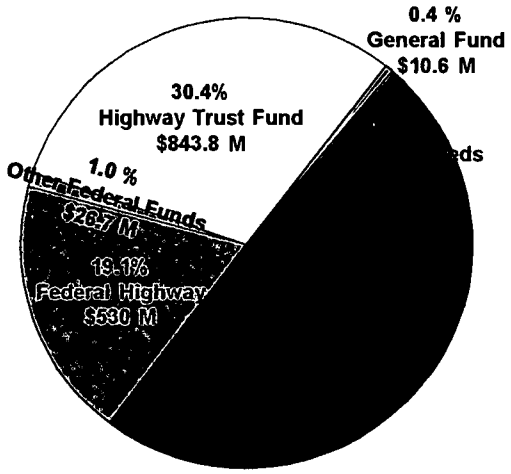
NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

Revenues and Funding

- State
  - Highway Fund
  - Trust Fund
- Federal
  - Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) - Expired 9/97 (Six Month Ext)
  - Next Legislation ISTEA II, BESTEA?

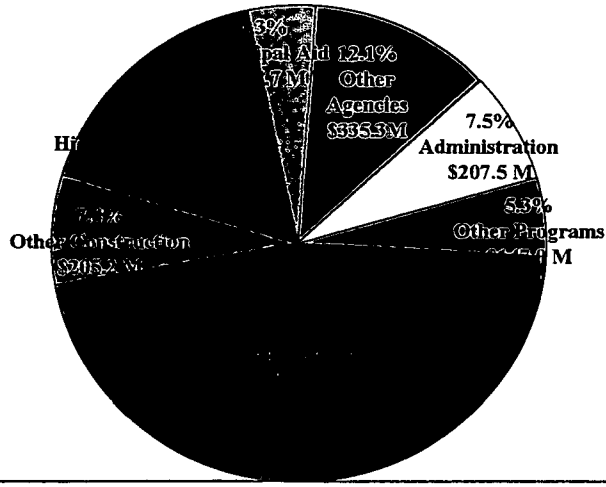
NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

1997-98 Projected Sources of Funds ($2.775 Billion)



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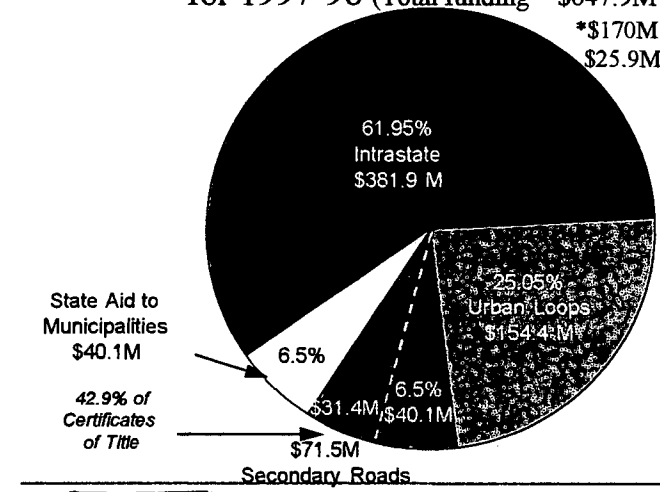
1997-98 Projected Uses ($2.775 Billion)



NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

Budgeted Uses of Highway Trust Fund Revenues for 1997-98 (Total funding = $647.9M*)

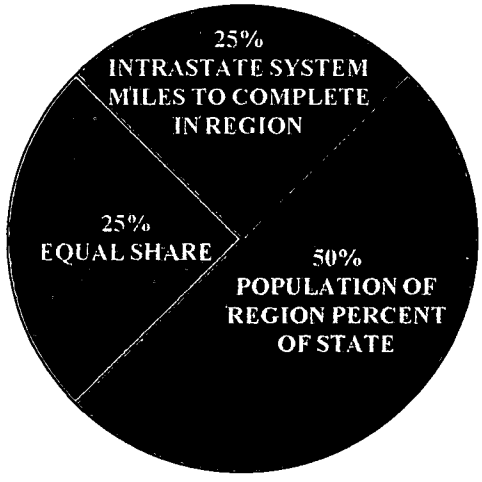
*$170M to the General Fund and $25.9M for Administration





NORTH CAROLINA
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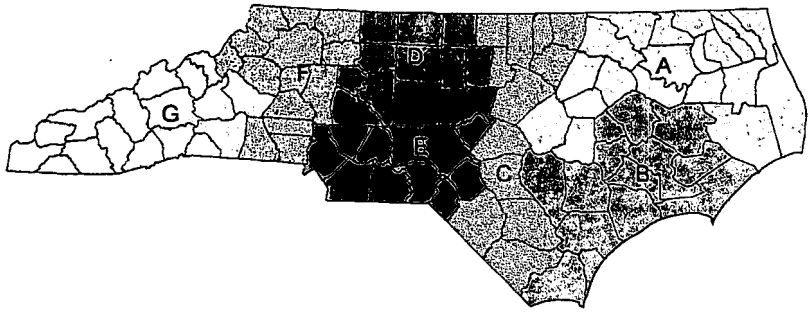
EQUITY FORMULA (EXCLUDES URBAN LOOPS)





NORTH CAROLINA
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HIGHWAY TRUST FUND REGIONS



NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

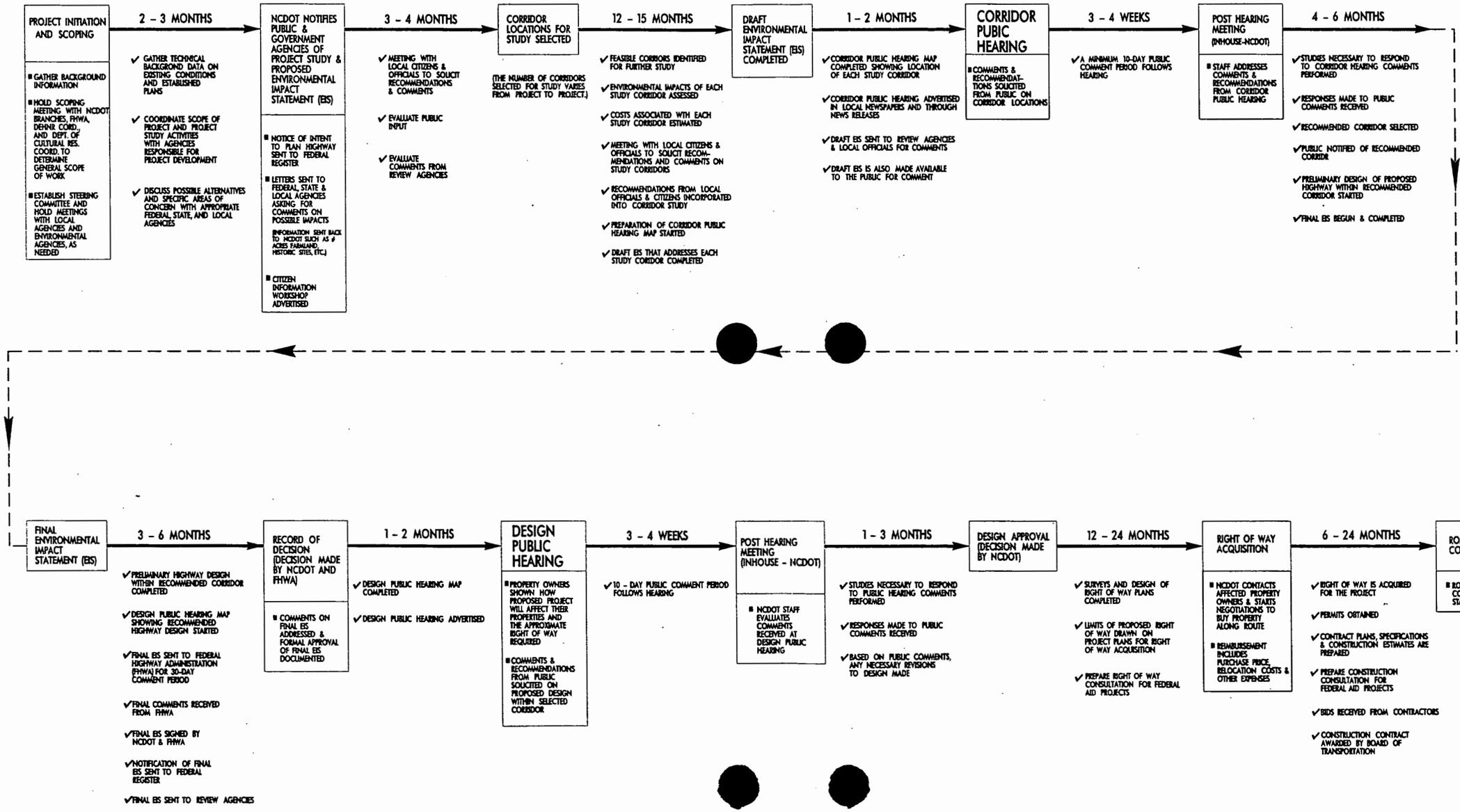
Transportation Improvement Program (TIP)
Funding the Projects

- Legislative review
- Board of Transportation approval
- Sets project schedules

NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

PHASES OF MAJOR HIGHWAY PROJECTS

YEARS OF PLANNING ... IT TAKES UP TO SIX YEARS FROM THE TIME PLANNING BEGINS TO THE TIME ROAD CONSTRUCTION STARTS.



AGENDA

Joint Appropriations Subcommittee on Transportation
October 22, 1997
9:00 a.m. - 4:00 p.m.
Rm. 1228

I. Overview of Performance Budgeting (9:00-9:15)
- Karl Knapp, Fiscal Research

II. Performance/Program Budgeting in NC (9:15-12:00)
- John Dorman, Office of State Planning
- David Herlong, Office of State Planning

LUNCH ON YOUR OWN

DMV Performance/Program Budget Areas
FAULKNER ED CARR +

III. Regulate Motor Vehicle Operators (1:00-2:15)
- Carol Simon, DMV Budget Officer
- DMV Staff

IV. Register Motor Vehicles and Enforce Highway Laws (2:15-3:30)
- Carol Simon, DMV Budget Officer
- DMV Staff

V. Preserve and Enhance Air Quality (3:00-4:00)
- Carol Simon, DMV Budget Officer
- Col. David Richards, Enforcement Section

Wayne Hurter
Joan Silvey - School Bus
Rosa Gill Traffic Records
David Richards - Enforcement
Diane Johnson

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

Minutes

October 22, 1997

Room 1228 LB

9:00A.M.

The Joint Appropriations Transportation Subcommittee met on October 22, 1997 in Room 1228 of the Legislative Building. Three Senators attended. The following House Committee members were present:

Rep. Joanne Bowie	Rep. Jerry Dockham
Rep. Ed McMahan	Rep. Bobby Barbee
Rep. Dan Blue	Rep. Jim Gulley
Rep. Thomas Hardaway	Rep. Bill Hiatt
Rep. Mary McAllister	Rep. Drew Saunders
Rep. Ronnie Sutton	Rep. Jim Crawford

Senator Luther H. Jordan, Jr. chaired the meeting. The first speaker was Karl Knapp, staff, who gave an overview on Performance/Program Budgeting. See handout. The handout shows the difference between line item budgets which we are accustomed to, and Performance/Program Budgets. In Line item budgets, funding decisions are passed on perception of need, performance budgeting funding decisions are based on expected levels of performance. Going towards performance budgeting gives the state another element in decision making process. Performance budgeting is a national movement. North Carolina has Performance information available as a budget decision tool. Outputs vs. outcomes, for example, an output may be miles of road resurfaced, the outcome may be the number of accidents occurring due to pavement condition. In response to Rep. Bowie, one must have a starting point in order to determine if there were improvements. Mr. Knapp said that Florida spends in excess of $1 million on performance budgeting. Rep. Sutton said that the outputs seem objective while outcomes seem subjective. Mr. Knapp stated that he was correct and outcomes have to be developed to achieve the most objective result. Mr. Tony Goldman, staff, spoke regarding the Florida experience. Florida is on a seven year track to implement performance budgeting throughout the state and the numbers, in terms of cost savings, are not in. Mr. Goldman said that performance budgeting is the closest to what would be a cost analysis as used in the private sector. Mr. Knapp said that moving toward performance budget will allay citizen perception that government does not perform. The federal government is also looking at this concept. In discussing workload vs. performance, we tend to look at the number of vehicles sold or transferred in NC (workload) vs. number of titles processed in under 7 days (performance). In response to a statement by Rep. Bowie, Mr. Knapp said we have to create measurements that are objective to make sure that agency cannot be creative with their numbers. Ideally it is desirable to develop a budget that measures efficiency and effectiveness. Rep. Sutton asked for examples of incentives. Mr. Knapp said allowing an agency to keep savings, raises, promoting bonuses are examples of incentives. An example of disincentive would not necessary cutting budget but maybe having to appear before the General Assembly to explain why performance level was not met.

Mr. John Dorman from the Office of State Planning gave a power point presentation on the origin of performance based budgets. GPAC , Government Performance Audit Committee recommended a statewide strategic plan and a state wide spending plan, as well as the performance budget. In 1992 the General Assembly requested a pilot performance for two program areas to be delivered in 1993. As of 1997, this has expanded to 10 program areas which encompass all 3,000 state government activities, and is no longer a pilot program. Mr. Dorman discussed the benefits of performance budget. One of the ten areas is Transportation. The office of state planning assists state agencies with developing strategic plans and performance measures. The budget document becomes the program plan. In response to a question by Rep. Hardaway, Mr. Dorman said the statewide strategic plan is developed every two years. In response to an issue raised by Rep. Bowie, Mr. Dorman said they would love to train members of the General Assembly to read the budget document but more importantly, they plan to modify the way in which the budget is laid out which should facilitate reading it. In response to an issue raised by Rep. Sutton, the state planning office is planning an electronic system wherein you could look at any budget item via the computer. In response to a question by Rep. McMahan, the state planning office will ask agencies what they are able to do with the money allocated to them and they will also ask the agency what could they do with 5% less for example, in order to accommodate any necessary budget cuts. Mr. Dorman continued saying that one of the methods that will be used to discourage the creation of false numbers is do have the agency identify who is responsible for data, where the data will come from and other measures of accountability. Mr. Dorman stressed that there will be instances where an agency cannot improve so no alarm should be raised in those instances unless the costs rise. Mr. Dorman said there are three steps in the process, the first is Evaluation , which should enable agencies to understand their objectives; Planning, when agencies look at new emerging trends that might impact services such as STARS, and allow agencies to set priorities; the third phase is the Budget development which should take into account the priorities the agency has developed. The Performance Budget is the Statewide Strategic Plan. Followed some discussion regarding the Legislative input into the planning. Mr. Dorman said these monthly meetings should be the venue for understanding what the real issues agencies are having and an opportunity to dialogue with the agencies to give them an opportunity to hear what the Legislative priorities are.

Mr. Dave Herlong, Planning Analyst for Transportation Area, Office of State Planning was introduced. Mr. Herlong distributed a handout titled Performance/Program Budgeting for the Transportation Program Area. Mr. Herlong discussed the handout, pointing out the Objectives; for Traffic Records, the Outcome Measures and Other Performance Measures. The ten program areas are shown on page 3 of this handout, and Transportation has its own area. Some of what Transportation does falls under the area of the Environment. Mr. Herlong read through the Table of Contents. One of the items that Mr. Herlong pointed out is the changing demographic in drivers in North Carolina which may call for change in budget planning. Mr. Herlong continued through the document including the Types of Performance Measures and their definitions. For example Outcome = measurable benefit attributable to program operations; Output = the things

you produce; Input = resources applied to programs and Benchmark = comparative data of peer group or standard.

After Mr. Herlong's presentation, Senator Jordan announced a recess. The meeting resumed at 1:00P.M., Senator Jordan called the meeting back to order. Commissioner Janice Faulkner, of the Division of Motor Vehicles was introduced. Commissioner Faulkner distributed cards with the mission statement of DMV on it, from which the strategic plans will be developed.. She said that DMV is the second largest in the state in terms of income produced. DMV generates $9.00 for ever $1.00 they receive. There error rate is less than 1%. Commissioner Faulkner introduced her staff. Carol Simon, DMV Budget Officer distributed a flow chart, dated 1/97 that shows the goals for the Transportation Area Program. Ms. Simon introduced Ed Carr who talked about the division's strategic plan. He said that over the last eight months they have embarked on strategies to identify and implement effective business practices. They have had four progress improvement teams in place. A team has also been developed to facilitate external communication as well as one for internal communication. There is also a progress improvement team to develop improvement in customer services.

The next speaker was Mr. Wayne Hurter, Director of the Drivers License Service. He referred to the flow chart distributed by Carol Simon, specifically the section regarding the regulation of motor vehicle operations. Mr. Hurter said there are 124 fixed and 17 mobile licensing units . He said that there were 200,000+ voter registrants through DMV offices in 1996. DMV began digital licensing in the fall of 1996. That licensing is now useful to criminal investigations. Drivers licenses are also useful in child support. DMV is now working with Vital Records to match their records. They also plan to link with Social Security Administration to verify social security numbers. One of the mobile units is operating at the State Fair 10/17-10/26. Mr. Hurter discussed each strategy and/or activity associated with the objective of ensuring all driver licenses applicants are knowledgeable of highway, traffic and safety laws. They are able to use third party testers for certain licenses. The third party testers only give actual driving test. The written test is still administered by DMV. Rep. McMahan asked about privatization. Mr. Hurter said some states are allowing registration by mail but we are concerned about medical issues. Mr. Hurter said probably the best measures of drivers license division performance is through customer surveys and customer complaint tracking. He announced a Federal grant of $400,000 to North Carolina to determine if graduated licensing reduces accidents. Mr. Hurter, in response to a question by Mr. Goldman on behalf of Sen. Carpenter, said that after the implementation of the computer program SADLS, they were able to include failures, written tests, driving test and eye exams which caused the number of licenses to increase.

Joan Silvey, director of school bus and public safety was introduced. They are also involved with commercial driving licenses, and bicycle safety. 13,000 school buses operate daily transporting approximately 700,000 pupils per day. By July 1, 1998, bus drivers must have a Medical Report Form completed and on file. The form is renewable every two years.

The next speaker was Rosa Gill, Director of Traffic Records Section. A record is a file that contains vehicle, driver, and accident data. Ms. Gill said the federal government prefers the term crash to accident. She said reportable accidents are ones that do over $1,000 in damage, or death, or injury which is applicable to about 40% of accidents. Ms. Gill read from the flow chart, the strategies and activities necessary to achieve the objective of Improving the availability of monthly and annual statistical crash data from 30 to 15 days by 1998. She stated that around 11000 licenses are revoked annually due to lack of insurance. About 15,000 licenses are reinstated. There is an effort underway to link the medical report with the officer's report with the investigative report for accidents.

Ms. Carol Simon referred to the flow chart directing everyone's attention to code 8720. She introduced David Richards from DMV Enforcement. His division deals with size and weight laws, motor carrier safety, crash records on all commercial, and theft inspectors among other things. This section also deals with air quality standards. Mr. Richards read their objective from the flow chart, which is to prevent damages to highway surfaces by enforcing statutory weight of vehicles and load laws. He also went over the strategies and activities to achieve that objective. Mr. Richards said the portable scales have increased the ability to catch overweights. They are working with Revenue to catch fuel tax evaders. They work closely with the Department of Transportation to identify problem road areas. North Carolina had 1600 cars reported stolen in 1996 compared with the city of Memphis which had 31,000 vehicles reported stolen. Mr. Richards continued stating that quarterly audits are performed at emission stations as federally mandated. He said that a year ago, the emissions program was in total disarray but as of August, 1998, the backlog is erased. People paid out of the emissions budget are now performing emission work. Inspectors have been trained and now know the law. Three weeks ago, the Federal Environmental Protection Agency performed an audit which resulted in the state being the most improved state. They must develop and issue a state implementation plan annually.

Diane Johnson of DMV vehicle registration was introduced. She said there are 12 million vehicles on their data base, and they issue about 2 million registrations a year. In December, they will begin to be able to place DWI stops on vehicle registrations. Ms. Johnson referred to Objective 4 on the flow chart. She said STARS is working very well, so much so that ten other states have been to look at it. Titles are now issued in five days instead of ten to twelve weeks. The Trucking Act will help streamline some of the work in vehicle registration.

Commissioner Faulkner wrapped up by saying how important Performance Based budgeting is. One of the things that the performance based budget does is force everyone to sit down together, not duplicate functions and create better communication. They just learned that DMV is now responsible for distributing body tags to law enforcement for use with trauma victims. House bill 488, the DWI initiative says that on the third DWI, DMV has to take the car with all that goes along with that. The new child support

requires them to capture social security numbers on the license. These are things that DMV must ready themselves for. She said planning is a living ongoing process.

Senator Albertson said that obviously there have been some good and positive changes in DMV and commended Commissioner Faulkner.

Senator Carpenter asked someone to look into the issue of harassment in the western part of the state regarding the weights. Mr. Richards stated that he had not heard that but would look into it.

Senator Jordan then adjourned the meeting at 3:40P.M.

Senator Luther H. Jordan, Jr.
Senate Chairperson

Gloria Haywood
Senate committee clerk

VISITOR REGISTRATION SHEET

Joint Appropriations Transportation Subcommittee
Name of Committee

Date 10/22/97

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Carol Simon	DMV
DAVID HERRONS	State Planning
John Dorman	State Planning
Joel Sigmon	St. Planning
Annette Ethridge	Gov's Office
V.L. McBride	NCDOT
Ruth Sappie	NCDOT
Suzanne Williams	Bowers Assoc.
Michael Bryant	DMV
James Faulkner	DMV
Ed Carr	DMV
Wayne Horton	DMV
Ed Carr	DMV

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VISITOR REGISTRATION SHEET

Approp. / Trans. Subcmte. — 10/12/87
Name of Committee — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME	FIRM OR AGENCY AND ADDRESS
Wayne Hunter	DMV
Carol Sonn	DMV
Ed Cain	DMV
DAVID RICHARDS	DMV
Rose Dice	DMV
Joan Delaney	DMV
Barbara Runyan	DMV
DIANE JOHNSON	DMV
DAVID HERZLONG	State Planning

What is Perfomance/Program Budgeting?

Fiscal Research Division
October 22, 1997

More than just vehicles on I-40

Raleigh-Benson stretch may be state's trashiest

DOT to spend $33 million on ramp to new mall

Unusual deal also bends policy on location

Train wreck strands passengers briefly

Will the outerbelt relieve traffic congestion?

Line Item Budgeting v. Performance Budgeting

- Line Item Budgeting
  - Funds are budgeted at detailed level, usually based on accounting codes
  - Funding decisions based on perception of need and on how funds were spent in prior years
  - Measures track workload and outputs
  - Line item spending examined for each program

- Performance/Program Budgeting
  - Funds are budgeted at aggregate level
  - Funding decisions are based on expected levels of performance for funding levels approved
  - Measures track performance and outcomes
  - Line item spending examined for programs with poor performance

States' Budget Reform Initiatives Possess Similar Components

Component	Number of States[1]
State Has Performance Measures	45
State Using Performance-Information as Budget Decision Tool	15
State Using Performance Information as Policy and Budget Influence Tool	12
State Using Performance Information as Management Tool	3
State Has Incentive/Disincentive System in Use	0

[1] Excludes Florida.

Source: Office of Program Policy Analysis and Government Accountability survey, October 1996.

Outputs v. Outcomes

- Outputs
  - Miles of road resurfaced
  - Number of rail crossing signals added
  - Number of students receiving driver education

- Outcomes
  - Number of accidents occurring due to pavement condition
  - Number of accidents at rail crossings
  - Number of accidents occurring due to driver error by a minor driver

Workload v. Performance

- Workload
  - Number of vehicles sold or transferred in NC
  - Number of ferry routes
  - Number of airports to be inspected for safety

- Performance
  - Number of titles processed in under 7 days
  - Cost per ferry route
  - Percent of airports inspected that improved their safety rating over prior year

Ideal Performance Measures Track Both Effectiveness and Efficiency

Example:

Cost of processing all titles/
Number of titles processed in under 7 days

Performance improves only if cost is reduced and/or number of titles processed in under 7 days is increased

Presentation to the
Transportation Appropriations Subcommittee

Performance/Program Budgeting for the Transportation Program Area

October 22, 1997

David Herlong
Planning Analyst
Office of State Planning

0550 Traffic Records — P/PB 8710 Regulate Motor Vehicle Operators

PURPOSE: The purpose of this program is to make North Carolina highways safer by providing statistical data on traffic accidents for internal use by the Division of Motor Vehicles, the Division of Highways, the Highway Safety Research Center, the Governor's Highway Safety Program, and the State Highway Patrol, for use by the public, insurance companies/attorneys, and other state and federal agencies concerned with highway safety for research purposes. Other duties include administering the state's Safety Responsibility Laws for the motoring public, and furnishing the State Highway Patrol vital data on patrol activity.

PROGRAM INFORMATION:

This is one of 3 funds that contribute to program number 8710, Motor Vehicle Operators The total 1996-97 certified budget for P/PB 8710 is $29,424,089 of which this fund is $1,684,852, or 5.73% of the total. A programmatic presentation which groups all funds that contribute to specific program levels throughout state government according to similar outcomes, objectives, and outcome measures may be found in Volume 7.
Following is a complete list of departmental accounting funds which contribute to P/PB 8710.

DOT-DMV	0530 DRIVER LICENSING	78.35%	DOT-DMV	0550 TRAFFIC RECORDS	5.73%
DOT-DMV	0540 TRAFFIC SAFETY EDU SERV	15.92%			

Objectives:

- Improve the availability of monthly and annual statistical crash data from 30 days to 15 days by 1998.

Outcome Measures:

	1993-94 Actual	1994-95 Actual	1995-96 Actual	1996-97 Estimated	1997-98 Expected	1998-99 Expected
- Number of days required to produce reports of monthly and annual statistical crash data.	45	35	45	30	25	15

Other Performance Measures:

- Number of collision reports processed. (*Jan 1, 1996 the property damage threshold for a reportable accident increased from $500 to $1,000 .)	231,497	253,212	259,052	265,010	271,106	277,341
- Number of suspension orders issued. (*After the automation of the Driver License Section, we were unable to suspend owners whose vehicles were uninsured or as a result of a judgement for a short period.	14,875	11,892*	15,833	14,756	13,753	12,818

84260 D[redacted]on of Motor Vehicles

PURPOSE DETAIL:

Description	1995-96 Actual	1996-97 Authorized	1997-98 Inc/Dec From Authorized	1997-98 Total Recommended	1998-99 Inc/Dec From Authorized	1998-99 Total Recommended
0550 NUMBER OF POSITIONS	53.00	53.00	.00	53.00	.00	53.00
REQUIREMENTS						
53 1011 DISAB INC PLAN EMPL B	9,632	0	0	0	0	0
53 1020 SALARIES AND WAGES	1,135,464	1,267,293	0	1,267,293	0	1,267,293
53 1030 TEMPORARY LABOR-HOURL	58,573	0	0	0	0	0
53 1050 SAL & WAGES-LONGEVITY	27,928	32,237	2,119	34,356	3,960	36,197
53 1080 SAL & WAGES-OVERTIME	21,039	0	0	0	0	0
53 1201 HOSPITALIZATION CONTR	81,771	92,008	0	92,008	0	92,008
53 1202 SOCIAL SECURITY CONTR	93,293	99,414	162	99,576	303	99,717
53 1203 RETIREMENT CONTRIBUTI	128,198	140,781	188	140,969	387	141,168
53 1220 PAYROLL ADDITIVE	16,679	21,301	5,521-	15,780	5,521-	15,780
53 1223 P/R ADDITIVES-LONGEV	377	574	146-	428	123-	451
53 1225 P/R ADDITIVES-OVERTI	262	0	0	0	0	0
53 2233 EDUCATIONAL EXPENSES	517	300	0	300	0	300
53 2236 EMP IN-STATE SUBSISTE	496	794	0	794	0	794
53 2237 EMP IN-STATE TRANSPOR	168	415	0	415	0	415
53 2238 EMP OUT-OF-STATE SUBS	3,118	901	0	901	0	901
53 2239 EMP OUT-OF-STATE TRAN	2,127	483	0	483	0	483
53 2240 EMP OTHER TRAVEL EXPE	1,795	97	0	97	0	97
53 2322 TELEPHONE AND TELEGRA	9,024	6,361	3,213	9,574	3,502	9,863
53 2342 REPAIRS & SERV EQUIP	21,174	21,763	0	21,763	0	21,763
53 2347 REPAIRS & SERV DP EQU	2,390	0	0	0	0	0
53 2410 OFFICE SUPPLIES	15,255	13,450	0	13,450	0	13,450
53 2411 PRINTING AND BINDING	0	500	0	500	0	500
53 2510 DATA PROCESSING EQUIP	2,344	0	0	0	0	0
53 2511 OFFICE FURNITURE & EQ	5,555	18,174	0	18,174	0	18,174
53 2630 PUBLIC LIABILITY CLAI	0	1,250	0	1,250	0	1,250
TOTAL REQUIREMENTS	1,637,179	1,718,096	15	1,718,111	2,508	1,720,604
ESTIMATED RECEIPTS						
43 0942 SALE OF SALVAGE, MTL	5	0	0	0	0	0
43 0959 REIMB NTSA	36,817	12,600	0	12,600	0	12,600
43 0984 SALE OF COLLISION REP	502,125	169,000	0	169,000	0	169,000
TOTAL RECEIPTS	538,947	181,600	0	181,600	0	181,600
HIGHWAY FUND APPROPRIATION	1,098,232	1,536,496	15	1,536,511	2,508	1,539,004

1997-98 Recommended Continuation Budget Summary
for
Transportation Subcommittee
(in millions)

Program Areas	Health	Human Services	Corrections	Justice & Public Safety	Environ.	Econ. Devl & Com.	Education	Transport.	Cultural Resources	General Govern.	Total
Departments											
Transportation	-	-	-	-	2.63	-	-	2,413.59	-	-	2,416.22
Total Requirements	-	-	-	-	2.63	-	-	2,413.59	-	-	2,416.22
Receipts/Cash Balances	-	-	-	-	2.63	-	-	537.73	-	-	540.36
General Fund Appropriation	-	-	-	-	0.00	-	-	0.00	-	-	0.00
Highway Fund Appropriation	-	-	-	-	0.00	-	-	1,875.86	-	-	1,875.86
Number of Positions	-	-	-	-	46.00	-	-	* 14,298.60	-	-	14,344.60

* For FY 1997-98, 11,200.60 of the 14,298.60 positions dedicated to the Transportation Program Area are charged against work orders.

TRANSPORTATION PROGRAM AREA
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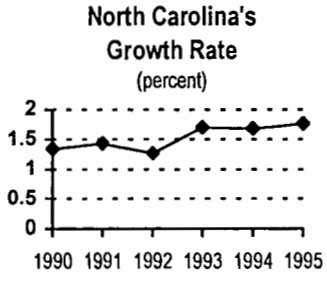
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Transportation Program Area
Continuation Budget Summary by Department
(in millions)

Program Area: Transportation	1997-98 DOT	1997-98 Wildlife	1997-98 Commerce	1997-98 Total	1998-99 DOT	1998-99 Wildlife	1998-99 Commerce	1998-99 Total
Goal I - Plan, design, construct, repair, and maintain roads and highways	1,742.95	0.00	0.00	1,742.95	1,771.90	0.00	0.00	1,771.90
• Plan, design, construct, and expand roads and highways	1,191.30	-	-	1,191.30	1,216.18	-	-	1,216.18
• Major arterial highways	1,025.17	-	-	1,025.17	1,045.35	-	-	1,045.35
• Secondary roads	149.03	-	-	149.03	153.73	-	-	153.73
• Special purpose projects	17.10	-	-	17.10	17.10	-	-	17.10
• Maintain and repair roads and highways	551.65	-	-	551.65	555.72	-	-	555.72
• Major arterial highways	246.66	-	-	246.66	246.59	-	-	246.59
• Secondary roads	304.99	-	-	304.99	309.13	-	-	309.13
Goal II - Expand, improve, and support alternative and non-highway modes of transportation	71.82	0.00	0.00	71.82	72.47	0.00	0.00	72.47
• Expand, improve, maintain, and operate public transit systems	23.25	-	-	23.25	23.25	-	-	23.25
• Revitalize railroads and preserve railway corridors	1.21	-	-	1.21	1.21	-	-	1.21
• Plan, develop and support the North Carolina aviation system	28.18	-	-	28.18	28.82	-	-	28.82
• Establish, maintain and operate ferries	19.18	-	-	19.18	19.19	-	-	19.19
Goal III - Ensure safe transportation through education and regulation	91.57	2.29	0.03	93.89	91.53	2.23	0.03	91.53
• Regulate motor vehicles and motor vehicle operators that use highways	91.57	-	-	91.57	91.53	-	-	91.53
• Regulate motor vehicle operators	29.14	-	-	29.14	29.06	-	-	29.06
• Register motor vehicles and enforce highway laws	57.71	-	-	57.71	57.75	-	-	57.75
• Coordinate highway safety programs	4.72	-	-	4.72	4.72	-	-	4.72
• Regulate water transportation and boating	-	2.29	0.03	2.32	-	2.23	0.03	2.26
Auxiliary services and administration	99.31	-	-	99.31	99.47	-	-	99.47
Reserves, transfers and other accounting funds	407.94	-	-	407.94	408.97	-	-	408.97
Total Requirements	2,424.04	2.29	0.03	2,426.36	2,455.41	2.23	0.03	2,457.67
Receipts/Cash Balances	537.73	0.48	0.03	538.24	538.37	0.48	0.03	538.88
General Fund Appropriation	10.46	0.00	0.00	10.46	11.08	0.00	0.00	11.08
Highway Fund Appropriation	1,886.32	0.00	0.00	1,886.32	1,917.04	0.00	0.00	1,917.04
Number of Positions	3,098.00	36.00	0.00	3,134.00	3,098.00	36.00	0.00	3,134.00

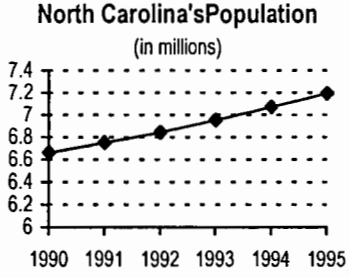
TRANSPORTATION PROGRAM AREA

Transportation modes and availability are critical components in economic growth and development, delivering goods and services, and citizen's quality of life. In North Carolina, there are a variety of transportation modes available. This is important to the extremely mobile lifestyle to which we have become accustomed. Whether it be by road, rail, bus, boat, ship, or plane, virtually every part of the state is accessible. In addition, access to and from neighboring states, the nation as a whole, and many foreign countries has been made easier through the development and implementation of strategies and activities represented in this program area.



North Carolina's population has been growing steadily since 1990. However this growth has occurred primarily in Mecklenburg County (+13% or 65,998 people) and Wake County (21.6% or 91,970). Counties surrounding these counties have also experienced a higher than average rate of growth. Other urban areas, such as the Triad, Wilmington, and Asheville, have grown, but at slower rates. Many rural areas have seen little or no growth. These trends impact the Transportation Area in the following ways:

Highways: Urban systems will have increased traffic potentially resulting in greater congestion and delays. Rural areas will rely almost totally on roads and highways for transportation needs.



Alternative transportation modes: Increases in urban populations will allow public transit systems to operate more conveniently and efficiently in urban areas of greater population, but increasing suburbanization will slow grow of public systems into outlying bedroom communities. For rural areas, the lack of growth or net loss of population will make public transit more difficult and inefficient.

Motor vehicles and licensed drivers: More people need drivers licenses and more vehicles will need to be registered in the state as the populations grows. There will be a growing need for bilingual staff, information, and testing materials.

The Transportation Program area includes state policies and activities directed towards three goals:

Plan, design, construct, repair, and maintain roads and highways.

By far this is the largest goal in the program area in terms of funds, activities, personnel, and impact on current transportation modes. Motor vehicles are the most popular mode of transportation and a well planned, designed, constructed and maintained network of major arterial highways and secondary roads is critical to meet this demand. North Carolina's Intrastate Highway System has opened many areas of the state to multi-lane access. This improved access has helped disperse economic growth to underdeveloped areas and attract additional industry to the state. Economic growth, measured in net-job-increase, is projected to be four percent each year in areas within five minutes of a multi-lane highway.

Once a road or highway is built or expanded, it must be maintained. Maintenance of both highway surfaces (77,000 miles) and bridges (17,000) is important for safety, damage to vehicles, and further deterioration to the highway system. Increased traffic, overweight trucks, extreme weather conditions, and age and quality of construction all influence the need for repair and maintenance. Routine needs total $315,956,000 while resurfacing needs total $123,417,000. Reducing the backlog of maintenance projects is a major focus of this subprogram.

Expand, improve, and support alternative and non-highway modes of transportation.

In addition to private vehicle and trucks on roads and highways, other modes of transportation important to the state, include: public transit systems, railroads, air transport, ferries, and bicycles.

With the percentage of the population living in urban and rural areas being approximately even, providing regular, convenient, comprehensive, and cost-effective public transit is difficult. Especially when population density is taken into account. Two major urban areas in the state, Charlotte and the Research Triangle, are growing rapidly, while other cities have relatively steady or

decreasing populations. Traffic congestion in the major urban areas may soon increase the effectiveness of public transportation.

Railroad passenger service along the I-85/I-40 corridor is being expanded to improve non-highway transportation. This is being achieved by revitalizing rail corridors, improving service availability, and reducing travel times utilizing high-speed trains. Emphasis is on using or upgrading existing rail corridors rather than constructing new ones. Rail programs also support maintaining corridors vital for rail freight traffic.

Air travel is a major transportation mode in North Carolina with important air transport routes within the state, across the nation, and internationally. There are 116 public-use airports in the state including 15 with scheduled commercial service. There are two major airline hubs in the state (USAir in Charlotte and Continental Airlines in Greensboro). Midway Airlines has its home base of operations at Raleigh-Durham International Airport. Air transportation will be a vital force as the state's economy becomes more globally focused.

Alternatives to road and highway transportation will be increasingly important as the population continues to grow. Improving the movement of people, goods, and services within the state, as well as outside the state, using non-highway transportation will be critical to a healthy economy and high quality of life.

Ensure safe transportation through education and regulation.

The regulation of transportation in North Carolina is directed at assuring safety through vehicle operator competency and vehicle and boat registration. Assuring an adequate level of competency for motor vehicle operators is most important. As the population ages and as more people move into the state with a minimum proficiency of the English language, monitoring a driver's comprehension and physical ability will be needed.

Vehicle registration and motor vehicle record keeping is important to the collection of user fees, tracking lost and stolen vehicles, and providing records and data to other agencies involved with public safety, insurance and other aspects of the use of vehicles on the state's roads and highways.

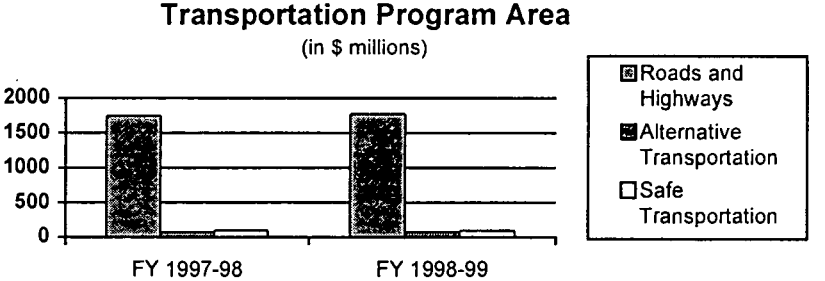
The number of boats in the state is increasing. Providing access to public waters and improving the convenience and efficiency of boat registration is a primary focus in the subprogram addressing boating transportation.

Challenges facing agencies working towards objectives in the Transportation Program area include:

- balancing a variety of transportation needs and technologies to provide the best overall options to meet a wide range of public and private needs,
- improving and maintaining the existing transportation system,
- protecting the environment, natural resources, and cultural resources while developing transportation systems,
- maintaining all sources of funding to meet the ever-growing demand for transportation development and maintenance.

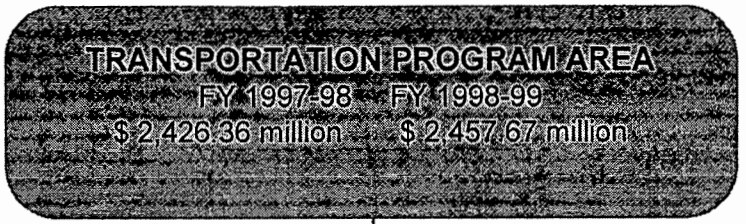
Budget by Goal (in millions)

Goal	1997-98	1998-99
Plan, design, construct, repair, and maintain roads and highways	$1,742.95	$1,771.90
Expand, improve and support alternative and non-highway modes of transportation:	$ 71.82	$ 72.47
Ensure safe transportation through regulation	$ 93.89	$ 93.79



TRANSPORTATION PROGRAM AREA

The Transportation program area includes state policies and activities that are directed toward planning, constructing, and maintaining roads and highways; developing and improving alternate transportation modes; and ensuring safe transportation through education and regulation.



Goals

Plan, design, construct, repair, and maintain roads and highways
FY 1997-98 $1,742.95 million
FY 1998-99 $1,771.90 million

Expand, improve, and support alternative and non-highway modes of transportation
FY 1997-98 $71.82 million
FY 1998-99 $72.47 million

Ensure safe transportation through education and regulation
FY 1997-98 $93.88 million
FY 1998-99 $93.79 million

Programs

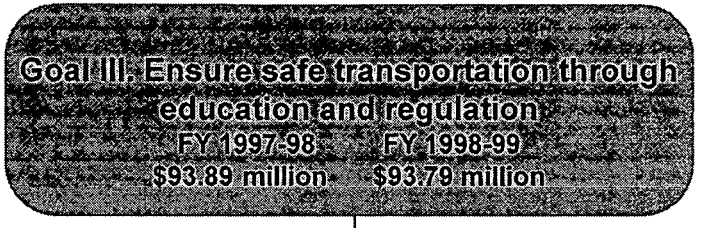
1. Plan, design, construct, and expand roads and highways.
2. Maintain and repair roads and highways.

1. Expand, improve, maintain, and operate public transit systems.
2. Promote and improve railroad service.
3. Plan, develop and support the aviation system.
4. Establish, maintain and operate ferries.

1. Regulate motor vehicles and motor vehicle operators that use highways.
2. Regulate water transportation and boating.

Note: *The Goal budget figures do not include administrative and reserve totals associated with P/PB 8998 and 8999, which total $507.25 million for FY 1997-98 and $508.43 million for 1998-99.*

TRANSPORTATION PROGRAM AREA



Programs

Regulate motor vehicles and motor vehicle operators that use highways		Regulate water transportation and boating	
FY 1997-98	FY 1998-99	FY 1997-98	FY 1998-99
$ 91.57 million	$ 91.53 million	$2.31 million	$2.26 million

Subprograms

1. Regulate motor vehicle operators
2. Register motor vehicles and enforce highway laws
3. Coordinate highway safety programs

8700 Regulate motor vehicles and motor vehicle operators that use highways

Purpose

The purpose of this program is to ensure competent motor vehicle drivers, register motor vehicles and promote safe driving conditions.

Expected outcomes

The expected outcomes of this program are safe driving conditions.

Budget by Subprogram (in millions)

Subprogram	1997-98	1998-99
Regulate motor vehicle operators (8710)	$29.14	$29.06
Register motor vehicles and enforce highway laws (8720)	$57.71	$57.75
Coordinate highway safety programs (8730)	$4.72	$4.72

Background and trends

Motor vehicles are the most common mode of transportation in North Carolina and the nation. They are also the leading cause of accidental death in the state and the number one cause of all deaths in young people. This program area has programs and activities to make sure the motoring public is as safe as possible.

The growth of North Carolina's population has increased the number of vehicle drivers and the number of vehicles on the road. Increasing urbanization and improved access to multi-lane highways has resulted in more people living further from employment centers. This, in turn, has resulted in more highway miles being driven. Requiring a standard knowledge of highway laws and regulations will help in reducing vehicle accidents, injuries and deaths.

The state's demographics also indicate a rapidly increasing youth population (age 1 to 21). Traffic accidents are the leading cause of all deaths in this age group. Several approaches are needed to prevent injuries and deaths from vehicle accidents in this group. These including: requiring child restraint seats for infants and toddlers, increasing the use of seat belts in vehicles, and making sure that young drivers are fully competent to operate a motor vehicle.

Registering vehicles provides information important in the enforcement of vehicle laws, recovering stolen vehicles, and the collection of revenue relative to the ownership and operation of all motor vehicles.

8700 Regulate motor vehicles and motor vehicle operators that use highways

Regulate motor vehicles and motor vehicle operators that use highways
FY 1997-98 $ 91.57 million
FY 1998-99 $ 91.53 million

Subprograms

Regulate motor vehicle operators
FY 1997-98 $29.14 million
FY 1998-99 $29.06 million

Register motor vehicles and enforce highway laws
FY 1997-98 $57.71 million
FY 1998-99 $57.75 million

Coordinate highway safety programs
FY 1997-98 $4.72 million
FY 1998-99 $4.72 million

Objectives

Regulate motor vehicle operators

1. Make sure that all driver license applicants are knowledgeable of highway, traffic and safety laws.
2. Make sure that all school bus drivers are medically and physically capable of operating school buses.
3. Improve the availability of monthly and annual statistical crash data from 30 to 15 days by 1998.

Register motor vehicles and enforce highway laws

1. Prevent damage to highway surfaces by enforcing statutory weight of vehicles and load laws.
2. Ensure an 80% recovery rate of all reported stolen vehicles.
3. Ensure that all vehicle inspection stations conduct valid inspections.
4. Reduce the amount of time required to process registration and titling documents and materials by 25% in 1998.
5. Make sure that all fleet vehicles based in North Carolina are properly registered under the International Registration Plan reciprocity agreement.

Coordinate highway safety programs

1. Increase seat belt usage by drivers and front seat passengers in vehicles to 85% statewide by 1997-98.
2. Decrease the percentage of alcohol-related fatalities to 26% of total traffic fatalities by 1997-98.

8710 Regulate motor vehicle operators

Purpose

The purpose of this subprogram is to regulate motor vehicle operators.

Expected outcomes

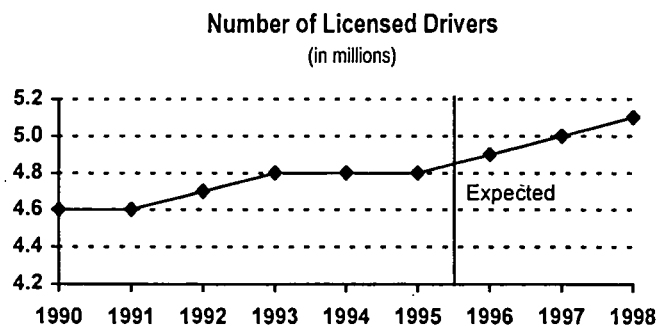
The expected outcomes of this subprogram are competent drivers, reduced insurance costs, safer highways, fewer problems in student transportation and improved customer service.

Background and trends

It takes skill and knowledge to drive on today's roads and highways. Drivers must be able to protect themselves as well as drivers of other vehicles. The primary aim of this subprogram is to make sure that drivers holding a North Carolina drivers license are knowledgeable and medically able to operate motor vehicles.

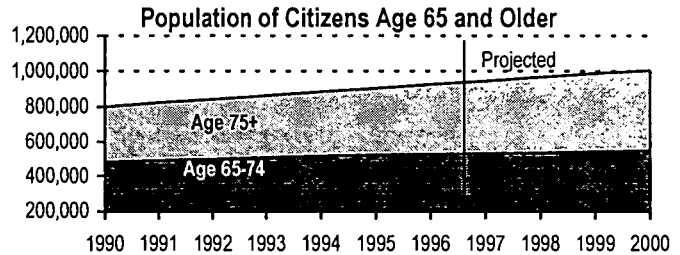
Improved customer service is a key component of this subprogram. Obtaining and maintaining a valid drivers license is something that touches virtually every citizen age 16 years and older. Thorough tests must be developed and properly administered to ensure a minimum level of knowledge of highway and safety laws. Records of motor vehicle crash data and revoked driver's licenses are kept and provided to law enforcement agencies as well as to automobile insurers.

There has been a consistent increase in the number of licensed drivers in the state.



The growth in licensed drivers traditionally approximates growth rates in population. A slight decline in the population segment of young adults is expected to be offset by net migration of new eligible drivers into North Carolina. During the last five years, the number of licensed drivers has increased at an annual average growth rate of 1.4 percent; in the next decade it is expected to remain relatively constant at 1.4 percent per year.

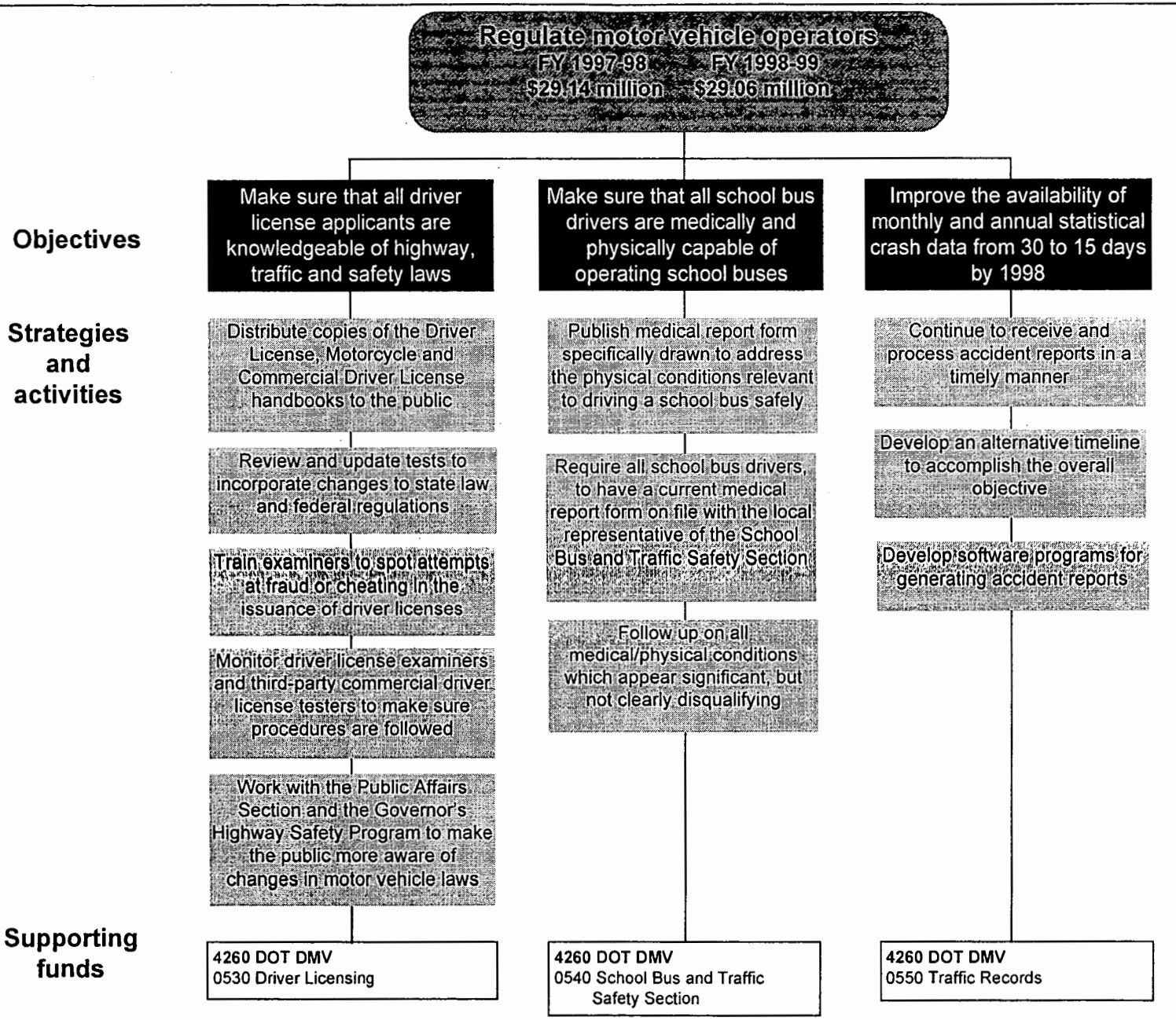
Population aging brings special needs that must be met by the transportation system. In this decade North Carolina's population age 75 and over is expected to increase at a faster rate than the overall population (see figure below).



Most drivers in the age 65+ bracket tend to impose restrictions upon themselves; however, some must be legally restricted. In terms of safe driving, physical condition is more important than age itself. Consequently, the need for closer scrutiny of medical conditions will become more acute among older drivers. This is particularly important as more retired adult drivers seek part-time employment as school bus drivers. A second effect of driver aging will be a higher demand for defensive driving courses taught by the Division of Motor Vehicles. Other needs of older drivers include more comprehensive public transportation in rural and urban areas, larger and better illuminated highway signs, and the increased use of reflective marking on road surfaces.

An increase in the number of non-English speaking customers presents unique challenges in terms of educating prospective drivers about rules and regulations for driving. It also presents additional challenges for examiners, hearing officers and other support personnel testing applicants. This non-English speaking population is expected to increase 50 to 75 percent in the next five years, an increase of 250,000 to 375,000 people.

8710 Regulate motor vehicle operators



8710 Regulate motor vehicle operators

Objective 1: Ensure all driver license applicants are knowledgeable of highway, traffic, and safety laws.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of drivers license applicants that meet or exceed a test score of 70 percent	n/a	n/a	n/a	n/a	n/a	*99.5%*	*99.5%*	*99.5%*
Performance Measures:								
Driver license examinations	1,630,757	1,893,334	2,026,386	2,284,374	3,306,669	*3,736,538*	*4,259,653*	*4,344,846*
Original driver licenses issued	263,473	273,001	249,035	310,167	328,375	*525,400*	*599,966*	*610,945*
Renewal driver licenses issued	927,439	920,301	977,058	970,865	1,054,734	*1,144,386*	*1,235,936*	*1,334,810*
Learner permits issued	101,070	104,680	152,435	120,643	125,632	*130,657*	*135,883*	*141,318*
Duplicate drivers licenses issued	338,775	355,712	359,768	397,747	421,054	*484,212*	*498,738*	*513,700*
Driver license records maintained (in thousands)	7,317	7,316	7,594	7,964	8,293	*8,624*	*8,969*	*9,328*

Current Situation:

Funds:

4260 DOT DMV
0530 Driver Licensing

Types of Performance Measures

- **Outcome** - measurable benefit attributable to program operations

  (cleaner environment, healthier public, well educated students, robust economy)
- **Output** - the things you produce

  (no. of inspections, no. of samples taken/analyzed, no. of clients, no. of new jobs)
- **Input** - resources applied to programs

  (personnel, money)
- **Benchmark** - comparative data of peer group or standard

  (national average, professional standard/indicator)

5700 Preserve and enhance air quality

Purpose

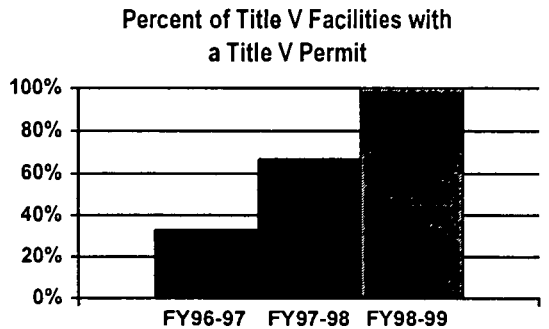
The purpose of this program is to preserve and enhance the state's air quality.

Expected outcomes

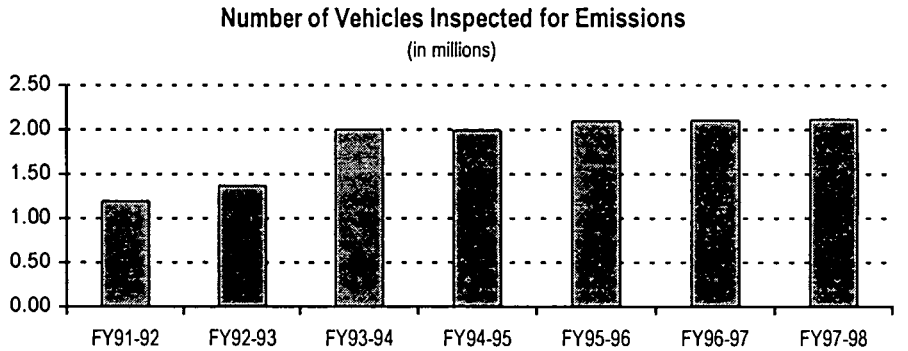
The expected outcome of this program is clean air.

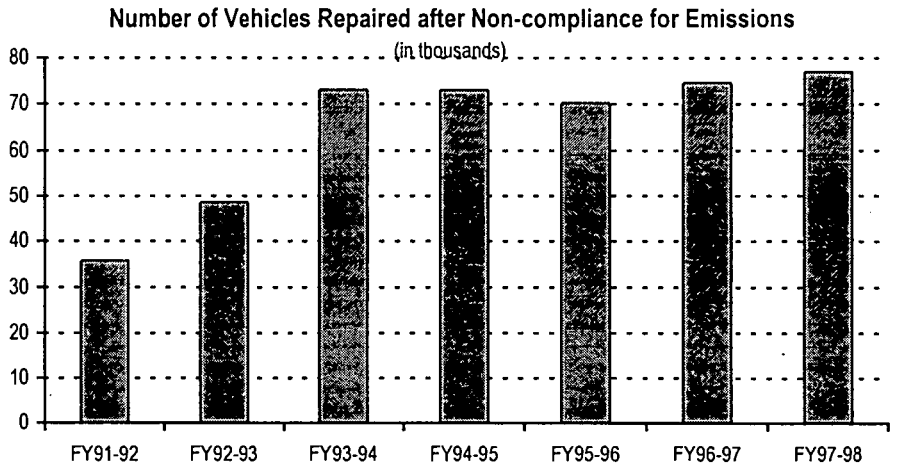
Background and trends

Compared to the nation's large urban areas, North Carolina has good air quality. Growth, however, has brought accompanying air problems to the state. Perhaps the most serious pollutant is ground-level ozone, formed on hot, sunny days when oxides of nitrogen and hydrocarbons react photochemically. Carbon monoxide, mostly from motor-vehicle emissions, is still the state's most abundant air pollutant. The state also regulates or monitors particulate, visible emissions, sulfur dioxide, nitrogen dioxide, volatile organic compounds, and other toxic air pollutants. Increased scientific and health knowledge will result in new, more stringent, or changed standards or requirements.



Currently, all major urban areas in North Carolina are in attainment of the National Ambient Air Quality Standards. This has allowed these areas to stop requiring oxygenated gasoline from November through February. However, anticipated reduction in the federal standards and continuing population growth are likely to cause some, if not all, areas to be out of compliance. The challenge will be to lower emissions where possible though strict inspection and enforcement of emissions standards and to develop strategies for the future.

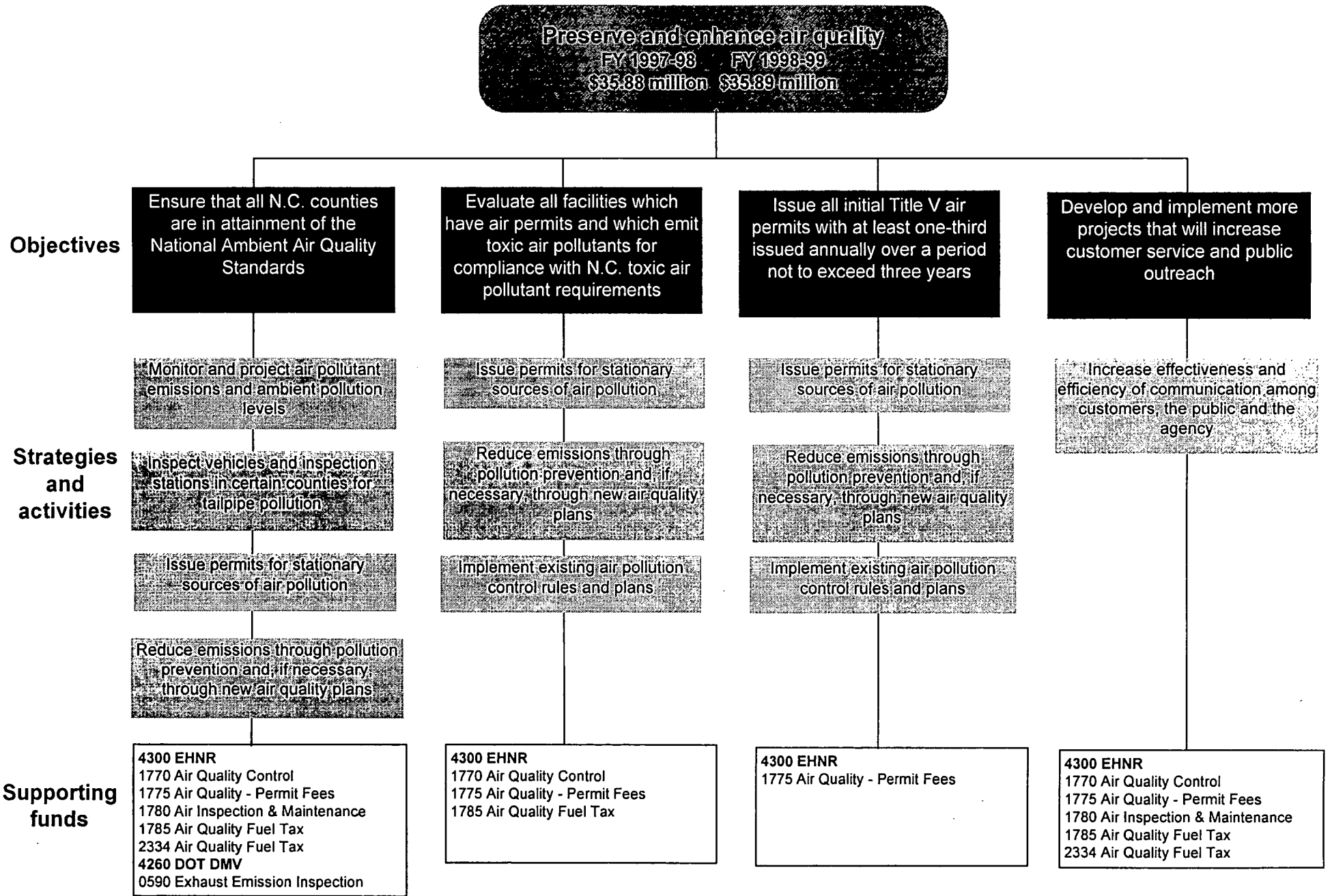




Air toxins are a growing concern, particularly around manufacturing facilities. Close monitoring of these facilities, implementing new plans and rules, and increasing the incorporation of pollution prevention practices will be important to lowering air toxins.

The general public needs clean air to breathe, and emitters into the air need allowances for gainful economic activity and encouragement to reduce emissions of pollutants.

5700 Preserve and enhance air quality



5700 Preserve and enhance air quality

Objective 1: Ensure that all N.C. Counties are in attainment of the National Ambient Air Quality Standards.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of NC counties in attainment of National Ambient Air Quality Standards	91	91	95	96	100	*100*	*100*	*100*
Performance Measures:								
Number of vehicles inspected and emission certificates issued (in millions)	1.19	1.39	1.97	2.02	2.09	*2.10*	*2.11*	*2.12*
Number of vehicles in non-compliance with air emission standards which are repaired in nine counties (Mecklenburg, Wake, Forsyth, Guilford, Durham, Gaston, Orange, Cabarrus, Union)	35,770	48,500	73,000	72,900	70,200	*74,600*	*76,900*	*79,400*
Number of ambient air monitors operated	77	79	80	82	85	*95*	*101*	*106*
Number of air quality permits issued for new and existing Title V and non-Title V sources	1,444	1,573	1,510	1,654	1,372	*1,414*	*1,455*	*1,499*
Number of compliance inspections on major and minor emission sources conducted	1,800	1,626	1,341	1,744	2,390	*2,100*	*2,100*	*2,100*

Current Situation:

An anticipated lowering of the levels of pollutants allowed by National Standards could result in current attainment areas being non-attainment. This may require the use of reformulated fuels and other strategies, such as new mass transit programs, to help bring urban areas back into attainment.

Funds:

4300 EHNR
1770 Air Quality Control
1775 Air Quality - Permit Fees
1780 Air Inspection & Maintenance
1785 Air Quality Fuel Tax
2334 Air Quality Fuel Tax
4260 DOT DMV
0590 Exhaust Emission Inspection

5700 Preserve and enhance air quality

Purpose

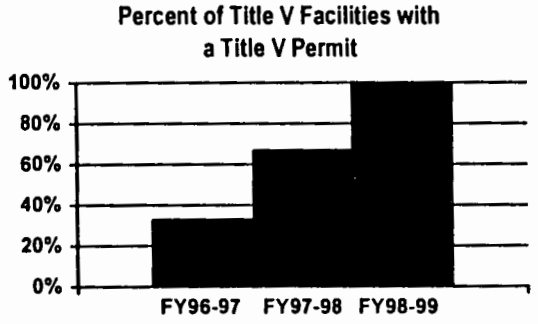
The purpose of this program is to preserve and enhance the state's air quality.

Expected outcomes

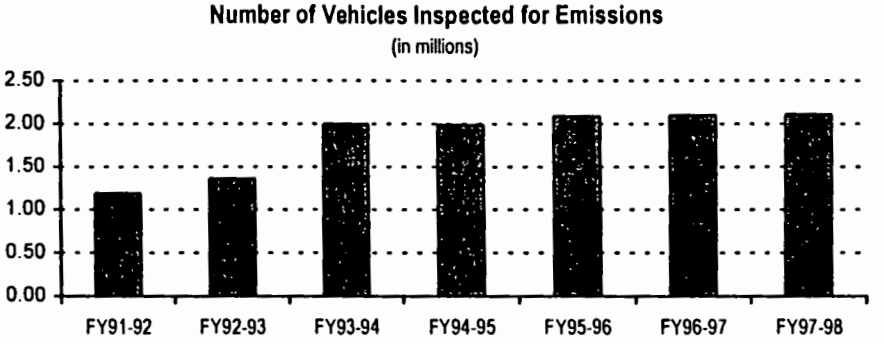
The expected outcome of this program is clean air.

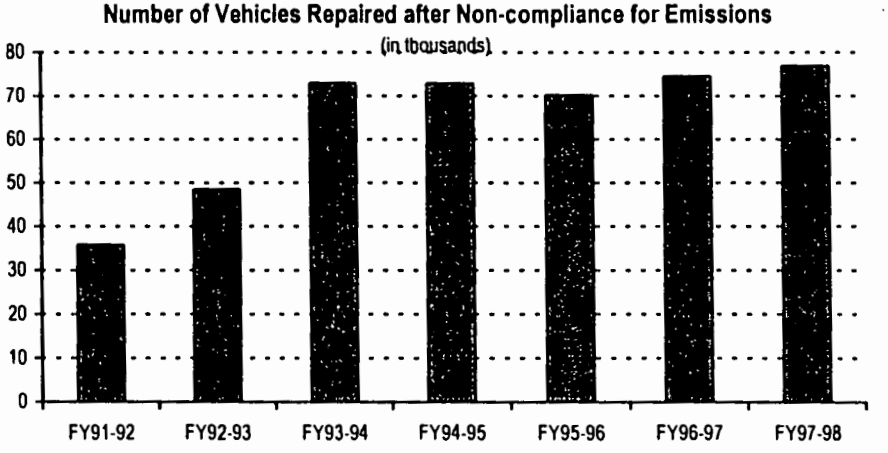
Background and trends

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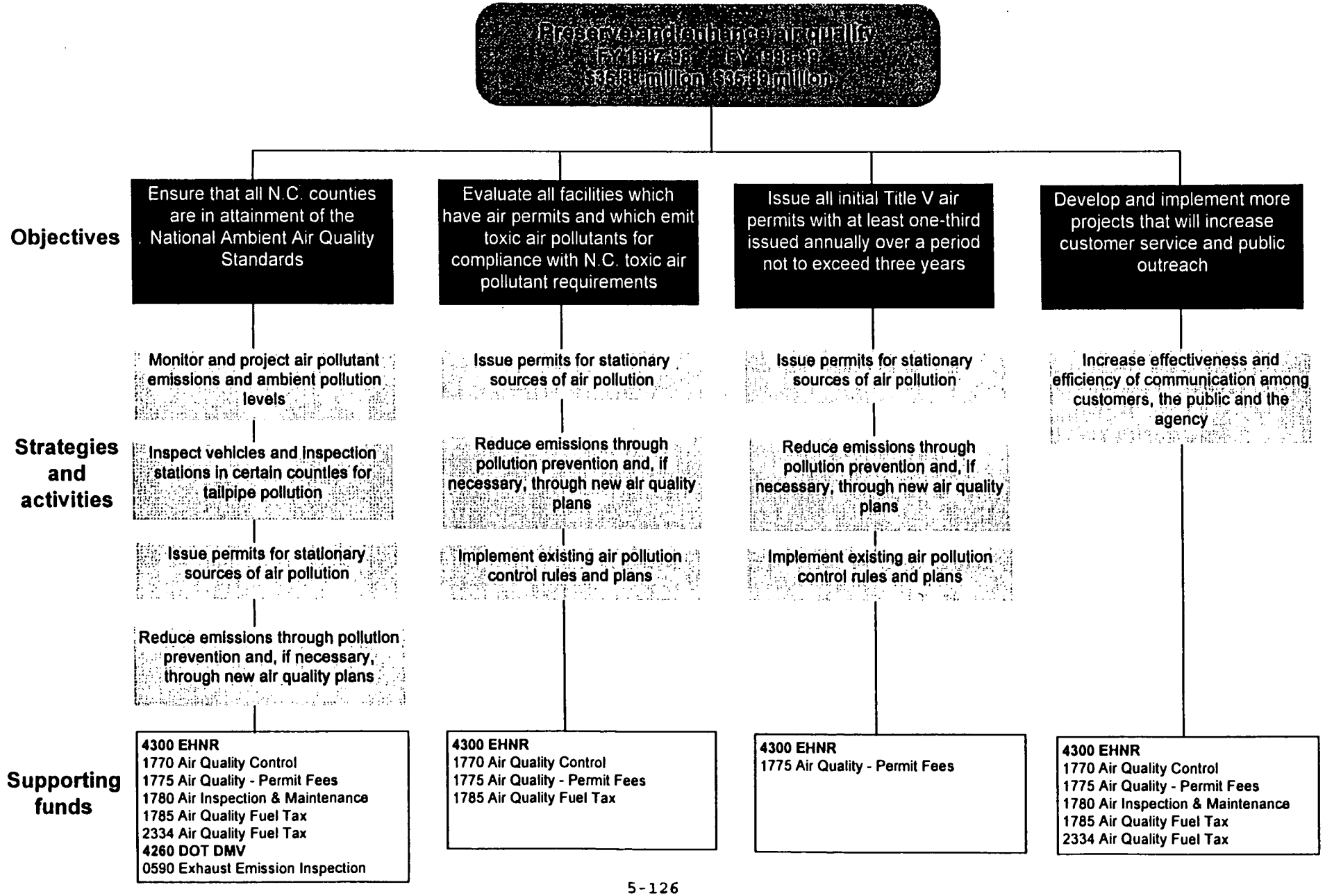




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The general public needs clean air to breathe, and emitters into the air need allowances for gainful economic activity and encouragement to reduce emissions of pollutants.

5700 Preserve and enhance air quality



5700 Preserve and enhance air quality

Objective 1: Ensure that all N.C. Counties are in attainment of the National Ambient Air Quality Standards.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of NC counties in attainment of National Ambient Air Quality Standards	91	91	95	96	100	*100*	*100*	*100*
Performance Measures:								
Number of vehicles inspected and emission certificates issued (in millions)	1.19	1.39	1.97	2.02	2.09	*2.10*	*2.11*	*2.12*
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Number of ambient air monitors operated	77	79	80	82	85	*95*	*101*	*106*
Number of air quality permits issued for new and existing Title V and non-Title V sources	1,444	1,573	1,510	1,654	1,372	*1,414*	*1,455*	*1,499*
Number of compliance inspections on major and minor emission sources conducted	1,800	1,626	1,341	1,744	2,390	*2,100*	*2,100*	*2,100*

Current Situation:

An anticipated lowering of the levels of pollutants allowed by National Standards could result in current attainment areas being non-attainment. This may require the use of reformulated fuels and other strategies, such as new mass transit programs, to help bring urban areas back into attainment.

Funds:

4300 EHNR
1770 Air Quality Control
1775 Air Quality - Permit Fees
1780 Air Inspection & Maintenance
1785 Air Quality Fuel Tax
2334 Air Quality Fuel Tax
4260 DOT DMV
0590 Exhaust Emission Inspection

Objective 2: Evaluate all facilities which have air permits and which emit toxic air pollutants for compliance with N.C. toxic air pollutant requirements.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of facilities evaluated for toxics compliance	n/a	n/a	n/a	n/a	38	*45*	*50*	*60*
Performance Measures:								
Number of facilities reviewed whose quantified toxic emissions are below permit screening levels and which are not required to obtain a permit to emit toxic air pollutants	n/a	n/a	n/a	596	106	*135*	*145*	*315*
Number of new and modified permits to emit toxic air pollutants issued to facilities whose quantified toxic emissions are above permit screening levels	228	247	124	199	111	*120*	*130*	*180*
Number of new and modified permits to emit toxic air pollutants issued to facilities required to apply Maximum Feasible Control Technology	n/a	n/a	n/a	0	0	*1*	*1*	*1*
Number of investigations for toxic air pollutants completed	20	22	7	9	9	*15*	*15*	*15*

Current Situation:

An Air Toxics Working Group established by the Environmental Review Commission, pursuant to the Studies Act of 1995, closely examined the state's toxic air pollutant control program and made recommendations resulting in substantial program changes.

Funds:

4300 EHNR
1770 Air Quality Control
1775 Air Quality - Permit Fees
1785 Air Quality Fuel Tax

Objective 3: Issue all initial Title V air permits with at least one-third issued annually over a period not to exceed three years.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of Title V facilities permitted in accordance with North Carolina Title V air permit requirements	n/a	n/a	n/a	n/a	0	*33*	*67*	*100*
Performance Measures:								
Number of air quality permits issued for existing Title V sources	n/a	n/a	n/a	n/a	350	*361*	*371*	*382*
Number of air quality permits issued for new Title V sources	n/a	n/a	n/a	n/a	12	*12*	*13*	*13*
Number of compliance inspections on major emission sources conducted	1,000	924	703	1,093	487	*900*	*900*	*900*

Current Situation:

During 1993 and 1994 many major sources took steps to become minor sources so they would not be covered by the Title V Program.

Funds:

4300 EHNR
1775 Air Quality - Permit Fees

5700 Preserve and enhance air quality

Objective 4: Develop and implement more projects that will increase customer service and public outreach.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of customer service/public outreach projects implemented or increased	n/a	n/a	n/a	n/a	1	*2*	*4*	*5*
Performance Measures:								
Number of Mobile Source Emissions Reduction Grants awarded	n/a	n/a	n/a	5	8	*8*	*8*	*8*

Current Situation:

Funds:

4300 EHNR
1770 Air Quality Control
1775 Air Quality - Permit Fees
1780 Air Inspection & Maintenance
1785 Air Quality Fuel Tax
2334 Air Quality Fuel Tax

5700 P[illegible]serve and enhance air quality

1996-97 Authorized Expenditures

	Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by Transportation Appropriations Subcommittee:					
4260 DOT-DMV					
0590 EXH AUST EMISSION INSPECT	46.00	2,308,509.00	2,308,509.00	0.00	6.47
Funds reviewed by Natural and Economic Resources Appropriations Subcommittee:					
4300 EHNR					
1770 AIR QUALITY CONTROL	56.00	4,397,770.00	2,969,609.00	1,428,161.00	12.32
1775 AIR QUALITY - PERMIT FEE	164.00	9,638,781.00	9,638,781.00	0.00	27.00
1780 AIR QUAL. INSPT & MAINT	9.00	915,326.00	915,326.00	0.00	2.56
1785 AIR QUALITY - FUEL TAX	49.75	4,277,891.00	4,277,891.00	0.00	11.98
2333 AIR QUAL CLEAN AIR ACT	0.00	7,499,247.00	7,499,247.00	0.00	21.01
2334 AIR QUALITY - FUEL TAX	0.00	6,660,565.00	6,660,565.00	0.00	18.66
TOTAL FOR 5700 FUNDS	324.75	$ 35,698,089.00	$ 34,269,928.00	$ 1,428,161.00	100.00

5700 Preserve and enhance air quality

	1996-97	********** 1997-98 **********		********** 1998-99 **********	
	AUTHORIZED	INCREASE/DECREASE	TOTAL RECOMMENDED	INCREASE/DECREASE	TOTAL RECOMMENDED
REQUIREMENTS	35,698,089	185,066	35,883,155	193,958	35,892,047
INTER/INTRA TRANSFERS IN	17,694,374	74,884	17,769,258	78,490	17,772,864
OTHER ESTIMATED RECEIPTS	16,575,554	326,427	16,901,981	331,086	16,906,640
NET APPROPRIATION	1,428,161	-216,245	1,211,916	-215,618	1,212,543
NUMBER OF POSITIONS	324.75	.00	324.75	.00	324.75

AS OF 1/97

TRANSPORTATION PROGRAM AREA (8000)

GOALS

- I. Plan, design, construct, repair, and maintain roads and highways
- II. Expand, improve, and support alternative and non-highway modes of transportation
- III. Ensure safe transportation through education and regulation

PROGRAMS

- Regulate motor vehicles and motor vehicle operators that use highways (8700)
- Regulate water transportation and boating (8800)

SUBPROGRAMS

- Regulate motor vehicle operators (8710)
- Register motor vehicles and enforce highway laws (8720)
- Coordinate highway safety programs (8730)

OBJECTIVES

- **Obj. 1:** Ensure all driver license applicants are knowledgeable of highway, traffic and safety laws.
- **Obj. 2:** Ensure all school bus drivers are medically and physically capable to operate school buses.
- **Obj. 3:** Improve the availability of monthly and annual statistical crash data from 30 to 15 days by 1998.
- **Obj. 1:** Prevent damage to highway surfaces by enforcing statutory weight of vehicles and load laws.
- **Obj. 2:** Ensure an 80% recovery rate of all reported stolen vehicles.
- **Obj. 3:** Ensure all vehicle inspection stations conduct valid inspections.
- **Obj. 4:** Reduce the amount of time required to process registration and titling documents and materials by 25% in 1998.
- **Obj 5:** Ensure that all fleet vehicles based in NC are properly registered under Intl. Registration Plan (IRP) reciprocity agreement.

Strategies and Activities

- Distribute copies of the Driver License, Motorcycle and Commercial Driver License handbooks to the public.
  - Review and update tests to incorporate changes to state law and federal regulations
    - Train examiners to spot attempts at fraud or cheating in the issuance of driver licenses
      - Monitor driver license examiners and third-party commercial driver license testers to make sure procedures are followed
        - Work with Public Affairs Section and Gov.'s Highway Safety Program to make the public more aware of changes in the motor vehicle laws
- Publish medical report form specifically drawn to address the physical conditions relevant to driving a school bus safely.
  - Require all school bus drivers to have a current medical report form on file with local representatives of the SB&TS Section
    - Follow up on all medical/physical conditions which appear significant but not clearly disqualifying
- Continue to receive and process accident reports in a timely manner.
  - Develop an alternative timeline to accomplish the overall objective
    - Develop software programs for generating accident reports
- Operate all ten permanent weigh stations with the maximum effective use of personnel
  - Take enforcement action on any overweight vehicles using portable scales
    - Conduct selective weight enforcement in areas where complaints are received on overweight commercial vehicle traffic
- Conduct 30-day follow-up investigations on all reported thefts of motor vehicles
  - Maintain a database on all stolen and recovered vehicles
    - Inspect all salvage vehicles in NC for which new titles are issued
      - Investigate the title history of all questionable out-of-state vehicles presented for registration in NC
- Ensure all licensed safety and emission stations follow proper pro[redacted]
  - Audit inspection stations annually and emission stations quarterly
    - Conduct covert and overt investigations on safety and emission inspection stations
- Reduce backlogs in processing customer docume[redacted]
  - Develop automated processes to allow electronic data transfer
    - Develop streamlined business processes to allow quicker processing of customer documents
- Enforce all requirements of the Intl. Registration Plan (IRP) reciprocity agreement
  - Register fleet vehicles and collect and apportion license fees on the basis of fleet miles operated
    - Enable IRP registrants to renew their annual license renewal at specific quarters of the year

PERFORMANCE MEASURES

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SUPPORTING FUNDS

- 4260 DOT DMV 0530 Driver License
- 4260 DOT DMV 0540 S Bus
- 4260 DOT DMV 0550 Collision Reports
- 4260 DOT DMV 0570 Enforcement
- 4260 DOT DMV 0570 Enforcement
- 4260 DOT DMV 0570 Enforcement
- 4260 DOT DMV 0520 V Registration
- 4260 DOT DMV 0560 IRP

ENVIRONMENT PROGRAM AREA (5000)

- I. Conserve natural resources
- II. Avoid and reduce pollution

- Prevent pollution and reduce waste (5400)
- Ensure the proper management of waste (5500)
- Preserve and enhance water quality (5600)
- Preserve and enhance air quality (5700)

- **Obj. 1:** Ensure that all NC counties are in attainment of the National Ambient Air Quality Standards
  - Monitor and project air pollutant emissions and ambient pollution levels
    - Inspect vehicles and inspection stations in certain counties for tailpipe pollution
      - Issue permits for stationary sources of air pollution
        - Reduce emissions through pollution prevention and, if necessary, through new air quality plans

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- 4300 EHNR
- 1770 Air Quality Control
- 1775 Air Quality Permit Fees
- 1780 Air Inspect & Maint
- 1785 Air Quality Fuel Tax
- 2334 Air Quality Fuel Tax
- 4260 DOT DMV
- 0590 Exhaust Emission Inspection

1998-99 Recommended Continuation Budget Summary by Program Area

(in $ millions)

Program Areas	Health	Human Services	Corrections	Justice & Public Safety	Environ.	Econ. Devl & Com.	Education	Transport.	Cultural Resources	General Govern.	Total
Departments											
Administration	0.23	23.22	-	-	0.94	1.15	-	-	-	91.91	117.45
Office of Administrative Hearings	-	-	-	-	-	-	-	-	-	2.34	2.34
Agriculture	9.28	2.67	-	-	4.65	59.27	-	-	-	-	75.87
Board of Elections	-	-	-	-	-	-	-	-	-	1.03	1.03
Commerce	0.29	178.93	-	-	-	174.07	-	0.03	-	2.20	355.52
Community Colleges	-	6.19	-	-	-	13.75	537.84	-	-	-	557.78
Correction	-	-	964.80	-	-	-	-	-	-	-	964.80
Crime Control and Public Safety	-	-	-	192.25	-	-	-	-	-	-	192.25
Cultural Resources	-	-	-	-	-	-	-	-	57.93	-	57.93
Environment, Health, and Natural Resources	362.93	-	-	-	217.89	7.10	-	-	-	1.09	589.63
General Assembly	-	-	-	-	-	-	-	-	-	34.54	34.54
Human Resources	5,702.82	1,720.14	54.24	-	-	-	34.24	-	-	-	7,511.44
Insurance	10.19	-	-	-	-	38.99	-	-	-	-	49.18
Judicial	-	-	-	355.82	-	-	-	-	-	-	355.82
Justice	-	-	-	74.65	-	-	-	-	-	-	74.65
Labor	18.33	4.19	-	-	-	1.94	-	-	-	-	24.46
Governor's Office	-	-	-	-	-	-	-	-	-	5.41	5.41
Office of State Budget and Management	-	-	-	-	-	-	-	-	-	3.82	3.82
Office of State Planning	-	-	-	-	-	-	-	-	-	4.27	4.27
Housing Finance Authority	-	45.20	-	-	-	-	-	-	-	-	45.20
Office of the Lieutenant Governor	-	-	-	-	-	-	-	-	-	0.59	0.59
Public Instruction	-	-	-	-	-	-	4,785.76	-	-	-	4,785.76
Revenue	-	-	-	-	-	-	-	-	-	70.90	70.90
Secretary of State	-	-	-	-	-	4.80	-	-	-	0.42	5.22
State Auditor	-	-	-	-	-	-	-	-	-	10.58	10.58
State Controller	-	-	-	-	-	-	-	-	-	141.11	141.11
State Treasurer	-	-	-	-	-	-	-	-	-	29.27	29.27
State Major Health Plan	-	-	-	-	-	-	-	-	-	17.28	17.28
Rules Review Commission	-	-	-	-	-	-	-	-	-	0.27	0.27
Transportation	-	-	-	-	2.64	-	-	2,444.33	-	-	2,446.97
University of North Carolina	413.47	-	-	-	-	-	1,827.26	-	-	-	2,240.73
Wildlife Resources Commission	-	-	-	-	48.08	-	-	2.23	-	-	50.31
SpecialBoards and Commissions	-	-	-	-	-	2.39	-	-	-	-	2.39
Compensation Increase	16.65	3.25	22.18	12.01	1.88	2.65	228.79	-	0.89	14.41	302.71
Debt Service / Federal Debt	0.91	-	31.83	0.14	46.10	-	140.48	-	-	5.75	225.21
Other Reserves	-	-	-	0.40	-	-	-	-	-	15.24	15.64
Total Requirements	**6,535.10**	**1,983.79**	**1,073.67**	**635.27**	**322.18**	**306.11**	**7,554.37**	**2,446.59**	**58.82**	**452.43**	**21,368.33**
Receipts/Cash Balances	4,356.30	1,517.13	103.02	221.75	159.47	183.88	1,072.12	540.63	6.00	210.04	8,370.34
General Fund Appropriation	2,178.80	466.66	970.65	413.52	162.71	122.23	6,482.25	0.00	52.82	242.39	11,092.03
Highway Fund Appropriation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,905.96	0.00	0.00	1,905.96
Number of Positions	20,088.69	5,582.36	20,946.05	8,670.88	3,406.51	2,451.85	28,255.26	14,334.60	718.63	3,348.05	107,802.88
Community College / Public School Employees	0.00	0.00	0.00	0.00	0.00	0.00	136,422.07	0.00	0.00	0.00	136,422.07

NOTE:: The totals in this table represent total requirements in departments' budgets and are not adjusted for inter- and intra-departmental transfers.

5700 Preserve and enhance air quality

Purpose

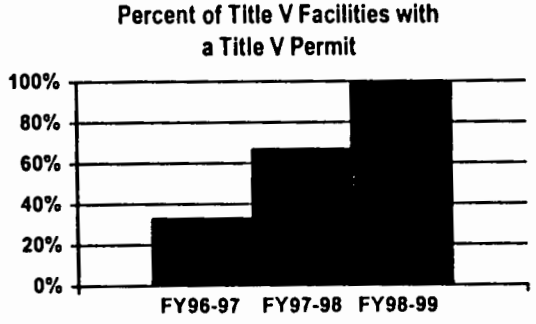
The purpose of this program is to preserve and enhance the state's air quality.

Expected outcomes

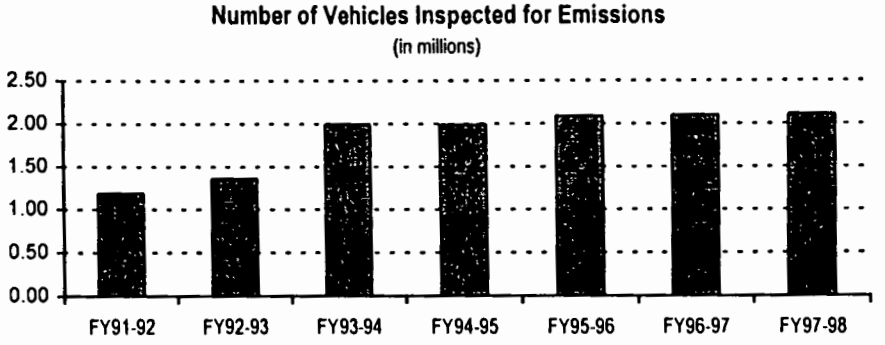
The expected outcome of this program is clean air.

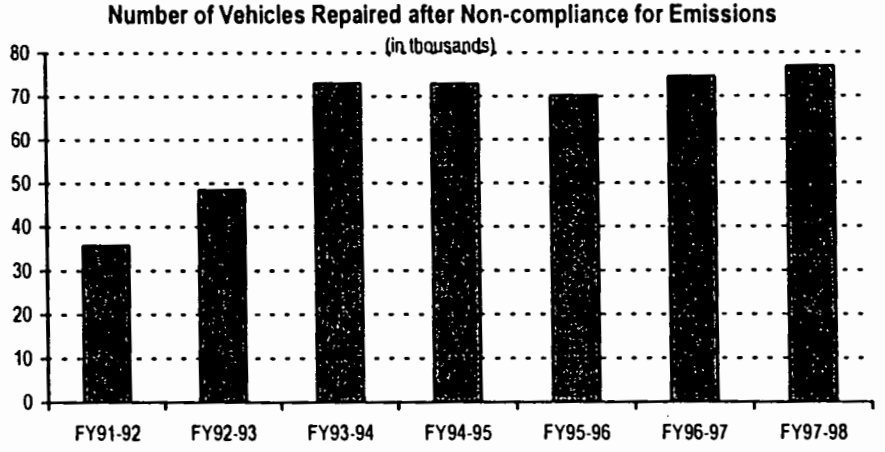
Background and trends

Compared to the nation's large urban areas, North Carolina has good air quality. Growth, however, has brought accompanying air problems to the state. Perhaps the most serious pollutant is ground-level ozone, formed on hot, sunny days when oxides of nitrogen and hydrocarbons react photochemically. Carbon monoxide, mostly from motor-vehicle emissions, is still the state's most abundant air pollutant. The state also regulates or monitors particulate, visible emissions, sulfur dioxide, nitrogen dioxide, volatile organic compounds, and other toxic air pollutants. Increased scientific and health knowledge will result in new, more stringent, or changed standards or requirements.



Currently, all major urban areas in North Carolina are in attainment of the National Ambient Air Quality Standards. This has allowed these areas to stop requiring oxygenated gasoline from November through February. However, anticipated reduction in the federal standards and continuing population growth are likely to cause some, if not all, areas to be out of compliance. The challenge will be to lower emissions where possible though strict inspection and enforcement of emissions standards and to develop strategies for the future.

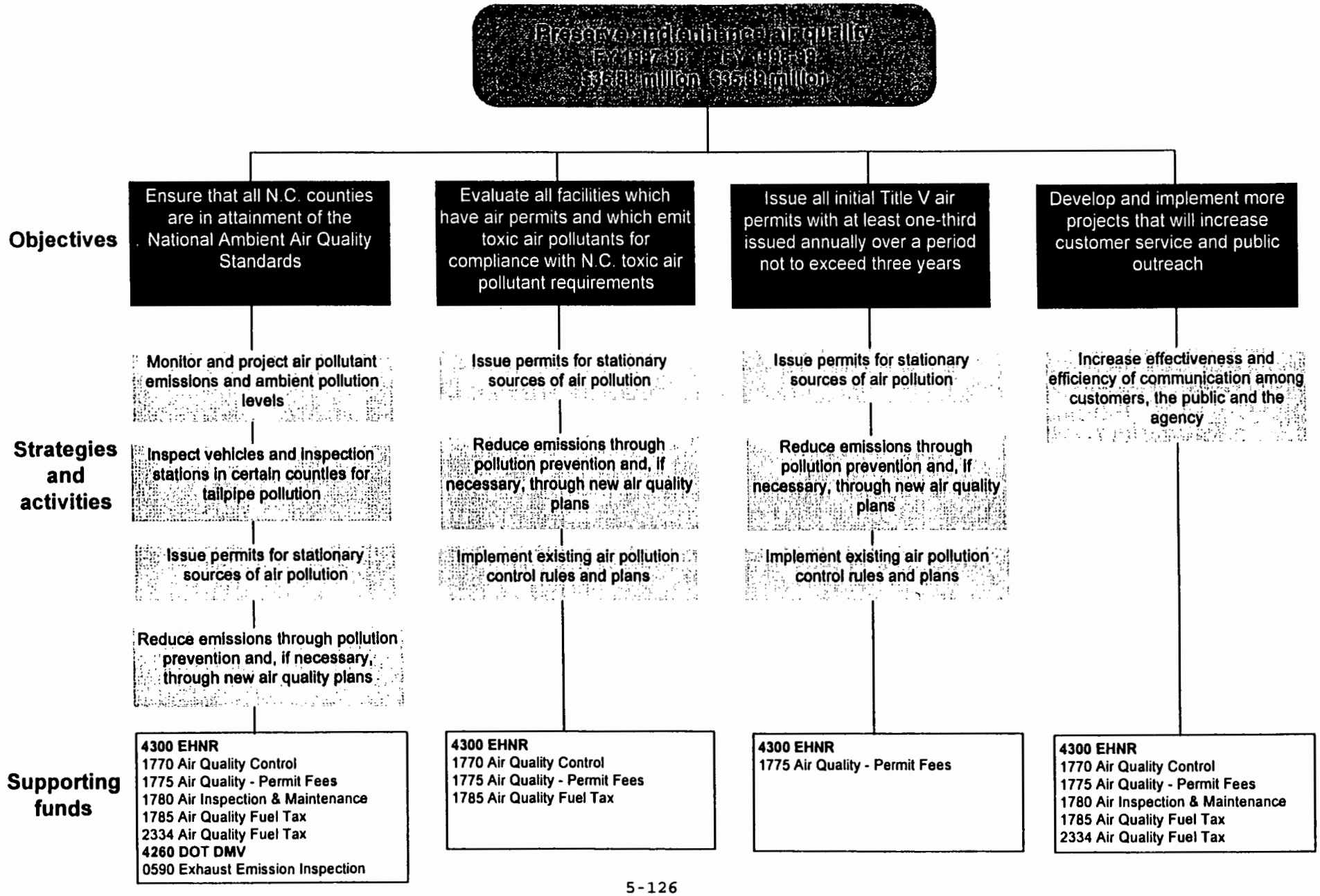




Air toxins are a growing concern, particularly around manufacturing facilities. Close monitoring of these facilities, implementing new plans and rules, and increasing the incorporation of pollution prevention practices will be important to lowering air toxins.

The general public needs clean air to breathe, and emitters into the air need allowances for gainful economic activity and encouragement to reduce emissions of pollutants.

5700 Preserve and enhance air quality



5700 Preserve and enhance air quality

Objective 1: Ensure that all N.C. Counties are in attainment of the National Ambient Air Quality Standards.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of NC counties in attainment of National Ambient Air Quality Standards	91	91	95	96	100	*100*	*100*	*100*
Performance Measures:								
Number of vehicles inspected and emission certificates issued (in millions)	1.19	1.39	1.97	2.02	2.09	*2.10*	*2.11*	*2.12*
Number of vehicles in non-compliance with air emission standards which are repaired in nine counties (Mecklenburg, Wake, Forsyth, Guilford, Durham, Gaston, Orange, Cabarrus, Union)	35,770	48,500	73,000	72,900	70,200	*74,600*	*76,900*	*79,400*
Number of ambient air monitors operated	77	79	80	82	85	*95*	*101*	*106*
Number of air quality permits issued for new and existing Title V and non-Title V sources	1,444	1,573	1,510	1,654	1,372	*1,414*	*1,455*	*1,499*
Number of compliance inspections on major and minor emission sources conducted	1,800	1,626	1,341	1,744	2,390	*2,100*	*2,100*	*2,100*

Current Situation:

An anticipated lowering of the levels of pollutants allowed by National Standards could result in current attainment areas being non-attainment. This may require the use of reformulated fuels and other strategies, such as new mass transit programs, to help bring urban areas back into attainment.

Funds:

4300 EHNR
1770 Air Quality Control
1775 Air Quality - Permit Fees
1780 Air Inspection & Maintenance
1785 Air Quality Fuel Tax
2334 Air Quality Fuel Tax
4260 DOT DMV
0590 Exhaust Emission Inspection

Objective 2: Evaluate all facilities which have air permits and which emit toxic air pollutants for compliance with N.C. toxic air pollutant requirements.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of facilities evaluated for toxics compliance	n/a	n/a	n/a	n/a	38	*45*	*50*	*60*
Performance Measures:								
Number of facilities reviewed whose quantified toxic emissions are below permit screening levels and which are not required to obtain a permit to emit toxic air pollutants	n/a	n/a	n/a	596	106	*135*	*145*	*315*
Number of new and modified permits to emit toxic air pollutants issued to facilities whose quantified toxic emissions are above permit screening levels	228	247	124	199	111	*120*	*130*	*180*
Number of new and modified permits to emit toxic air pollutants issued to facilities required to apply Maximum Feasible Control Technology	n/a	n/a	n/a	0	0	*1*	*1*	*1*
Number of investigations for toxic air pollutants completed	20	22	7	9	9	*15*	*15*	*15*

Current Situation:

An Air Toxics Working Group established by the Environmental Review Commission, pursuant to the Studies Act of 1995, closely examined the state's toxic air pollutant control program and made recommendations resulting in substantial program changes.

Funds:

4300 EHNR
1770 Air Quality Control
1775 Air Quality - Permit Fees
1785 Air Quality Fuel Tax

Objective 3: Issue all initial Title V air permits with at least one-third issued annually over a period not to exceed three years.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Percent of Title V facilities permitted in accordance with North Carolina Title V air permit requirements	n/a	n/a	n/a	n/a	0	*33*	*67*	*100*
Performance Measures:								
Number of air quality permits issued for existing Title V sources	n/a	n/a	n/a	n/a	350	*361*	*371*	*382*
Number of air quality permits issued for new Title V sources	n/a	n/a	n/a	n/a	12	*12*	*13*	*13*
Number of compliance inspections on major emission sources conducted	1,000	924	703	1,093	487	*900*	*900*	*900*

Current Situation:

During 1993 and 1994 many major sources took steps to become minor sources so they would not be covered by the Title V Program.

Funds:

4300 EHNR
1775 Air Quality - Permit Fees

Objective 4: Develop and implement more projects that will increase customer service and public outreach.

Measures	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measures:								
Number of customer service/public outreach projects implemented or increased	n/a	n/a	n/a	n/a	1	*2*	*4*	*5*
Performance Measures:								
Number of Mobile Source Emissions Reduction Grants awarded	n/a	n/a	n/a	5	8	*8*	*8*	*8*

Current Situation:

Funds:

4300 EHNR
1770 Air Quality Control
1775 Air Quality - Permit Fees
1780 Air Inspection & Maintenance
1785 Air Quality Fuel Tax
2334 Air Quality Fuel Tax

5700 P[illegible]serve and enhance air quality

		1996-97 Authorized Expenditures			
	Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by Transportation Appropriations Subcommittee:					
4260 DOT-DMV					
0590 EXH AUST EMISSION INSPECT	46.00	2,308,509.00	2,308,509.00	0.00	6.47
Funds reviewed by Natural and Economic Resources Appropriations Subcommittee:					
4300 EHNR					
1770 AIR QUALITY CONTROL	56.00	4,397,770.00	2,969,609.00	1,428,161.00	12.32
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5700 Preserve and enhance air quality

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AGENDA

Joint Appropriations Subcommittee on Transportation
October 23, 1997
9:00 a.m. - 1:00 p.m.
Rm. 1228

I. Use of Public Transportation and Passenger Rail Funding (9:00-10:30)
   - David King, Deputy Secretary for Transit Rail and Aviation
   - Patrick Simmons, Rail Division
   - Sanford Cross, Public Transportation Division

II. DOT Small Business Enterprise Program - Quarterly Report (10:30-11:00)
   - C.A. Gardner, Deputy Chief Engineer

III. Use of Discretionary Funding - Quarterly Report (11:00-11:30)
   - Larry Goode, State Highway Administrator

IV. Cash Flow Funding - Quarterly Report (11:30-12:00)
   - Larry Goode, State Highway Administrator

V. General Discussion (12:00-1:00)

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

Minutes

October 23, 1997

Room 1228 LB

9:00A.M.

The Joint Appropriations Transportation Subcommittee met on October 23, 1997 at 9:00A.M. in room1228 of the Legislative Building. Three Senate members were present. The following House members attended:

Rep. Joanne Bowie	Rep. Jerry Dockham
Rep. Ed McMahan	Rep. Bobby Barbee
Rep. Jim Gulley	Rep. Thomas Hardaway
Rep. Bill Hiatt	Rep. Mary McAllister
Rep. Drew Saunders	Rep. Ronnie Sutton

Rep. Jim Crawford

Senator Luther H. Jordan, Jr. chaired the meeting. Senator Jordan introduced Mr. Tony Goldman, staff who distributed Guide to a Performance/Program Budgeting and Performance Based Program Budgeting in Context: History and Comparison. Mr. Goldman spoke from the latter document, discussing the background of Performance Based Budgeting, and focusing attention to page 32, Florida's chart of incentives and disincentives. Florida is part of a National Trend towards performance based budgeting. In response to a question from Rep. Hiatt, Mr. Goldman said Florida has been on line since 1995 but not every agency to date. Rep. Sutton wanted to know the cost of doing Performance Based Budgeting but no study has been completed to determine the costs yet. Mr. David Herlong from the Office of State Planning said that the state is using existing resources to implement the program. Rep. McMahan said that the committee needs to review GPAC recommendations. Mr. Goldman said they would be gotten to the committee.

Mr. Larry Goode, State Highway Administrator from The Department of Transportation was introduced. He distributed a document Statewide Discretionary document which is prepared quarterly. He also distributed Divisionwide Small Urban Fund. He explained handouts. Mr. Goode than handed out Projects to be Built Using Cash Flow Funding. They reduce Trust Fund money down by cash flowing. Budget office certifies their budget. This includes projections and is very conservative. The General Statues spell out how much money can be used for cash flow in the biennium.

Senator Jordan introduced Mr. David King. Mr. King distributed a Report to the Transportation Oversight Committee,, North Carolina General Assembly. He also distributed another copy of a pamphlet called Transit 2001. Mr. King reviewed items already approved by the General Assembly including local options for communities to raise money for public transit and the approval to buy out shareholders in the North Carolina Railroad $61 million. The Triad Transportation Authority was authorized. We have 16 urban transit systems and 84 rural transit systems serving all 100 counties. We

will receive $20 million in discretionary funds when President Clinton signs the Appropriations bill. Even so we are receiving approximately 66% back from federal taxes. In response to a question by Sen. Carpenter, of the money coming to North Carolina, $2 million is to develop railroad between Greensboro and Cary; $1 million to Charlotte to look at transit between Charlotte and Rockhill; 5 million is for statewide buses; and 12 million is for Triangle Regional Rail. In response to a question from Rep. McAllister, the Federal Legislature decides appropriations based on need. North Carolina packages funding priorities and they are submitted and forward them to Congress.

Mr. King introduced Patrick Simmons from DOT Rail program. Mr. Simmons did a power point presentation. The rail division's primary charge is to work with rail revitalization. North Carolina has 3500 miles of railroad. That's down from a peak of about 5000miles. Senator Jordan asked about passenger rail services from Charlotte to Wilmington. Mr. Simmons referred to a map which he distributed titled North Carolina Passenger Rail Plan. They are planning to study feasibility of a rail between Charlotte and Wilmington over the next year. Mr. Simmons talked about the Carolinian. It is number 3 in the Amtrak system. We recover 85% of costs from fare on this line. In 1995, the Piedmont service was introduced. The marketing material is produced in house by state staff. He also spoke of the current travel time by rail between Raleigh and Charlotte and the need and effort to reduce this time. Eventually the entire Southeastern Rail Corridor will have a high speed of 110 MPH. The construction of that corridor is financially feasible. We are not directly involved with movement of freight except our safety operations. The state envisions common use of right of way. Rep. Sutton wanted to know about potential rail service in Robeson County. Mr. King said the Charlotte to Wilmington existing corridor which they will be studying goes through Pembroke, NC. They are trying to determine if support is there to improve rail service in that corridor, they envision improved passenger rail service in that corridor.

Rep. McAllister wanted to know why Charlotte is always a priority. Mr. Simmons said that Charlotte has more population, more jobs, etc. plus US Congress has designated it as the end point for the high speed rail. Rep. Sutton wanted to know what transit services would be offered or improved in smaller areas. In the interest of time,. Mr. King referred committee to page 6 of the report which details where $18 million will be spent. The report is titled Report to the Transportation Oversight Committee; Use of Rail Passenger and Public Transportation Funding, October 1, 1997. Mr. King spoke of the shortfall in the second year of the biennium, which could be problematic. Mr. King continues, and emphasized that the Maintenance ad Employment Transportation Assistance will focus on Governor Hunt's Work First initiative. Mr. King reiterate the invitation to the conference October 28, 1997 to a conference " The Trip to Self Sufficiency". He also passed out printed invitations as well. Mr. King spoke about the various and innovative means of transportation being used for Work First in various counties.

Mr. King introduced Mr. Charles Glover who discussed a relatively new program which is now operating out of Greenville, called out county medical service. They have a two

year project to hire an on site Coordinator to work out of Pitt Memorial Hospital who coordinates transportation to meet medical needs for thirty counties around Pitt County. They want to replicate this service in the near future.

Mr. King wrapped up by reiterating the need to increase the budget in the second year of the biennium, and for the committee to meet at the rail facility, to take the train to Greensboro, and to visit Mann's Harbor to look at the ferry and a number of other transit modes.

Senator Jordan introduced Mr. C.A. Gardner who handed out A report to the Joint Legislative Transportation Oversight Committee Small Business Enterprise Program. He said the program continues to grow. $25 million in projects was awarded in the 96-97 fiscal year. The definition of a small business has been increased to a business doing $1.2 million worth of business. Mr. Gardner continued to review the document.

Senator Jordan adjourned the meeting at 11:00 A.M.

Senator Luther H. Jordan, Jr.

Gloria Haywood
Committee Clerk

1997-99

The North Carolina State Budget

Guide

to

Performance/Program Budgeting

Office of State Planning

Office of State Budget and Management

A Report On

Performance-Based Program Budgeting in Context: History and Comparison

Office of Program Policy Analysis and Government Accountability

April 1997

Report 96-77A

OPPAGA Mission Statement

This Office provides objective, independent, professional analyses of state policies and services to assist the Florida Legislature in decision-making, to ensure government accountability, and to recommend the best use of public resources.

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EXECUTIVE SUMMARY

This report is one of two OPPAGA studies assessing performance-based program budgeting in Florida. This report

- describes the history of national and Florida budget reform efforts and lessons to be learned from these experiences,
- discusses the current efforts of the federal government and selected states and compares these to the Florida initiative, and
- summarizes conclusions drawn from the Florida experience and those of other jurisdictions to point to actions that Florida should take to increase chances of success.

The companion report provides a status report on performance-based program budgeting in Florida and suggests specific implementation steps to be taken.

Background

Florida is implementing a major reform to improve the state's system for appropriating public funds. In 1994, the Legislature enacted the Government Performance and Accountability Act, which established performance-based program budgeting (PB^2) in state government. Florida's initiative is part of a national movement towards performance-based budgeting: a method of relating appropriations to program performance and expected outcomes.

By statute, PB^2 is being phased in over a seven-year period. On a staggered schedule, each agency must provide the Executive Office of the Governor with a list of programs, performance measures for each program, baseline data showing its past and current performance, and proposed standards for performance on each measure for the coming year. These programs, measures, and standards may be approved, modified, or rejected by the Governor and the Legislature. Approved programs and measures are included in the agencies' Legislative Budget Requests. The Legislature then designates acceptable agency programs, performance measures, performance standards, and the resources appropriated to accomplish these standards in the General Appropriations Act. As part of the subsequent year's appropriations process, the Legislature will examine actual performance of these programs in comparison to their standards and may provide incentives or disincentives based on performance.

Results in Brief

Budget Reform History. Performance-based budgeting is the latest in a series of budget reform efforts. Since the 1940s and 1950s, federal and state governments have

initiated major budget reforms to increase the information basis and rationality of the budget process to improve government performance. Florida's own reform efforts took shape in the 1970s with a planning-programming-budgeting system, were re-examined in the 1980s with the effort to integrate planning and budgeting, and have again returned to the forefront in the 1990s. Historical conditions such as poor technology and analysis capacity, limited legislative and executive leadership commitment, and unrealistic expectations for changing the political process are still factors that can affect the present reform efforts.

Performance-Based Budgeting Experiences. In the federal and state governments, reform efforts based on program performance information range from using it as a program management and administration tool to using it as a budget tool for resource allocation decisions. The federal government, Minnesota, North Carolina, Iowa, and Texas all fall on this spectrum in using program performance information, but Florida's performance-based budgeting initiative is among the most ambitious. All these jurisdictions appear to be confronting similar issues. They are recognizing the importance of key stakeholder involvement in setting policy direction for the reform, dealing with the problem of weak government capacity to manage and analyze performance data, and confronting the challenges of designing performance information that both describes government and is useful to decision-makers. From these other jurisdictions, Florida reformers can identify useful practices and avoid pitfalls in continued PB^2 implementation.

Lessons Learned in Performance-Based Budgeting Implementation. Conclusions drawn about the Florida experience and those of the federal government and other states point to ways to increase chances of success of PB^2. Generally, performance-based reforms value accountability as a purpose of reform, but information is most relevant if it is tied to resource allocation in some way. Legislative direction in developing expected outcomes for state programs is critical, as is legislative support while agencies work to design measures and improve data systems. Offering flexibility in exchange for improved performance and accountability is a key component of performance-based budgeting reform, but the Legislature should ensure that it is satisfied with agencies' measurement efforts before granting flexibility and incentives. Performance-based budgeting approaches vary according to the value reformers place on describing government structure and on developing various types of performance measures. In further implementing PB^2, the Legislature should examine conflicts between perspectives in order to make expectations clear and to guide agencies in producing useful information.

CHAPTER 1 INTRODUCTION

Requested by the Joint Legislative Auditing Committee, this report is one of two OPPAGA reports assessing performance-based program budgeting in Florida. This report

- describes the history of national and Florida budget reform efforts and lessons to be learned from these experiences;
- discusses the current budget reform efforts of the federal government and selected states and compares these to the Florida initiative; and
- summarizes conclusions drawn from the Florida experience and those of other jurisdictions to point to actions that Florida should take to increase chances of success.

The second report provides a detailed status report on performance-based program budgeting in Florida and suggests specific implementation steps to be taken.

Background

Florida is undertaking a major reform of its budget system.

Florida is implementing a major reform to improve the state's system for appropriating public funds. In 1994, the Legislature enacted the Government Performance and Accountability Act, which established performance-based program budgeting (PB^2) in state government.

Florida's initiative is part of a national movement towards performance-based budgeting. Performance-based budgeting is a method of relating appropriations to program performance and expected outcomes. Government budgeting has traditionally focused on directing spending through appropriations for line items: specific categories of allowed expenditure such as salaries, operating expenses, and capital improvements. This approach uses incremental funding changes to satisfy immediate needs. As a result, critics charge that line-item budgeting tends to continue programs without examining their effectiveness and does not maximize the use of scarce public resources.

Performance-based budgeting allocates resources based on program results.

Performance-based budgeting is a different approach that considers how well an agency is achieving its goals using the money it has been given when assessing funding needs. This approach offers more information for lawmakers in deciding how to address complex and competing needs for resources. A study by the National Conference of State

Legislatures identified several characteristics that differentiate a performance-based budget from traditional budgets:

- It presents the major purpose for which funds are allocated and sets measurable objectives.
- It reports on past performance and allows comparison of programs rather than their line items.
- It offers managers flexibility to reallocate resources when conditions warrant, and it provides rewards for achievement or sanctions for failure.
- It incorporates findings from periodic, performance-specific evaluation and is supported by reliable, credible information that can be independently verified.[1]

Florida's PB² initiative provides greater management flexibility to agencies in exchange for accountability.

In enacting the Government Performance and Accountability Act, the Legislature declared that state agencies should be granted more flexibility in using their resources but should be held accountable for the services and products they provide citizens. Agencies should have incentives to deliver services and products efficiently and effectively. Their performance in achieving desired outcomes should be measured against clearly-defined missions, goals, and objectives. Finally, information on performance and public benefits of government services should be provided to the state's citizens.[2]

PB² requires the Governor and the Legislature to establish performance measures for state programs.

By statute, PB² is being phased in for state government over a seven-year period. An average of five agencies are designated to begin PB² every year until fiscal year 2001-2002. When required by the statutory schedule, each agency must provide the Executive Office of the Governor with a list of programs that it believes are conducive to performance-based budgeting. The following year, the agency submits performance measures for each of these programs. These measures are to assess program outputs (products produced by the agency) and outcomes (program results). The agency must also submit baseline data showing its past and current performance and proposed standards for performance on each measure for the coming year. (See Appendix A for a schedule of agency participation in PB².)

The Governor may approve, modify, or reject the programs, measures, and performance standards. Approved programs and measures are then included in the agencies' Legislative Budget Requests. The Legislature considers the information provided

[1] Carter, Karen. *The Performance Budget Revisited: A Report on State Budget Reform.* Legislative Finance Paper #91, National Conference of State Legislatures, Washington, DC, February 1991.

[2] Chapter 94-249, Laws of Florida.

and may reject, modify, or approve the programs, measures, and standards offered. In the General Appropriations Act, the Legislature then designates acceptable agency programs, performance measures, performance standards, and the resources appropriated to accomplish these standards.

To date, agencies under performance-based program budgeting have been provided a lump-sum appropriation for each of their programs, which provides managers with flexibility in using the funds (funds can transferred from one expenditure category to another). As part of the subsequent year's appropriations process, the Legislature will examine actual performance of these programs in comparison to their standards. The Legislature may provide incentives (such as more budget flexibility) to agencies whose programs meet their performance standards. It may also impose disincentives (such as budget reductions) if agency programs fail to meet their performance standards. (See Appendix B for a time-line of the performance-based program budgeting process, and Appendix C for a list of authorized incentives and disincentives).

CHAPTER 2 BUDGET REFORM HISTORY

Performance-based budgeting is the latest in a series of budget reform efforts. Since the 1940s and 1950s, federal and state governments have initiated major budget reforms to increase the information basis and rationality of the budget process to improve government performance. Florida's own reform efforts took shape in the 1970s with a planning-programming-budgeting system, were re-examined in the 1980s with the effort to integrate planning and budgeting, and have again returned to the forefront in the 1990s. Historical conditions such as poor technology and analysis capacity, limited legislative and executive leadership commitment, and unrealistic expectations for changing the political process are still factors that can affect the present reform efforts.

National Reform Efforts

The federal government has undertaken budget reform efforts since the 1940s, and state governments have often modeled on these attempts.

The most prominent guidance for federal budget reform came from the 1949 federal Hoover Commission on the Organization of the Executive Branch. The Commission recommended "program budgeting" (a budget based upon functions, activities, and projects) rather than the then-current method of budgeting by objects of expenditure, such as salaries and operating capital outlay.[3] Although federal budgeting in the 1950s was statutorily directed to relate to performance data, the data available was largely work load measures.

In 1961 the Defense Department piloted a planning-programming-budgeting system (PPBS) that was expanded to civilian federal agencies by 1965 and also adopted by many states. PPBS was intended to link long and short-range planning with budgeting by identifying goals, objectives, and costs several years into the future. It was supposed to provide decision-makers with information on the cost and effectiveness of alternative approaches to achieving objectives. However, by 1971, a new presidential administration reduced the focus on the planning orientation of PPBS and looked more at current management issues.

In 1973 the federal government piloted management by objectives (MBO) in 21 federal agencies. Under MBO, managers set targets for program objectives, established annual operating plans, and tracked progress toward these goals. Managers were to have discussions with staff through the

[3] Isolated instances of budget reform attempts occurred before 1940 in a few jurisdictions; these efforts are antecedents to the more visible and influential activity based on the 1949 Hoover Commission recommendations.

year on how to improve performance. This performance information was productivity- rather than result-focused, and it was not linked with the budget. This effort was discontinued in the mid-1970s.

Zero-based budgeting (ZBB) was a 1970s reform effort adopted in Georgia and attempted by at least 11 other state governments as well as the federal government in 1977. ZBB was an effort to examine all program spending annually and present funding decision packages ranked on the costs and benefits of each. Rather than focusing on planning or performance, as did earlier reforms, ZBB was a tool to build budgets through examining management and efficiency. By the early 1980s, the effort was abandoned in many jurisdictions.

Budget reform efforts have failed to be sustained for several reasons.

While these reform efforts have had some effect on the government budgeting process, all failed to be sustained for several reasons. First, the information requirements of these systems were extensive but were not supported by adequate historical record-keeping, sufficient staff expertise, or sufficient computer support for the type of analysis required. Typically, these systems collapsed under paperwork. Second, requiring all programs to justify their existence under a system like zero-based budgeting was a laborious exercise that was not feasible on a regular basis and did not appear to produce substantial resource reallocation. Third, by stressing "rational" analysis, these systems did not acknowledge the political choices inherent in budgeting and so tended to have little impact on funding decisions. Finally, prior reform efforts have often not had the strong and consistent backing from both the executive and legislative branches needed to succeed.

Florida Reform Efforts

Florida's earlier experiences with budget reform mirror national efforts.

Program and performance-based budgeting are not new concepts in Florida budgeting. As early as the 1950s, academic articles from Florida institutions contrasted budgeting by objects of expenditure with budgeting by government functions and objectives. Such commentary noted that as the state's needs become more complex, legislators need a budget that provides greater information.

Statutory changes and executive branch initiatives brought reform ideas to action. The 1967 State Planning and Programming Act introduced to Florida government the concepts of long-range state planning and short-range action programs. The Office of State Planning (created by the 1967 law) began a planning-programming-budgeting system (PPBS) initiative by categorizing state government activities into a taxonomy of ten state "programs," or policy areas that cut across agency

organization. This taxonomy was to provide each policy area's goals and objectives with financial information, for six years. With the 1969 statutory reorganization of Florida government came the legal requirement that each department compile a comprehensive program budget reflecting all program and fiscal matters related to the department and each program, sub-program, and activity. By 1970 the PPBS taxonomy was completed and was intended to be used for budget preparation.

Although PPBS in Florida provided a program structure that remains part of the budget process, PPBS was largely unsuccessful for reasons similar to those for national lack of success.

Although the resulting program structure described the services and programs of state government, the effort to link planning to budgeting was relatively unsuccessful for some of the same reasons that national efforts failed. Interviews with staff who had been involved in this effort indicate that Department of Administration budget staff were reluctant to abandon the line-item system that facilitated expenditure control in favor of long-range planning that did not take fiscal constraints into account. Agencies did not have the staff and computer capacity to create a program budget with the type of analysis required and reportedly did not use the program structure for their fiscal year 1971-72 budget requests. They also were uncertain whether the extensive workload would yield benefits in the legislative process.

In part because of inadequate computer support and the lack of a statewide accounting system, the appropriations bill in the early 1970s remained structured along bureaucratic organizational lines and was not cross-walked to the new program structure. Thus, the structure could not be used to display funding for programs and their objectives. Staff indicate that PPBS was not explicitly abandoned, as the program structure was eventually used for agency budget requests in order to show program objectives. However, the key ideas of planning and measuring achievement of objectives were not embraced by the Legislature and so were not central to the budget decision-making process.

A second major attempt to integrate planning and budgeting came out of statewide planning legislation.

In the 1980s the Legislature passed major legislation establishing the framework for strategic planning in Florida state and local government based on a state comprehensive plan. By 1986 the Governor's Office and the Legislative appropriations committees had instructed agencies to integrate strategic planning and operational budget preparation to produce budgets consonant with agency goals. Also in the mid 1980s, the program structure from the earlier PPBS efforts continued to be modified.[4] It was incorporated to a limited degree in the statewide accounting system so that

[4] The ten program areas are presently Economic Opportunities, Agriculture, and Employment; Public Safety; Education; Health and Social Concerns; Housing and Community Development; Natural Resources and Environmental Management; Recreational and Cultural Opportunities; Transportation; Governmental Direction and Support Services; and State Lottery Operations.

program structure could be linked to expenditure information and budget preparation. However, the performance measures included in legislative budget requests in the 1970s and 1980s were often output or workload measures that were not easily understood outside the agency and that did not describe results. Over time both the executive and legislative branches considered these measures inaccurate and irrelevant to management or budget decision-making.

Historical Lessons Learned

Lessons learned from federal and Florida reform history are important to consider for the current initiative.

Several important observations can be made about prior reform efforts. One important lesson to be learned from past experience is that ambitions of budget reforms have often outstripped the analytic and information management capacity of government agencies. The labor-intensive nature of these systems led to a recognition that they were not feasible. Another key lesson is that lack of leadership support in both the executive and legislative branches allows reform efforts to falter. There must be real commitment from all parties to shift budgeting towards directing results as well as overseeing spending. A third lesson is that rational, planning-based systems must not be expected to replace the political process of making resource choices in a highly complex environment of competing interests. Such systems may focus on government structure and thus seem divorced from operations and performance. It may appear impractical as a decision tool and unrelated to pressing, immediate concerns.

The current policy environment may allow greater success of budget reform.

Florida's current budget reform effort may have a greater chance of success than did previous reform efforts. The PB^2 effort takes place in an environment of increasing public discontent with government results and increasing demand for more government accountability. Its design is more focused on performance or effect of government functions than on government structure. It emphasizes results or outcomes and offers agencies increased management flexibility in exchange for accountability through performance information. Such flexibility may allow management innovation or tailoring resource use to solve problems. Because prior reforms brought trained professionals into the public sector to support systematic analysis in public budgeting, performance objectives and results may be better measured today than in the past. Also, modern computer systems are capable of such analysis. Finally, PB^2 in Florida was established as a legislative initiative and enjoys leadership support.

CHAPTER 3 PERFORMANCE-BASED BUDGETING EXPERIENCES

In the federal and state governments, reform efforts based on program performance information range from using it as a program management and administration tool to using it as a budget tool for resource allocation decisions. The federal government, Minnesota, North Carolina, Iowa, and Texas all fall on this spectrum in using program performance information, but Florida's performance-based budgeting initiative is among the most ambitious. All these jurisdictions appear to be confronting similar issues. They are recognizing the importance of key stakeholder involvement in setting policy direction for the reform; dealing with the problem of weak government capacity to manage and analyze performance data; and confronting the challenges of designing performance information that both describes government and is useful to decision-makers. From these other jurisdictions, Florida reformers can identify useful practices and avoid pitfalls in continued PB^2 implementation.

Spectrum of Use of Performance Information

Governments use a range of methods for bringing performance information into government management and decision-making.

In the federal and state governments, the effort to bring program performance information into management and decision-making has taken several forms. At one end of the spectrum is the development of performance information primarily as a program management and administration tool. In the middle of the spectrum is the periodic reporting of information to the Legislature for use in broad policy-making and to influence budgeting. At the other end of the spectrum is the use of performance information as formal measures in budget documents to make better resource allocation decisions. Florida's performance-based budgeting initiative falls at this ambitious end of the performance information spectrum and is in the forefront of the states in attempting system-wide performance-based budgeting (see Exhibit 1).[5]

[5] As case-study assessments of the use of performance information in budget making, we visited North Carolina, Minnesota, Iowa, Colorado, and Texas to understand their systems and identify factors affecting success or failure. Colorado does not have a formal performance-based budgeting system and so is not profiled in this chapter; please see Appendix D for a summary of our impressions of Colorado and the other states.

Exhibit 1
Methods of Using Program Performance Information Shows Florida is Ambitious

Source: Office of Program Policy Analysis and Government Accountability analysis.

Performance Information as Management Tool

Some jurisdictions are attempting to develop performance information systems as primarily a management tool. The purpose is to improve program effectiveness through long-range planning and goal setting. Formalized performance measures are then used to demonstrate improved performance on these goals over time. This information may be used in the budget process in the future and is sometimes provided to the legislative body, but the present focus is on management results.

The federal Government Performance and Results Act is directing agency strategic planning and performance measurement, primarily for management use at present.

One example of using performance information as a management tool is the federal government model. Congress enacted the 1993 Government Performance and Results Act (GPRA) to improve the effectiveness and efficiency of federal programs by creating a system for establishing goals and measuring progress towards goal achievement.[6] By September 1997, each agency is to submit to the Office of Management and Budget and to Congress a five-year strategic plan showing its mission, long-term goals and objectives, and achievement strategies. For fiscal year 1999, agencies are to submit annual program performance plans linking long-term goals with annual goals and daily activities. In these plans, managers can apply for waivers for increased administrative flexibility in exchange for the potential of improved performance. By April 2000, each agency is to submit an annual performance report showing achievements and further actions needed to reach unmet goals.[7]

GAO reports conditions similar to those in past failures.

The General Accounting Office (GAO) has assessed implementation of GPRA and has found mixed success in the agencies that piloted the GPRA reforms. Some agencies have developed good practices for performance reporting that have helped them relate agency mission to concrete performance information. They have learned to display baseline and trend data so that progress can be tracked. They also have begun to include cost and other context information to make the reports more useful to Congress in understanding performance.

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[6] Prior to GPRA, Congress required systematic performance measurement by federal agencies through the 1990 Chief Financial Officers Act.

[7] Beginning in fiscal year 1998, five agencies will pilot performance-based budgeting, in which they will link proposed spending with expected performance levels and report anticipated performance changes based on varying resource levels.

However, GAO notes that agencies have had less success in other activities, such as measures development. It reports that a critical barrier is lack of agreement on agency mission by key stakeholders. It notes that the turnover rate of top political appointees and the lack of senior management involvement in goals and measures development have affected agency commitment to planning, measurement, and reporting. Lack of leadership support may allow managers and staff to avoid integrating program performance information into daily operations and to disregard the need to measure outcomes. GAO also noted that agencies had needed better staff analytic and technical capacity to develop and maintain performance measurement information. Finally, GAO notes that incentives to encourage agencies to undertake improvement initiatives are missing from the system.

Performance Information as Policy/Budget Influence Tool

Other jurisdictions are working on initiatives to describe to the Legislature, through program performance information, what it is that state programs intend to and actually achieve. These efforts are strongly descriptive in nature. The information should allow the Legislature to set policy couched in a larger view of all the activities of government, and ideally evaluate budget choices in view of government-wide performance data. Both Minnesota and North Carolina prepare performance information as this sort of policy and budget influence tool.

Minnesota uses statewide performance reporting to inform the Legislature without establishing a direct link to the budget.

Minnesota's Performance Reporting. Minnesota is not using program performance information for performance-based budgeting. Instead, state agencies biennially submit performance reports that consist of performance measures and other information to show progress toward meeting specific objectives.[8] Performance reporting is intended to provide information that promotes informed decision-making by members, develop clear goals for state programs, provide proof of accountability to the public, and create an incentive system that encourages good performance. However, there is neither an incentive and disincentive system nor a statutory change in the budgeting system to affect funding levels based on measure results.

The Office of the Legislative Auditor (OLA) has an ongoing role in critiquing agency reports and measures. OLA reported that the 1994 performance reports had data on agency

[8] Annual reporting requirements were statutorily established in 1993. The 1995 Legislature changed the cycle to biennial reporting.

outputs, such as the number of clients served, but not much information on outcomes or the ultimate impact of programs. The second set of reports was filed in December 1996 and is still under OLA review. The Legislative Auditor has called for improvements in the process, such as more vigorous executive branch leadership for agencies in reporting practices, better Legislative direction on the type of information desired, and better linkage of performance reporting to budget documents.

Agency interviewees reported that they are now generally improving the quality of the measures and information they report. They commented that reporting requires them to examine operations and customer service, so measures can become a management tool. However, agency staff indicate skepticism about Legislative use of the reports for budget decisions and so meet the reporting mandate by focusing reports for internal management use. We observed that this approach may benefit agencies but may weaken the reports' capacity to be a legislative budget tool. Agencies also noted that preparing reports has been difficult because of tight time frames and limited guidance from the Department of Finance, which is responsible for directing performance reporting. The Department has created a central database for agencies to use to track measures and generate performance reports, but legislative staff report agency dissatisfaction with the limited capacity of the database software to produce readable reports.

Some legislators we spoke to were enthusiastic about the potential for using reports to make performance-based funding decisions. The reports are cross-referenced to the budget document so that performance can be examined against funding. OLA observed that legislative discussions of the 1994 reports were limited and has recommended legislative hearings on agency performance that use the performance reports as a focal point. It also has recommended legislative discussion about how performance reporting can be more flexible for agencies and relevant to legislative budget-making. We conclude that statewide performance reporting is a critically important step to bring program performance information to the Legislature, and Minnesota is searching for ways to make this information more relevant and applicable to the budget decision-making process.

Among the states, North Carolina is trying to link planning with budgeting by developing a taxonomy of state government in order to provide context for budget decisions.

North Carolina's Performance/Program Budget. North Carolina is developing a system of budgeting by programs. The performance/program budget offers a programmatic structure of state government as a framework to display desired outcomes and program impact. Governor's planning and budgeting staff have classified existing budget entities into a

hierarchy of goals, programs, subprograms, and elements under ten program areas.[9] Agencies are to establish objectives for programs and provide accompanying performance measures to gauge achievement against costs. The program hierarchy and performance measures are presented in a separate performance/program budget; the traditional budget on organizational lines has also been prepared for the 1997-99 biennium.

Interviewees commented that the General Assembly apparently has had difficulty using the performance budget because it is organized around the ten-program framework rather than along departmental lines. Because legislative committees have jurisdiction over agencies, not program areas, committees with agencies that contribute to more than one program area had to examine several program budget documents to understand a single agency's funding. Governor's budget staff have been working to crosswalk the two types of budget documents. The 1997 Session will reveal whether these efforts have made the performance/program budget document more useful.

Agencies report that the model is somewhat rigid and that measures development is difficult. Agency staff reported that the model allows only one objective per goal and one measure per objective. Staff noted that this restriction may produce composite measures that are not very reliable. Agencies also noted that describing budget entities that contribute resources to the outcomes of different programs is difficult, as they must either be split apart for budget presentation or shown under only one program (overstating the program's resources). They also report typical measurement problems, such as poor-quality data and lack of staff measurement expertise.

We observed that the North Carolina approach has focused more on structure and planning than on measurement, as the primary effort has been in development of the programmatic classification and objectives for programs. Also, no independent evaluation or audit of measures occurs, and both legislative and executive branch staff cited concerns about the validity and reliability of measures. This weakness may affect the usefulness of measures for policy or budget decisions. However, key staff see some immediate benefits as a result of the classification effort, such as improved state planning, potential identification of duplicative services, and pressure on agencies to better manage.

[9] The ten program areas are Corrections, Cultural Resources, Economic Development and Commerce, Education, Environment, General Government, Health, Justice and Public Safety, Human Services, and Transportation.

North Carolina's system does not have a formal element of exchange of flexibility for improved performance and better accountability information. Nor does the system contain provisions for rewards or sanctions based on performance. We observe that North Carolina's effort appears to be to describe and measure the activities and funding streams for various policy areas of government, with an expectation that performance information may become a basis for funding decisions in the future.

Performance Information as Budget Tool

The most complex method of using performance information is as a basis for budget decisions. Resource decisions are to be made on changes demonstrated by performance measures. This method often requires restructuring of the budget document by changing budget entities (the units that are appropriated funds) from a bureaucratic entity, such as a department or division, to a strategy to be followed or an outcome to be achieved.

Although most states report maintaining some type of performance measures, relatively few of them link measures to the budget.

Florida is in the forefront of the states in bringing performance measurement information into the budget process to make funding decisions. As shown in Exhibit 2, almost all other (45) states report that they presently or plan to have performance measures to describe state agencies' activities, although only 15 of them report that they have performance-based budgeting efforts underway and intend to use program performance information as a basis for budget decisions. Of the 15, about two-thirds (9) report they are in an early or pilot phase of the initiative. Twelve other states reported using performance information as a tool to influence policy and budgeting, and three others reported initiatives to use program performance information as a management tool. No states report that they presently use an incentive/disincentive component in their system to affect agency performance (see Appendix E for state-by-state display).

Exhibit 2

States' Budget Reform Initiatives Possess Similar Components

Component	Number of States[1]
State Has Performance Measures	45
State Using Performance-Information as Budget Decision Tool	15
State Using Performance Information as Policy and Budget Influence Tool	12
State Using Performance Information as Management Tool	3
State Has Incentive/Disincentive System in Use	0

[1] Excludes Florida.

Source: Office of Program Policy Analysis and Government Accountability survey, October 1996.

Of the states that are trying to link performance information to the budget, Iowa has an ambitious plan to budget for results and to assess the unit cost of performance. Texas has the most developed performance-based budgeting system, as the state has been budgeting by strategies since 1994. Florida's PB^2 system also falls at this end of the spectrum.

Iowa has an ambitious plan to budget for results and assess the unit cost of performance.

Iowa's Budgeting for Results. Iowa reformers have designed Budgeting for Results as part of their performance information reform. The framework for this system is based in a set of five priority areas identified by a public/private council with public input.[10] Each of these areas has several benchmarks, or narrower areas of concern that should be measurable. State agency budgets are supposed to display a desired result under a given benchmark and shorter-term state policy goal, and they are supposed to display the budget entities that contribute to the result with performance measures to show attainment. This model is in early implementation, as not all agencies are required to participate and those that are participating may submit selected programs for performance-based budgeting. Legislative staff report that 6 agencies submitted 1996-97 fiscal year performance budget schedules in addition to their standard budget requests and about 17 more submitted schedules for fiscal year 1997-98.

Because this initiative requires restructuring the budget in accordance with public priority areas and expected results, Legislative involvement appears critical for success.

[10] These priority areas are Economic Development, Workforce Development, Strategies for Strong Families, Strong Communities, and Healthy Iowans.

However, legislative and executive branch staff reported limited legislative participation in the model design, and little legislative agreement that the priority areas are the most critical ones for Iowa. The performance budget reportedly was used by only a few legislators for the 1996-97 budget, as they predominately relied on the former line-item-oriented budget that is also required. Legislative staff indicated that legislative use has not increased in the 1997 Session presently underway. However, they report that the Governor's staff plan to submit Budgeting for Results budgets for 50% of the appropriated general fund dollars to be requested next year and so predict greater legislative use of Budgeting for Results information.

Iowa agency staff reported typical measurement problems of data availability and understanding how and what to measure. They have been assisted by a cross-agency performance measurement task force that has examined and improved methodology for measures. However, no independent entity like Minnesota's Office of the Legislative Auditor reviews data and measures, which fosters some suspicion of information quality in the legislative branch.

Linked to Budgeting for Results is a plan for Investment Budgeting, which is to involve determining the net present value of results and comparing the return on investment produced by various strategies to achieve these results. This ambitious program must be supported by adequate cost data. Because Iowa reportedly does not have a cost accounting system, developing measures of unit cost of outputs and outcomes may be very difficult and time-consuming.

Budgeting for Results has no incentive/disincentive structure and no formal exchange of flexibility for performance and accountability. Governor's staff see flexibility evolving in the system when the discussion is no longer about inputs but about how well strategies for particular results are working and how they should be changed. Agency staff noted that Budgeting for Results ideally can reorient government culture away from short term and anecdotal decision-making towards long-term thinking about results.

Texas has had most success in changing their budgeting system to be more based on performance information.

Texas' Strategic Planning and Budgeting. Texas' approach has been to restructure the budget not by program areas or public benchmarks, but by state government goals and the strategies that will be used to reach them. Since the 1994-95 biennium, Texas has had a performance-based budget for all its agencies. The budget is based on agencies' strategic plans in which they identify goals, objectives, and measures that are then lifted into the state budget. The budget entity is now a strategy, and the agency receives funding for the strategy based on the results of the

performance measures describing how well the strategy is working for achieving stated goals. Agencies report on a quarterly basis to a legislative board whose nonpartisan staff evaluate performance on measures, and the state auditor reviews measures for validity and reliability. Strategic planning and budgeting is supported by electronic tracking systems that record measures and funding history for reporting and budget preparation.

Measures are a part of the budget document, as well as the performance standards that agencies expect to achieve. Although authorized by statute, the Legislature does not use incentives and disincentives; legislative staff acknowledge that offering incentives may be politically difficult if a program then fails to achieve its anticipated results. Although staff indicate that measurement information is used for allocation decisions, they appear to acknowledge that budget-making is a political process requiring choices among competing needs. Performance measures have oriented the Legislature towards strategic and performance-based assessment, but they are only one source of information to help the legislature make choices.

However, even this comparatively successful performance-based budgeting effort has some difficulties. Legislative staff acknowledge that many budget measures examine program outputs and said that agencies are permitted to show some outcomes as explanatory measures rather than ones for which they will be held directly accountable. Outcomes are no easier to measure in this system than in any other, and budget measures largely are not oriented toward long-range expected outcomes. Key staff also commented that because the strategic plan is the basis of the budget, it is created with an awareness of present resource constraints. Thus, the strategic plan's usefulness as a vision document is reduced. Finally, although the accounting system reportedly supports collection of costs such that they can be linked to strategies, it is a somewhat cumbersome system that not all agencies use for their cost estimations in budget preparation.

Both executive and legislative branch staff cited agency management improvement as the chief benefit of the system. Staff commented that better planning and internal resource allocation practices have been positive results.

Florida's effort is directed at developing a better performance information system and holding agencies accountable for their results through the budget process.

Florida's Performance-Based Program Budgeting. Florida's model shares characteristics with all four of the models of states we visited. Like North Carolina, Florida has a program structure underlying the agency budget request, and PB^2 requires agencies to examine this structure to identify programs conducive to PB^2. Like Minnesota's performance

reporting, Florida's PB^2 requires detailed measurement and reporting of measures, although Florida requires these measures in supporting schedules of the budget request. Like Iowa and Texas, these measures are to focus on outcomes and are to be used for resource allocation decisions.

Florida's approach is unique in other respects. One significant difference is the method of determining the governmental unit to be budgeted and measured. In the course of identifying programs that are conducive to performance-based budgeting, agencies have typically combined several existing programs into a new, larger "program" entity for budget purposes. To date, agencies have received lump sums for these approved program entities. Agencies report taking this approach because they are trying to regain some of the budget flexibility they believe they have lost through PB^2. In the past, agencies were statutorily authorized to transfer a limited amount between appropriations categories within a budget entity, and they could transfer a limited amount of the same category between entities[11] Under PB^2, agencies have unlimited transfer ability between budget categories within programs but may no longer transfer funds between programs.[12] To maximize spending flexibility, agencies have an incentive to submit large PB^2 programs combining several former budget entities into one appropriation.[13]

Legislative committee staff have expressed concern that combining multiple activities into larger programs may reduce rather than improve accountability because the funding and results of the component programs may be obscured by the larger PB^2 entity. Also, some agencies have combined activities with dissimilar goals into programs, leading to concerns about whether these activities contribute to a common purpose.

Florida's system is like all others reviewed in that most agencies have struggled to develop adequate measurement systems. As observed elsewhere, agencies with an organizational culture supporting measurement have fared better than others. Many agencies generally lack historical data and measurement expertise to assess program outcomes and instead maintain data on outputs, such as the number of services provided. Agencies also find that developing measures for multiple

[11] Section 216.292(3), F.S., provides that the head of a department or the Chief Justice of the Supreme Court may transfer appropriations from identical funding sources, except for appropriations for fixed capital outlay, between categories of appropriations within budget entities and between budget entities within identical categories of appropriations if no category is increased or decreased by more than 5% of the original approved budget or $25,000, whichever is greater.

[12] Section 216.292(2), F.S., requires the agency head or the Chief Justice to distribute a lump sum appropriated for a performance-based program into traditional expenditure categories but then permits transfer between those categories within the appropriation with no limit on the transfer amount.

[13] For example, the Department of Revenue combined four budget entities into a single PB^2 program, and the Department of Management Services combined three budget entities into one program.

stakeholders and audiences is difficult. They find that measures need to be policy-oriented, responsive to resource changes, understandable to general audiences, and descriptive of complex program activities and results. Agencies also commonly do not have adequate internal controls on data collection or sufficient computer support to generate valid and reliable data. Even Florida's statewide accounting system does not support easy identification of unit costs of a given performance level. Finally, agencies are concerned about how outcome information will be used and are reluctant to measure program outcomes that are not within their direct control.

However, agencies in Florida cite benefits similar to those realized in other states. Agencies under PB^2 have used their new ability to transfer funds among appropriations categories within lump-summed budget entities. Agencies have used flexibility of funding transfer to cover shortages in various categories, to buy equipment, and to fund salary incentive payments. They have also used PB^2 as an opportunity to study and re-engineer their organizations, business processes, or service delivery. As intangible benefits, the process of program identification and measures development help facilitate better management and staff understanding of agency processes and accomplishments with appropriated funds. It focuses attention on what the agency does and what it is supposed to accomplish, promoting a refined sense of agency purpose and goals. The process also brings together staff of various agency units, facilitating a better sense of teamwork and exchange of ideas. Additionally, the process forces agencies to identify information system weaknesses and to target improvements.

Summary

Regardless of usage, program performance information causes a new focus on program results.

Whether a jurisdiction uses performance information for management improvement, for policy and budget influence, or for a budget-making tool, there are some benefits that all systems appear to generate. Government agencies report a new focus on results, opportunities for re-engineering, and a heightened sense of mission in their internal operations. They see possibilities for a move towards information-based decision-making, away from anecdotal, micro-managing and short-range methods. Similarly, some implementation problems appear universally shared. Variable management and leadership commitment to an initiative has been a common problem, often accompanied by a general cynicism about the usefulness of such efforts. Lack of analytic and technical capacity in government agencies has also been evident. Finally, legislative use of the information generated has varied across these initiatives. The following chapter

summarizes the lessons to be learned from the experiences of Florida and other jurisdictions in implementing performance information and performance-based budgeting reforms.

CHAPTER 4

LESSONS LEARNED IN PERFORMANCE-BASED BUDGETING IMPLEMENTATION

Conclusions that can be drawn from the Florida experience and those of other states and the federal government point to actions that Florida should take to increase chances of success of PB^2. Generally, performance-based reforms value accountability as a purpose of reform, but information is most relevant if it is tied to resource allocation in some way. Legislative direction in developing expected outcomes for state programs is critical, as is legislative support while agencies work to design measures and improve data systems. Offering flexibility in exchange for improved performance and accountability is a key component of performance-based budgeting reform, but the Legislature should ensure that it is satisfied with agencies' accountability systems before granting flexibility and incentives. Performance-based budgeting approaches vary according to the value reformers place on describing government structure and on developing various types of performance measures. In further implementing PB^2, the Legislature should examine conflicts between perspectives in order to make expectations clear and to guide agencies in producing useful information for the Legislature.

Conclusions

Performance-based budgeting systems place a value on public accountability for its own sake.

We conclude from our review that performance-based budgeting systems are largely intended to show public accountability of government so that legislatures and the public may understand what the goals and strategies are that public funds support. Florida's system and those of the four states we reviewed all emphasize accountability. For instance, both Minnesota and Florida laws make specific reference to providing proof of accountability to the public as a purpose of the reform. This accountability focus is likely a response to public dissatisfaction with government and its need for information on results.

To ensure relevance, performance-based information should be tied to budget-making.

To ensure that an accountability system is relevant, it must be tied to budget decision-making. An accountability system whose performance information does not affect resource provision may become simply another reporting mandate for agencies. We noted that this concern was expressed in Minnesota, where there is no direct link between performance reporting and the budget. However, this kind of link should be constructed so that unintended consequences do not occur. When measures are used for resource decisions, the

inclination to measure only what is achievable or to report data inaccurately may be more pronounced.

Policy direction from the Legislature and executive leadership support are critical.

Legislative support and involvement in a budget reform initiative is needed to provide essential policy guidance and to make the product a useful legislative tool. Experience in Florida has made clear that the Legislature needs to more explicitly define desired objectives and outcomes so that efforts are directed to these ends. In its study of other states, the GAO concurs that the performance-based budgeting reform calls for legislative entities to become more explicit about the desired objectives of programs. Legislative direction may result in a more useful product; as Iowa interviewees commented, the information resulting from their reform may not be useful to the Legislature because they are based on benchmarks that may not be the areas of most critical legislative concern.

Executive leadership is also essential, as is a joint and explicit understanding between the Legislature and the chief executive of the purposes that the reform should serve. Failure seems more likely if the executive and legislative branches have conflicting objectives for the reform and conflicting understandings of why the reform is necessary. Policy direction should be reasonably coherent from the top decision-makers of the state. The lack of joint understanding and support has been an evident problem in past reform efforts. A contributor to Texas's success has been the continued support of the Governor, the Lieutenant Governor, and the Legislature through administration changes.

Performance measurement ability in government is often outstripped by the need for such information.

Performance measurement is needed to describe results but is often a weak link in performance-based budgeting reforms. The state of performance measurement in government has generally improved over the last decade and exceeds the capacity that government held during previous efforts at budget reform. Nonetheless, agencies find themselves without the training necessary to think in evaluative and performance-measuring ways. Agencies across the states we reviewed reported that their initial measurement efforts related to outputs such as number of services rendered or units produced. They are learning how to think about outcomes, or the results of their activities, although effectively measuring these results appears to be an ongoing challenge. Because the problems that government activities attempt to solve are often larger social concerns with many contributing factors, it is difficult to determine how to hold an agency directly responsible for changes in these problems. Demonstrating results of long-term government activities in the short run is also an expectation that agencies find difficult to meet.

Electronic support and adequate data management are necessary components missing in many states' systems.

State agencies frequently do not have data systems that can readily generate needed performance information. Many state agencies have collected program data in mainframe systems that cannot easily respond to information needs other than those for which they were programmed. Legislative recognition of this problem and support while agencies work through it is important. Such support does not necessarily entail additional direct resource commitment, as it may be that an agency needs time to modify an existing system. Texas interviewees reported a general recognition that data and data management will improve over time as agencies identify and solve their data problems. As in Texas, tolerance for Florida state agencies' imperfect data systems may be necessary in the short run in exchange for a time-specific promise of better performance information. Nonetheless, the Legislature should be aware that collecting evaluation information has a cost, and agencies should estimate how much it will cost to develop various measures so that the Legislature may make resource choices about desired information.

Combined with data quality needs are needs for better electronic support for maintaining performance measures data. Minnesota and Texas are developing and improving electronic systems that centrally house performance measures so that this information can be tracked over time and directly included in or linked to the budget. Interviewees in these states saw a benefit to maintaining historical measures information in a database. Nonetheless, even these systems have been cumbersome or rigid in certain aspects; technology developers in this area should have a clear understanding of what types of products will support the processes of measures development, data collection, and analysis of trends.

Cost-accounting support is missing in Florida but crucial for performance measures that examine the cost of government goods and services.

Cost-accounting information managed electronically is critical for accurate and reliable measures of the cost to achieve desired outputs and outcomes. Program cost accounting attributes all direct and indirect costs to a program to provide a more accurate cost picture. Accurate cost data is critical to analysis that seeks to determine the return on investment in government programs. Florida's Statewide Automated Management Accounting Subsystem (SAMAS) does not collect costs by the types of programs that the Legislature establishes under PB^2. This is a significant problem as agencies try to develop measures of the cost of outputs and outcomes of programs that are different than the organizational structure along which SAMAS presently records expenditures. The proposed replacement for the statewide accounting system should be examined carefully to ensure that it supports

performance-based program budgeting, as reliable financial data describing PB^2 programs is essential.[14]

The exchange of flexibility for performance and accountability should be approached carefully.

Florida's experience with performance-based budget reform has shown that it is critical to develop a measurement system that provides information for decision-making before rewards and administrative flexibility are granted. Implementation in Florida initially developed as a grant of flexibility (defined by developing large programs for lump sum appropriation), before satisfactory performance measurement took place. The Legislature since has resisted releasing control without evidence that benefits will be derived from the change. This exchange of flexibility for improved performance and accountability is a basic tenet of performance-based budgeting but it may have been made more quickly in Florida than is supportable, given the current state of performance measurement. The Legislature should be satisfied that an agency PB^2 proposal meets fundamental requirements for measures quality and appropriateness before granting flexibility through lump sum appropriation.

Because grants and reductions of flexibility are such powerful tools, the Legislature should take care to avoid creating perverse incentives when it modifies approaches to flexibility. The reduction of transfer authority when an agency establishes a performance-based program budget has led to agencies defining large programs as budget entities in order to have transferability inside the entity to make up for loss of cross-entity transfers. Although a rational response by agencies, this approach is counter to the Legislature's present satisfaction level with accountability information presently provided. Appendix F offers a comparison of transfer authority of the executive branch, by state, to show how other legislatures deal .with agency need to move resources.

Incentives and disincentives are complicated tools.

In all systems we studied, understanding of how to apply incentives and disincentives to change performance in desired ways has been difficult. North Carolina agency staff report the fear of sanctions for bad performance but no rewards for good performance. To support this observation, Texas legislative staff report more comfort with disincentives, such as public testimony and budget cuts, than with incentives that an agency could earn but then offer poor performance afterwards. In Florida, lack of clear and generally understood criteria for awarding incentives has led

[14] In March 1995, the Department of Banking and Finance established a team to reengineer the state's accounting processes and replace SAMAS. The proposed system will be called Florida's Accounting Information Resource (FLAIR). Accordingto Department staff, a work group has been established for reengineering one of six identified major business processes. This work group will complete phase one of their effort by December 1997. A timeline has not been set for the remaining five processes, including accounting and information access processes. Department staff indicate that a replacement system may not be available until after 2000.

to agency disillusionment about the benefits of performance-based budgeting. It appears more feasible to begin building accountability measurement and reporting systems before rewards and punishments are introduced to modify behavior. Iowa staff observe that the potential of disincentives may encourage conservatism in how agencies perform and what they measure, as they will try and report only efforts likely to succeed or outcomes over which they have complete control.

Strategic planning is an important foundation for performance-based budgeting, but this choice may change the strategic planning tool.

Using strategic planning as a budget basis has advantages and drawbacks. Basing performance-based budgeting systems in some form of strategic planning makes the system more realistic for executive branch management use because performance information measures achievement of established goals. However, using strategic planning in this way may reduce its utility for long-range, visionary thinking about the best solutions to identified problems. Its format may become less future- or change-oriented and more focused on what is achievable within current resources, so it may be limited as a tool to envision best solutions. Texas executive and legislative staff observe a reduced value in strategic planning as a future-oriented tool, although it has been an extremely valuable basis for the budget.

Independent assessment of data and measures appears to increase legislative confidence in performance information.

To foster decision-maker trust in the information products of performance-based budgeting, an independent entity should assess measures and data. Both Texas and Minnesota have found it is valuable to involve an entity that has acknowledged expertise in measurement or in evaluating the quality of supporting data. This outside party examining performance information reportedly increases legislative belief in its accuracy and usefulness. In contrast, Iowa legislative staff expressed suspicion of executive branch data, as it is not verified by an independent entity. Florida's model requires the inspector general of each agency to assess the reliability and validity of performance measures and supporting data, which is a valuable independent assessment. Also, OPPAGA is required to consult on measures development and to conduct intensive program evaluation and justification reviews of programs under PB^2 in the second year following budgeting under this system, which is another important independent review of performance information systems.

Different approaches to performance-based budgeting reforms yield differing results.

We observe that approaches to performance-based budgeting vary according to the attention paid to government structure and various types of performance measures. For instance, if reform efforts focus primarily on describing government programmatic structure, the product may be a strong classification of programs and objectives but a weak tool for describing performance through measures.

Budgeting may not change towards a performance basis because a focus on structure, as in Florida's past PPBS reform, may make the effort seem unrelated to performance concerns.

However, if reforms focus on developing measures for which programs can be held directly and uniquely accountable, the result may be a set of measures that capture low-level activities and do not address larger outcomes to which a program may contribute. Measures may be oriented towards activity and output measures that commonly do not examine the larger results for which government is responsible.

In contrast, if the Legislature requires agencies to develop measures that examine exclusively the outcomes to which programs contribute, the Legislature may not get measures sensitive to short-term resource changes that can be used for budget decisions. There is a natural time lag in measuring some outcomes, such as recidivism rates, and a relatively slow rate of change of some high-level outcomes, such as poverty rates. If these are the primary decision-making tool for budget making, legislatures have little information for decisions in the short term and so may give up significant control over the budget.

We observe that these perspectives can be blended if they are each explicitly addressed in the development of performance information reform; conflicts appear to arise when these expectations are not made clear. To encourage agency commitment to the reform, the Legislature should examine conflicts between perspectives in order to make expectations clear and to guide agencies in producing useful information. This could help agencies avoid efforts to meet multiple and conflicting directives or to develop different sets of measures for different audiences.

Summary

In summary, we conclude that performance-based budgeting offers public reporting of government results and makes it vital by linking reporting and resource decisions. While Florida has the elements of a strong system, many of the conditions that led to failure of past reforms and difficulties in other states are still present. Florida's reformers must be mindful of lessons to be learned while continuing implementation.

The Legislature should focus on performance and accountability through clarifying agency and program mission and expected outcomes. It should direct agencies to prepare outcome measures that indicate their contribution to expected

results of government programs. It should also require them to prepare output measures that describe the quality and cost-effectiveness of their products and services, so that the Legislature has tools for budget decisions. Agencies would then have better policy direction and a clearer awareness of the customer of performance information. This sort of guidance would also make explicit the type of performance-based budgeting model the Legislature wishes to develop.

The Legislature should be cognizant of how agencies define programs but not be distracted by an undue focus on government structure at the expense of considering program results. The Legislature should support improved information management by agencies and direct them to collect the most vital information, so that limited evaluation resources can be used in the most productive ways.

PB^2 has been developing in the performance measurement arena, with less understanding and effort dedicated to designing methods for allocating resources on a performance basis. This chronology is appropriate, as good measures and data are needed to accurately apply performance funding methods. It is evident that building a performance-based system is an iterative process that takes time and commitment from all parties. However, the next step after building good measurement systems is to develop ways to encourage and reward good results and to discourage poor ones .

Finally, a system of performance-based program budgeting makes explicit not only state program performance, but also the necessary choices the Legislature makes between programs in a resource-limited environment. The GAO observes in its work that accountability in this fashion may complicate already-complex resource allocation because it increases the visibility of these choices. However, PB^2 should not be expected to be a mechanistic, rational system that will replace the political process of making resource choices in a complex environment of competing demands. Instead, it can become an information-based process that demands good performance through accountability, rewards good performance with flexibility and other incentives, and offers decision-makers and the public an understanding of the benefits derived through investment in government so that they can make informed choices.

APPENDIX A — SCHEDULE OF AGENCY PARTICIPATION

Participation	Fiscal Year	Department	Programs
Programs Operating Under PB[2]	1994-95	*REVENUE[1]*	• General Tax Administration
	1995-96	*REVENUE*	• Property Tax Administration
		MANAGEMENT SERVICES[1]	• Facilities
	1996-97	*EDUCATION (COMMUNITY COLLEGES)*	• Associate in Arts Degree • Associate in Science Degree and Certificates • College Preparatory
		LABOR & EMPLOYMENT SECURITY[1]	• Disability Determination • Rehabilitation
		LAW ENFORCEMENT	• Criminal Justice Investigations/Protection • Criminal Justice Information • Criminal Justice Professionalism
		MANAGEMENT SERVICES	• Support • Technology • Workforce
		DIVISION OF RETIREMENT	• Retirement
Programs Proposed for PB[2] in Fiscal Year 1997-98	1997-98	*AGENCY FOR HEALTH CARE ADMINISTRATION[1]*	• Health Care Quality Improvement
		EDUCATION (STATE UNIVERSITY SYSTEM)[1]	• Instruction • Research
		GAME & FRESH WATER FISH COMMISSION[1]	• Law Enforcement
		HIGHWAY SAFETY & MOTOR VEHICLES[1]	• Highway Patrol
		STATE[1]	• Libraries, Archives, and Information
		TRANSPORTATION	• Transportation Systems Development • Transportation Systems Operations
		LABOR & EMPLOYMENT SECURITY[1]	• Workers' Compensation and Safety
		CHILDREN & FAMILIES[1,2]	• Alcohol, Drug Abuse, and Mental Health
Programs Proposed for PB[2] in Subsequent Fiscal Years		*AGENCY FOR HEALTH CARE ADMINISTRATION*	• State Health Care Purchasing
		EDUCATION (STATE UNIVERSITY SYSTEM)	• Public Service
		GAME & FRESH WATER FISH COMMISSION	• Fish and Wildlife Conservation
		HIGHWAY SAFETY & MOTOR VEHICLES	• Driver Licenses • Motor Vehicles
		STATE	• Elections • Historic Preservation • Commercial Recordings and Registrations • Grants/Cultural • Licensing
		LABOR & EMPLOYMENT SECURITY	• Employment Security
Remaining Statutory Schedule of PB[2] Participation (s. 216.0172, F.S.)	1998-99	*BANKING & FINANCE*	
		CORRECTIONS	
		EDUCATION (PUBLIC SCHOOLS)	
		ENVIRONMENTAL PROTECTION	
		EXECUTIVE OFFICE OF THE GOVERNOR	
		CHILDREN & FAMILIES	
		JUVENILE JUSTICE[3]	
		LEGAL AFFAIRS	
	1999-2000	*AGRICULTURE & CONSUMER SERVICES*	

Participation	Fiscal Year	Department	Programs
		ELDER AFFAIRS	
		LOTTERY	
		MILITARY AFFAIRS	
	2000-01	*DIVISION OF ADMINISTRATIVE HEARINGS*	
		BUSINESS & PROFESSIONAL REGULATION	
		PAROLE & PROBATION COMMISSION	
		PUBLIC SERVICE COMMISSION	
	2001-02	*CITRUS*	
		COMMUNITY AFFAIRS	
		INSURANCE	
		VETERANS' AFFAIRS	

[1] These agencies submitted or plan to submit additional programs for PB[2] in successive years. The statutory schedule provided in s. 216.0172, F.S. lists each agency only once.

[2] Previously the Department of Health and Rehabilitative Services. This program was deferred from fiscal year 1996-97 for lack of baseline data.

[3] Added to the schedule by Chapter 96-398, Laws of Florida.

Source: Office of Program Policy Analysis and Government Accountability analysis.

APPENDIX B STATUTORY TIMELINE FOR PERFORMANCE-BASED BUDGETING

		AGENCY	GOVERNOR'S OFFICE	LEGISLATURE
	Jul			
	Aug			
	Sep			
	Oct	Submits program lists for review		
	Nov		Approves agency program lists	
	Dec		Provides instructions for measures	Concurs with instructions for measures
Year 2 Before SESSION	Jan			
	Feb			
	Mar			
	Apr			
	May			
	Jun	Submits measures for approved programs		
	Jul		Approves measures	Concurs with measures
	Aug	Submits preliminary PB^2 legislative budget request	Receives preliminary PB^2 legislative budget request	
	Sep		Submits final PB^2 legislative budget request	Receives final PB^2 legislative budget request
	Oct			
	Nov			
	Dec			Committees consider measures and
Year 1 Before SESSION	Jan			legislative budget request
	Feb			
	Mar			Passes General Appropriations Act with
	Apr	May submit program/measure changes for fiscal year following upcoming year		approved programs and measures
	May	May submit changes to standards based on amounts appropriated for upcoming fiscal year	Approves changes in standards	Reviews changes in standards
	Jun			
	Jul	**Agency programs begin operating under PB^2**; Inspector General monitoring plan due		
	Aug	Submits preliminary PB^2 legislative budget request with program and measure changes	Receives preliminary PB^2 legislative budget request	
	Sep		Submits final PB^2 legislative budget request	Receives final PB^2 legislative budget request
	Oct			
	Nov			
	Dec			Committees consider measures and
Year 1 After SESSION	Jan			legislative budget request
	Feb			
	Mar			Passes General
	Apr	May submit program/measure changes for fiscal year following upcoming year		Appropriations Act with revised and approved programs and measures
	May	May submit changes in standards	Approves changes in standards	Reviews changes in standards
	Jun			
	Jul			
	Aug	Submits preliminary PB^2 legislative budget request with program and measure changes	Receives preliminary PB^2 legislative budget request	

		AGENCY	GOVERNOR'S OFFICE	LEGISLATURE
	Sep		Submits final PB^2 legislative budget request	Receives final PB^2 legislative budget request
	Oct			
	Nov			
Year 2	Dec			Committees consider measures and
After	Jan			legislative budget request
	Feb			
	Mar			Passes General
SESSION	Apr	May submit program/measure changes for fiscal year following upcoming year		Appropriations Act with revised and approved programs and measures
	May	May submit changes in standards	Approves changes in standards	Reviews changes in standards
	Jun			
	Jul			OPPAGA submits agency evaluation and justification review to Legislature, Governor, and agency

Source: Chapter 216, Florida Statutes.

APPENDIX C AUTHORIZED INCENTIVES AND DISINCENTIVES

Governor's Office May Submit Recommendation Regarding Incentives or Disincentives for Agency Performance

Incentives	Disincentives
• Additional flexibility in budget management • Additional flexibility in salary rate and position management • Retention of up to 50% of unexpended and unencumbered balances of appropriations • Additional funds	• Mandatory quarterly reports to the EOG and the Legislature on the agency's progress in meeting performance standards • Mandatory quarterly appearances before the Legislature, the Governor, or the Governor and Cabinet to report on the agency's progress in meeting performance standards • Elimination or restructuring of the program • Reduction of total positions for the program • Restriction on or reduction of spending authority • Reduction of managerial salaries

Source: Section 216.163(4), Florida Statutes.

APPENDIX D SITE VISIT SUMMARIES

Minnesota

The model

Minnesota's performance-based budgeting effort is organized around performance reporting, with no statutory changes of the budget structure or process. These reports, submitted biennially, show agencies' progress toward meeting specified goals. There has been no change in budget processes as a result of performance reporting. No dollars are tied to performance and measures are not directly linked to the budget process. There has been, however, some use of these reports by a few committees which lead to some discussion of performance during the budget process. State leaders hope that performance reports can be further used to facilitate debate in policy and budget discussions.

Although performance information has been in the budget document for over a decade, it reportedly was not generally used. A specific requirement for performance reporting was passed in 1993 and subsequently revised to require biennial even-year reporting. The law states these purposes of performance reporting: to provide information that promotes informed decision-making by members, to develop clear goals for state programs, to provide proof of accountability to the public, and to create an incentive system that encourages good performance.

Performance information is kept separate from the budget for clarity and utility purposes. Performance reports are presented before the budget document so that members have the opportunity to view the information before they see the budget document. The intent of these reports is to elevate decision-making to a higher policy level, although governor's budget staff acknowledge that the focus of these reports has been on internal management. This has been beneficial as an agency tool but weak as a legislative information tool. They anticipate a future focus on system-wide reporting in a given policy area to show how agencies contribute to specified results.

Flexibility is not an incentive in this system. Legislative staff told us that agencies already have reasonable management flexibility and transfer authority, as they can transfer money between budget entities with notification to the fiscal divisions in the Legislature. Also, there appears to be less legislative control over staff resource decisions in terms of position control through the budget. The Legislature relinquished position control a few years ago and has reportedly accepted

this reduction in their detailed oversight. There has been no formal system of incentives and disincentives yet established. Some performance incentives reportedly have been provided in the appropriations bill for higher education.

There is an electronic support system for performance reporting (PERFORM^S), and it is linked to the budget system so that budget dollar amounts, staff totals, and fund codes will appear in performance reports as a cross-reference to the budget document.[15] The PERFORM^S system is to be used to record agency goals, objectives, and measures to generate the performance report and to provide a tracking system that may be viewed by the legislative branch. The system is in early stages of use, but agency staff described the system as restrictive and not useful beyond generating the performance report. We noted, however, that the system allows on-line comment by specified users, such as legislative staff working with agencies on measures development.

Experiences with the system

Agencies have had some difficulty measuring what they do and tend to report on activities to avoid being held accountable for outcomes they cannot control. Some agencies have moved towards using customer satisfaction surveys to substitute for outcomes more difficult to measure. Agencies also note the problem of measuring state programs with local delivery mechanisms. Governor's staff suggested that these cases be handled through performance-based contracts in which the state is held accountable for holding local systems accountable.

As in Florida, agencies appear to struggle with who the audience is for performance information: the agency itself, policy makers, or the public. Some agency staff feel that the Legislature will not use the reports and so have determined they should direct the report to internal use and view information to the Legislature as a side benefit. Agency staff commented that this initiative allows the agency to refocus its energies to improving its operations and to focus on the customer.

Several entities work to improve the quality of performance reporting. The lead agency is the Department of Finance, although interviewees commented on the limited amount of staff resources committed to the effort. The Department of Administration serves as an agency trainer on performance measurement and acts as an outside consultant to improve measurement quality. The Office of the Legislative Auditor (OLA) has taken a strong role in the performance reporting process by reviewing and reporting on agencies' performance

[15] PERFORM^S stands for Performance and Outcomes Monitoring System.

reports, as required by law. They have established a set of criteria for evaluating performance reports, and these criteria also assist agencies in better presentation of information. The OLA also assesses particular types of measures used by several agencies, such as citizen satisfaction measures, and reports on their reliability, validity, and usefulness. Legislative staff and members described a higher comfort level with measures when OLA has reviewed reports and reported hopes that OLA participation will bring about a new confidence in the Legislature in measures reported by the executive branch.

Nonetheless, Legislative committee staff had mixed reviews of performance reporting. They said that some committees have used the reports, which has led to some discussion of them in the budget process, while other committees have not or have been unaware of them. There was general agreement that reports can serve as tools to facilitate debate and discussion during budget deliberations rather to make budget decisions. Staff commented that because they have a role in what members see and use, it is important that staff support the idea in order to expose members to performance reporting.

The legislators we interviewed commented enthusiastically on performance information and said that it can be used for allocation decisions, although it is not an easy transition to make from an input focus. One member said that the system can work but to increase use of performance reports, agencies should present information that is based on outcomes and establish a trusting relationship with the legislature. Legislative Auditor staff commented because reporting is a statutorily mandated process, that the Legislature should be leading the effort by determining what type of information and reporting structure would assist them in budget and policy decisions.

North Carolina

The model

The emphasis of the North Carolina performance/program budgeting (p/pb) system appears to be on program budgeting, not performance-based budgeting. There is no formal flexibility or incentive and disincentive structure—generally, it appears to be accountability for its intrinsic value. Interviewees report that neither the line-item focused budgeting process nor the existing budget entities have changed. The General Assembly reportedly did not use the first major p/pb budget for decision-making for the 1995-1997 biennium. The General Assembly is presently in session, so use of the 1997-99 p/pb budget remains to be seen.

Performance/program budgeting was first piloted in the 1991-93 biennium and has been expanded to all of state government for the 1997-99 biennium. The primary implementation effort has been to devise a taxonomy of programs. The planning office reviewed the statutes to develop a framework of ten program areas that reflect the range of government policy activity.[16] Under each of these program areas is a classification of goals, programs, subprograms, and elements into which budget funds are placed. There is no apparent change in budget entities as there is with Florida's PB^2 programs.

The performance budget document includes performance objectives, associated outcome measures, and other performance measures such as output and activity measures. One restriction of the system is that only one outcome measure is permitted for each objective. Output measures apparently are not required to mesh with outcome measures to display linkage of government activities with outcomes. There has been no effort so far to look at performance measurement reliability and validity, and there is not an ongoing evaluation component of this system.

There is no formal element of a performance contract: the exchange of flexibility for performance and accountability. Agencies are expected to submit performance budgets and measures, but there is no mechanism for increased flexibility. Interviewees reported that the General Assembly's focus on line items in budgeting imposes significant restrictions on funds in the budget. The incentive for agencies to do p/pb appears an intrinsic one: to identify and improve expected outcomes and provide accountability as a management practice. There also are no formal sanctions.

Experiences with the system

Executive and legislative branch staff reported that one problem with making the p/pb document workable has been its structural conflict with the present appropriations subcommittee structure. The ten program areas cross present legislative committee lines, as committees have jurisdiction over departments. Thus, a committee considering an agency's budget might have to look at two or more performance budget documents if the agency appears in more than one program area. This makes performance budget review unworkable, and committees reportedly return to the line item budget because it shows all the funds for their particular agencies in one place. This problem is being addressed for the 1997-99 biennium by including all program

[16] The ten program areas are Corrections, Cultural Resources, Economic Development and Commerce, Education, Environment, General Government, Health, Justice and Public Safety, Human Services, and Transportation

areas in two volumes following the six volumes that currently compose the budget request.

Agencies appeared to have had better or worse experiences in adapting to the new system related to whether they had histories of measurement and agency cultures receptive to the idea of measurement. As in Florida, collection and analysis of data is not at a consistent quality level throughout departments. Staff commented on compressed timing of the process, conflicts between the planning and the budgeting offices, and limited agencies involvement in developing the taxonomy as weaknesses of the system. Managers fear being held accountable, through budget reductions, for outcomes not under an agency's complete control.

Generally, legislative staff management described the program taxonomy as a logical program structure and a key for better description of what the state spends in different areas. It puts pressure on agencies to manage better and on the Legislature to reduce micromanaging. This effort is seen on a ten-year development schedule, with the first five years to set the system in place in terms of program design and understanding of performance measures. Then, an incentive system can be established to reward agencies and hold them accountable for performance.

Persons interviewed suggested that the North Carolina system does embody the value of improved management of programs and budgets through greater accountability. It offers important information for decision-making. Through the process, agencies ought to eventually realize from the Legislature some flexibility in management. It also may allow increased governmental efficiency through identifying duplication in services for greater scrutiny to eliminate unneeded redundancy in the system. Fundamentally, the system may serve to foster improved outcomes for government clients.

Iowa

The model

The organizing principle for reconstructing the budget in Iowa for Budgeting for Results (BFR) is to bring together all budget units that work toward the same result. The effort is to build the budget on the foundation of public benchmarks, rather than linking to benchmarks after the fact. The system is described as a comprehensive performance management initiative because it is built on benchmarks, includes budgeting for outcomes/results, and is intended to eventually allow calculation of return on investment in state programs so that "investment budgeting" (choices between investments) can occur. However, the Legislature apparently has not

embraced the concept and has been little involved, and agencies are aware that there is not a measures infrastructure to support them as this system is put into place beyond the first six pilot agencies that submitted BFR materials for their fiscal year 1996-97 budgets.

Legislative staff reported that Iowa has been working with basic output measures since the early 1980s. In 1993 the Department of Management began asking for outcome-based budgeting for the entire budget, based on performance measures. A statutorily-created Council on Human Investment identified the key areas of public concern through survey methods.[17] The result was an identification of five priority areas. [18]

For budget preparation purposes, a benchmark and state policy goal are identified that relate to each result to be achieved, and all the budget units that are working to achieve that result are presented together. Their fund streams are all displayed together to show the true cost of achieving that result. However, the funding is not blended together, so the actual allocation of resources is to the same budget units as it was before BFR. Nonetheless, the logical progression that Department of Management staff see under BFR is to allocate funds to a result. In the 1998 budget, they intend to display the funding unit as a result that is jointly achieved by different programs within an agency; by 1999, funding units or results will be constructed by the efforts of programs from multiple agencies.

Measurement is to be focused on outcomes and results, with an added element of unit-cost measurement for results. As a beginning phase of what is termed Investment Budgeting, the workforce development agency is working on a model that will quantify the value of an outcome against the cost and time to achieve it, so that legislators can choose which outcomes to invest in. This model is in the beginning stages. We noted that Iowa reportedly does not have a cost accounting system that will allow attribution of costs to a result, and so the development of this model may be complicated by data limitations.

The system has no incentive/disincentive structure. The primary spokesperson indicated that incentives distract from performance as an end in itself. Disincentives would bring fear as an inappropriate motivation: they encourage

[17] The Council on Human Investment membership was the Lt. Governor, eight citizens, and four legislators from each party and each house.

[18] These priority areas are Economic Development, Workforce Development, Strategies for Strong Families, Strong Communities, and Healthy Iowans.

conservatism in measures (agencies measure only outputs to ensure success on a production level), and in behavior (so that agencies do not fail by trying untested strategies). There is no exchange of flexibility for performance and accountability in BFR; theoretically this will evolve as a natural progression when the discussion is no longer about inputs but about how strategies are working and how they should be changed.

Experiences with the system

Development of performance measurement in Iowa has been added by a task force of senior staff of 12 agencies and the non-partisan Legislative Fiscal Bureau. This task force took some of the priority areas identified with their benchmarks and policy goals, put them in measurement terms, and identified data sources. The task force now advises agencies on measures and offers orientation training, and it appears to be key to quality measurement in the system. There is a reported research and methodological emphasis that may bring a certain rigor to the measurement system. We observed that because this group operationalized the benchmarks and is also providing measures training, the agencies are likely receiving the message that linking benchmarks to agency objectives and measures is important.

However, legislative staff expressed concern that the premise of Budgeting for Results is the assumption that the present resource allocation methods are ineffective. Iowa does not have some of the problems of larger states and has general public satisfaction with existing services, so changed allocation to get different results may not be necessary. Staff also commented that basing the budget on public benchmarks does not focus on legislative policies that are to represent the will of the public. Legislators reportedly were not widely involved in creating the benchmarks or design of BFR, so legislative focus may be missing. Staff commented that a mechanistic system that specifies the legislative response to performance on a limited set of measures will likely not be successful.

Staff had mixed perspectives on the purposes of Budgeting for Results. Some agency staff commented that BFR is a method of reporting what expenditures were made to achieve an outcome, so that legislators can determine whether a given amount of expenditure for an outcome is desirable. It is an accounting of yesterday's activities rather than a plan for the future. However, other agency and legislative staff commented that Budgeting for Results could have a long-range element as well. It should be driven by agency strategic planning in which the agency shows its long-range plans and immediate goals for budget purposes. But staff commented that even with measures of achievement of

immediate goals, it is unrealistic to expect an evaluation on success on outcomes on an annual basis because government responds to long-term issues.

Iowa interviewees noted important benefits of such a system. Executive branch staff see organizational structure change as one effect of the system; in five years, results budgeting may be a force for change towards the best form to achieve results. The system tries to reorient government culture to focus on results, long-term thinking in resource allocation, and data-based decision-making, away from short-term and anecdotal decision-making.

Texas

The model

Texas has a long history of working with performance measures, so performance-based budget reform was a logical progression that began in 1991. The state had used program budgets in the 1970s and had required outcome measures in the appropriations bill by 1989. In the early 1990s, strong legislative leadership and gubernatorial support existed for a process linking strategic planning and performance-based budgeting. Thus, strategic planning and performance-based budgeting became one process in Texas. Strategic plans produce goals, objectives, strategies, and measures, and the budget is built on goals, strategies, and measures (objectives are excluded to keep down the size of the appropriations bill). Strategies have replaced programs as the budget entity, although agencies have maintained their organizational program structure.

Agencies submit what are termed "key" measures in the budget request, and only key outcome measures are incorporated into the appropriations bill. Agencies may classify outcome measures as explanatory measures if necessary, which means that they are not held responsible for the measure results in cases where they contribute to, but do not control, outcomes. Agencies maintain non-key measures as well. Agencies report on key non-outcome measures on a quarterly basis to the nonpartisan Legislative Budget Board (LBB), and the LBB issues a report on these measures semi-annually. Annually, the LBB evaluates and reports on both non-key and key measures, including outcome measures.

Incentives and disincentives are authorized but not used in the Texas system. Agencies indicate that they do not expect monetary incentives for performance since the current trend in Texas is to give agencies less money. The reward agencies cite is more credibility and less micro-management

and reporting, and the penalty they see is being called into a hearing for heavy criticism.

There are several organizations that contribute to maintaining the Strategic Planning and Budgeting process. First, the nonpartisan LBB is central to the effort in its analytical role to review agency measures, its agency-coach role to improve measures, and its persuasive role with the Legislature. Agencies cite a cultural shift in the legislature away from micro-managing and credit the LBB with fostering this change.

Second, the Governor's Office of Planning and Budgeting is largely responsible for the planning function of the process. Staff have developed training for agency and LBB staff. They now are working to educate the Legislature on how legislative information needs can be met through the system and helping agencies understand how Strategic Planning and Budgeting will help to improve internal management.

Third, the State Auditor's Office certifies agency measures for validity and reliability; their involvement forces agencies to ensure that measurement data is accurate, as lack of certification may subject agencies to censure. Appropriations staff commented that having the SAO certify measures gives them the level of confidence they need to use the measures for budget decision-making, thus adding an aspect of the evaluation component that seems critical for success.

Experiences with the system

As with agencies in other states, Texas agencies started with measures that were primarily activity-based. Early problems with inaccurate reporting, poorly-defined measures, and insufficient controls have been reduced, and the focus of critique has apparently moved to meaningfulness of measures and quality of performance. Legislative Budget Board staff commented that although measures still need to be more comprehensive, there are fairly elastic measures that show resource-dependent change. They said that more emphasis is needed on outcome measures, but measures have become a very basic part of what the Budget Board does in performance analysis and preparing the budget.

LBB staff commented that they have not figured out how to tie resource allocation to measures. However, Appropriations staff, who do the political elements of budget construction, commented that performance measures are very useful in making allocations; they think about what the measures say about performance when they make decisions. They said that while analysts continue to look at object of expense data for their daily analysis work, this does not appear to be

inconsistent with the idea of bringing all information to bear on decision-making.

Agency, LBB, and Governor's Office staff all cited agency management improvement as a critically important by-product of the system. They also recognized accountability as the true focus of the system, while recognizing that a rigorous accountability and measurement system requires time to develop and improve.

The system does have some weaknesses related to its size and level of detail. Governor's staff cited the rigidity of the system as somewhat problematic—each objective might not necessarily need a measure, but all must have one. We noted that the electronic support systems are impressive in that they are massive and comprehensive, but they also have problems. Cost center accounting is possible but somewhat cumbersome, and the tracking of the history of measures appears to be very difficult if measures changes definition or association to a given objective. Finally, agencies found that the futurist orientation appropriate for long-range strategic planning does not work well as a basis for a biennial budget within existing limited resources, so they have had to change the orientation of their strategic plan. Staff commented that the strategic plan in Texas may be less a vision document than might be ideal because of its use as the budget foundation.

Among the states we studied, Texas has the most well-developed and institutionalized system. Interviewees cited several factors as key to initial implementation and sustained success. Close collaboration between legislative and gubernatorial staff was essential in creating new processes required. The long interim between the biennial 1991 and 1993 legislative sessions also allowed staff to build new accounting and budgeting computer systems. Legislative resistance was low because the old systems had been abandoned and could not be returned to, and as all agencies went on the system at once, resistant agencies could not create inertia. Most fundamentally, powerful elected leadership promoted and supported the process, including a lieutenant governor who is both an executive officer and legislative leader as president of the Senate. There appears to have been a confluence of factors supporting Strategic Planning and Budgeting that may have been unique to the early 1990s and Texas' legislative and administrative structure.

Colorado

The model

There is an ad-hoc effort in Colorado to implement some components of a performance-based budgeting system, but no coherent initiative exists. A 1994 audit report recommended that the Office of State Planning and Budgeting and the Joint Budget Committee conduct a study of performance-based budgeting. The study was to evaluate performance-based budgeting advantages and disadvantages and its applicability to Colorado, pilot such an effort in several agencies, and suggest legislation for wider implementation. However, budget staff noted that there was little response to the performance budgeting pilot and that legislators did not support the proposed legislation.

Even without a formal performance-based budgeting initiative, Colorado reportedly utilizes a combination of practices characteristic of performance-based budgets. Strategic planning, program budgeting, reinvestment and transfer authority, and performance measurement and reporting are all used to varying degrees.

Experiences with the system

Budget staff acknowledge that flexibility efforts still contain significant legislative control. Agencies are required to break out lump sums into detailed allotments. Any agency movement of funds is subject to review by the legislative and executive budget offices, and agencies must formally request fund transfers. As some agencies reportedly have not successfully managed their lump-sum appropriations, budget staff carefully examine these budgets and require more detail. Memoranda of Understanding (MOUs) have been used as a way for agencies to gain resource flexibility. MOUs require agencies to produce a certain performance level in exchange for flexibility in resource use. Despite the reported success of one agency in improving performance, legislative staff reported that use of MOUs may be eliminated. Legislative staff indicate that the Legislature is focused on line-item expenditure control.

All agency budget submissions include goals, objectives, and performance measures, but Governor's office staff indicate that the usefulness of these measures for budgetary decision-making has not yet been determined. Budget staff acknowledge that the budget process is input-focused and measures are thus workload or activity ones; although staff attempt to examine performance and results. Prior attempts at performance budgeting have been successful up to the point of measures development, and staff commented that the art of performance budgeting is in the development of the measures.

No incentive/disincentive system has been implemented since a performance budgeting system has not been formally

established. However, agencies are held accountable for how appropriations are administered and could possibly face penalties for mismanagement of their lump-sums. Budget staff continue to grapple with the issue of how to sanction agencies for poor performance. There is no formal measures evaluation component to increase legislative confidence in measures describing performance.

Budget staff recognize several barriers to performance-based budgeting. Measures development involves increased administrative overhead costs that are especially high when the measures developed are inadequate. Both the legislative and executive branches must offer policy commitment and experience cultural change, including acceptance of the exchange of increased agency flexibility for better performance and accountability information. Third, problems resulting in the mismanagement of lump-sum appropriations need to be controlled to foster legislative trust of the executive branch. Budget staff commented that using performance reporting to facilitate discussion is the direction the state should take to successfully implement performance budgeting.

APPENDIX E PERFORMANCE INFORMATION REFORMS IN THE STATES

State	Performance information as budget decision tool	Performance information as policy and budget influence tool	Performance information as management tool	Has performance measures	Measures shown in a budget document	Targets on measures in a budget document[5]
Alabama	X[1]			X	Planned	
Alaska	X[1]			X	Planned	Planned
Arizona				X	Other[2]	
Arkansas				X	Other[2]	
California			X[1]	X	Other[2]	
Colorado				X	X	
Connecticut[3]						
Delaware		X		X	X	X
Florida	X[1]			X	X	X
Georgia	X[1]			X	Planned	Planned
Hawaii		X		X	X	
Idaho				X	X	
Illinois				X	X	
Indiana				X	X	
Iowa	X[1]			X	X	
Kansas	X			X	X	X
Kentucky[3]						
Louisiana	X			X	X	
Maine	X[1]			X	X	
Maryland				X	X	
Massachusetts		X[1]		X	X	X
Michigan		X[1]		X	X	X
Minnesota		X		X[4]	Other[2]	
Mississippi		X[1]		X[4]	X	X
Missouri	X[1]			X	X	X
Montana		X[1]		X	X	X
Nebraska	X[1]			X	X	
Nevada	X			X	X	
New Hampshire	X			X	X	X
New Jersey				X	X	
New Mexico[3]						
New York[3]						
North Carolina		X		X	X	
North Dakota	X[1]			X[4]	X	
Ohio			X[1]	X	X	X
Oklahoma		X[1]		Planned	Planned	

State	Performance information as budget decision tool	Performance information as policy and budget influence tool	Performance information as management tool	Has performance measures	Measures shown in a budget document	Targets on measures in a budget document[5]
Oregon				X	X	
Pennsylvania			X	X	X	
Rhode Island		X[1]		X	X	
South Carolina				X	Other[2]	
South Dakota				X	X	
Tennessee				X	X	
Texas	X			X[4]	X	
Utah				X	Other[2]	
Vermont		X		X	X	
Virginia	X			X[4]	X	X
Washington	X[1]			X	X	
West Virginia				X	Other[2]	
Wisconsin				X	Other[2]	
Wyoming		X[1]		X	Other[2]	

[1] These states report that their initiative is in an early or pilot implementation phase or is in limited usage.
[2] "Other" signifies that measures are published in a document other than a budget schedule.
[3] These states report having no performance measures for performance management or budgeting purposes.
[4] These states have an electronic database to house measures and supporting data.
[5] No state has formally implemented provisions for incentives and disincentives.

Source: Office of Program Policy Analysis and Government Accountability October 1996 telephone survey and August 1996 site visits.

Appendix F Executive Transfer Authority Over Appropriations in the States

State	Departments	Programs Within a Department	Object Classes Within a Department	Additional Criteria
Alabama	Not allowed[1]	Unlimited	Unlimited	
Alaska	Not allowed[1]	Not allowed[1]	Unlimited	
Arizona	Not allowed[1]	Limited	Limited	Requires legislative approval for transfers relating to employee wages
Arkansas	Not allowed	Limited	Limited	Requires specific authority in appropriations act
California	Not allowed[1]	Limited	Limited	Based on detailed criteria
Colorado	Not allowed[1]	Not allowed[1]	Not allowed[1]	Limited transfers to close books permitted
Connecticut	Not allowed[1]	Not applicable	Limited	Legislative-executive decision required for transfers within department more than $50,000 or 10%, whichever is greater
Delaware	Limited	Limited	Limited	Appropriations for salaries and wages cannot receive transfers from non-salary appropriations
Florida	Not allowed	Up to 5% or $25,000 maximum	Up to 5% or $25,000 maximum	Agencies awarded a performance budget may not transfer between programs
Georgia	Not allowed	Limited only by restrictions in appropriations act	Unlimited	
Hawaii	Not allowed[1]	Unlimited	Unlimited	Transfer process being reviewed by Legislature
Idaho	Not allowed[1]	Up to 10%	Limited	Limitations on transfer of personal services and capital outlay funds
Illinois	Not allowed[1]	Up to 2% of most operating budgets	Up to 2% of most budgets	For programs, legislative decision required for transfers exceeding 2% of operating budget item
Indiana	Unlimited	Unlimited	Unlimited	
Iowa	Unlimited	Unlimited	Unlimited	
Kansas	Not allowed	Limited	Limited	Between departments with special legislative permission; between programs, limited to line items within a single agency and fund; between object classes, limited to single fund
Kentucky	Not allowed[1]	Unlimited	Unlimited, excluding debt service	
Louisiana	Not allowed	Up to 1%	Up to $50,000	Legislative approval required for transfers between programs and between items exceeding $50,000; transfers for salaries prohibited
Maine	Not allowed	Limited	Limited	No transfer of federally funded positions to state funding
Maryland	Limited	Unlimited	Unlimited	Inter-departmental transfers allowed if specifically authorized

State	Departments	Programs Within a Department	Object Classes Within a Department	Additional Criteria
Massachusetts	Not available	Not available	Not available	
Michigan	Not allowed[1]	Legislative approval required	Legislative approval required	
Minnesota	Not allowed	Limited	Unlimited	Program transfers must be within the same fund
Mississippi	Not allowed[1]	Requires legislative approval in appropriations bill	Limited by provisions of appropriations act	
Missouri	Not allowed[1]	Not allowed[1]	Not allowed[1]	
Montana	Not allowed	Up to 5% of appropriation total unless specified	Transfers out of personal services prohibited	
Nebraska	Not allowed[1]	Not allowed[1]	Limited by ceiling on personal services expenditures	
Nevada	Not allowed[1]	Limited by appropriations act	$25,000 or 10% of an expenditure category without legislative approval	
New Hampshire	Not allowed	Requires legislative approval	Limited. Not authorized for personal services, employee benefits, out-of-state travel expenses	
New Jersey	May be authorized by provisions in appropriations act	May be authorized by provisions in appropriations act	May be authorized by provisions in appropriations act	
New Mexico	Not allowed	Limited to 7.5% cumulative across divisions	Limited	
New York	Not allowed[1]	Limited. Sliding percent from 5% of $5 million to 3% of more than $10 million	Unlimited	
North Carolina	Not allowed[1]	Limited	Unlimited within programs; excluding salaries and wages	
North Dakota	Not allowed	Requires approval by Emergency Commission	Requires approval by Emergency Commission	
Ohio	Not allowed[1]	Not allowed	Limited	Intra-department transfers require approval of controlling board unless transfer is within lump sum
Oklahoma	Not allowed[1]	Up to 25%	Up to 25%	Department can transfer an additional 15% upon Legislative approval
Oregon	Not allowed[1]	Limited	Limited	Transfers between object classes binding by Legislative Emergency Board

State	Departments	Programs Within a Department	Object Classes Within a Department	Additional Criteria
Pennsylvania	Not allowed unless funds to be used for original intent	Not allowed unless funds to be used for original intent	Not applicable	Funds to be used for original purpose can be moved on contractual basis or through reorganization plan that moves entity to another department
Rhode Island	Not allowed[1]	Limited	Unlimited	For programs, transfers between line items not authorized
South Carolina	Unlimited	Up to 20%	Unlimited	Subject to restrictions by proviso language; requires unanimous approval of Budget and Control Board and two legislative members
South Dakota	Unlimited	Unlimited	Unlimited	
Tennessee	Not allowed[1]	Requires legislative approval	Unlimited	Transfers between departmental divisions binding by committee of Senate and House Speakers and Comptroller
Texas	Requires Budget Board approval	Requires Budget Board approval	Requires Budget Board approval	
Utah	Not allowed	Limited	Unlimited	Requires filing of new work program with legislature
Vermont	Not allowed[1]	Up to $25,000	Unlimited	Transfers exceeding $25,000 require approval of Emergency Board over intra-departmental transfers
Virginia	Up to 15% with restrictions	Limited	Unlimited	Transfers from second to first year of biennium permitted in special circumstances
Washington	Not allowed	Not allowed	Unlimited except by proviso language	
West Virginia	Not allowed	Up to 10% of funds appropriated to agency	Limited	
Wisconsin	Requires legislative approval	Requires legislative approval	Unlimited	
Wyoming	Up to 10%	Up to 50%	Unlimited	

[1] The Legislature must amend the appropriations act for this type of transfer.

Source: Legislative Authority Over the Enacted Budget. National Conference of State Legislatures, 1992; and 1996 update by NCSL staff.

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_____. Managing for Results: State Experiences Provide Insights for Federal Management Reforms. (GAO/GGD-95-22), Washington, DC: GPO, 1995. *This report identifies some of the successful experiences of state governments in implementing management reforms that federal agencies may wish to consider as they implement the requirements of GPRA.*

_____. Managing for Results: Critical Actions for Measuring Performance. (GAO/T-GGD/AIMD-95-187),Washington, DC: GPO, 1995. *This is testimony by the Comptroller General on actions that are critical for the development and use of performance measures to improve programs.*

Performance Measurement

U.S. General Accounting Office. Performance Measurement: An Important Tool for Managing Results. Washington, DC: GPO, 1992. *This is one in a series of reports that describes the use of performance measurement in federal government management and budget reform processes.*

_____. Program Performance Measures: Federal Agency Collection and Use of Performance Data. (GAO/GGD-92-65), Washington, DC: GPO, 1992. *This report examines the current state of performance measurement in federal agencies and includes a survey of 103 federal agencies to determine to what extent they had developed performance standards and goals and created measures to assess progress toward meeting those goals.*

_____. Government Reform: Goal-Setting and Performance. (GAO/AIMD/GGD-95-130R), Washington, DC: GPO, 1995. *This letter provides information on goal-setting and performance measurement in leading private and public sector organizations, including current efforts by federal agencies.*

Performance Budgeting in the States

Barrett, Katherine, and Richard Greene. "State of the States 1995 - Tick, Tick, Tick." Financial World 26 September 1995: 36-60. *Authors evaluate and rank the 50 states on financial management, infrastructure maintenance, and managing for results.*

Carter, Karen. The Performance Budget Revisited: A Report on State Budget Reform. Denver, CO: National Conference of State Legislatures, February 1994. Legislative Finance Paper No. 91. *This report explores performance budgeting in theory and in practice by defining it and discussing issues unique to its application in the public sector by comparing and contrasting the initiatives of eight states.*

Harvard Family Research Project. Resource Guide of Results-Based Accountability Efforts: Profiles of Selected States. Cambridge, MA: HFRP, 1996. *This document serves as a resource guide that describes states ' efforts in developing accountability systems for children and family services.*

Hutchison, Tony, and Kathy James. Legislative Budget Procedures in the Fifty States: A Guide to Appropriations and Budget Processes. Denver, CO: National Conference of State Legislatures, September 1988. *This document compares legislative budget processes across the 50 states.*

State of California. Legislative Analyst's Office. Prepared by Bob Dell'Agostino. Performance Budgeting: Reshaping the State's Budgeting Process. Sacramento, CA: California Legislative Analyst's Office, 25 October 1993. *This document reports on the status of California's effort to implement performance budgeting in four pilot agencies and notes that, despite these problems, some departments have made considerable progress in implementing performance budgeting.*

State of Colorado. Joint Budget Committee and Office of State Planning and Budgeting. Performance Budgeting. Denver, CO: JBC and OSPB, September 1995. *This report describes Colorado's use of some of the elements of a performance budgeting system, including lump-sum budgeting and transfer authority.*

State of Iowa. Iowa Human Investment Policy Council. Iowa Invests: A Human Investment Plan. Des Moines, IA: Iowa Human Investment Policy Council. *This plan describes the human services vision for the state and the principles that guide human investment in Iowa. It provides useful information on the steps to consider prior to articulating specific goals and outcomes.*

State of Minnesota. Office of the Legislative Auditor. Program Evaluation Division. Performance Budgeting. St. Paul, MN: Office of the Legislative Auditor. February 1994. *This is a report on attempts made by Minnesota to implement performance-based changes in the budget process and the requirements of the 1993 law requiring more systematic agency performance reporting.*

_____. Office of the Legislative Auditor. Program Evaluation Division. Development and Use of the 1994 Agency Performance Reports. St. Paul, MN: Office of the Legislative Auditor, July 1995. *This report focuses on performance reporting and comments that agency heads feel that the benefits of performance reports would not be realized unless the legislature reads them and makes them key documents in budgetary decision-making.*

State of North Carolina. Office of State Planning and Budget. Primer to Performance/Program Budgeting. Raleigh, NC: OSPB, (ND). *This document describes North Carolina's Performance/Program Budgeting effort by detailing its origins, purpose, and organization.*

State of Texas. Governor's Office of Budget and Planning. "Strategic Planning and Budgeting in the 'New Texas': Putting Service Efforts and Accomplishments to Work." International Journal of Public Administration 18, no. 2&3 (February/March 1995): 409-441. *This article reviews and evaluates Texas' Strategic Planning and Budgeting system, which combines strategic planning, line-item budgeting and service efforts and accomplishments (SEA) indicators and reporting.*

_____. Texas State Auditor's Office. Guide to Performance Measurement. Austin, TX: Texas State Auditor's Office, 1995. *This document describes Texas' strategic planning*

and budgeting system and describes progress the state has made in implementing the system.

U.S. General Accounting Office. Performance Budgeting: State Experiences and Implications for the Federal Government. Report to the Director of the Office of Management and Budget. Washington, DC: GPO, 1993. *This report describes the uses and limitations of performance measurement and budgeting as experienced by selected states.*

Other Performance Budgeting Publications

Blodgett, Terrell, ed. Managing for Results: Advancing the Art of Performance Measurement. Conference Proceedings. Austin, TX: University of Texas, 1996. *This publication is a compilation of papers presented at the conference held biennially to discuss the state of the art of measuring performance in government.*

Britan, G. Measuring Program Performance for Federal Agencies: Issues and Options for Performance Indicators. Washington, DC: United States General Accounting Office, April 1991. *This paper reviews the key issues involved in measuring program performance and assesses their implications for program performance indicators.*

The Brookings Institution. Improving the Accountability and Performance of Government. Washington, DC: The Brookings Institution, May 1981. *This book contains a series of papers commenting on government performance and accountability by addressing such topics as the budgetary process, accountability and congressional oversight, and achievements and challenges of governmental performance.*

Broom, Cheryle A. "Performance-Based Government Models: Building a Track Record." Public Budgeting and Finance 15, no. 4 (Winter 1995): 3-17. *This article reviews performance-based government efforts in progress throughout the country with a focus on the initiatives of five states: Texas, Oregon, Minnesota, Virginia, and Florida.*

Campbell, M.D. Outcome and Performance Measurement Systems: An Overview. Washington, DC: Alliance for Redesigning State Government, (ND). *This document provides a brief overview of performance measurement systems which includes a brief discussion of performance-based budgeting and investment decision-making.*

Carter, Karen. "Performance Budgets: Here By Popular Demand." State Legislatures December 1994: 22-25. *This article describes an age in which the public is dissatisfied with what the government produces and lawmakers in many states turn to performance budgeting to measure results.*

Governmental Accounting Standards Board. Service Efforts and Accomplishments Reporting: Its Time Has Come - An Overview. Norwalk, CT: GASB, 1990. *This report summarizes a series of reports in 12 program areas of state and local government in which researchers recommended specific indicators for external reporting including input, output, outcome, and efficiency measures, as well as explanatory factors that would measure other factors that influence outcomes of services being provided.*

Grifel, Stuart S. "Performance Measurement and Budgetary Decision Making." Public Productivity and Management Review (Summer 1993): 403-407. *This article reports on how performance measurement can be used to enhance budgetary decisions.*

Harvard Family Research Project. The Guide to Results-Based Accountability: An Annotated Bibliography of Publications, Web Sites, and Other Resources. Cambridge, MA HFRP, 1996. *This annotated bibliography cites relevant literature on results-based accountability, particularly in the field of children and family services. It also provides related web site addresses.*

Joyce, Philip G. "Using Performance Measures for Federal Budgeting: Proposals and Prospects." Public Budgeting and Finance (Winter 1993): 3-17. *This article discusses the status*

of the current federal performance measurement efforts and makes specific observations on the current debate about performance measurement and budgeting.

Kamensky, John. "Program Performance Measures: Designing a System to Manage for Results." Public Productivity and Management Review (Summer 1993): 395-401. *This article seeks to serve as a primer to performance budgeting by addressing a series of questions relating to the increased visibility of performance budgeting in recent years, the purpose and potential uses of performance measures, design issues, and a framework for a performance measurement system.*

National Association of State Budget Officers. Restructuring and Innovations in State Management. Washington, DC: NASBO, 1993. *This report is an initial attempt by NASBO to document recent innovations to restructure budgeting and management practices in government through the use of several states ' examples.*

National Conference of State Legislatures and Foundation for State Legislatures. Fundamentals of Sound State Budgeting Practices. Washington, DC: NCSL and FSL, May 1995. *This document explains some of the issues in state budgeting processes that are common to all states, reports on procedures some states have used to strengthen their budget processes, and recommends specific practices.*

National Governor's Association. An Action Agenda to Redesign State Government. Washington, DC: 1993. *This report is the culmination of efforts by four work groups on redesigning government, one of which focused on performance-based governance. It includes examples of strategies taken by several states to become more results-oriented and performance-based and describes critical factors for successful implementation of a performance-based system.*

Osborne, D. and T. Gaebler. Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector. Reading, MA: Addison-Wesley, 1992. *In this book that started the reinventing government movement, the authors discuss efforts to measure and improve outcomes in a variety of public and private sector settings.*

Price Waterhouse. Office of Government Services. Methodology to Assess the Content and Quality of Performance Measures. Arlington, VA: Price Waterhouse, December 1992. *This document describes a methodology that is intended to assist managers and others in the assessment of the content and quality of performance measures. It also contains criteria for performance measures.*

Rosenbloom, D.H. The Context of Reforms: Federal Government Agencies. The Public Manager: The New Bureaucrat 24 no. 1 (1995): 3-6. *This article puts the 1993 Government Performance and Results Act (GPRA) into a broad historical and political context that will help readers to understand its prospects for success as well as its potential for being derailed by politics.*

Tartt, Alison, ed. Managing For Results: Performance Measures in Government. Conference Proceedings. Austin, TX: University of Texas, 1994. *This publication is a compilation of papers presented at the conference held biennially to discuss the state of the art of measuring performance in government.*

Wholey, J.S. and H.P. Hatry. "The Case for Performance Monitoring." Public Administration Review 52 (1992): 604-610. *In this article, the authors discuss why performance measurement is feasible and worthwhile as well as some of the challenges of measurement systems.*

STATEWIDE DISCRETIONARY

DIV	*COUNTY*	*DESCRIPTION*	*TOTALS*	*BOARD DATE*
01	Bertie	Curb & gutter SR 1336 fr NC 45 to south city limits of Colerain	75000	9/5/97
01	Currituck	Pave SR 1406 (Second Street) fr NC 12 to SR 1185, 0.13 mile	15000	9/5/97
01	Dare	Construct left-turn lane on NC 12 in Avon fr 300 ft north of SR 1423 to 1,000 ft south of SR 1424	75000	9/5/97
01	Dare	Repair and improve flood gates on various ocean outfalls in Nags Head and Kill Devil Hills	50000	10/3/97
02	Beaufort	Supplement W. O. 6.150002 to realign Highland Ave. and Reed Drive	93000	9/7/97
02	Craven	Grade, drain, base, pave SR 1436 (Willis Neck Road)	112000	9/5/95
02	Craven	Upgrade Drag Strip Rd off SR 1616	20000	10/3/97
03	Onslow	Grade drain base pave SR 1328 from SR 1327 to dead end 0.80 mi	103000	10/3/97
04	Halifax	Widen and provide turn lanes on NC 903 east of I-95	45000	9/5/95
04	Nash	Roadway lighting at I-95/Goldrock interchange	190000	9/7/95
04	Wayne	Drainage improvement on US 70	10000	9/5/95
05	Franklin	New entrance into Vance/Granville Community College Satelite facility	66490	9/5/95
05	Granville	Strenghten bridge on SR 1138 (Culbreth Road) to county land fill	50000	9/5/97
05	Person	Grade, drain, base, pave Cheryl Circle	15000	9/5/95

DIV	COUNTY	DESCRIPTION	TOTALS	BOARD_DATE
05	Wake	Install traffic signal at intersection of Leesville Road and Hickory Grove Church Road	35000	9/5/97
05	Wake	Install traffic signal at Falls of Neuse and Ravencroft	35000	9/5/97
05	Wake	Widen, strengthen and resurface SR 1160 for 3.01 miles	50000	9/5/97
05	Wake	Pave SR 2360A (Jake May Rd) from SR 2358 0.75 mi	160000	10/3/97
06	Bladen	Supplement W. O. 6.806619 to complete paving of SR 1509	70000	9/5/97
06	Columbus	Supplement W. O. 6.430003 to pave SR 1361B fr SR 1317 to SR 1339	47993	9/5/97
06	Columbus	Curb and gutter NC 904 from end of curb and gutter to US 701 Bypass	160000	10/3/97
06	Cumberlan	Supplement W. O. 6.440011 to complete paving of SR 1705	50000	9/5/97
06	Harnett	Pave SR 1716	12672	9/5/97
06	Harnett	Widen NC 55 for left-turn lane at NC 27	55000	10/3/97
06	Robeson	Widen SR 2236 from NC 41 to SR 2237	67000	9/5/97
07	Alamance	Widen and curb and gutter Corregidor Street at the Mebane Arts and Community Center	75000	9/5/97
07	Guilford	Construct left turn lane on SR 1833(Barrow Rd.) at SR 1836(Williard Dairy Rd.)	50000	9/5/97
07	Rockingha	Supplement W. O. 6.510006 to curb and gutter NC 770 between Simpson Road and Lemons Street in Stoneville	25000	9/5/97
08	Moore	Install signal on NC 211 (Archie Road) at West Pine Middle School	35000	9/5/97

DIV	COUNTY	DESCRIPTION	TOTALS	BOARD DATE
08	Moore	Install traffic signal at intersection of US 15-501 and Memorial Drive/entrance to Pinehurst Trace	50000	9/5/97
08	Randolph	Supplement W. O. 6.570015 to pave SR 1125 (Old Maple Springs Road)	100000	9/5/97
08	Richmond	Grade, drain, base, pave SR 1465A fr SR 1464 to county line, 0.30 mile	45000	9/5/97
09	Forsyth	Grade, drain, base, pave SR 2997 fr SR 2996 to Davidson County Line	20000	9/5/97
09	Stokes	Grade, drain, base, pave SR 1652 (Moir Farm Road) fr SR 1674 to SR 1647, 1.34 miles	160000	9/5/97
10	Cabarus	Install traffic signal at intersection of SR 1430 and SR 1394	25000	9/5/97
10	Mecklenbur	Install signal, construct right-turn lane, and improve crossover at intersection of US 29 and SR 2680 (I-95 Svc. Rd.)	62500	9/5/97
10	Stanly	Grade, drain, base, pave SR 1233 fr end of pavement to SR 1232, 0.60 mile	81000	9/5/97
10	Union	Pave SR 1728 (Clonnie Strawn Road) between Old Lawyers Road and Old Peachland Road	20000	9/5/97
10	Union	Grade drain base pave SR 1318 (Lochhaven Rd) in Town of Weddington	90000	10/3/97
11	Watauga	Construct access road to Caldwell Community College off SR 1107	110000	10/3/97
11	Yadkin	Supplement W. O. 6.770008 to complete paving of SR 1376	100000	9/5/97
12	Cleveland	Grade, drain, base, pave SR 2247 fr SR 2246 to SR 2245, 0.89 mile	35000	9/5/97
12	Gaston	Pave SR 1444 (Kiser Road) fr SR 1445 to SR 1443, 0.72 mile	108000	9/5/97
12	Gaston	Pave SR 2641 from SR 2423 to dead end	49500	10/3/97

DIV	COUNTY	DESCRIPTION	TOTALS	BOARD DATE
12	Gaston	Pave SR 1114 from SR 1112 to dead end	56000	10/3/97
12	Iredel	Pave Airport Road, 0.90 mile, To be supplemented with Small Urban Funds and local participation	50000	9/5/97
13	Buncombe	Install guardrail on a section of SR 2162	40000	9/5/97
13	Mitchell	Pave SR 1115 (George McKinney Road) fr SR 1114 to SR 1114, 0.73 mile	130000	9/5/97
13	Mitchell	Grade, drain, base, pave SR 1181 (Hughes Road) fr NC 80 to dead end, 0.75 - partial funding	50000	9/5/97
13	Mitchell	Supp WO 6880007 to pave SR 1181 (Hughes Rd) from NC 80 to dead end 0.75 mi	50000	10/3/97
13	Rutherford	Upgrade Pioneer Road to acceptable maintenance condition	20000	9/5/97
14	Clay	Supp 6920001 to widen pavement on US 64 at Blackhawk Industries	2500	10/3/97
14	Graham	Supplement W. O. 6.930001 to upgrade West Buffaloe Creek Road off SR 1123, Increase funds to replace bridge	130000	9/5/97
14	Polk	Improve and pave SR 1304 from SR 1303 to Rutherford County, 0.20 mile	25000	9/5/97
GRAND TOTAL			$3,456,655	

DIVISIONWIDE SMALL URBAN FUND

Project Approvals From July thru October 1997

DIVISION	AMOUNT
1	$ 312,500
2	$ 170,000
3	$ 50,000
4	$ 318,328
5	$ 646,500
6	$ 98,070
7	$ 530,000
8	$ 379,000
9	$ -0-
10	$ 152,500
11	$ 875,086
12	$ 170,000
13	$ 708,000
14	$ 118,350
TOTAL	$4,528,334

PROJECTS TO BE BUILT USING CASH FLOW FUNDING
(Dollars in Thousands)

TIP #	ROUTE	DIVISION	COUNTY	1997	1998	1999	2000	LET DATE
R-2112 A	US 64	1	MARTIN	$13,800	$6,900	$ -		UC
R-2112 BA	US 64	1	MARTIN	6,125	6,125	6,125		Jun-96
R-2228 A	NC 168	1	CURRITUCK	8,600	4,300	-		Apr-96
R-2512 B	US 17	1	CHOWAN	5,625	11,250	5,625		Sep-96
R-2232 B	US 220	7	ROCKINGHAM	2,450	4,900	2,450		Jul-96
R-2405 D	US 17	3	PENDER, ONSLOW	5,500	2,750	-		Sep-96
R-512 E	US 74	8	RICHMOND	5,200	2,600	-		Jul-97
R-512 F	US 74	8	RICHMOND	9,000	9,000	-		Nov-96
R-98 BC	US 52	11	SURRY	4,000	4,000	-		Oct-96
R-2558 B	US 74	6	ROBESON, COLUMBUS	7,775	7,775	-		Jan-97
R-512 D	US 74	8	RICHMOND	4,750	9,500	4,750		May-97
R-2211 AA	NC 24	3	DUPLIN	3,875	3,875	-		Apr-97
R-2105 AB	NC 24	2	CARTERET	2,300	4,600	2,300		Aug-97
R-529 BA	US 421	11	WATAUGA	5,875	11,750	5,875		Sep-97
R-0529BB	US 421	11	WATAUGA	3,475	6,950	3,475		Sep-97
R-2123 AA	CHARLOTTE OUTER LOOP	10	MECKLENBURG	4,025	8,050	4,025		Jun-97
R-2228 BA	NC 168	1	CURRITUCK	3,300	6,600	3,300		Sep-96
R-2237 A	US 321	11	CALDWELL	-	9,247	4,623	4,623	Jul-97
R-2404 C	US 17	1	BERTIE	-	2,925	5,850	2,925	Oct-97
R-2219 AB	US 64	8	CHATHAM	-	2,959	2,959	2,958	Jul-97
U-2525 A	EASTERN LOOP	7	GUILFORD	-	5,650	11,300	5,650	Oct-97

As of the September 1997 meeting of the Board of Transportation

PROJECTS TO BE BUILT USING CASH FLOW FUNDING
FEDERAL AID
(Dollars in Thousands)

TIP #	ROUTE	DIVISION	COUNTY	SFY 1997	1998	1999	2000	2001	LET DATE
A-10 C	US 23	13	MADISON						Sep-96
Federal Aid				$19,442	$19,442	$19,442	$19,442	$19,441	
State Match				4,861	4,861	4,861	4,861	4,860	
Total				$24,303	$24,303	$24,303	$24,303	$24,301	
R-2406	US 17	3	ONSLOW						Dec-96
Federal Aid				$10,101	$10,101	$10,101			
State Match				2,525	2,525	2,525			
Total				$12,626	$12,626	$12,626			
R-2218 B	US 64	8	CHATHAM						Mar-97
Federal Aid				$ 3,052	$ 3,052	$ 3,052			
State Match				763	763	763			
Total				$ 3,815	$ 3,815	$ 3,815			
R-2425 A	US 401	5	WAKE						Mar-97
Federal Aid				$ 4,587	$ 4,587				
State Match				1,248	1,248				
Total				$ 5,835	$ 5,835				
I-2305 B	I-95	6	ROBESON						Jun-97
Federal Aid				$ 5,900	$ 5,900	$ 5,900			
State Match				678	678	678			
Total				$ 6,578	$ 6,578	$ 6,578			

PROJECTS TO BE BUILT USING CASH FLOW FUNDING
FEDERAL AID
(Dollars in Thousands)

TIP #	ROUTE	DIVISION	COUNTY	SFY 1997	1998	1999	2000	2001	LET DATE
I-2511 BA	I-85	9	ROWAN						Jun-97
Federal Aid					$ 7,433	$ 7,433	$ 7,433		
State Match					$ 1,012	$ 1,012	$ 1,012		
Total					$ 8,445	$ 8,445	$ 8,445		

As of the September 1997 meeting of the Board of Transportation

Report to the Transportation Oversight Committee
North Carolina General Assembly

Use of Rail Passenger and Public Transportation Funding

October 1, 1997

North Carolina Department of Transportation
Garland B. Garrett, Jr., Secretary
David D. King, Deputy Secretary, Transit, Rail and Aviation
1 South Wilmington Street
Raleigh, North Carolina 27611
(919) 733-2520

Report to the Transportation Oversight Committee on the Use of Rail Passenger and Public Transportation Funding

October 1, 1997

Purpose: The 1997 Session of the General Assembly authorized expenditure of $36,000,000 in FY1997-98 and $22,600,000 in FY1998-99 for passenger rail and public transportation programs. Section 32.17 of Senate Bill 352 requires the Department of Transportation to prepare a plan which sets out the purposes for which the funds shall be used. The bill also requires the Department to set specific, quantitative goals for each of seven public transit and rail issues listed.

Background: Following decades of decline and cessation of rail passenger service in North Carolina, the State invested in passenger rail funding beginning in 1990 when the *Carolinian* was inaugurated. The *Carolinian* provides daily service each way between Charlotte and New York. North Carolina contracts with Amtrak to provide the equipment and operate the *Carolinian* within the State. In 1995 a second daily train, the *Piedmont*, was added between Raleigh and Charlotte. The *Piedmont* is operated by Amtrak with state-owned equipment and facilities.

The USDOT has designated the Charlotte-Raleigh-Richmond-Washington corridor as one of five slated for development of high speed passenger service. Preliminary engineering and detailed planning studies have documented this corridor as commercially feasible and determined that it would "generate more revenue than on any other route."

Public transit in North Carolina is primarily the responsibility of local governments. Currently, all 100 counties have some form of coordinated human service transportation program and there are seventeen city bus systems. One regional transit system operates between Raleigh, Durham and Chapel Hill, and legislation was passed in 1997 to create another in the Triad area. Many of the 40 million annual trips provided by public transportation systems serve citizens who have limited mobility. For public transportation to be successful in the future, citizens need to be provided more economical, convenient and safe transportation alternatives. These alternatives will require the additional commitment of local, state and federal resources.

Public Transit and Rail Issues Identified in Senate Bill 352

(1) Travel time, cost recovery, and business ridership of passenger rail service between Raleigh and Charlotte

Travel Time: The current travel time between Raleigh and Charlotte is 3 hours and 50 minutes, an average speed of 45 mph. The federally funded Rail IMPACT program will reduce current travel time to 3 hours 30 minutes by fourth quarter 1998.

The Department is investigating use of tilt train technology which has the potential to reduce travel time by up to 30 minutes, when combined with a modest program of infrastructure improvements. Tilt trains can be implemented on the corridor by the end of the second quarter of 1999.

Further travel time reductions will require significant additional investments in track and signals. Following resolution of the North Carolina Railroad (NCRR) lease, the Department will evaluate the impact of investing in additional passing tracks and other infrastructure improvements to further reduce travel time.

This month, at the request of Governor Hunt, the Coalition of Northeast Governors (CONEG) resolved to expand the definition of the Northeast Corridor Improvement Program (NECIP) to extend south to Charlotte. NECIP is scheduled to be re-authorized by Congress during the second quarter of 1998.

Cost Recovery: Over the past two years the Department and Amtrak have increased cost recovery by 26% to 85% of the operating, capital and administrative cost of the *Carolinian.* The *Carolinian* is the second highest revenue producing train in the 48 train Amtrak system. The Department has asked Amtrak to make the *Carolinian* a national system train. This issue will be among those slated for contract negotiation during first quarter 1998. Cost recovery on the *Piedmont* is 28%, with a goal of 35% cost recovery by the end of 1998.

Business Ridership: A 1996 on-board survey documented business ridership of 9% on the *Piedmont*. A second on-board survey will be conducted to ascertain business ridership on both state-sponsored trains during 1998. Although the *Piedmont* has been ranked number one in customer service since its inception, absent for corporate excursions and entertaining, business ridership on the state-sponsored trains is not expected to grow significantly until travel time is reduced to automobile-competitive times.

(2) Extension of Passenger Rail to Asheville

The Western North Carolina Rail Passenger Study, dated January 1997, documented the feasibility of extending service to Asheville. The report recommended one train daily each way between Raleigh-Greensboro-Salisbury-Asheville.

Due to the lead time required to implement the new service, the Department has ordered two additional locomotives and acquired additional passenger, baggage and food service cars. The locomotives are scheduled for delivery during the fourth quarter of 1998. Specifications are being prepared for the refurbishment of these cars. A request for proposals for car refurbishment will be issued during fourth quarter 1997.

Access to the host railroad must be negotiated with Norfolk Southern following resolution of the NCRR lease.

Section 32.27 of Senate Bill 352 authorized the Piedmont Triad Transit Authority to study an alternate rail passenger route between Raleigh and Asheville through Winston-Salem for possible later implementation.

(3) Assessment of the Feasibility and Costs of Extending Passenger Rail Service in Eastern North Carolina

The Rail Division is currently developing a request for proposals for a study that will include data collection, ridership projections, and demographic analysis of various rail passenger service routes in Eastern North Carolina. The study will consider those routes listed in the Transit 2001 Commission Report as well as identify others that are potentially feasible. This study is expected to be contracted out during the second quarter of 1998.

(4) Increases in Number of Routes

Funds will be used to increase the level of service provided by the State's public transportation systems either by increasing routes, hours, and/or miles. Allocations to rural systems will expand existing services for elderly and disabled riders and develop new employment transportation services. For urban and regional systems, new projects that meet the goals of increased numbers of routes and passengers and support for the Work First program will be funded. Capital Assistance funds will continue the planning and design for major new starts (e.g. the Triangle Transit Authority's regional rail system), purchase expansion vehicles, and replace older vehicles to support increases in routes and service hours.

(5) Increase in Ridership

Funds will be used for projects that increase the number of passengers carried by urban, rural and regional transit systems. Rural systems will increase their number of elderly and disabled trips and develop new employment transportation services, resulting in more passengers served. Urban and regional systems will establish new and expanded services for new riders. Capital Assistance funds will continue the planning and design for major new starts and the replacement of old vehicles to add new services and to enhance existing services to attract new riders.

(6) Work First

The North Carolina Departments of Transportation and Health and Human Services are working together to ensure that affordable and reliable transportation is available to Work First participants. On October 28, 1997, a Work First Transportation Forum will be held in Cary. The purpose of the Forum is to bring together individuals from local and state programs to begin developing partnerships.

The North Carolina Department of Transportation in cooperation with local rural, urban and regional transportation programs will develop a plan for using state operating funds to support Work First and employment transportation.

(7) Technology

Computers and communication equipment are the foundation upon which all other technologies are built. An assessment will be conducted of all public transportation systems in the state to determine computer and communication capabilities. Based on this assessment, a plan will be developed to purchase and install the necessary computer and communication equipment to proceed with advanced technologies.

The application of advanced technologies in urban and rural transportation systems will be evaluated on the basis of the ability of these technologies to control costs, improve customer service, and improved service effectiveness and efficiency.

Estimated Public Transit Expenditures

Fiscal Year	1997-1998	1998-1999
Operating Assistance	$ 6,150,000	$6,150.000
Capital Assistance	$10,350,000	$3,650,000
Technology Support	$ 1,500,000	$1,500,000
TOTAL	**$18,000,000**	**$11,300,000**

In FY 1997-98, public transportation funds will be budgeted for the following purposes:

Operating Assistance

1. Elderly and Disabled Transportation Assistance	$2,000,000
2. Maintenance and Employment Transportation Assistance	
Urban Systems	$2,000,000
Rural Systems	$1,750,000
3. Regional and Intercity Service Expansion	$ 400,000

Capital Assistance

4. Capital Improvements	$9,750,000
5. Facilities Improvements	$ 600,000

Technology Support $1,500,000

Estimated expenditures for public transit for FY 1997-98 are recurring, with the exception of capital assistance funds which are reduced to $3,650,000 in FY1998-99. The Department of Transportation and the Joint Legislative Transportation Oversight Committee will study permanent funding sources for public transportation programs and will make recommendations to the 1998 General Assembly. If legislation is enacted, the Department will request that capital assistance funding be restored to FY1997-98 levels.

1. **Elderly and Disabled Transportation Assistance Program (EDTAP)**

This program currently receives $3 million in recurring funds from the State Highway Fund. An additional $2 million will be added to increase the program to $5 million, and an estimated 74,000 additional trips will be provided.

The purpose of this program is to support the provision of local transportation services to the elderly and disabled population. The funds are allocated by formula to each county and may not supplant funds already being used by local governments for this purpose. The funds must be used in a manner consistent with the locally adopted Transportation Development Plan.

2. **Provision of Employment Transportation Assistance**

These funds will be distributed among the 17 urban and 84 rural public transit systems in North Carolina for new or expanded services that increase the number of riders. Eligible projects will focus on employment trips to growing industrial and commercial areas that coordinate with the North Carolina Department of Health and Human Services' Work First Program, other human service agency programs, and with the business community to get agency clients into the work force and to meet employee transportation needs.

The North Carolina Department of Transportation, in conjunction with local transportation programs, will develop allocation and service plans which will be presented to the Joint Legislative Transportation Oversight Committee in February of 1998.

3. **Regional and Intercity Service Expansion**

Funds would be used to expand and improve regional and intercity transportation services, coordinate out-of-county non-emergency transportation, and to provide connector service between existing rural transportation systems and intercity routes. The North Carolina Department of Transportation will solicit proposals for expanded intercity service and initiate an additional out-of-county non-emergency transportation program.

4. Capital Improvements

Funding will be available to purchase expansion and replacement buses and vans, construct transit and multimodal facilities, and support major new start projects (such as new and existing regional transportation authorities).

5. Facilities Improvement

Construction and renovation funds will be available for rural transportation systems in rural areas on a case-by-case basis. It is expected that at least two systems per year will receive grants for this purpose.

6. Technology Support

Funds will be available for the purchase of improved communication equipment and computer hardware and related software. In addition, public transportation technologies, such as automatic vehicle location devices, mobile display terminals, and automatic passenger counters, will be used to improve customer service and system efficiency.

The North Carolina Department of Transportation will meet with urban and rural systems in November and begin developing a master plan for improving their communications and computer capabilities. The master plan will include a schedule for raising all systems' capabilities to a minimum standard and the implementation of advanced technologies. The master plan will be presented to the Joint Legislative Transportation Oversight Committee in February of 1998.

Estimated Rail Passenger Expenditures

Fiscal Year	1997-1998	1998-1999
Stations	$8,750,000	$3,350,000
Infrastructure/ROW	$0	$2,700,000
Equipment	$8,500,000	$4,500,000
Planning/Engineering	$750,000	$750,000
TOTAL	**$18,000,000**	**$11,300,000**

Stations

Funding will be provided for new construction as well as improvements to existing stations. Multi-modal transit centers for the municipalities of Charlotte, Durham, and Greensboro are in various stages of planning and design, and funds will be provided as needed to continue each project. Interim improvements including platform extensions, lighting, parking and modular stations will be completed in Durham and Burlington during the first quarter of 1998.

Automatic ticket machines will be evaluated for potential use in Raleigh, Cary, Burlington and Salisbury during the fourth quarter of 1997.

Various station improvements in western North Carolina are planned. Capital costs, support facilities, and track improvements necessary at these stations were identified in the Western North Carolina Rail Passenger Study of 1996. The municipalities affected include Asheville, Black Mountain, Old Fort, Marion, Morganton, Hickory, Statesville, and Salisbury.

Infrastructure/ROW

Funds will be used for track improvements and purchase of additional right-of-way for future commuter and high-speed rail purposes.

Equipment

Equipment expenditures include the purchase of two new EMD F-59 PHI locomotives and the restoration of six passenger cars owned by the Department of Transportation. The locomotives will be delivered during fourth quarter of 1998. The six cars include three coach cars, one baggage car, one food service car, and one specialty car (to be used for industrial recruitment and special events).

In FY1998-99, equipment expenditures include the restoration of five passenger cars owned by the Department. The five cars include two baggage cars, one food service car, and two sleeping cars. Alternately, after further investigation and testing, we may recommend that one or more tilt train sets be purchased.

Planning/Engineering

These funds will be used, in part, for the Major Investment Study described in Section 32.27 of Senate Bill 352, for on-going preliminary engineering of high speed rail improvements, and to conduct the study of intrastate rail passenger needs for the eastern portion of the state.

REPORT TO THE
JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE

SMALL BUSINESS ENTERPRISE PROGRAM

This report is submitted in accordance with Section 65 of Senate Bill 26, which requires a quarterly report on the status of the Department's Small Business Enterprise Program.

Policies and Guidelines for the program were developed in January, 1994, by the Chief Engineer-Operations' Office. The authority to implement this program has been delegated through the Chief Engineer-Operations to the Division Engineers and the State Bridge Maintenance Engineer. Projects were selected for contracting under this program and the first projects were let to contract in February, 1994. From February, 1994, through August, 1997, the SBE program has awarded 2267 projects totaling over $69 million; of this amount 17% went to minority owned businesses and 25% went to women owned business.

September 30, 1997

SMALL BUSINESS ENTERPRISE PROGRAM

TOTALS FOR FY '97-'98

(JULY, 1997 - AUGUST 1997)

DIVISIONS	**********	PROJECTS AWARDED				**********
	TOTAL	AMOUNT	MB	AMOUNT	WB	AMOUNT
1	13	$334,853	6	$110,558	5	$1,560
2	12	$176,408	5	$85,654	0	$0
3	4	$41,981	0	$0	0	$0
4	3	$468,205	0	$0	1	$32,230
5	7	$520,974	1	$7,000	0	$0
6	2	$59,885	0	$0	1	$55,485
7	17	$583,824	9	$180,137	1	$8,500
8	9	$385,819	1	$36,190	0	$0
9	0	$0	0	$0	0	$0
10	8	$102,659	5	$56,750	1	$12,200
11	5	$207,291	0	$0	1	$35,096
12	0	$0	0	$0	0	$0
13	17	$324,298	2	$64,429	8	$163,967
14	18	$1,509,163	0	$0	3	$79,470
BR. MNT.	6	$107,940	0	$0	1	$8,250
TOTALS	121	$4,823,300	29	$540,718	22	$396,758

TOTALS SINCE PROGRAM BEGAN

(MARCH, 1994 through AUGUST, 1997)

DIVISIONS	**********	PROJECTS AWARDED				**********	PROJECTS
	TOTAL	AMOUNT	MB	AMOUNT	WB	AMOUNT	COMPLETED
1	187	$4,717,529	31	$584,549	50	$1,104,201	163
2	133	$3,645,839	23	$1,531,642	19	$233,679	118
3	96	$2,056,964	15	$304,857	24	$531,679	92
4	130	$6,313,645	15	$330,851	54	$2,254,451	125
5	148	$5,169,467	38	$667,970	36	$1,143,678	133
6	75	$2,281,329	10	$304,819	16	$624,483	75
7	146	$4,237,739	75	$1,197,955	16	$635,027	139
8	99	$3,826,308	21	$796,224	23	$1,147,241	80
9	141	$6,092,788	30	$830,717	34	$1,106,893	141
10	140	$2,455,043	43	$547,830	34	$530,857	132
11	131	$6,137,315	3	$94,445	55	$2,111,633	112
12	146	$2,670,850	8	$142,521	24	$995,459	146
13	277	$4,377,484	70	$674,843	71	$1,442,555	271
14	254	$11,816,538	5	$41,986	51	$1,986,750	237
. MNT.	164	$3,267,864	7	$162,595	54	$923,175	158
TOTALS	2267	$69,066,702	394	$8,213,804	561	$16,771,761	2122
			17%	12%	25%	24%	

SMALL BUSINESS ENTERPRISE PROGRAM

JULY, 1997 - AUGUST 1997

DIVISIONS	PROJECTS ADVERTISED	BIDS OPENED	BIDS REJECTED	RECEIVED NO BIDS	PROJECTS COMPLETE	PROJECTS UNDERWAY
1	5	12	5	0	8	24
2	13	13	0	0	2	15
3	5	4	0	0	3	4
4	4	4	1	0	0	5
5	6	7	1	0	2	15
6	2	2	0	0	0	0
7	19	19	2	0	2	7
8	5	10	0	0	5	19
9	0	0	0	0	0	0
10	14	16	1	0	8	8
11	9	5	0	0	3	19
12	0	0	0	0	0	0
13	17	151	3	0	1	6
14	21	20	1	1	21	17
Br. Maint.	6	6	0	0	0	6
TOTALS	126	269	14	1	55	145

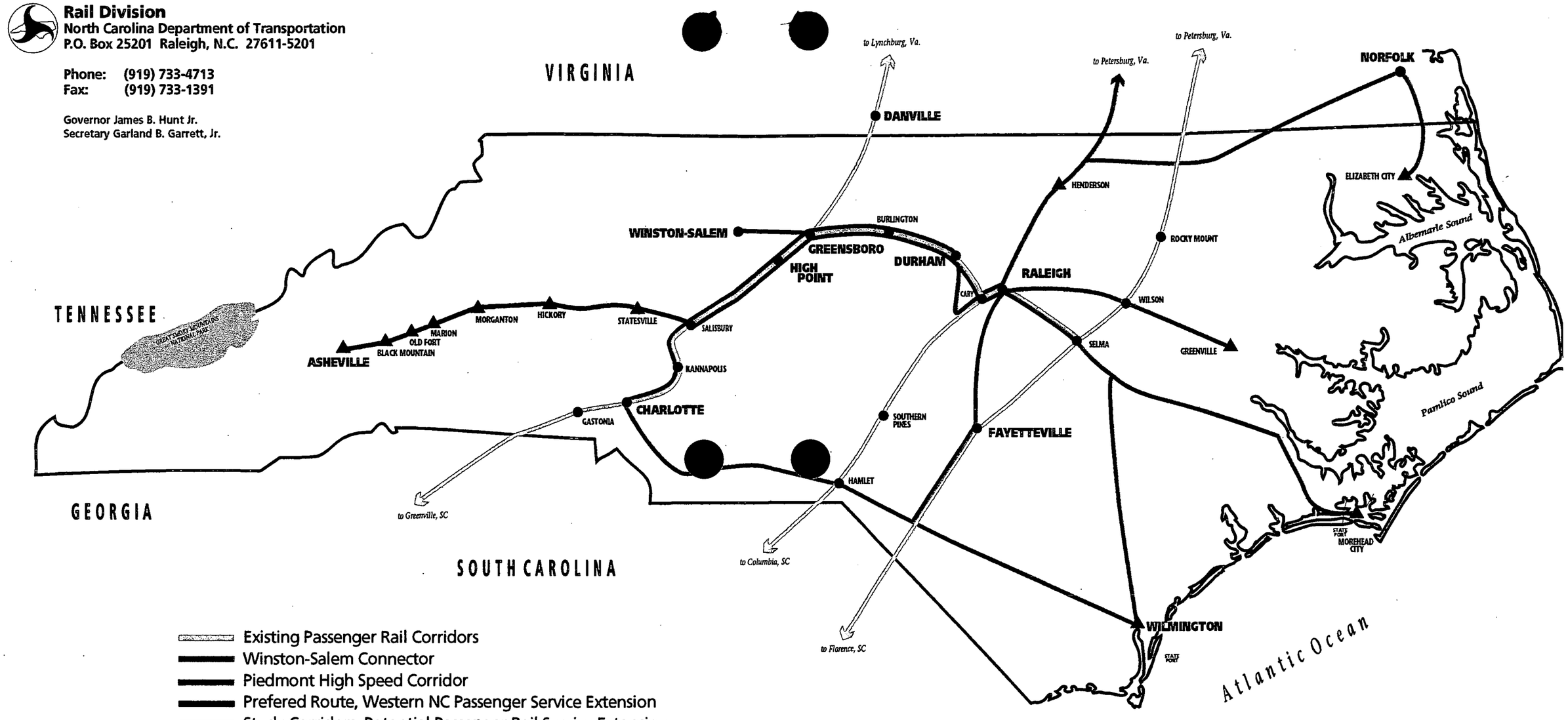
DIVISIONS	PROJECTS AWARDED					
	TOTAL	AMOUNT	MB	AMOUNT	WB	AMOUNT
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13	17	$324,298	2	$64,429	8	$163,967
14	18	$1,509,163	0	$0	3	$79,470
Br. Maint.	6	$107,940	0	$0	1	$8,250
TOTALS	121	$4,823,300	29	$540,718	22	$396,758
			24%	11%	18%	8%

NORTH CAROLINA PASSENGER RAIL PLAN

Rail Division
North Carolina Department of Transportation
P.O. Box 25201 Raleigh, N.C. 27611-5201

Phone: (919) 733-4713
Fax: (919) 733-1391

Governor James B. Hunt Jr.
Secretary Garland B. Garrett, Jr.



- Existing Passenger Rail Corridors
- Winston-Salem Connector
- Piedmont High Speed Corridor
- Prefered Route, Western NC Passenger Service Extension
- Study Corridors, Potential Passenger Rail Service Extension
- ● Existing Passenger Rail Station
- ▲ Potential Future Passenger Rail Station

Note: Exact routes and station stops for potential passenger rail service extensions to be determined in future studies.

Transit 2001

NCDOT Rail Division
WEB site
www.bytrain.org

AMTRAK Stations in North Carolina

Burlington	Fayetteville	High Point	Salisbury
Cary	Gastonia	Kannapolis	Selma
Charlotte	Greensboro	Raleigh	Southern Pines
Durham	Hamlet	Rocky Mount	Wilson

For Information or Reservations: 1-800-USA-RAIL or www.amtrak.com

LOOK, LISTEN & LIVE AT RAILROAD CROSSINGS

August 1997

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

November 18, 19 & 20 1997

Agenda

Tuesday, Nov. 18

1. **Visit Railroad Yard (Raleigh)**
   Tour DOT Rail Car Servicing Facility and Discuss Rail Plans

1. **Visit Division of Motor Vehicles (Raleigh Headquarters)**
   Tour Operation and Discuss Building Replacement

NOTE
The subcommittee will first meet in our regular meeting room (RM 1228) at 10:00 AM before leaving for the site visits. We have planned a box lunch for you on a dinning car at the railroad yard, your cost will be $5.35.

Wednesday, Nov. 19

1. **Presentation of Budgetary & Statutory links to the Transportation Improvement Program (TIP)**

2. **Highways Performance Budget**

Thursday, Nov. 20

1. **Visit Capital Area Maintenance Sites**
   Maintenance Lab & Actual Highway Sites

NOTE
The subcommittee will first meet in our regular meeting room (RM 1228) at 9:00 AM before leaving for the site visits.

THE JOINT LEGISLATIVE
APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION

November 18, 1997
10 AM
ROOM 1228

The Joint Legislative Appropriations Subcommittee on Transportation met in Room 1228 at 10 a.m. on Tuesday, November 18, 1997. **Representative Joanne Bowie** presided.

Members Present:

Representative Joanne Bowie, Co-Chair	Representative Jerry Dockham
Representative Ed McMahan	Representative Bobby Barbee
Representative Bill Hiatt	Representative Jim Gulley
Representative Mary McAllister	Representative Drew Saunders
Representative Ronnie Sutton	2 Senators

Representative Bowie welcomed the committee members. **Karl Knapp, Fiscal Research Division,** informed the Committee they would be touring the Department of Transportation's Railyard and the Division of Motor Vehicles (DMV).

Mr. Patrick Simmons, Director of the Rail Division welcomed all and directed the Committee to waiting buses. At the Railyard Mr. Simmons introduced **Mr. Allan Paul, Director of the Rail Operations Section**, who explained the daily activities at the Railyard. The State owned-equipment includes; 2 locomotives, 5 coaches, 2 food service coaches, baggage cars and 1 dome car. All the rail cars are inspected for safety every night at Railyard. The work barn where the safety inspections and repairs take place is a clean and well-maintained space. The Railyard services and maintains all its equipment here. Mr. Paul noted that the Railyard exceeds all of the safety requirements set forth by the federal government.

All North Carolina Stations are served by the Piedmont (Trains 73/74) and the Carolinian (Trains 79/80) (except Kannapolis).

- The Piedmont connects in Raleigh with the Silver Star to and from Florida.
- The Carolinian connects in Rocky Mount with the Silver Palm to and from Florida
- Both Trains accommodate bicycles on board
- Both serve full meals, snacks and beverages
- Both are equipped to accommodate elderly or disabled passengers.
- Both are equipped with rest rooms
- Both have Railfone service available with use of credit card.

The Committee viewed a Caboose designed as an educational and information tool used all around our State. The Caboose depicts all the services the Rail Division provides to our State:

- Serving 3,600 miles of railroad
- Providing Freight Service
- Building and Renovating Stations (intermodel, new stations, historic stations)
- Improving Safety
- Services of Volunteer Train Hosts
- Bicycle Service
- Expanding Services to Western and Eastern North Carolina
- Developing High Rail
- Boosting Economy

The Committee also had the opportunity to tour one of the locomotives on site and enjoyed a box lunch on board.

David King, Deputy Secretary, Rail Division, DOT, was on hand to welcome the Committee. Mr. King and Mr. Simmons spoke to the Committee about 2 new streamlined passenger locomotives that have recently been ordered. The new F-59 PHI Trains will feature; computer controlled starting, throttle ranges and fuel injection, 3,000 hp engine, rapid acceleration with 110 mph speed capability, improved reliability, reduced maintenance and self-diagnostics, 4 fewer cylinders and associated parts per engine to maintain, aerodynamic, fuel efficient carbody *(see handout I)*. The existing 2 locomotives that the NCDOT Rail Division own are a class 2 diesel locomotives built in 1970. They operate about 350 miles daily round trip between Raleigh and Charlotte. The engines use older generation mechanical controls and do not meet the proposed 1999 EPA clean air standards for locatives.

The Committee viewed a video regarding safety at railroad crossings. **Mr. Paul Worley, Rail Division, Corridor Program Section**, spoke in regard to safety concerns and noted there were 4 thousand accidents reported in 1996. For the past 3 years, the Rail Division in a joint effort with Norfolk Southern has been researching the Federally-designated high speed rail corridor between Greensboro and Charlotte to test new technologies at highway/rail at-grade crossings. The research is expanding to include the use of cameras at designated signalized gated crossing for ticketing purposes and to research the demographics of violators. The Rail Division proposes to "seal" the entire corridor by protecting every public crossing with median barriers, long gate arms, articulated gates, four quadrant gates and other innovative signage. The Rail Division also will continue aggressive efforts to close and consolidate redundant and/or unsafe railroad crossings along this corridor. The project cost for the entire corridor estimated at 5.1 million dollars. Over 4.1 million dollars has been provided for the project by the U.S. Department of Transportation *(see handout II)*.

DEPARTMENT OF MOTOR VEHICLES

At approximately 1:30 p.m. The Committee left the Railyard to visit the headquarters of the DMV (Department of Motor Vehicles) at 1100 New Bern Avenue in Raleigh. **Commissioner Janice Faulkner** welcomed the Committee and introduced her staff. The Commissioner noted there are 6.6 million motor vehicles registered in NC and there are 5.1 million licensed drivers in NC *(see handout III)*.

The DMV provides many services:

- issues 9,000 driver licenses each day
- regulates 12,000 motor vehicle dealers in NC
- weighs nearly 8 million commercial trucks annually
- processes over 8 million pieces of mail annually
- receives 7,000 telephone calls per day.

Mr. Cameron Lee, Capitol Projects Director, spoke with the Committee in regard to the present building concerns. Mr. Lee explained:

- The original building was constructed in 1957 and since has had many additions
- The gross square footage = 187,500
- House approximately 800 employees
- 258 employee parking spaces
- 47 customer parking spaces
- Safety Issues:
    1. Main Building contains asbestos in the floor and ceiling materials
    2. Facility was constructed with existing code violations relating to fire and exits
- DMV uses state of the art technology in third world conditions *(see handout IV)*.

Mr. Lee noted that the DMV plans to use the facility if renovations can be completed; however; employees need to be removed from the building before any renovations can take place because of the asbestos *(see handouts V & VI - maps of Annex & Main Building)*.

The Committee than toured all the Divisions within the Department with the Director of each Division:

- Enforcement Section - Major David Richards
- Motor Vehicle Dealers Registration & Plates - Adams
- Notice, Storage & Thief Division, Director, Rosa Gill
- Emissions Division
- Traffic Accidents & Collision Reports, Director Rosa Gill
- Driver License Division - Director, Wayne Hurder
- Vehicle Registration -Director, Carol Howard
- Help Desk Division
- Quality Assurance Division

It was a very informative tour for the Committee.

Respectfully submitted:

Representative Joanne W. Bowie
Presiding, Co-Chair

Sharon A. Gaudette
Committee Clerk

Senator Luther Jordan, Co-Chair

F-59 PHI CLASS DIESEL LOCOMOTIVES

Existing Situation: NCDOT owns two GP40H-2 class diesel locomotives which were originally built in 1970. They were rebuilt for NCDOT in 1992 and one or both operate about 350 miles daily in the round trip between Raleigh and Charlotte. These locomotives have 16 cylinder, 3,000 hp engines which have been rebuilt three times to date. The engines use older generation mechanical controls and do not meet the proposed 1999 EPA clean air standards for locomotives. They also lack the quick acceleration needed for higher speed operation on our corridor. In two years time these locomotives will be taken out of service for a major overhaul to the meet the new EPA standards and continued service needs.

Procurement Opportunity: Amtrak West conducted an extensive two year assessment and competitive procurement before selecting the Electro Motive Division (EMD) of General Motors Corporation to produce 21 new passenger locomotives. The procurement included the option to add units at the base price. The State/Amtrak contract provides for NCDOT to reimburse Amtrak 100% of capital costs. We estimate that it would take a minimum of 9-12 months to duplicate the procurement, increase the cost by $200,000 to $250,000 per unit and result in a late 2001 delivery.

The opportunity for NCDOT to place an order has been extended from July 1 for 30 days. The price will increase approximately 1% or $44,220 per month thereafter. If an order is placed now, we are assured of a late 1998 delivery.

F-59 PHI Features:

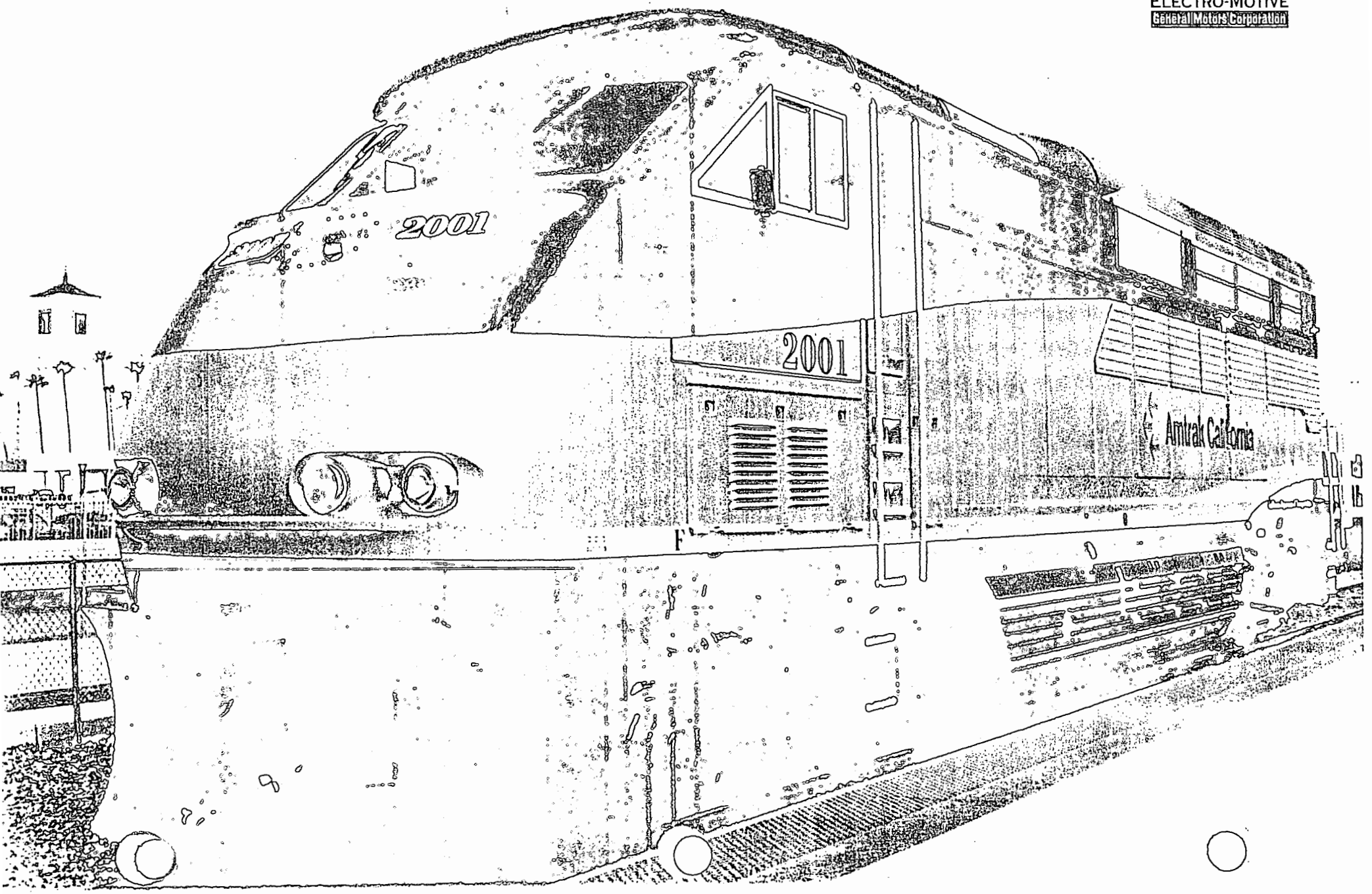
- Computer controlled starting, throttle ranges and fuel injection
- Aerodynamic, fuel efficient carbody
- 3,000 hp engine that meets all proposed EPA locomotive standards for emissions and noise with a high efficiency turbocharger
- 4 fewer cylinders and associated parts per engine to maintain
- Rapid acceleration with 110 mph speed capability
- Improved reliability, reduced maintenance and self-diagnostics
- Improved crew operating station or cab
- 600 kW head end power

Proposed Use: Daily service on the *Piedmont*, extension of service to Asheville and special event trains.

EMD Model F59PHI

3,000 Horsepower DC
Streamlined Passenger Locomotive

ELECTRO-MOTIVE
General Motors Corporation



EMD Model F59PHI

3,000 Horsepower DC Streamlined Passenger Locomotive

ELECTRO-MOTIVE
General Motors Corporation
Locomotive Sales • 9301 W. 55th St. • LaGrange, IL 60525

Specifications

Model Designation	F59PHI
Type	BO-BO
Maximum Speed	110 mph
Gear Ratio	56:21
Wheel Diameter	40"
Fuel Capacity	1,800 gallons
Traction Motor	D87BTR
Traction Alternator	AR15/CA6
Head End Power	600 kW, using a separate power plant

Dimensions/Weights

Max. Height	15'11-7/16"
Overall Length (over coupler faces)	58'2"
Distance between Bolsters	35'
Truck Wheel Base	9'0"
Nominal Weight (full supplies)	268,000 lbs.

Performance Specifications

3,000 THP, using 12-710G3B-EC diesel engine for quick acceleration and smoother operation

Top speed gearing to 110 mph

Blended brakes for aggressive stopping

EFI, for improved fuel economy and lowest emissions

Engine

EMD 12-710G3B-EC

High efficiency turbocharger

Electronic fuel injection

Provides for fastest acceleration

Lower emissions than competition

Crew Focus

WhisperCab™ isolates crew members from locomotive noise and vibration

Exceeds all Federal and AAR crashworthiness standards

Extra wide visibility from cab

Central ventilation for increased comfort

Carbody and Structure

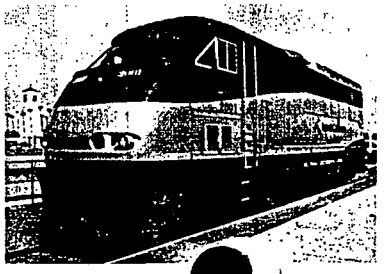
Aerodynamic curves for low drag

High strength vinyl ester glass fiber composite panels

Nose structure exceeds AAR S-580 criteria for crashworthiness

Protective front snow plow shields hoses and cables

- **DC Traction Technology**
- **EM2000 Advanced Computer**
- **Versatile GP-SS Trucks**
- **WhisperCab™**
- **HEP Capability**
- **Integrated Cab Electronics**
- **Head End Power**



EMD 497A/594 5M 6/97 Printed in the USA
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Sealed Corridor

RAIL DIVISION

NORFOLK SOUTHERN

Piedmont High Speed Rail Corridor

Greensboro to Charlotte

92-Mile Corridor *95 Public Crossings* *35 Private Crossings*

For the past three years, a joint effort with Norfolk Southern has been underway on our Federally-designated high speed rail corridor between Greensboro and Charlotte to test new technologies at highway/rail at-grade crossings. Video cameras were installed at the high-traffic Sugar Creek Road crossing in Charlotte to gather data regarding the potential effectiveness of "off the shelf" technologies, applied in a new way.

For instance, median barriers (a device consisting of a raised island with markers mounted on top) placed along the centerline of the roadway at the signalized and gated crossing, reduced violations by 77%. Installation of four-quadrant gates (instead of the conventional two gates) reduced violations by 86% and four quadrant gates with median barriers reduced violations by 98% at the same location. At another crossing monitored by video cameras, violations have also been reduced by 67% using longer gate arms and by 78% using articulated gates. Both cover at least ¾ of the roadway at the crossing.

We are expanding this research to include the use of cameras at a designated signalized gated crossing for ticketing purposes and to research the demographics of violators.

We expect continued success as we study these new applications to improve safety at crossings. Considering this, both the Department and Norfolk Southern are expanding our testing "laboratory" to include the corridor between Greensboro and Charlotte. In essence, we propose to "seal" the entire corridor by protecting every public crossing with median barriers, long gate arms, articulated gates, four quadrant gates and other innovative signage. We also will continue our aggressive efforts to close and consolidate redundant and/or unsafe railroad crossings along this corridor.

The project cost for the entire corridor estimated at $5.1 million. Over $4.1 million has been provided for the project by the U.S. Department of Transportation.

Technologies to be Tested ***(Subject to change.)***

1. **Four Quadrant Gates** (14 Locations)
2. **Median Barriers** (19 Locations)
   - *Removable Plastic With Delineators*
   - *Delineators Only*
   - *Permanent Concrete*
3. **Long Gate Arms and/or Articulated Gates** (57 Locations)
   - *In Combination With Median Barriers at Some Locations*
4. **Intelligent Signal Monitoring System** (All Signalized Public Crossings)
   - *Notifies of Malfunctions*
   - *ITS Potential*
5. **Special Signage** (All Treated Crossings)
6. **Video Monitoring** (3 Crossings)
   - *Testing of Devices*
   - *Enforcement*
7. **Crossing Consolidation - Public Crossings** (Number To Be Determined)
   - *Traffic Separation Studies*
   - *Corridor Projects*
   - *Individual Closures*
8. **Private Crossings**
   - *Automatic Protection Devices*
   - *Gates and Locks*
   - *Closures*

NC Division of Motor Vehicles Fact Sheet

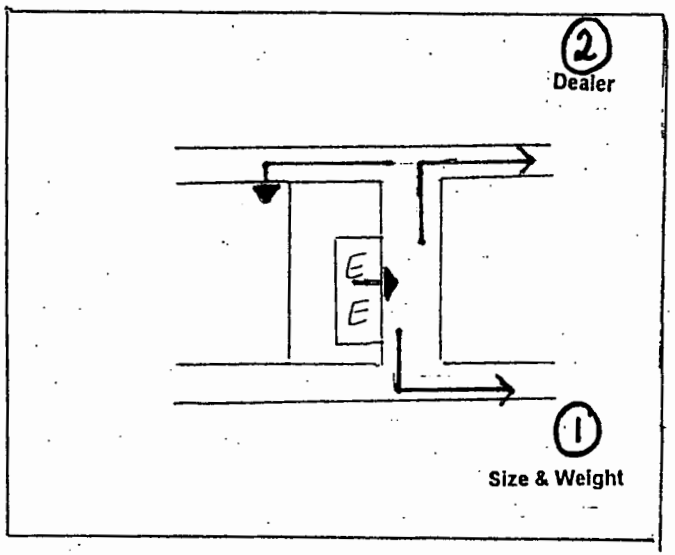
Did You Know?

- There are 6.6 million motor vehicles registered in North Carolina.
- There are 5.1 million licensed drivers in North Carolina.
- DMV issues 9,000 driver licenses each day.
- DMV regulates 12,000 motor vehicle dealers in North Carolina.
- DMV weighs nearly 8 million commercial trucks annually.
- DMV processes over 8 million pieces of mail annually.
- DMV receives 7,000 telephone calls per day.
- DMV collected $800 million in 96-97.

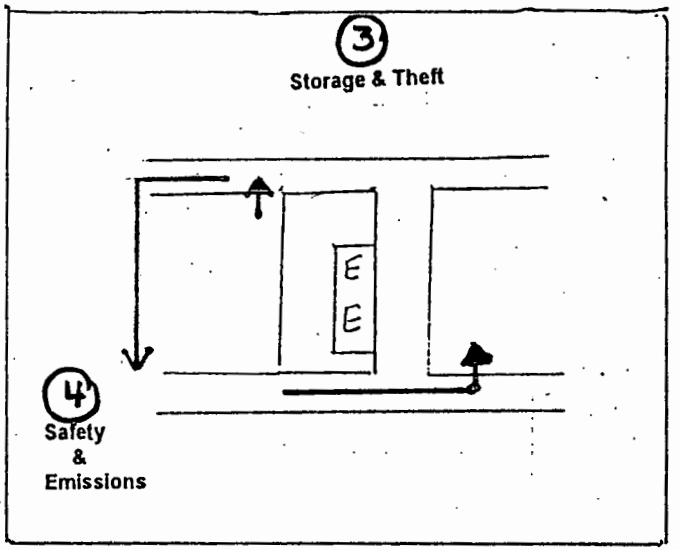
DMV BUILDING
1100 New Bern Avenue, Raleigh

- Original building was constructed in 1957, and since has had many additions.
- Gross square footage = 187,500
- Approximately 800 employees
- 258 employee parking spaces
- 47 customer parking spaces
- Safety Issues:
  - ◊ Main Building contains asbestos in the floor and ceiling materials
  - ◊ facility was constructed with existing code violations relating to fire and exits.
- DMV uses state of the art technology in third world conditions.

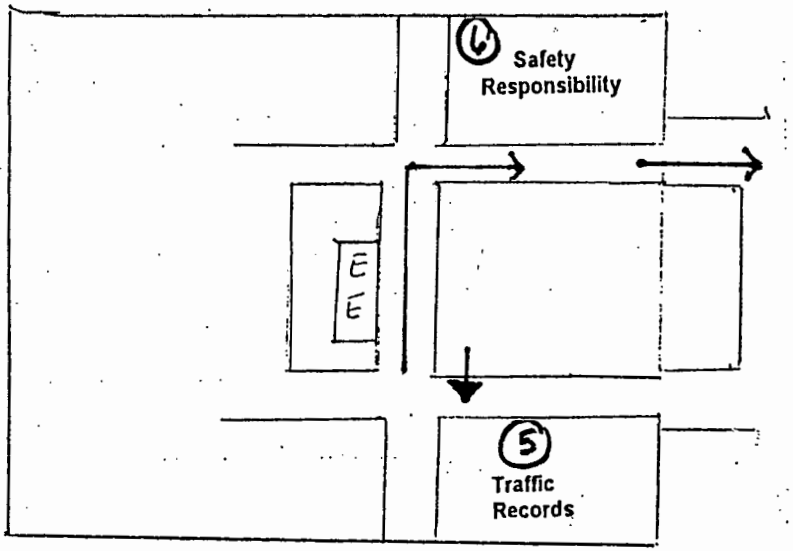
ANNEX



FOURTH FLOOR

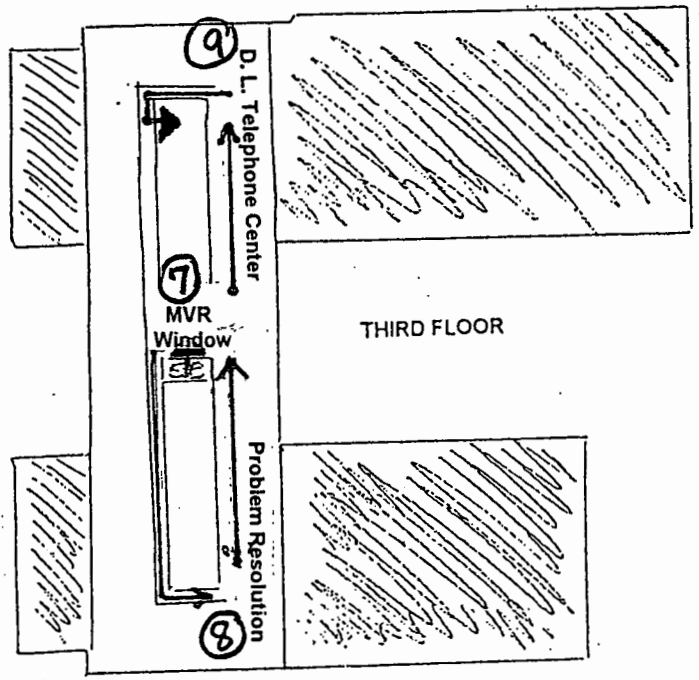


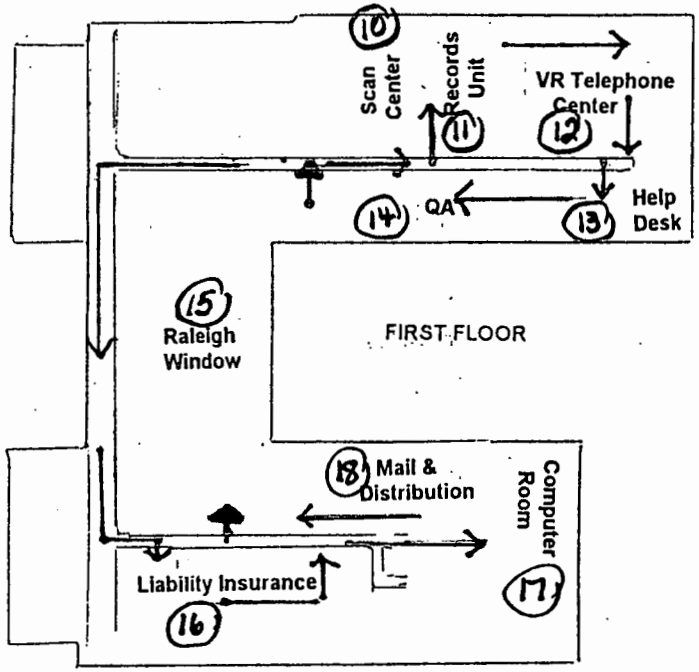
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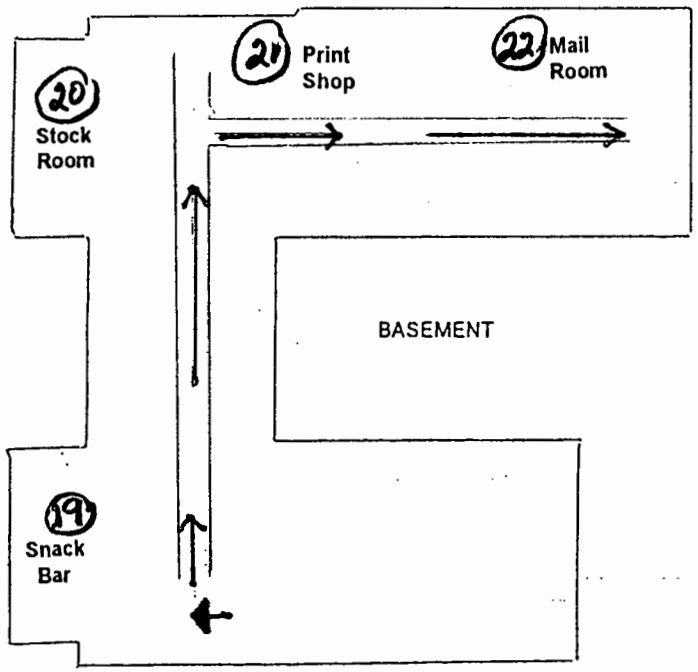


FIRST FLOOR

MAI[redacted]ILDING







JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

November 18, 19 & 20 1997

Agenda

Tuesday, Nov. 18

1. **Visit Railroad Yard (Raleigh)**
   Tour DOT Rail Car Servicing Facility and Discuss Rail Plans

1. **Visit Division of Motor Vehicles (Raleigh Headquarters)**
   Tour Operation and Discuss Building Replacement

NOTE
The subcommittee will first meet in our regular meeting room (RM 1228) at 10:00 AM before leaving for the site visits. We have planned a box lunch for you on a dinning car at the railroad yard, your cost will be $5.35.

Wednesday, Nov. 19

1. **Presentation of Budgetary & Statutory links to the Transportation Improvement Program (TIP)**

2. **Highways Performance Budget**

Thursday, Nov. 20

1. **Visit Capital Area Maintenance Sites**
   Maintenance Lab & Actual Highway Sites

NOTE
The subcommittee will first meet in our regular meeting room (RM 1228) at 9:00 AM before leaving for the site visits.

THE JOINT LEGISLATIVE
APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION

November 19, 1997
9 AM
ROOM 1228

The Joint Legislative Appropriations Subcommittee On Transportation met in Room 1228 at 9 a.m. on Wednesday, November 19, 1997. **Representative Joanne Bowie** called the meeting to order. Visitor's Sheet attached.

Members Present:

Representative Joanne Bowie, Co-Chair
Representative Bobby Barbee
Representative Bill Hiatt
Representative Mary McAllister
Representative Jim Crawford, Monitor
4 Senators

Representative Ed McMahan, Co-Chair
Representative Thomas Hardaway
Representative Jim Gulley
Representative Drew Saunders
Representative Ronnie Sutton

Representative Bowie introduced **Tony Goldman, Fiscal Research Division.** Mr. Goldman presented two documents to the Committee:

1. Highway Construction & Maintenance Budgets and General Statues (see handout I)
2. Transportation Improvement Program Booklet (see handout II)

Mr. Goldman proceeded with a review of **Highway Construction and Maintenance Budgets and the General Statues** *(see handout I).*
Reviewing:

- The Highway Fund availability for all sources, plus the Highway Fund Uses (pg. 1).
- The Highway Fund Availability all Sources and Highway Fund Uses; plus the Highway Trust Fund Availability all Sources and the Highway Trust Fund Uses (pg. 2).

The total budget for the Transportation Program for the year 1997-98 (not including moneys coming in from the Bond) is approximately 2.5 million dollars.

Senator Albertson questioned the complexity of the budget and wondered if there was not a simpler way of keeping it up-to date. **Senator Reeves** asked why on the Department's financial reports some information is blank? **Wayne Stallings, State Controller**, suggested there were some areas in which the information wasn't readily available because of missing technology needs within the accounting process. Mr. Stallings noted a study is taking place, at this time, to identify the equipment and accounting packages that will be required and the cost to make the

State's system in compliance to meet both federal and state reporting requirements. He indicated the report will be ready by the short session in May of 1998. **Senator Reeves** requested the Committee have an opportunity to look at this report when it is finished.

NC General Statutes Article 2A State Roads Generally

136-44.1. The Statewide road system; policies *(handout I. Pg. 5)*

Mr. Goldman brought to the attention of the Committee the difference between the State primary system and State secondary system:

- State primary system shall include all portions of the State highway system located outside municipal corporate limits which are designated by N.C. U. S. or Interstate numbers.
- State Secondary system shall include all of the State highway system located outside municipal corporate limits that is not a part of the State Primary system. The State urban system shall include all portions of the State highway system located within municipal corporate limits. The State parks system shall include all State parks roads and parking lots which are not also part of the State highway system *(handout I. Pg. 6)*. Committee discussion took place.

136-44.7 Secondary roads; annual work program *(handout I. Pg. 11)*

"The Department (DOT) shall be responsible for developing annual work programs for both construction and maintenance of secondary roads in each county in accordance with criteria developed. Projects on the annual construction program for each county shall be rated according to their priority based upon the secondary road criteria and standards which shall be uniform throughout the State. Tentative construction projects and estimated funding shall also be listed in accordance to priority. When a secondary road in a county is listed in the first 10 secondary roads to be paved during a year on a priority list issued by the DOT under this section, the secondary road cannot be removed from the top 10 of that list or any subsequent list until it is paved".

Larry Goode, State Highway Administrator, Department of Transportation was on hand to answer questions. Committee discussion took place. **Senator Albertson** asked when will all secondary roads in the State be paved. Mr. Goode noted 6,000 miles of road have been paved and the goal is to complete 75% by the year 2005.

North Carolina Highway Trust Fund *(handout I. Pg. 19)*

A review of the distribution and allocation of the moneys and the current General Statues associated with the Trust Fund. Mr. Goldman pointed out the total available in the trust fund $843, 781,305.00 and the uses, which are formula driven (meaning there are formulas in the General Statues that lay out these numbers and how they are calculated).

When the bond bill passed it allowed DOT to sell bonds up to a total of nine hundred and fifty million dollars - five hundred of it can be expended on urban loops, three hundred on the intrastate system, and one hundred and fifty on secondary road systems. When the referendum passed, it altered the Trust Fund Statues *(handout I. Pg. 22 (b))*. As long as there is debt associated with the bond issue, the Trust Fund will remain open *(handout I. Pg. 22/23)*. Committee discussion took place.

Committee discussion took place in regard to Page 23 (c) "*If funds are received under 23 U.S.C. Chapter 1, Federal-Aid Highways, for a project for which funds in the Trust Fund may be used, the amount of federal funds received plus the amount of any funds from the Highway Fund that were used to match the federal funds may be transferred by the Secretary of Transportation from the Trust Fund to the Highway Fund and used for projects in the Transportation Improvement Program. Page 23 (d) A contract may be let for projects funded from the Trust Fund in anticipation of revenues pursuant to the cash-flow provisions of G.S. 143-28.1 only for the two biennium's following the year in which the contract is let*".

Mr. Goldman reviewed with the Committee:

- Pg. 25, 26 & 27 - G.S. 136-179 - Listing of Projects of the Intrastate System funded from the Trust Fund.
- Pg. 27 & 28 - G.S. 136-180 -Listing of the various Urban Loops.
- Pg. 29 - G.S. 136-183 - Revenue available from retirement of bonds credited to Highway Trust Fund.
- Pg. 30 - G.S. 136-185 - Maintenance reserve created in certain circumstances.
- Pg. 32 - G.S. 20-85 - Schedule of fees.
- Pg. 33 - G.S. 143-28.1 - Highway Fund appropriation.

Committee discussion took place. **Mr. Goode** noted North Carolina has about 78 thousand miles of highways and 212 miles of loops. **Senator Albertson** questioned when the State of North Carolina will stop building more highways and start looking at other modes of Transportation more seriously?

<u>Highway Bond Bill</u>

Mr. Goldman asked the committee to note the language on *Pg. 40, Section 4 & 5* in regard to the Highway Bond Bill that indicates the Department has been appropriated nine hundred and fifty thousand dollars. This appropriation is in addition to any other appropriation to that Department.

Pg. 40, Sec. 5, (b) states: The proceeds of five hundred million dollars of the bonds and notes shall be used by the DOT for the purpose of paying part or all of the costs of all or some of the urban loops.

Pg. 40, Sec. 5, (c) states: The proceeds of three hundred million dollars shall be used by the DOT for part or all of the cost of all or some of the highways in the Intrastate System.

Pg. 40, Sec. 5, (d) states: The proceeds of one hundred fifty million dollars shall be used by the DOT for part or all of the cost of all or some of projects constituting a part of the State secondary highway system.

Representative McMahan asked how much federal funding North Carolina receives for construction of loops. **Mr. Goode** noted that at this time North Carolina receives 100% federal funding; however, from this point forward bonds, the trust fund, and federal funds will be used.

Mr. Goldman reviewed **State Aid-Municipalities** (known as the Power Bill - Pg. *49)*. This section identifies items under the Highway Fund Uses, Highway Trust Fund Uses and Highway Bond Uses. The total amount of moneys allocated to State Aid-Municipalities is $118,688,205.00. These moneys are set by General Statues and allocated by a set distribution formula (Pg. *49)*.

Other Highway Construction. The total amount allocated to the Urban System, Public Service Roads, Spot Safety and Discretionary is $35,100.00 *(Pg. 55)*. **Mr. Goldman** noted that funds appropriated to the small urban construction program discretionary funds are provided as follows: *(Pg. 56)*

- $14,000,000 allocated in each fiscal year. Funds are allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for the small urban construction program for small projects that are located within the area covered by a one-mile radius of the municipal corporate limits.
- $10,000,000 shall be used statewide for rural or small urban highway improvements, industrial access roads, and spot safety projects are approved by the Secretary of the DOT.

Secondary Road Construction. The total amount allocated to secondary road construction is $200,117,062. These moneys are set up for distribution by a distribution formula (Pg. *59)*.

Board of Transportation - organization; powers and duties, etc (Pg. *65, 66, & 67)*.

Reports to General Assembly; Transportation Improvement Program submitted to members and staff of General Assembly *(Pg. 68)*.

Mr. Larry Goode, State Highway Administrator, Department of Transportation spoke on the Transportation Improvement Program (TIP). Mr. Goode stated the TIP had been in existence since 1973 in North Carolina. It is such a good program and runs so well, it is used as a model for many other States.

Transportation Improvement Program Highway Construction *(Pg. 69)*.

The total amount allocated to the TIP is $1,229,021,701. These moneys are set up for distribution by a regional distribution formula (excluding loops).

136-17.2A. Distribution formula for funds expended on Intrastate System and Transportation Improvement Program *(Pgs. 70 & 71).*

136-176 Creation, Revenue Sources, and the purpose of North Carolina Highway Trust Fund (Pgs. *71 & 72).*

The Highway Program - The Highway Construction Budget and the Federal Aid Construction Program - FFY Pgs. *77).*

Highway Maintenance *(see page 81)* to review Fund uses. Total amount appropriated is $453,235,320.00. The DOT will make a study of the maintenance needs and costs of the State primary and urban systems. On the basis of the costs and proposed appropriations, the Department will develop a statewide annual maintenance program for the State primary and urban systems which shall be subject to the approval of the Board of Transportation , and will consider general maintenance needs, special maintenance needs, and vehicular traffic. The DOT will also develop a uniformly applicable formula for the allocation of secondary roads maintenance funds for use in each county (Pg. *82).*

Representative Sutton asked if the amount appropriated meets the needs of our highway maintenance program. **Mr. Goode** stated because of the growth in population in our State, the increase of vehicles, and the increase in the cost of asphalt to repair and replace highways there is a need for increase of moneys in this area. *Pgs. 83, 84, 85, 86 and 87* address the allocations of the maintenance dollars back into the counties.

Representative McMahan thanked Mr. Goldman and commended him on the very through and informative review of the Highway Construction and Maintenance Budgets and General Statues presented to the Committee.

Committee adjourned for lunch at 12 Noon

Meeting resumed at 1:30 p.m.

Mr. Larry Sams, Assistant to the Highway Administrator, DOT, presented to the Committee a review of the Performance Budgeting - (***see Committee's work booklet - Transportation Program Area).***

Page 8-5 - **P**oints out the goals of the Transportation Program and the three major components:

- Plan, design, construct, repair, and maintain roads and highways
- Expand, improve, and support alternative and non-highway modes of transportation
- Ensure safe transportation through education and regulation

Page 8- 8- Plan, design, construct, repair and maintain roads and highways.
Page 8-10- Plan, design, construct and expand roads -
Subprograms: 1) Major arterial highways, 2) Secondary roads, and 3) Special purpose projects.
Page 8-12- **Major Arterial Highways**:
Page 8-13- *Objective 1*: Implement design and highway improvements to reduce accident rates one percent per year.
Page 8-14- *Objective 2:* Maintain travel times on the major arterial highways to meet a statewide average minimum level of Service C (satisfactory operating speed, stable flow, maneuverability moderately restricted).
Objective 3: Provide an overall implementation rate of 90 percent on TIP projects.

Page 8-20- **Secondary Roads**
Page 8-21- *Objective 1*: Reduce the number of secondary road bridges with posted weight limits 8% annually.
Page 8-22- *Objective 2*: Pave 75% of unpaved secondary roads by 2005.

Page 8-26- **Special Purpose Projects**
Page 8-27- *Objective 1:* Respond to as many specific qualified traffic flow improvements and safety needs as funding will allow.
Page 8-28- *Objective 2:* Provide and improve access to local school systems and industry locations which apply and qualify for assistance.

Page 8-32- **Maintain and Repair Roads and Highways**
Page 8-34 Subprograms: 1) Major Arterial Highways 2) Secondary Roads
Major Arterial Highways
Objective 1: Reduce the highway pavement backlog by applying maintenance overlays on a ten year cycle time for primaries and a twelve year cycle time for urban facilities.
Objective 2: Reduce the highway routine maintenance backlog by two percent annually.
Page 8-40- **Secondary Roads**
Objective 1: Reduce the highway pavement backlog by applying maintenance overlays on a twelve year cycle
Objective 2: Reduce the highway routine maintenance backlog by applying 10% of maintenance funds annually to elimination of backlog.

Mr. Goldman noted there will be many hours of hard work ahead for the Department to layout specific outcome measures and performance measures in the Transportation Programs that will reflect a clear and concise picture of the budget process. The Department would appreciate any input by the Committee and would request that they be granted some flexibility for study and review to work out the best program possible.

Meeting adjourned at 3 p.m.

Respectfully submitted:

Representative Joanne W. Bowie
Presiding, Co-Chair

Sharon A. Gaudette
Committee Clerk

Senator Luther Jordan, Co-Chair

VISITOR REGISTRATION SHEET

JOINT APPRO/SUBCOMMITTEE TRANSPORTATION 4-19, 1997

Name of Committee | Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
WAYNE STALLINGS	DOT Fiscal Section
BERRY JENKINS	CAROLINAS AGC
LYMAN COOPER	CSX Corp
Nat Reed	Conservation Council of N/C
VL, McBride	NCDTA/NCALPE
Milton Alford	OSBM

F.

JOINT TRANSPORTATION APPROPRIATIONS SUBCOMMITTEE MEETING

NOV. 19, 1997

REVIEW OF HIGHWAY CONSTRUCTION AND MAINTENANCE BUDGETS AND GENERAL STATUES

Nov. 19

DEPARTMENT OF TRANSPORTATION
CERTIFIED BUDGET
FY 1997/98

DEPARTMENT OF TRANSPORTATION
HIGHWAY FUND BUDGET
FY 1997/98

HIGHWAY FUND AVAILABILITY ALL SOURCES

State Funds	FY 1997/98
Motor Fuels Tax	$ 760,254,000
Gasoline Inspection Fee	12,402,000
Highway Use Reg. Fee	300,000
Staggered Vehicle Reg.	134,854,000
Truck Licenses	55,150,000
International Reg.	42,975,000
Drivers Licenses	70,176,000
Investment Income	17,005,000
Other	25,5[illegible],752
Beginning Credit Balance	33,669,547
Total State Funds	$1,152,321,299
Federal Receipts	$ 506,872,567
Highway Trust Fund Receipts	$ 14,847,186
Other	$ 22,098,263
Total All Sources	$1,696,139,315

HIGHWAY FUND USES

	FY 1997/98
Administration (84210)	$ 63,669,587
Operations (84220)	43,856,652
Construction and Maint (84230)	1,245,186,062
Highway Safety (84240)	4,716,617
DMV (84260)	100,014,171
Reserves (84270)	238,696,226
Total	$1,696,139,315

DEPARTMENT OF TRANSPORTATION
HIGHWAY FUND & HIGHWAY TRUST FUND BUDGET
FY 1997/98

HIGHWAY FUND AVAILABILITY ALL SOURCES

State Funds	FY 1997/98
Motor Fuels Tax	$ 760,254,000
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Total	$1,696,139,315

HIGHWAY TRUST FUND AVAILABILITY ALL SOURCES

	FY 1997/98
Motor Fuel Tax	$ 253,393,000
Highway Use Tax	$ 437,374,305
Certificates of Title	$ 73,334,000
Miscellaneous Title Fees	$ 13,303,000
Treasurer's Investments	$ 28,377,000
Transfer From Highway Fund	$ 38,000,000
Total	$ 843,781,305

HIGHWAY TRUST FUND USES

Highway Trust Fund (84290)	FY 1997/98
Intrastate System	$ 381,880,586
Secondary Roads	71,497,038
Urban Loops	154,416,605
State Aid - Municipalities	40,068,181
Program Administration	25,918,895
Transfer to General Fund	170,000,000
Total	$ 843,781,305

DEPARTMENT OF TRANSPORTATION
HIGHWAY FUND & HIGHWAY TRUST FUND BUDGET
FY 1997/98

HIGHWAY FUND AVAILABILITY ALL SOURCES

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TOTAL AVAILABILITY (HWY FUND & HTF)

	FY 1997/98
Total	$2,539,920,620
Transfers	57,117,810
Total Less Transfers	$2,482,802,810

TOTAL USES (HWY FUND & HTF)

	FY 1997/98
Total	$2,539,920,620
Transfers	57,117,810
Total Less Transfers	$2,482,802,810

NC GENERAL STATUTES
ARTICLE 2A
STATE ROADS GENERALLY

ARTICLE 2A.
State Roads Generally.

Sec.
136-44.1. Statewide road system; policies.
136-44.2. Budget and appropriations.
136-44.2A. Secondary road construction.
136-44.2B. Reports to appropriations committees of General Assembly.
136-44.2C. Special appropriations for State construction.
136-44.3. Annual maintenance program; State primary and urban systems.
136-44.4. Annual construction program; State primary and urban systems.
136-44.5. Secondary roads; mileage study; allocation of funds.
136-44.6. Uniformly applicable formula for the allocation of secondary roads maintenance funds.
136-44.7. Secondary roads; annual work program.
136-44.7A. Submission of secondary roads construction programs to State agencies.
136-44.8. Submission of secondary roads construction programs to the Boards of County Commissioners.
136-44.9. Secondary roads; annual statements.
136-44.10. Additions to secondary road system.
136-44.11. Right-of-way acquisitions; preliminary engineering annual report.
136-44.12. Maintenance of roads and parking lots in areas administered by the Division of Parks and Recreation.
136-44.13. [Reserved.]
136-44.14. Curb ramps or curb cuts for handicapped persons.
136-44.15. [Expired.]
136-44.16 through 136-44.19. [Reserved.]

§ 136-44.1. Statewide road system; policies.

The Department of Transportation shall develop and maintain a statewide system of roads and highways commensurate with the needs of the State as a whole and it shall not sacrifice the general statewide interest to the purely local desires of any particular area. The Board of Transportation shall formulate general policies and plans for a statewide system of highways. The Board shall formulate policies governing the construction, improvement and maintenance of roads and highways of the State with due regard to farm-to-market roads and school bus routes.

(1973, c. 507, s. 3; 1975, c. 716, s. 7.)

Legal Periodicals. - For survey of 1980 administrative law, see 59 N.C.L. Rev. 1026 (1981).

CASE NOTES

Stated in Orange County Sensible Hwys. & Protected Env'ts, Inc. v. North Carolina DOT, 46 N.C. App. 350, 265 S.E.2d 890 (1980).

§ 136-44.2. Budget and appropriations.

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The Director of the Budget shall include in the "Current Operations Appropriations Bill" an enumeration of the purposes or objects of the proposed expenditures for each of the construction and maintenance programs for that budget period for the State primary, secondary, urban, and State parks road systems. The State primary system shall include all portions of the State highway system located outside municipal corporate limits which are designated by N.C. U.S. or Interstate numbers. The State secondary system shall include all of the State highway system located outside municipal corporate limits that is not a part of the State primary system. The State urban system shall include all portions of the State highway system located within municipal corporate limits. The State parks system shall include all State parks roads and parking lots which are not also part of the State highway system.

All construction and maintenance programs for which appropriations are requested shall be enumerated separately in the budget. Programs that are entirely State funded shall be listed separately from those programs involving the use of federal-aid funds. Proposed appropriations of State matching funds for each of the federal-aid construction programs shall be enumerated separately as well as the federal-aid funds anticipated for each program in order that the total construction requirements for each program may be provided for in the budget. Also, proposed State matching funds for the highway planning and research program shall be included separately along with the anticipated federal-aid funds for that purpose.

Other program categories for which appropriations are requested, such as, but not limited to, maintenance, channelization and traffic control, bridge maintenance, public service and access road construction, and ferry operations shall be enumerated in the budget.

The Department of Transportation shall have all powers necessary to comply fully with provisions of present and future federal-aid acts. No federally eligible construction project may be funded entirely with State funds unless the Department of Transportation has first consulted with the Joint Legislative Commission on Governmental Operations. For purposes of this section, "federally eligible construction project" means any construction project except secondary road projects developed pursuant to G.S. 136-44.7 and 136-44.8 eligible for federal funds under any federal-aid act, whether or not federal funds are actually available.

The "Current Operations Appropriations Bill" shall also contain the proposed appropriations of State funds for use in each county for maintenance and construction of secondary roads, to be allocated in accordance with G.S. 136-44.5 and 136-44.6. State funds appropriated for secondary roads shall not be transferred nor used except for the construction and maintenance of secondary roads in the county for which they are allocated pursuant to G.S. 136-44.5 and 136-44.6.

In the event receipts and increments to the State Highway Fund shall be more than the appropriations made for the preceding fiscal year, such excesses shall be allocated by the Director of the Budget to the Department of Transportation for school and industrial access roads and unforeseen happenings or state of affairs requiring prompt action, with fifty percent (50%) of the balance to be allocated to the State secondary roads program on the basis of need as determined by the Department of Transportation and the remaining fifty percent (50%) to be allocated in accordance with G.S. 136-44.5.

The Department of Transportation may provide for costs incurred or accrued for traffic control measures to be taken by the Department at major events which involve a high degree of traffic concentration on State highways, and which cannot be funded from regular budgeted items. This authorization applies only to events which are expected to generate 30,000 vehicles or more per day. The Department of Transportation shall provide for this funding by allocating

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and reserving up to one hundred thousand dollars ($100,000) before any other allocations from the appropriations for State maintenance for primary, secondary, and urban road systems are made, based upon the same proportion as is appropriated to each system.

(1973, c. 507, s. 3; 1977, c. 464, s. 7.1; 1981, c. 859, s. 84; 1983, c. 717, ss. 46, 47; 1987, c. 830, s. 113(b); 1989, c. 799, s. 12(a); 1991 (Reg. Sess., 1992), c. 907, s. 2; c. 1044, s. 35.)

§ 136-44.2A. Secondary road construction.

There shall be annually allocated out of the State Highway Fund to the Department of Transportation for secondary road construction programs developed pursuant to G.S. 136-44.7 and 136-44.8, a sum equal to that allocation made from the Highway Fund under G.S. 136-41.1(a). In addition, as provided in G.S. 136-176(b)(4) and G.S. 20-85(b), revenue is annually allocated from the Highway Trust Fund for secondary road construction. Of the funds allocated from the Highway Fund and the Highway Trust Fund, the sum of sixty-eight million six hundred seventy thousand dollars ($68,670,000) shall be allocated among the counties in accordance with G.S. 136-44.5(b). All funds for secondary road construction in excess of that amount shall be allocated among the counties in accordance with G.S. 136-44.5(c).

(1981, c. 690, s. 6; 1989, c. 692, s. 1.7.)

Editor's Note. - The section originally codified as § 136-44.2A was recodified by Session Laws 1981, c. 690, s. 5, as § 136-44.2B.

Session Laws 1993 (Reg. Sess., 1994), c. 769, s. 20.4 provides: "Five hundred thousand dollars ($500,000) of the funds to be allocated pursuant to G.S. 136-44.2A for secondary road construction during the 1994-95 fiscal year shall be exempt from the county formula allocation in G.S. 136-44.5. The Department of Transportation shall utilize the funds so excluded for the signing of State-maintained county roads in the 17 counties where signing has not already been funded."

Session Laws 1993 (Reg. Sess., 1994), c. 769, s. 43.2 provides: "Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1994-95 fiscal year, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 1994-95 fiscal year."

Session Laws 1993 (Reg. Sess., 1994), c. 769, s. 2 provides: "This act shall be known as 'The Current Operations and Capital Improvements Appropriations Act of 1994.'"

§ 136-44.2B. Reports to appropriations committees of General Assembly.

In each year that an appropriation bill is considered by the General Assembly, the Department of Transportation shall make a report to the appropriations committee of each House on all services provided by the Department to the public for which a fee is charged. The report shall include an analysis of the cost of each service and the fee charged for that service.

(1975, c. 875, s. 8; 1981, c. 690, s. 5.)

Editor's Note. - This section was originally codified as § 136-44.2A. It was recodified as § 136-44.2B by Session Laws 1981, c. 690, s. 5.

§ 136-44.2C. Special appropriations for State construction.

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Special appropriations for the construction of State highways may be used for the planning, design, right-of-way acquisition, and construction of highway projects for the State Highway System and Federal Aid System, including secondary roads, contained in the Transportation Improvement Program prepared pursuant to G.S. 143B-350(f)(4). Funding from the special appropriations used for secondary road projects in the Transportation Improvement Program is not subject to the allocation formula and restrictions of G.S. 136-44.2, 136-44.2A, or 136-44.5.

(1991, c. 689, s. 210.1.)

§ 136-44.3. Annual maintenance program; State primary and urban systems.

The Department of Transportation shall make a study of the maintenance needs and costs of the State primary and urban systems. On the basis of the costs and proposed appropriations, the Department of Transportation shall develop a statewide annual maintenance program for the State primary and urban systems which shall be subject to the approval of the Board of Transportation and shall take into consideration the general maintenance needs, the special maintenance needs and vehicular traffic and other factors deemed pertinent. The Department of Transportation, from time to time, shall restudy the costs and criteria used as a basis for its annual maintenance program. Copies of the annual maintenance program shall be made available to any member of the General Assembly upon request. Each division engineer, at the end of the fiscal year, shall certify the maintenance of highways in his division in accordance with the annual work program, along with the explanations of any deviations.

(1973, c. 507, s. 3; 1975, c. 716, s. 7; 1977, c. 464, s. 39.)

§ 136-44.4. Annual construction program; State primary and urban systems.

The Department of Transportation shall develop an annual construction program for the state-funded improvements on the primary and urban system highways and for all federal-aid construction programs which shall be approved by the Board of Transportation. It shall include a statement of the immediate and long-range goals. The Department shall develop criteria for determining priorities of projects to insure that the long-range goals and the statewide needs as a whole are met, which shall be approved by the Board of Transportation. The annual construction program shall list all projects according to priority. A brief description of each project shall be given, identifying the highway number, county, nature of the improvement and the estimated cost of the project shall be indicated. Copies of the most recent annual work program shall be made available to any member of the General Assembly upon request. The Department of Transportation shall make annual reports after the completion of the fiscal year to be made available to the legislative committees and subcommittees for highway matters, county commissioners, and other persons upon request. These reports shall indicate the expenditure on each of the projects and the status of all projects set out in the work program.

(1973, c. 507, s. 3; 1975, c. 716, s. 7; 1977, c. 464, s. 40.)

CASE NOTES

Stated in Orange County Sensible Hwys. & Protected Env'ts, Inc. v. North Carolina DOT, 46 N.C. App. 350, 265 S.E.2d 890 (1980).

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§ 136-44.5. Secondary roads; mileage study; allocation of funds.

(a) Before July 1, in each calendar year, the Department of Transportation shall make a study of all state-maintained unpaved roads in the State. The study shall determine the number of miles of unpaved state-maintained roads in each county, the total number of miles of unpaved state-maintained roads in the State, the number of miles of unpaved state-maintained roads in each county that have a traffic vehicular equivalent of at least 50 vehicles a day, and the total number of miles of unpaved state-maintained roads in the State that have a traffic vehicular equivalent of at least 50 vehicles a day. Except for federal-aid programs, the Department shall allocate all secondary road construction funds on the basis of a formula using the study figures.

(b) The first sixty-eight million six hundred seventy thousand dollars ($68,670,000) shall be allocated as follows: Each county shall receive a percentage of these funds, the percentage to be determined as a factor of the number of miles of unpaved state-maintained secondary roads in the county divided by the total number of miles of unpaved state-maintained secondary roads in the State.

(c) Funds allocated for secondary road construction in excess of sixty-eight million six hundred seventy thousand dollars ($68,670,000) shall be allocated to each county based on the percentage proportion that the number of miles in the county of state-maintained unpaved secondary roads with a traffic vehicular equivalent of at least 50 vehicles a day bears to the total number of miles in the State of state-maintained unpaved secondary roads with a traffic vehicular equivalent of at least 50 vehicles a day.

(d) Copies of the Department study of unpaved state-maintained secondary roads and copies of the individual county allocations shall be made available to newspapers having general circulation in each county.

(1973, c. 507, s. 3; 1975, c. 716, s. 7; 1989, c. 692, s. 1.8.)

Editor's Note. - Session Laws 1991, c. 689, s. 66.6, as amended by Session Laws 1991 (Reg. Sess., 1992), c. 900, s. 103 provides: "Of the funds appropriated in this Title to the Department of Transportation, ten million eight hundred five thousand six hundred sixty-four dollars ($10,805,664) shall be allocated in the 1991-92 fiscal year and nine million twenty-eight thousand two hundred sixty-six dollars ($9,028,266) in the 1992-93 fiscal year for small urban construction projects. Seven million dollars ($7,000,000) of these funds shall be allocated equally in fiscal year 1991-92 and six million dollars ($6,000,000) in fiscal year 1992-93 among the 14 Highway Divisions for the small Urban Construction program for small urban construction projects that are located within the area covered by a one-mile radius of the municipal corporate limits. Of the remaining funds, three million eight hundred five thousand six hundred sixty-four dollars ($3,805,664) for the 1991-92 fiscal year and three million twenty-eight thousand two hundred sixty-six dollars ($3,028,266) for the 1992-93 fiscal year shall be used statewide for rural or small urban highway improvements as approved by the Secretary of the Department of Transportation.

"None of these funds used for rural secondary road construction are subject to the county allocation formula as provided in G.S. 136-44.5.

"No more than fifty percent (50%) of the funds available for the 1992-93 fiscal year to each Highway Division under this section and for the projects approved by the Secretary of Transportation under this section may be expended, encumbered, or allocated prior to January 31, 1993.

"The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to this section in each member's district prior to the Board of Transportation's action. The Department shall make a quarterly comprehensive report on the use of these funds to the Joint Legislative Highway Oversight Committee and the Fiscal Research Division."

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Session Laws 1993, c. 321, s. 148 provides:
"Of the funds appropriated in this act to the Department of Transportation, the sum of twenty million dollars ($20,000,000) shall be allocated in each fiscal year of the biennium for small urban construction projects. Fourteen million dollars ($14,000,000) of these funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for the Small Urban Construction Program for small urban construction projects that are located within the area covered by a one-mile radius of the municipal corporate limits. The remaining six million dollars ($6,000,000) shall be used statewide for rural or small urban highway improvements as approved by the Secretary of the Department of Transportation.

"None of these funds used for rural secondary road construction are subject to the county allocation formula as provided in G.S. 136-44.5.

"The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to this section in each member's district prior to the Board of Transportation's action. The Department shall make a quarterly comprehensive report on the use of these funds to the Joint Legislative Highway Oversight Committee and the Fiscal Research Division."

Session Laws 1993, c. 321, s. 169.2(g) provides:
"Any law that contains 'Joint Legislative Highway Oversight Committee' shall be deemed to refer to the 'Joint Legislative Transportation Oversight Committee.' "

Session Laws 1993, c. 321, s. 321 provides: "Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1993-95 biennium, the textual provisions of this act shall apply only to funds appropriated for and activities occurring during the 1993-95 biennium."

Session Laws 1993 (Reg. Sess., 1994), c. 769, s. 20.4 provides: "Five hundred thousand dollars ($500,000) of the funds to be allocated pursuant to G.S. 136-44.2A for secondary road construction during the 1994-95 fiscal year shall be exempt from the county formula allocation in G.S. 136-44.5. The Department of Transportation shall utilize the funds so excluded for the signing of State-maintained county roads in the 17 counties where signing has not already been funded."

Session Laws 1993 (Reg. Sess., 1994), c. 769, s. 43.2 provides: "Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1994-95 fiscal year, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 1994-95 fiscal year."

Session Laws 1993 (Reg. Sess., 1994), c. 769, s. 2 provides: "This act shall be known as 'The Current Operations and Capital Improvements Appropriations Act of 1994.'"

Session Laws 1995, c. 324, s. 18.12, as amended by Session Laws 1995, c. 507, s. 18.5, provides: "Of the funds appropriated in this act to the Department of Transportation:

"(1) Fourteen million dollars ($14,000,000) shall be allocated in each fiscal year for small urban construction projects. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for the small urban construction program for small urban construction projects that are located within the area covered by a one-mile radius of the municipal corporate limits.

"(2) Nine million dollars ($9,000,000) shall be used statewide for rural or small urban highway improvements, industrial access roads, and spot-safety projects as approved by the Secretary of the Department of Transportation."

Session Laws 1995, c. 324, s. 28.3, provides: "Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1995-97 biennium, the textual provisions of this act shall apply only to funds appropriated for and activities occurring during the 1995-97 biennium."

Session Laws 1995, c. 324, s. 1.1, provides: "This act shall be known as the Continuation Budget Operations Appropriations Act of 1995."

Session Laws 1995, c. 507, s. 1.1, provides that this act shall be known and cited as the Expansion and Capital Improvements Appropriations Act of 1995.

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Session Laws 1995, c. 507, s. 28.9, provides: "Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 1995-97 fiscal biennium, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 1995-97 biennium."

§ 136-44.6. Uniformly applicable formula for the allocation of secondary roads maintenance funds.

The Department of Transportation shall develop a uniformly applicable formula for the allocation of secondary roads maintenance funds for use in each county. The formula shall take into consideration the number of paved and unpaved miles of state-maintained secondary roads in each county and such other factors as experience may dictate.

(1973, c. 507, s. 3; 1975, c. 716, s. 7; c. 753.)

§ 136-44.7. Secondary roads; annual work program.

(a) The Department of Transportation shall be responsible for developing criteria for improvements and maintenance of secondary roads. The criteria shall be adopted by the Board of Transportation before it shall become effective. The Department of Transportation shall be responsible for developing annual work programs for both construction and maintenance of secondary roads in each county in accordance with criteria developed. It shall reflect the long-range and immediate goals of the Department of Transportation. Projects on the annual construction program for each county shall be rated according to their priority based upon the secondary road criteria and standards which shall be uniform throughout the State. Tentative construction projects and estimated funding shall also be listed in accordance to priority. The annual construction program shall be adopted by the Board of Transportation before it shall become effective.

(b) When a secondary road in a county is listed in the first 10 secondary roads to be paved during a year on a priority list issued by the Department of Transportation under this section, the secondary road cannot be removed from the top 10 of that list or any subsequent list until it is paved. All secondary roads in a county shall be paved, insofar as possible, in the priority order of the list. When a secondary road in the top 10 of that list is removed from the list because it has been paved, the next secondary road on the priority list shall be moved up to the top 10 of that list and shall remain there until it is paved.

(1973, c. 507, s. 3; 1975, c. 716, s. 7; 1977, c. 464, s. 8; 1989, c. 692, s. 1.9; 1991 (Reg. Sess., 1992), c. 900, s. 99.)

Editor's Note. - Session Laws 1989, c. 692, s. 8.2 provided: "This act does not affect the rights or liabilities of the State, a taxpayer, or another person arising under a statute amended or repealed by this act before its amendment or repeal; nor does it affect the right to any refund or credit of a tax that would otherwise have been available under the amended or repealed statute before its amendment or repeal."

Session Laws 1991 (Reg. Sess., 1992), c. 900, s. 2, provides: "This act shall be known as 'The Current Operations Appropriations Act of 1992.' "

Session Laws 1991 (Reg. Sess., 1992), c. 900, s. 182 is a severability clause.

§ 136-44.7A. Submission of secondary roads construction programs to State agencies.

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When the Department of Transportation proposes to pave an unpaved secondary road that crosses land controlled by a State agency, the Department of Transportation shall obtain the approval of that State agency before paving that secondary road.

(1996, 2nd Ex. Sess., c. 18, s. 19.7.)

Editor's Note. - Session Laws 1996, Second Extra Session, c. 18, s. 29.6, made this section effective July 1, 1996.

Session Laws 1996, Second Extra Session, c. 18, s. 1.1, provides: "This act shall be known as the Current Operations Appropriations Act of 1996."

Session Laws 1996, Second Extra Session, c. 18, s. 29.5, is a severability clause.

§ 136-44.8. Submission of secondary roads construction programs to the Boards of County Commissioners.

(a) The Department of Transportation shall post in the county courthouse a county map showing tentative secondary road paving projects rated according to the priority of each project in accordance with the criteria and standards adopted by the Board of Transportation. The map shall be posted at least two weeks prior to the public meeting of the county commissioners at which the Department of Transportation representatives are to meet and discuss the proposed secondary road construction program for the county as provided in subsection (c).

(b) The Department of Transportation shall provide a notice to the public of the public meeting of the board of county commissioners at which the annual secondary road construction program for the county proposed by the Department is to be presented to the board and other citizens of the county as provided in subsection (c). The notice shall be published in a newspaper published in the county or having a general circulation in the county once a week for two succeeding weeks prior to the meeting. The notice shall also advise that a county map is posted in the courthouse showing tentative secondary road paving projects rated according to the priority of each project.

(c) Representatives of the Department of Transportation shall meet with the board of county commissioners at a regular or special public meeting of the board of county commissioners for each county and present to and discuss with the board of county commissioners and other citizens present, the proposed secondary road construction program for the county. The presentation and discussion shall specifically include the priority rating of each tentative secondary road paving project included in the proposed construction program, according to the criteria and standards adopted by the Board of Transportation.

At the same meeting after the presentation and discussion of the annual secondary road construction program for the county or at a later meeting, the board of county commissioners may (i) concur in the construction program as proposed, or (ii) take no action, or (iii) make recommendations for deviations in the proposed construction program, except as to paving projects and the priority of paving projects for which the board in order to make recommendations for deviations, must vote to consider the matter at a later public meeting as provided in subsection (d).

(d) The board of county commissioners may recommend deviations in the paving projects and the priority of paving projects included in the proposed secondary road construction program only at a public meeting after notice to the public that the board will consider making

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recommendations for deviations in paving projects and the priority of paving projects included in the proposed annual secondary road construction program. Notice of the public meeting shall be published by the board of county commissioners in a newspaper published in the county or having a general circulation in the county. After discussion by the members of the board of county commissioners and comments and information presented by other citizens of the county, the board of county commissioners may recommend deviations in the paving projects and in the paving priority of secondary road projects included in the proposed secondary road construction program. Any recommendation made by the board of county commissioners for a deviation in the paving projects or in the priority for paving projects in the proposed secondary road construction program shall state the specific reason for each such deviation recommended.

(e) The Board of Transportation shall adopt the annual secondary construction program for each county after having given the board of county commissioners of each county an opportunity to review the proposed construction program and to make recommendations as provided in this section. The Board of Transportation shall consider such recommendations insofar as they are compatible with its general plans, standards, criteria and available funds, but having due regard to development plans of the county and to the maintenance and improvement needs of all existing roads in the county. However, no consideration shall be given to any recommendation by the board of county commissioners for a deviation in the paving projects or in the priority for paving secondary road projects in the proposed construction program that is not made in accordance with subsection (d).

(f) The secondary road construction program adopted by the Board of Transportation shall be followed by the Department of Transportation unless changes are approved by the Board of Transportation and notice of any changes is given the board of county commissioners. The Department of Transportation shall post a copy of the adopted program, including a map showing the secondary road paving projects rated according to the approved priority of each project, at the courthouse, within 10 days of its adoption by the Board of Transportation. The board of county commissioners may petition the Board of Transportation for review of any changes to which it does not consent and the determination of the Board of Transportation shall be final. Upon request, the most recent secondary road construction programs adopted shall be submitted to any member of the General Assembly. The Department of Transportation shall make the annual construction program for each county available to the newspapers having a general circulation in the county.

(1973, c. 507, s. 3; 1975, c. 716, s. 7; 1977, c. 464, s. 9; 1981, c. 536.)

§ 136-44.9. Secondary roads; annual statements.

The Department of Transportation shall, before the end of the calendar year, prepare and file with the board of county commissioners a statement setting forth (i) each secondary highway designated by number, located in the county upon which the paving or improvement was made during the calendar year; (ii) the amount expended for improvements of each such secondary highway during the calendar year; and (iii) the nature of such improvements. The Department of Transportation, in its annual report, shall report on each secondary road construction project including the stage of completion and funds expended. The pertinent portion of these reports for each county shall be made available to the board of county commissioners.

(1973, c. 507, s. 3; 1975, c. 615; c. 716, s. 7.)

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§ 136-44.10. Additions to secondary road system.

The Board of Transportation shall adopt uniform statewide or regional standards and criteria which the Department of Transportation shall follow for additions to the secondary road system. These standards and criteria shall be promulgated and copies made available for free distribution.

(1973, c. 507, s. 3; 1975, c. 716, s. 7; 1977, c. 464, ss. 8, 21.)

§ 136-44.11. Right-of-way acquisitions; preliminary engineering annual report.

(a) The Department of Transportation shall include in its annual report projects for which preliminary engineering has been performed more than two years but where there has been no right-of-way acquisition, projects where right-of-way has been acquired more than two years but construction contracts have not been let. The report shall include the year or years in which the preliminary engineering was performed and the cost incurred, the number of right-of-way acquisitions for each project, the dates of the first and last acquisition and the total expenditure for right-of-way acquisition. The report shall include the status of the construction project for which the preliminary engineering was performed or the right-of-way acquired and the reasons for delay, if any.

(b) Requests to the Board of Transportation for allocation of funds for the purchase of right-of-way shall include an estimated time schedule to complete all necessary right-of-way purchases related to a specific project, and a proposed date to award construction contracts for that project. If the anticipated construction contract date is more than two years beyond the estimated completion of the related right-of-way purchases, the approval of both the Board of Transportation and the Director of the Budget is required.

(1973, c. 507, s. 3; 1975, c. 716, s. 7; 1981, c. 859, s. 69.)

§ 136-44.12. Maintenance of roads and parking lots in areas administered by the Division of Parks and Recreation.

The Department of Transportation shall maintain all roads and parking lots which are not part of the State Highway System, leading into and located within the boundaries of all areas administered by the Division of Parks and Recreation of the Department of Environment, Health, and Natural Resources.

All such roads and parking lots shall be planned, designed, and engineered through joint action between the Department of Transportation and the Division of Parks and Recreation of the Department of Environment, Health, and Natural Resources. This joint action shall encompass all accepted park planning and design principles. Particular concern shall be given to traffic counts and vehicle weight, minimal cutting into or through any natural and scenic areas, width of shoulders, the cutting of natural growth along roadways, and the reduction of any potential use of roads or parking lots for any purpose other than by park users. All State park roads and parking lots shall conform to the standards regarding width and other roadway specifications as agreed upon by the Division of Parks and Recreation of the Department of Environment, Health, and Natural Resources and the Department of Transportation.

The State park road systems may be closed to the public in accordance with approved park

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practices that control the use of State areas so as to protect these areas from overuse and abuse and provide for functional use of the park areas, or for any other purpose considered in the best interest of the public by the Division of Parks and Recreation of the Department of Environment, Health, and Natural Resources.

Nothing herein shall be construed to include the transfer to the Department of Transportation the powers now vested in the Division of Parks and Recreation of the Department of Environment, Health, and Natural Resources relating to the patrol and safeguarding of State park roads or State park parking lots.

(1973, c. 123, ss. 1-3; 1977, c. 771, s. 4; 1989, c. 727, s. 218(89); c. 799, s. 12(b); 1991 (Reg. Sess., 1992), c. 907, s. 3.)

§ 136-44.13: Reserved for future codification purposes.

§ 136-44.14. Curb ramps or curb cuts for handicapped persons.

(a) Curbs constructed on each side of any street or road, where curbs and sidewalks are provided and at other major points of pedestrian flow, shall meet the following minimum requirements:

(1) No less than two curb ramps or curb cuts shall be provided per lineal block, located at intersections.

(2) In no case, shall the width of a curb ramp or curb cut be less than 40 inches.

(3) The maximum gradient of such curb ramps or curb cuts shall be eight and thirty-three one-hundredths percent (8.33%) (12 inches slope for every one-inch rise) in relationship to the grade of the street or road.

(4) One curb ramp or curb cut may be provided under special conditions between each radius point of a street turnout of an intersection, if adequate provisions are made to prevent vehicular traffic from encroaching on the ramp.

(b) Minimum requirements for curb ramps or curb cuts under subsection (a) shall be met (i) in the initial construction of such curbs, and (ii) whenever such curbs are reconstructed, including, but not limited to, reconstruction for maintenance procedures and traffic operations, repair, or correction of utilities.

(c) The Department of Transportation, Division of Highways, Highway Design Section, is authorized and directed to develop guidelines to implement this Article in consultation with the Governor's Study Committee on Architectural Barriers (or the Committee on Barrier-Free Design of the Governor's Committee on Employment of the Handicapped if the Governor's Study Committee on Architectural Barriers ceases to exist). All curb ramps or curb cuts constructed or reconstructed in North Carolina shall conform to the guidelines of the Highway Design Section.

(d) The Department of Transportation, Division of Highways, Highway Design Section, is authorized and directed to provide free copies of this Article together with implementary guidelines and standards, to municipal and county governments and public utilities operating within the State.

(1973, c. 718, ss. 1-4.)

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§ 136-44.15: Expired.

Editor's Note. - This section was enacted by Session Laws 1987, c. 324 s. 1. Section 2 of the act provided that it would expire June 30, 1988.

§§ 136-44.16 through 136-44.19: Reserved for future codification purposes.

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NORTH CAROLINA

HIGHWAY TRUST FUND

HIGHWAY TRUST FUND

HIGHWAY TRUST FUND AVAILABILITY ALL SOURCES

	FY 1997/98
Motor Fuel Tax	$ 253,393,000
Highway Use Tax	$ 437,374,305
Certificates of Title	$ 73,334,000
Miscellaneous Title Fees	$ 13,303,000
Treasurer's Investments	$ 28,377,000
Transfer From Highway Fund	$ 38,000,000
Total	$ 843,781,305

HIGHWAY TRUST FUND USES

Highway Trust Fund (84290)	FY 1997/98	Statute Reference
Intrastate System	$ 381,880,586	GS 136-176 (b) (1)
Secondary Roads	71,497,038	GS 136-176 (b) (4) ; 20-85 (b)
Urban Loops	154,416,605	GS 136-176 (b) (2)
State Aid - Municipalities	40,068,181	GS 136-176 (b) (3)
Program Administration	25,918,895	GS 136-176 (b)
Transfer to General Fund	170,000,000	GS 105-187.9
Total	$ 843,781,305	

HIGHWAY TRUST FUND DISTRIBUTION:

Total Revenue		$ 843,781,305
Less General Fund Transfer		(170,000,000)
Subtotal		$ 673,781,305
Less Administrative Allowance		(25,918,895)
Amt. after Transf to Gen'l Fund	673,781,305	
Less Transf From H/F (prior debt service)	(38,000,000)	
Less Investment Earnings	(28,377,000)	
Less Title Fees Direct to Secondary Rds (15/35) X $73,334,000	(31,428,857)	
Net	575,975,448	
X	4.5%	
	25,918,895	
Less Title Fees Direct to Secondary Rd Construction		(31,428,857)
Total		$ 616,433,553

Remaining Distribution:

Intrastate System	$616,433,553 X 61.95%	381,880,586
Loops	$616,433,553 X 25.05%	154,416,605
State Aid-Municipalities	$616,433,553 X 6.5%	40,068,181
Secondary Roads	$616,433,553 X 6.5%	40,068,181
Total Secondary Roads ($31,428,857 + $40,068,181) = $71,497,038		

DEPARTMENT OF TRANSPORTATION

TRANSFERS FROM THE HIGHWAY TRUST FUND

TO THE HIGHWAY FUND

			FY 1996/97	Inception to-date
TRUST FUND				
	From:	Intrastate	$ 210,726,290	$ 806,331,783
		Urban Loops	$ 117,982,054	$ 608,678,076
		Secondary Roads	-	$ 4,609,849
		Total	$ 328,708,344	$ 1,419,619,708
HIGHWAY FUND				
	Allocated to:	Primary Roads	$ 47,807,043	$ 348,866,159
		Secondary Roads	7,235,430	40,436,953
		Urban Roads	78,324,210	493,284,144
		Bridge Replacement	8,688,778	27,049,849
		Rail	4,769,000	31,510,548
		Match For Federal-Aid -- HTF	132,741,982	427,410,419
		Match For Federal-Aid -- Cash Flow	50,950,000	50,950,000
		Unallocated Net Change	(1,808,099)	111,636
		Total	$ 328,708,344	$ 1,419,619,708

ARTICLE 14.
North Carolina Highway Trust Fund.

Sec.
136-175. (For contingent repeal see note) Definitions.
136-176. (For contingent repeal see editor's note) Creation, revenue sources, and purpose of North Carolina Highway Trust Fund.
136-177. (For contingent repeal see note) Limitation on funds obligated from Trust Fund.
136-177.1. (For contingent effective date, see editor's note) Requirement to use federal funds for Intrastate System projects and urban loops.
136-178. (For contingent repeal see note) Purpose of Intrastate System.
136-179. (For contingent repeal see note) Projects of Intrastate System funded from Trust Fund.
136-180. (For contingent repeal see note) Urban loops.
136-180.1. Proposed Durham Northern loop.
136-181. (For contingent repeal see note) Supplement for city streets.
136-182. (For contingent repeal see note) Supplement for secondary road construction.
136-183. (For contingent repeal see note) Revenue available from retirement of bonds credited to Highway Trust Fund.
136-184. (For contingent repeal see note) Reports by Department of Transportation.
136-185. (For contingent effective date, see editor's note) Maintenance reserve created in certain circumstances.

§ 136-175. (For contingent repeal see note) Definitions.

The following definitions apply in this Article:

(1) Intrastate System. The network of major, multilane arterial highways composed of those projects listed in G.S. 136-179, I-240, I-277, US-29 from I-85 to the Virginia line, and any other route added by the Department of Transportation under G.S. 136-178.

(2) Transportation Improvement Program. The schedule of major transportation improvement projects required by G.S. 143B-350(f)(4).

(3) Trust Fund. The North Carolina Highway Trust Fund.

(1989, c. 692, s. 1.1.)

Editor's Note. - Session Laws 1989, c. 692, s. 8.4, as amended by Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 7, provides that when contracts for all projects specified in Article 14 of Chapter 136 have been let and sufficient revenue has been accumulated to pay the contracts, which contingency is not expected to occur until some years after the date of enactment, the Secretary of Transportation shall certify this occurrence by letter to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Secretary of State. Contingent upon certification of a favorable vote on the bonds in the State Highway Bond Act of 1996, the proceeds of bonds and notes issued pursuant to the State Highway Bond Act of 1996 shall not be included as revenues accumulated to pay the contracts for the projects specified in this Article. This Article shall be repealed effective on the first day of the calendar quarter following the date the Secretary sends the letter, unless there is less than 30 days between that date and the first day of the following quarter, in which case, the repeal will become effective on the first day of the second calendar quarter following the date the letter is sent, except that, contingent upon the certification of a favorable vote on the bonds in the State Highway Bond Act of 1996, the repeal will not become effective until the State Treasurer certifies by letter to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Secretary of State that all of the

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bonds and notes issues pursuant to the State Highway Bond Act of 1996 have been retired or provision for their retirement has been made.

Session Laws 1989, c. 799, s. 21, provides: "Notwithstanding the establishment of the North Carolina Highway Trust Fund as an entity, since various components of that Fund are coordinated with programs of the Highway Fund, all projects funded shall be subject to the provisions of the Executive Budget Act (Article 1 of Chapter 143) with respect to allotments, obligations, encumbrances, and expenditures with appropriate reporting to the Director of the Budget in the same manner as currently employed for the Highway Fund and the Highway Bond Fund."

§ 136-176. (For contingent repeal see editor's note) Creation, revenue sources, and purpose of North Carolina Highway Trust Fund.

(a) A special account, designated the North Carolina Highway Trust Fund, is created within the State treasury. The Trust Fund consists of the following revenue:

(1) Motor fuel, alternative fuel, and road tax revenue deposited in the Fund under G.S. 105-449.125, 105-449.134, and 105-449.43, respectively.

(2) Motor vehicle use tax deposited in the Fund under G.S. 105-187.9.

(3) Revenue from the certificate of title fee and other fees payable under G.S. 20-85.

(4) Revenue available from the retirement of refunding bonds issued to repay highway construction bonds and deposited in the Fund under G.S. 136-183.

(5) Interest and income earned by the Fund.

(b) Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. The rest of the funds in the Trust Fund shall be allocated and used as follows:

(1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. 136-179.

(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and construct the urban loops described in G.S. 136-180.

(3) Six and one-half percent (6.5%) to supplement the appropriation to cities for city streets under G.S. 136-181.

(4) Six and one-half percent (6.5%) for secondary road construction as provided in G.S. 136-182.

(b) **(For contingent amendment, see editor's note)** Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. The rest of the funds in the Trust Fund shall be allocated and used as follows:

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(1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. 136-179 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these projects.

(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and construct the urban loops described in G.S. 136-80 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these urban loops.

(3) Six and one-half percent (6.5%) to supplement the appropriation to cities for city streets under G.S. 136-181.

(4) Six and one-half percent (6.5%) for secondary road construction as provided in G.S. 136-182 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to secondary road construction.

The Department must administer funds allocated under subdivisions (1), (2), and (4) of this subsection in a manner that ensures that sufficient funds are available to make the debt service payments on bonds issued under the State Highway Bond Act of 1996 as they become due.

(c) If funds are received under 23 U.S.C. Chapter 1, Federal-Aid Highways, for a project for which funds in the Trust Fund may be used, the amount of federal funds received plus the amount of any funds from the Highway Fund that were used to match the federal funds may be transferred by the Secretary of Transportation from the Trust Fund to the Highway Fund and used for projects in the Transportation Improvement Program.

(d) A contract may be let for projects funded from the Trust Fund in anticipation of revenues pursuant to the cash-flow provisions of G.S. 143-28.1 only for the two bienniums following the year in which the contract is let.

(1989, c. 692, s. 1.1; c. 770, ss. 68.2, 74.6; 1989 (Reg. Sess., 1990), c. 1024, s. 46(a), (b); 1991, c. 193, s. 9; c. 280, s. 1; c. 689, s. 62; 1995, c. 390, s. 27; 1995 (Reg. Sess., 1996), c. 590, s. 6; 1996, 2nd Ex. Sess., c. 18, s. 19.4(a).)

Editor's Note. - For contingent repeal of this Article, see the editor's note under § 136-175.

Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 17, provides that c. 590, s. 6 shall become effective upon the certification of a favorable vote on the bonds by the State Board of Elections to the Secretary of State as provided in Section 9 of that act.

Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 1, provides that this act shall be known and may be cited as the State Highway Bond Act of 1996.

Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 13(d), is a severability clause.

Session Laws 1995 (Reg. Sess., 1996), c. 590, the State Highway Bond Act of 1996, provides that the purpose of the act is to provide for the issuance of general obligation bonds of the State for the purpose of providing funds for constructing, improving, and relocating roads, bridges, tunnels, and other highway facilities; provides for authorization of bonds and notes and appropriation, use, and allocation of their proceeds; provides that the question of the issuance of these bonds shall be submitted to the voters of the State at the general election in November of 1996; and if approved, provides for the issuance, repayment, investment, and other properties of the bond.

Session Laws 1996, Second Extra Session, c. 18, s. 1.1, provides: "This act shall be known as the

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Current Operations Appropriations Act of 1996."

Session Laws 1996, Second Extra Session, c. 18, s. 29.5, is a severability clause.

Effect of Amendments. - The 1995 amendment, effective January 1, 1996, in subdivision (a)(1) substituted "alternative fuel" for "special fuel", and "105-449.125, 105-449.134" for "105-445, 105-449.16".

Session Laws 1996, Second Extra Session, c. 18, s. 19.4(a), effective July 1, 1996, substituted "two bienniums" for "biennium" in subsection (d).

Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 6, contingent upon certification of a favorable vote on the bonds by the State Board of Elections to the Secretary of State, as provided in that act, would add "and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these projects" at the end of subdivision (b)(1); would add "and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these urban loops" at the end of subdivision (b)(2); would add "and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to secondary road construction" at the end of subdivision (b)(4); and would add the last sentence of subsection (b). See Editor's Note for contingent effective date.

§ 136-177. (For contingent repeal see note) Limitation on funds obligated from Trust Fund.

In a fiscal year, the Department of Transportation may not obligate more Trust Fund revenue, other than revenue allocated for city streets under G.S. 136-176(b)(3) or secondary roads under G.S. 136-176(b)(4) and G.S. 20-85(b), to construct or improve highways than the amount indicated in the following table:

Fiscal Year	Maximum Expenditure
1989-90	$200,000,000
1990-91	250,000,000
1991-92	300,000,000
1992-93	400,000,000
1993-94	500,000,000
1994-95 and following years	Unlimited

The amount of revenue credited to the Trust Fund in a fiscal year under G.S. 136-176(a) that exceeds the maximum allowable expenditure set in the table above may be used only for preliminary planning and design and the acquisition of rights-of-way for scheduled highways and highway improvements to be funded from the Trust Fund.

(1989, c. 692, s. 1.1.)

Editor's Note. - For contingent repeal of this Article, see the Editor's Note under § 136-175.

§ 136-177.1. (For contingent effective date, see editor's note) Requirement to use federal funds for Intrastate System projects and urban loops.

For fiscal years 1996-97 through 2010-11, the Department of Transportation must use ten million dollars ($10,000,000) of the funds it receives each year under 23 U.S.C. Chapter 1, Federal-Aid Highways, to construct the Intrastate System projects described in G.S. 136-179. For

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fiscal years 1996-97 through 2011-12, the Department of Transportation must use ten million dollars ($10,000,000) of the funds it receives each year under 23 U.S.C. Chapter 1, Federal-Aid Highways, to construct the urban loops described in G.S. 136-180. G.S. 136-176(c) does not apply to federal funds required to be used under this section for Intrastate System projects or urban loops, nor does it apply to any funds from the Highway Fund that were used to match these federal funds.

(1995 (Reg. Sess., 1996), c. 590, s. 15.)

Editor's Note. - Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 17, provides that c. 590, s. 15, which enacted this section, shall become effective upon the certification of a favorable vote on the bonds by the State Board of Elections to the Secretary of State as provided in Section 9 of that act.

Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 1, provides that this act shall be known and may be cited as the State Highway Bond Act of 1996.

Session Laws 1995 (Reg. Sess., 1996), c. 590, the State Highway Bond Act of 1996, provides that the purpose of the act is to provide for the issuance of general obligation bonds of the State for the purpose of providing funds for constructing, improving, and relocating roads, bridges, tunnels, and other highway facilities; provides for authorization of bonds and notes and appropriation, use, and allocation of their proceeds; provides that the question of the issuance of these bonds shall be submitted to the voters of the State at the general election in November of 1996; and if approved, provides for the issuance, repayment, investment, and other properties of the bond.

Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 13(d), is a severability clause.

§ 136-178. (For contingent repeal see note) Purpose of Intrastate System.

The Intrastate System is established to provide high-speed, safe travel service throughout the State. It connects major population centers both inside and outside the State and provides safe, convenient, through-travel for motorists. It is designed to support statewide growth and development objectives and to connect to major highways of adjoining states. All segments of the routes in the Intrastate System shall have at least four travel lanes and, when warranted, shall have vertical separation or interchanges at crossings, more than four travel lanes, or bypasses. Access to a route in the Intrastate System is determined by travel service and economic considerations.

The Department of Transportation may add a route to the Intrastate System if the route is a multilane route and has been designed and built to meet the construction criteria of the Intrastate System projects. No funds may be expended from the Trust Fund on routes added by the Department.

(1989, c. 692, s. 1.1.)

Editor's Note. - For contingent repeal of this Article, see the Editor's Note under § 136-175.

§ 136-179. (For contingent repeal see note) Projects of Intrastate System funded from Trust Fund.

Funds allocated from the Trust Fund for the Intrastate System may be used only for the following projects of the Intrastate System:

Route	Improvements	Affected Counties

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I-40	Widening	Buncombe, Haywood, Guilford, Wake, Durham
I-77	Widening	Mecklenburg
I-85	Widening	Durham, Orange, Alamance, Guilford, Cabarrus, Mecklenburg, Gaston
I-95	Widening	Halifax
US-1	Complete 4-laning from Henderson to South Carolina Line (including 6-laning of Raleigh Beltline)	Vance, Franklin, Wake, Chatham, Lee, Moore, Richmond
US-13	Connector from I-95 to NC-87	Cumberland
US-13	Complete 4-laning from Virginia Line to US-17	Gates, Hertford, Bertie
US-17	Complete 4-laning from Virginia Line to South Carolina Line (including Washington, New Bern, and Jacksonville Bypasses)	Camden, Pasquotank, Perquimans, Chowan, Bertie, Martin, Beaufort, Craven, Jones, Onslow, Pender, New Hanover, Brunswick
US-19/US-19E	Complete 4-laning from US-23 to NC 194 in Ingalls	Madison, Yancey, Mitchell, Avery
US-19	Complete 4-laning	Cherokee, Macon, Swain
US-23	Complete 4-laning and upgrading existing 4-lanes from Tennessee Line to I-240	Madison, Buncombe
US-23-441	Complete 4-laning from US-19/US-74 to Georgia Line	Macon
US-52	Complete 4-laning from I-77 to Lexington (including new I-77 Connector)	Surry, Davidson
US-64	Complete 4-laning from Raleigh to Coast (including freeway construction from I-95 to US-17)	Edgecombe, Pitt, Martin, Washington, Tyrrell, Dare
US-64	Complete 4-laning from Lexington to Raleigh	Davidson, Randolph, Chatham, Wake
US-70	Complete 4-laning from Raleigh to Morehead City (including Clayton, Goldsboro, Kinston, Smithfield-Selma, and Havelock Bypasses predominately freeways on predominately new locations)	Wake, Johnston, Wayne, Lenoir, Craven
US-74	Complete 4-laning from Charlotte to US-17 (including multilaning of Independence Blvd. in Charlotte, and Bypasses of Monroe, Rockingham, and Hamlet)	Mecklenburg, Union, Richmond, Robeson, Columbus

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US-74	Complete 4-laning from I-26 to I-85	Polk, Rutherford
US-158	Complete 4-laning from Winston-Salem to Whalebone	Forsyth, Guilford, Rockingham, Caswell, Person, Granville, Vance, Warren, Halifax, Northampton, Gates, Hertford, Pasquotank, Camden, Currituck, Dare
	New bridge over Currituck Sound	Currituck
US-221	Complete 4-laning from Linville to South Carolina	Avery, McDowell, Rutherford
US-220	Complete 4-laning from I-40 to US-1	Guilford, Randolph, Montgomery, Richmond
US-220/NC-68	Complete 4-laning from Virginia Line to I-40	Rockingham, Guilford
US-264	Complete 4-laning from US-64 to Washington (including Wilson and Greenville Bypasses) (including freeway construction from I-95 to Greenville)	Wilson, Greene, Pitt
US-321	Complete 4-laning from Boone to South Carolina Line	Caldwell, Catawba, Lincoln, Gaston
US-421	Complete 4-laning from Tennessee Line to I-40	Watauga, Wilkes, Yadkin
US-421	Complete 4-laning from Greensboro to Sanford (including Bypass of Sanford)	Chatham, Lee
NC-24	Complete 4-laning from Charlotte to Morehead City	Mecklenburg, Cabarrus, Stanly, Montgomery, Moore, Harnett, Cumberland, Sampson, Duplin, Onslow, Carteret
NC-87	Complete 4-laning from Sanford to US-74	Lee, Harnett, Cumberland, Bladen, Columbus
NC-105	Complete 4-laning from Boone to Linville	Watauga, Avery
NC-168	Complete multilaning from Virginia Line to US-158	Currituck
NC-194	Complete 4-laning from US-19E to US-221	Avery

(1989, c. 692, s. 1.1.)

Editor's Note. - For contingent repeal of this Article, see the Editor's Note under § 136-175.

§ 136-180. (For contingent repeal see note) Urban loops.

Funds allocated from the Trust Fund for urban loops may be used only for the following urban loops:

Loop	Description	Affected Counties

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Asheville Western Loop	Multilane facility on new location from I-26 west of Asheville to US-19/23 north of Asheville for the purpose of connecting these roads. The funds may be used to improve existing corridors.	Buncombe
Charlotte Outer Loop	Multilane facility on new location encircling City of Charlotte	Mecklenburg
Durham Northern Loop	Multilane facility on new location from I-85 west of Durham to US-70 east of Durham	Durham, Orange
Greensboro Loop	Multilane facility on new location encircling City of Greensboro	Guilford
Raleigh Outer Loop	Multilane facility on new location from US-1 southwest of Cary northerly to US-64 in eastern Wake County	Wake
Wilmington Bypass	Multilane facility on new location from US-17 northeast of Wilmington to US-17 southwest of Wilmington	New Hanover
Winston-Salem Northbelt	Multilane facility on new location from I-40 west of Winston-Salem northerly to I-40 in eastern Forsyth County	Forsyth

(1989, c. 692, s. 1.1.)

Editor's Note. - For contingent repeal of this Article, see the Editor's Note under § 136-175.

§ 136-180.1. Proposed Durham Northern loop.

The Department of Transportation shall notify the owners of all property that is within a corridor located in Durham County and is being considered as a possible alignment of the proposed Durham Northern loop of at least one informational workshop, if one is held, and any public hearings on that urban loop. These notifications shall be made by first-class mail and shall be made no less than 30 days prior to the scheduled workshop or public hearing. Prior to a decision on the proposed Durham Northern loop, the Department of Transportation shall consider all alternatives advanced by interested parties including improvements to existing corridors and consider neighborhood growth, economic development patterns and trends, the best protection for the environment, and limitation on encroachment upon State parks. A public report shall be made by the Department of Transportation of its findings and the basis for its decision.

(1995 (Reg. Sess., 1996), c. 590, s. 14.)

Editor's Note. - Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 17 provides that this section is effective upon ratification. The Act was ratified June 20, 1996.

Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 1, provides that this act shall be known and may be cited as the State Highway Bond Act of 1996.

Session Laws 1995 (Reg. Sess., 1996), c. 590, the State Highway Bond Act of 1996, provides that the purpose of the act is to provide for the issuance of general obligation bonds of the State for the purpose of providing funds for constructing, improving, and relocating roads, bridges, tunnels, and other highway facilities; provides for authorization of bonds and notes and appropriation, use, and allocation of their

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proceeds; provides that the question of the issuance of these bonds shall be submitted to the voters of the State at the general election in November of 1996; and if approved, provides for the issuance, repayment, investment, and other properties of the bond.

Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 13(d), is a severability clause.

§ 136-181. (For contingent repeal see note) Supplement for city streets.

Funds allocated to supplement the appropriations for city streets made under G.S. 136-41.1 shall be distributed to cities as provided in that statute.

(1989, c. 692, s. 1.1.)

Editor's Note. - For contingent repeal of this Article, see the Editor's Note under § 136-175.

§ 136-182. (For contingent repeal see note) Supplement for secondary road construction.

Funds are allocated from the Trust Fund to increase allocations for secondary road construction made under G.S. 136-44.2A so that all State-maintained unpaved secondary roads with a traffic vehicular equivalent of at least 50 vehicles a day can be paved by the 1998-99 fiscal year. This supplement shall be discontinued when the Department of Transportation certifies that, with funds available from sources other than the Trust Fund, all State-maintained unpaved secondary roads, regardless of their traffic vehicular equivalent, can be paved during the following six years. If the supplement is discontinued before the Trust Fund terminates, the funds that would otherwise be allocated under this section shall be added to the allocation from the Trust Fund for projects of the Intrastate System.

(1989, c. 692, s. 1.1.)

Editor's Note. - For contingent repeal of this Article, see the Editor's Note under § 136-175.

§ 136-183. (For contingent repeal see note) Revenue available from retirement of bonds credited to Highway Trust Fund.

Beginning with the 1994-95 fiscal year, the State Treasurer shall credit the following amounts of revenue to the Trust Fund:

Fiscal Year	Yearly Amount
1994-95	$ 9,600,000
1995-96	12,100,000
1996-97	32,300,000
1997-98 and each subsequent year until the Trust Fund ends	38,000,000

These amounts represent increased revenue resulting from the retirement of refunding bonds issued to repay highway construction bonds. In each fiscal year, the State Treasurer shall credit to the Trust Fund one-fourth of the amount set in the table for that year within 10 days after the end

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of each calendar quarter.

(1989, c. 692, s. 1.1.)

Editor's Note. - For contingent repeal of this Article, see the Editor's Note under § 136-175.

§ 136-184. (For contingent repeal see note) Reports by Department of Transportation.

(a) The Department of Transportation shall develop, and update annually, a report containing a completion schedule for all projects to be funded from the Trust Fund. The report shall include a separate schedule for the Intrastate System projects, the urban loop projects, and the paving of unpaved State-maintained secondary roads that have a traffic vehicular equivalent of at least 50 vehicles a day. The annual update shall indicate the projects, or portions thereof, that were completed during the preceding fiscal year, any changes in the original completion schedules, and the reasons for the changes. The Department shall submit the report and the annual updates to the Joint Legislative Transportation Oversight Committee.

(b) The Department of Transportation shall make quarterly reports to the Joint Legislative Transportation Oversight Committee containing any information requested by the Committee. The Department shall provide the Committee with all information needed to determine if funds available under the Trust Fund and the Transportation Improvement Program are being spent in accordance with G.S. 136-17.2A.

(1989, c. 692, s. 1.1; 1993, c. 321, s. 169.2(e).)

Editor's Note. - For contingent repeal of this Article, see the Editor's Note under § 136-175.

Session Laws 1993, c. 321, s. 322 is a severability clause.

§ 136-185. (For contingent effective date, see editor's note) Maintenance reserve created in certain circumstances.

If the Highway Trust Fund has not terminated but all contracts for the projects of the Intrastate System described in G.S. 136-179 have been let and the amount collected and allocated for the Intrastate System is enough to pay the contracts and retire any bonds issued under the State Highway Bond Act of 1996 for projects of the Intrastate System, all subsequent allocations of revenue for the Intrastate System shall be credited to a reserve account within the Trust Fund. Revenue in this reserve may be used only to maintain the projects of the Intrastate System.

If the Highway Trust Fund has not terminated but all contracts for the urban loops described in G.S. 136-180 have been let and the amount collected and allocated for the urban loops is enough to pay the contracts and retire any bonds issued under the State Highway Bond Act of 1996 for the urban loops, then all subsequent allocations of revenue for the urban loops shall be credited to a reserve account within the Trust Fund. Revenue in this reserve may be used only to maintain the urban loops.

(1995 (Reg. Sess., 1996), c. 590, s. 16.)

Editor's Note. - Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 17, provides that c. 590, s. 16, which enacted this section, shall become effective upon the certification of a favorable vote on the bonds by the State Board of Elections to the Secretary of State as provided in Section 9 of that act.

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Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 1, provides that this act shall be known and may be cited as the State Highway Bond Act of 1996.

Session Laws 1995 (Reg. Sess., 1996), c. 590, the State Highway Bond Act of 1996, provides that the purpose of the act is to provide for the issuance of general obligation bonds of the State for the purpose of providing funds for constructing, improving, and relocating roads, bridges, tunnels, and other highway facilities; provides for authorization of bonds and notes and appropriation, use, and allocation of their proceeds; provides that the question of the issuance of these bonds shall be submitted to the voters of the State at the general election in November of 1996; and if approved, provides for the issuance, repayment, investment, and other properties of the bond.

Session Laws 1995 (Reg. Sess., 1996), c. 590, s. 13(d), is a severability clause.

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§ 20-85. Schedule of fees.

(a) The following fees are imposed concerning a certificate of title, a registration card, or a registration plate for a motor vehicle. These fees are payable to the Division and are in addition to the tax imposed by Article 5A of Chapter 105 of the General Statutes.

(1) Each application for certificate of title $35.00

(2) Each application for duplicate or corrected certificate of title 10.00

(3) Each application of repossessor for certificate of title 10.00

(4) Each transfer of registration 10.00

(5) Each set of replacement registration plates 10.00

(6) Each application for duplicate registration card 10.00

(7) Each application for recording supplementary lien 10.00

(8) Each application for removing a lien from a certificate of title 10.00

(9) Each application for certificate of title for a motor vehicle transferred to a manufacturer, as defined in G.S. 20-286, or a motor vehicle retailer for the purpose of resale 10.00

(10) Each application for a salvage certificate of title made by an insurer .....10.00.

(b) The fees collected under subdivisions (a)(1) through (a)(9) of this section shall be credited to the North Carolina Highway Trust Fund. The fees collected under subdivision (a)(10) of this section shall be credited to the Highway Fund. Fifteen dollars ($15.00) of each title fee credited to the Trust Fund under subdivision (a)(1) shall be added to the amount allocated for secondary roads under G.S. 136-176 and used in accordance with G.S. 136-44.5.

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§ 143-28.1. Highway Fund appropriation.

Notwithstanding any other provisions of this Article, the appropriations made from the Highway Fund for highway construction and maintenance are subject to the following provisions.

(1) Cash Flow Funding for Highway Construction and Maintenance. - Highway maintenance and construction funds shall be budgeted, expended and accounted for on a "cash flow" basis. Pursuant to this end, highway maintenance and construction contracts shall be planned and limited so payments due at any time will not exceed the cash available to pay them.

(2) Appropriations are for Payments and Contract Commitments to be Made in the Appropriation Fiscal Year. - The appropriations provided for by the Appropriations Act for highway maintenance and construction are for maximum payments estimated to be made during the appropriation fiscal year and for maximum contracting authority for future years. Highway maintenance and construction contracts shall be scheduled so that the total contract payments and other expenditures charged to projects in the fiscal year for each highway maintenance and construction appropriation item will not exceed the current appropriations provided by the General Assembly and unspent prior appropriations made by the General Assembly for the particular appropriation item.

(3) Payments Subject to Availability of Funds - Retainage Fully Funded - 5% Cash Balance Required. - The annual appropriations for highway maintenance and construction provided for by the Appropriations Act shall be expended only to the extent that sufficient funds are available in the Highway Fund. The Department of Transportation shall fully fund retainage from maintenance and construction contracts in the year in which the work is performed, and in addition shall maintain an available cash balance at the end of each month equal to at least five percent (5%) of the unpaid balance of the total maintenance and construction contract obligations. In the event this cash position is not maintained, no further construction and maintenance contract commitments shall be entered into until the cash balance has been regained. For the purposes of awarding contracts involving federal-aid, any amount due from the federal government and the Highway Bond Fund as a result of unreimbursed expenditures may be considered as cash for the purposes of this provision.

(4) Anticipation of Revenues. - In awarding State highway construction and maintenance contracts requiring payments beyond a biennium, the Director of the Budget may anticipate revenues as authorized and certified by the General Assembly, to continue contract payments for up to seventy-five percent (75%) of the revenues which are estimated for the first fiscal year of the succeeding biennium and which are not required for other budget items. Up to fifty percent (50%) of the revenues not required for other budget items may be anticipated for the second fiscal year of the succeeding biennium's contract payments. Up to forty percent (40%) of the revenues not required for other budget items may be anticipated for the first year of the second succeeding biennium and up to twenty percent (20%) of the revenues not required for other budget items may be anticipated for the second year of the second succeeding biennium.

(5) Amounts Obligated - Payments Subject to the Availability of Funds - Termination of Contracts. - Highway maintenance and construction appropriations may be obligated in the amount of allotments made to the Department of Transportation by the Office of State Budget and Management for the estimated payments for maintenance and construction contract work to be performed in the appropriation fiscal year. The allotments shall be multi-year allotments and

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shall be based on estimated revenues and shall be subject to the maximum contract authority contained in subdivision (2) above. Payment for highway maintenance and construction work performed pursuant to contract in any fiscal year other than the current fiscal year will be subject to appropriations by the General Assembly. Highway maintenance and construction contracts shall contain a schedule of estimated completion progress and any acceleration of this progress shall be subject to the approval of the Department of Transportation provided funds are available. The State reserves the right to terminate or suspend any highway maintenance or construction contract and any highway maintenance or construction contract shall be so terminated or suspended if funds will not be available for payment of the work to be performed during that fiscal year pursuant to the contract. In the event of termination of any contract, the contractor shall be given a written notice of termination at least 60 days before completion of scheduled work for which funds are available. In the event of termination, the contractor shall be paid for the work already performed in accordance with the contract specifications.

(6) Provision Incorporated in Contracts. - The provisions of subdivision (5) of this section shall be incorporated verbatim in all highway construction and maintenance contracts.

(7) Existing Contracts Are Not Affected. - The provisions of this section shall not apply to highway construction and maintenance contracts awarded by the Department of Transportation prior to July 15, 1980.

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NORTH CAROLINA

HIGHWAY BOND BILL

GENERAL ASSEMBLY OF NORTH CAROLINA
1995 SESSION
RATIFIED BILL

CHAPTER 590
HOUSE BILL 540

AN ACT TO AUTHORIZE THE ISSUANCE OF NINE HUNDRED FIFTY MILLION DOLLARS GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, FOR THE CONSTRUCTION OF HIGHWAYS AND TO AMEND THE HIGHWAY TRUST FUND.

The General Assembly of North Carolina enacts:

Section 1. Short title. This act shall be known and may be cited as the "State Highway Bond Act of 1996".

Sec. 2. Purpose and findings and determinations. (a) Purpose. -- It is the intent and purpose of the General Assembly by this act to provide, subject to a vote of the qualified voters of the State, for the issuance of nine hundred fifty million dollars ($950,000,000) general obligation bonds of the State for the purpose of providing funds, with any other available funds, for constructing, improving, and relocating roads, bridges, tunnels, and other highway facilities constituting at the time of the construction, improvement, and relocation, urban loops, highways in the Intrastate System, or a part of the State secondary highway system, as referenced or defined in this act.

(b) Findings and determinations. -- The General Assembly finds that:

(1) Pursuant to Chapter 692 of the 1989 Session Laws, the General Assembly created the Highway Trust Fund, provided for revenues to be deposited to the Highway Trust Fund, and designated how the revenues may be expended.

(2) As contemplated by Chapter 692, highway construction to be funded from the Highway Trust Fund is funded on a "pay-as-you-go" basis, with highway construction proceeding based upon the amount of funds to be available to pay the costs of the construction on a current basis, and this highway construction is expected to be completed and funded by December 31, 2013.

(3) Providing funds from the proceeds of bonds as authorized in this act will expedite the completion of construction of urban loops, Intrastate System highways, and necessary improvements to the State secondary road highway system that otherwise would be constructed only when sufficient revenues were generated to fund this construction.

(4) The State could issue the bonds authorized by this act, expediting this construction, and could provide sufficient funds to pay debt service on the bonds from the moneys otherwise to be deposited to the Highway Trust Fund to fund highway construction.

(5) Sufficient moneys are expected to be deposited to the Highway Trust Fund to pay anticipated debt service on the bonds authorized by this act.

(6) Although the bonds authorized by this act will constitute general obligation bonds, secured by the faith and credit and taxing power of the State, and although the funds deposited to the Highway Trust Fund are not specifically pledged to pay debt service on the bonds, it is the intent of the General Assembly that the debt service on the bonds authorized by this act will be provided from amounts deposited to the Highway Trust Fund, and certain amendments to Chapter 692 of the 1989 Session Laws are necessary to facilitate this funding of payments.

Sec. 3. Definitions. As used in this act, unless the context otherwise requires:

(1) "Bonds" means bonds authorized to be issued under this act.

(2) "Cost" means the capital cost of providing any highway facilities under this act, including, but not limited to, the following:

a. The cost of doing any or all of the following:
   1. Acquire, construct, erect, provide, develop, install, furnish, and equip.
   2. Reconstruct, remodel, alter, renovate, replace, refurnish, and reequip.
   3. Enlarge, expand, and extend.
   4. Demolish, relocate, improve, grade, drain, landscape, pave, widen, and resurface.

b. The cost of all property, both real and personal and both improved and unimproved, appurtenances, structures, facilities, machinery, equipment, easements, rights, rights-of-way, franchises, and licenses used or useful in connection with the purpose authorized.

c. The cost of demolishing or moving structures from land acquired and acquiring any lands to which the structures are to be moved.

d. The cost of plans, specifications, studies and reports, surveys, and estimates of costs and revenues.

e. The cost of engineering, architectural, and other consulting services as may be required.

f. Administrative expenses and charges directly related to bond-financed projects.

g. Finance charges and interest prior to and during construction and, if deemed advisable by the State Treasurer, for a period not exceeding two years after the estimated date of completion of construction.

h. The cost of bond insurance, investment contracts, credit enhancement and liquidity facilities and interest rate swap agreements, and financial and legal consultants, and related costs of bond and note issuance, to the extent and as determined by the State Treasurer.

i. The cost of reimbursing the State for any payments made for any cost described above.

j. Any other costs and expenses necessary or incidental to the purposes of this act. The allocations may be increased to reflect the availability of other funds, including, but not

limited to, income earned on the investment of bond and note proceeds and the proceeds of any grants.

Allocations made pursuant to this act of proceeds of bonds to the costs of highway facilities in each case may include allocations to pay the costs set forth in subparagraphs f., g., i., and j. of this subdivision in connection with the issuance of bonds for the facilities.

(3) "Credit facility" means an agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association, or other banking institution; an insurance company, reinsurance company, surety company, or other insurance institution; a corporation, investment banking firm, or other investment institution; or any financial institution or other similar provider of a credit facility, which provider may be located within or without the United States of America; and providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption, or acceleration), redemption premium, if any, and interest on any bonds or notes payable on demand or tender by the owner, in consideration of the State agreeing to repay the provider of the credit facility in accordance with the terms and provisions of the agreement.

(4) "Department of Transportation" means the Department of Transportation established by Article 8 of Chapter 143B of the General Statutes, and any successor of that Department.

(5) "Highway facilities" means the State highway facilities authorized to be funded, with any other available funds, with the proceeds of bonds or notes.

(6) "Intrastate System" has the same meaning as in G.S. 136-175.

(7) "Notes" means notes authorized to be issued under this act.

(8) "Par formula" means any provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne or provided for by any bonds or notes, including any of the following:

a. A provision providing for adjustment so that the purchase price of the bonds or notes in the open market would be as close to par as possible.

b. A provision providing for adjustment based upon a percentage or percentages of a prime rate or base rate, which percentage or percentages may vary or be applied for different periods of time.

c. Any other provision that the State Treasurer may determine to be consistent with this act and to not materially and adversely affect the financial position of the State and the marketing of bonds or notes at a reasonable interest cost to the State.

(9) "State secondary highway system" includes all of the State highway system located outside municipal corporate limits which are not designated by N.C., U.S., or Interstate numbers.

(10) "Urban loops" means the urban loops set out in G.S. 136-180, including any changes as may be made from time to time by the General Assembly.

(11) "State" means the State of North Carolina.

Sec. 4. Authorization of bonds and notes. Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing Highway Bonds in the election called and held as provided in this act, the State Treasurer is authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Highway Bonds", with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State as provided in this act, in an aggregate principal amount not exceeding nine hundred fifty million dollars ($950,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this act.

Sec. 5. Appropriation and use of bond and note proceeds. (a) The proceeds of the bonds and notes are appropriated to the Department of Transportation. This appropriation is in addition to any other appropriation to that Department.

(b) The proceeds of five hundred million dollars ($500,000,000) of the bonds and notes shall be used by the Department of Transportation for the purpose of paying, with any other available funds, part or all of the costs of all or some of the urban loops as shall be determined from time to time by the Department of Transportation.

(c) The proceeds of three hundred million dollars ($300,000,000) of the bonds and notes shall be used by the Department of Transportation for the purpose of paying, with any other available funds, part or all of the costs of all or some of the highways in the Intrastate System as shall be determined from time to time by the Department of Transportation.

(d) The proceeds of one hundred fifty million dollars ($150,000,000) of the bonds and notes shall be used by the Department of Transportation for the purpose of paying, with any other available funds, part or all of the costs of projects constituting a part of the State secondary highway system. The Department of Transportation shall use these funds for projects that result in the paving of unpaved roads. Each county shall receive a percentage of these funds, the percentage to be determined as a factor of the number of miles of unpaved State-maintained secondary roads in the county divided by the total number of miles of unpaved State-maintained secondary roads in the State. The particular projects to constitute parts of the State secondary highway system and to be financed from the proceeds of the bonds and notes shall be determined from time to time by the Department of Transportation.

(e) The funds appropriated in this section are supplemental to the funds appropriated pursuant to G.S. 136-176(b) and may not be used, directly or indirectly, for any purpose other than the purposes provided in this section. It is the intent of the General Assembly that the allocations pursuant to G.S. 136-176(b) shall not be supplanted or diminished due to the appropriations of the proceeds of the bonds or notes pursuant to this section.

Sec. 6. Priority of Highway Trust Fund Use. G.S. 136-176(b) reads as rewritten:

"(b) Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. The rest of the funds in the Trust Fund shall be allocated and used as follows:

(1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. ~~136-179.~~ 136-179 and to pay debt service on

highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these projects.

(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and construct the urban loops described in G.S. ~~136-180.~~ 136-80 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these urban loops.

(3) Six and one-half percent (6.5%) to supplement the appropriation to cities for city streets under G.S. 136-181.

(4) Six and one-half percent (6.5%) for secondary road construction as provided in G.S. ~~136-182.~~ 136-182 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to secondary road construction.

The Department must administer funds allocated under subdivisions (1), (2), and (4) of this subsection in a manner that ensures that sufficient funds are available to make the debt service payments on bonds issued under the State Highway Bond Act of 1996 as they become due."

Sec. 7. Highway Trust Fund effective date. The first paragraph of Section 8.4 of Chapter 692 of the 1989 Session Laws reads as rewritten:

"Sec. 8.4. When contracts for all projects specified in Article 14 of Chapter 136 of the General Statutes have been let and sufficient revenue has been accumulated to pay the contracts, the Secretary of Transportation shall certify this occurrence by letter to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Secretary of State. The proceeds of bonds and notes issued pursuant to the State Highway Bond Act of 1996 shall not be included as revenues accumulated to pay the contracts for the projects specified in Article 14 of Chapter 136 of the General Statutes. ~~The~~ Except as otherwise provided in this section, the changes below shall become effective on the first day of the calendar quarter following the date the Secretary sends the letter, unless there is less than 30 days between the date the letter is sent and the first day of the following quarter. In that circumstance, the changes shall become effective on the first day of the second calendar quarter following the date the Secretary sends the letter. The changes below shall not become effective, however, until the State Treasurer certifies by letter to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the Secretary of State, that all of the bonds and notes issued pursuant to the State Highway Bond Act of 1996 have been retired or provision for their retirement has been made."

Sec. 8. Allocation of bond and note proceeds. The proceeds of the bonds and notes, including any premium thereon, if any, except the proceeds of bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be deposited by the State Treasurer in a special fund to be established in the Department of the State Treasurer and to be designated the "Highway Facilities Bonds Fund", which may include any appropriate special accounts as may be determined by the State Treasurer.

Any additional moneys which may be received by means of a grant or grants from the United States of America or any agency or department thereof or from any other source to aid in the financing of highway facilities may be placed by the State Treasurer in the Highway Facilities Bonds Fund, or in any separate funds or accounts as the State Treasurer may determine, and shall be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this act.

Moneys in the Highway Facilities Bonds Fund or in any separate fund or account may be invested from time to time by the State Treasurer in the same manner permitted for investment of moneys belonging to the State or held in the State treasury except with respect to grant money to the extent otherwise directed by the terms of the grant, and any investment earnings shall be credited to the Highway Facilities Bonds Fund or the particular fund or account from which the investment was made.

All moneys deposited in, or accruing to, the credit of the Highway Facilities Bonds Fund, other than moneys set aside for administrative expenses, including expenses related to determining compliance with applicable requirements of the federal tax law and costs of issuance, shall be used to pay the cost of highway facilities authorized by this act.

The proceeds of the bonds and notes may be used with other money made available by the General Assembly for the purposes provided in this act, including the proceeds of any other State bond issues, which may be made available at the session of the General Assembly at which this act is ratified or at any subsequent sessions. The proceeds of the bonds and notes shall be expended and disbursed under the direction and supervision of the Director of the Budget. The funds provided by this act shall be disbursed for the purposes provided in this act upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until a requisition has been approved by the Director of the Budget and which requisition shall be approved only after compliance with the Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

Sec. 9. Election. The question of the issuance of the bonds authorized by this act shall be submitted to the qualified voters of the State at the general election in November 1996. Any other primary, election, or referendum validly called or scheduled by law at the time the election on the bond question provided for in this section is held may be held as called or scheduled. Notice of the election shall be given in the manner and at the times required by G.S. 163-33(8). The election and the registration of voters for the election shall be held under and in accordance with the general laws of the State. Absentee ballots shall be authorized in the election.

The State Board of Elections shall reimburse the counties of the State for all necessary expenses incurred in holding the election which are in addition to those which would have otherwise been incurred, these expenses to be paid out of the Contingency and Emergency Fund or other funds available to the State Board of Elections.

Ballots, voting systems authorized by Article 14 of Chapter 163 of the General Statutes, or both may be used in accordance with rules prescribed by the State Board of Elections. The bond question to be used in the ballots or voting systems shall be in substantially the following form:

[ ] FOR [ ] AGAINST

The issuance of nine hundred fifty million dollars ($950,000,000) State of North Carolina Highway Bonds constituting general obligation bonds of the State secured by a pledge of the faith and credit and taxing power of the State for the purpose of providing funds, with any other available funds, through the application of not in excess of five hundred million dollars ($500,000,000) of the bonds to pay the capital costs of urban loops, the application of not in excess of three hundred million dollars ($300,000,000) of the bonds to pay the capital costs of Intrastate System projects, and the application of not in excess of one hundred fifty million dollars ($150,000,000) of the bonds to pay the capital costs of projects

constituting a part of the State secondary highway system resulting in the paving of unpaved roads.

If a majority of those voting on the bond question vote in favor of the issuance of the bonds, the bonds may be issued as provided in this act. If a majority of those voting on the bond question vote against the issuance of the bonds, the bonds shall not be issued.

The results of the election shall be canvassed and declared as provided by law for the holding of elections for State officers; the results of the election shall be certified by the State Board of Elections to the Secretary of State, in the manner and at the time provided by the general election laws of the State.

Sec. 10. Issuance of bonds and notes. (a) Terms and conditions. Bonds or notes may bear such date or dates, may be serial or term bonds or notes, or any combination thereof, may mature in such amounts and at such time or times, not later than December 1, 2013, may be payable at such place or places, either within or without the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, may bear interest at such rate or rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at such price or prices, including a price less than the face amount of the bonds or notes, and under such terms and conditions, all as may be determined by the State Treasurer, by and with the consent of the Council of State.

(b) Signatures; form and denomination; registration. Bonds or notes may be issued as certificated or uncertificated obligations. If issued as certificated obligations, bonds or notes shall be signed on behalf of the State by the Governor or shall bear the Governor's facsimile signature, shall be signed by the State Treasurer or shall bear the State Treasurer's facsimile signature, and shall bear the Great Seal of the State or a facsimile thereof shall be impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. Should any officer whose signature or facsimile signature appears on bonds or notes cease to be such officer before the delivery of the bonds or notes, the signature or facsimile signature shall nevertheless have the same validity for all purposes as if the officer had remained in office until delivery of the bonds and notes, and bonds or notes may bear the facsimile signatures of persons who at the actual time of the execution of the bonds or notes shall be the proper officers to sign any bond or note although at the date of the bond or note such persons may not have been such officers. The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as the State Treasurer may determine in conformity with this act; provided, however, that nothing in this act shall prohibit the State Treasurer from proceeding, with respect to the issuance and form of the bonds or notes, under the provisions of Chapter 159E of the General Statutes, the Registered Public Obligations Act, as well as under this act.

(c) Manner of sale; expenses. Subject to approval by the Council of State as to the manner in which bonds or notes shall be offered for sale, whether at public or private sale, whether within or without the United States of America and whether by publishing notices in certain newspapers and financial journals, mailing notices, inviting bids by correspondence, negotiating contracts of purchase or otherwise, the State Treasurer is authorized to sell bonds or notes at one time or from time to time at such rate or rates of interest, which may vary from time to time, and at such price or prices, including a price less than the face amount of the bonds or the notes, as the State Treasurer may determine. All expenses incurred in the

preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes or other available moneys.

(d) Notes; repayment. By and with the approval of the Council of State, the State Treasurer is authorized to borrow money and to execute and issue notes of the State for the borrowed money, but only in the following circumstances and under the following conditions:

(1) For anticipating the sale of bonds the issuance of which the Council of State shall have approved, if the State Treasurer shall deem it advisable to postpone the issuance of the bonds;

(2) For the payment of interest on or any installment of principal of any bonds then outstanding, if there shall not be sufficient funds in the State treasury with which to pay the interest or installment of principal as they respectively become due;

(3) For the renewal of any loan evidenced by notes;

(4) For refunding bonds or notes; or

(5) For the purposes authorized in this act.

Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this act. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals of any notes, the proceeds of which shall have been used in paying interest on or principal of the bonds.

(e) Refunding bonds and notes. By and with the approval of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding bonds or notes issued pursuant to this act. The refunding bonds or notes may be combined with any other issues of State bonds and notes similarly secured.

(f) Tax exemption. Bonds and notes shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding inheritance and gift taxes, income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes shall not be subject to taxation as income.

(g) Investment eligibility. Bonds and notes are hereby made securities in which all public officers, agencies, and public bodies of the State and its political subdivisions, all insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State, executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Bonds and notes are hereby made securities that may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision is now or may hereafter be authorized by law.

(h) Faith and credit. The faith and credit and taxing power of the State are hereby pledged for the payment of the principal of and the interest on bonds and notes.

Sec. 11. Variable interest rates. In fixing the details of bonds and notes, the State Treasurer may provide that any of the bonds or notes may:

(1) Be made payable from time to time on demand or tender for purchase by the owner of the bonds or notes provided a credit facility supports the bonds or notes, unless the State Treasurer

specifically determines that a credit facility is not required upon a finding and determination by the State Treasurer that the absence of a credit facility will not materially and adversely affect the financial position of the State and the marketing of the bonds or notes at a reasonable interest cost to the State;

(2) Be additionally supported by a credit facility;

(3) Be made subject to redemption or a mandatory tender for purchase prior to maturity;

(4) Bear interest at a rate or rates that may vary for such period or periods of time, all as may be provided in the proceedings providing for the issuance of the bonds or notes, including, but not limited to, such variations as may be permitted pursuant to a par formula; and

(5) Be made the subject of a remarketing agreement whereby an attempt is made to remarket bonds or notes to new purchasers prior to their presentment for payment to the provider of the credit facility or to the State.

If the aggregate principal amount repayable by the State under a credit facility is in excess of the aggregate principal amount of bonds or notes secured by the credit facility, whether as a result of the inclusion in the credit facility of a provision for the payment of interest for a limited period of time or the payment of a redemption premium or for any other reason, then the amount of authorized but unissued bonds or notes during the term of such credit facility shall not be less than the amount of such excess, unless the payment of such excess is otherwise provided for by agreement of the State executed by the State Treasurer.

Sec. 12. Other agreements. The State Treasurer may authorize, execute, obtain, or otherwise provide for bond insurance, investment contracts, credit enhancement and liquidity facilities, and interest rate swap agreements, and any other related instruments and matters as the State Treasurer considers desirable in connection with the issuance of bonds or notes.

Sec. 13. Interpretation of act. (a) Additional method. The foregoing sections of this act shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby, shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing.

(b) Statutory references. References in this act to specific sections or Chapters of the General Statutes or specific acts are intended to be references to these sections, Chapters, or acts as they may be amended from time to time by the General Assembly.

(c) Liberal construction. This act, being necessary for the health and welfare of the people of the State, shall be liberally construed to effect the purposes thereof.

(d) Severability. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 14. Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-180.1. Proposed Durham Northern loop.**

The Department of Transportation shall notify the owners of all property that is within a corridor located in Durham County and is being considered as a possible alignment of the proposed Durham Northern loop of at least one informational

workshop, if one is held, and any public hearings on that urban loop. These notifications shall be made by first-class mail and shall be made no less than 30 days prior to the scheduled workshop or public hearing. Prior to a decision on the proposed Durham Northern loop, the Department of Transportation shall consider all alternatives advanced by interested parties including improvements to existing corridors and consider neighborhood growth, economic development patterns and trends, the best protection for the environment, and limitation on encroachment upon State parks. A public report shall be made by the Department of Transportation of its findings and the basis for its decision."

Sec. 15. Article 14 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-177.1. Requirement to use federal funds for Intrastate System projects and urban loops.**

For fiscal years 1996-97 through 2010-11, the Department of Transportation must use ten million dollars ($10,000,000) of the funds it receives each year under 23 U.S.C. Chapter 1, Federal-Aid Highways, to construct the Intrastate System projects described in G.S. 136-179. For fiscal years 1996-97 through 2011-12, the Department of Transportation must use ten million dollars ($10,000,000) of the funds it receives each year under 23 U.S.C. Chapter 1, Federal-Aid Highways, to construct the urban loops described in G.S. 136-180. G.S. 136-176(c) does not apply to federal funds required to be used under this section for Intrastate System projects or urban loops, nor does it apply to any funds from the Highway Fund that were used to match these federal funds."

Sec. 16. Article 14 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-185. Maintenance reserve created in certain circumstances.**

If the Highway Trust Fund has not terminated but all contracts for the projects of the Intrastate System described in G.S. 136-179 have been let and the amount collected and allocated for the Intrastate System is enough to pay the contracts and retire any bonds issued under the State Highway Bond Act of 1996 for projects of the Intrastate System, all subsequent allocations of revenue for the Intrastate System shall be credited to a reserve account within the Trust Fund. Revenue in this reserve may be used only to maintain the projects of the Intrastate System.

If the Highway Trust Fund has not terminated but all contracts for the urban loops described in G.S. 136-180 have been let and the amount collected and allocated for the urban loops is enough to pay the contracts and retire any bonds issued under the State Highway Bond Act of 1996 for the urban loops, then all subsequent allocations of revenue for the urban loops shall be credited to a reserve account within the Trust Fund. Revenue in this reserve may be used only to maintain the urban loops."

Sec. 17. Effective date. This act is effective upon ratification, except that Sections 6, 7, 15, and 16 shall become effective upon the certification of a favorable vote on the bonds by the State Board of Elections to the Secretary of State as provided in Section 9 of this act.

In the General Assembly read three times and ratified this the 20th day of June, 1996.

DENNIS A. WICKER

Dennis A. Wicker
President of the Senate

HAROLD J. BRUBAKER

Harold J. Brubaker
Speaker of the House of Representatives

NORTH CAROLINA

DEPARTMENT OF TRANSPORTATION

STATE AID-MUNICIPALITIES

STATE AID-MUNICIPALITIES

HIGHWAY FUND USES		TIP HWY Funding	Statute Reference
Construction and Maint	FY 1997/98		
Secondary Roads (5120)	$ 78,620,024		GS 136-44.2A; 136-44.5
Urban System (5130)	14,000,000		SB 352 Sec. 32.4 (1)
Public Service Rds (5140)	2,000,000		
Spot Safety (5170)	9,100,000		
Discretionary (5180)	10,000,000		SB 352 Sec. 32.4 (2)
Federally Aided Const (5600)	480,905,478	*	GS136-17.2A
Fed Hiway ACT-Plan&Resrch (5500)	11,819,032	*	
State Aid-Municipalities (5910)	**78,620,024**		**GS 136-41.1**
Maint. Primary (5210)	109,635,113		GS 136-44.3
Maint. Secondary (5220)	187,394,152		GS 136-44.6
Maint. Urban (5230)	36,414,035		GS 136-44.3
Maint. Contr. Resurf (5240)	119,792,020		
Capital Improvements (5400)	12,100,000		
Ferry Operation (5300)	18,098,290		
Railroad Program (5940)	18,800,000		
Airports Program (5950)	26,087,916		
Public Trans Program (5970)	30,874,978		
OSHA Program (5980)	925,000		
Total	$1,245,186,062		

$118,688,205

HIGHWAY TRUST FUND USES		TIP HWY Funding	Statute Reference
	FY 1997/98		
Intrastate System	$ 381,880,586	*	GS 136-176 (b) (1)
Secondary Roads	71,497,038		GS 136-176 (b) (4)
Urban Loops	154,416,605	*	GS 136-176 (b) (2)
State Aid - Municipalities	**40,068,181**		**GS 136-176 (b) (3)**
Program Administration	25,918,895		GS 136-176 (b)
Transfer to General Fund	170,000,000		GS 105-187.9
Total	$ 843,781,305		

HIGHWAY BOND USES		TIP HWY Funding	Statute Reference
	FY 1997/98		
Urban Loops	$ 125,000,000	*	95 Session, Chap 540
Intrastate System	75,000,000	*	95 Session, Chap 540
Secondary Roads	50,000,000		95 Session, Chap 540
Total	$ 250,000,000		

Distribution Formula:

Municipality Population / Total Population All Municipalities — 75% of Appropriated Funds

Plus

Municipality Street Mi. Not Part of State Highway Sys / State-wide Muni St. Mi. Not Part of State Highway Sys — 25% of Appropriated Funds

Equal Municipality Allocation

§ 136-41.1. Appropriation to municipalities; allocation of funds generally; allocation to Butner.

(a) There is annually appropriated out of the State Highway Fund a sum equal to the net amount after refunds that was produced during the fiscal year by a one and three-fourths cents (13/4¢) tax on each gallon of motor fuel taxed under Article 36C of Chapter 105 of the General Statutes and on the equivalent amount of alternative fuel taxed under Article 36D of that Chapter. The amount appropriated shall be allocated in cash on or before October 1 of each year to the cities and towns of the State in accordance with this section. In addition, as provided in G.S. 136-176(b)(3), revenue is allocated and appropriated from the Highway Trust Fund to the cities and towns of this State to be used for the same purposes and distributed in the same manner as the revenue appropriated to them under this section from the Highway Fund. Like the appropriation from the Highway Fund, the appropriation from the Highway Trust Fund shall be based on revenue collected during the fiscal year preceding the date the distribution is made.

Seventy-five percent (75%) of the funds appropriated for cities and towns shall be distributed among the several eligible municipalities of the State in the percentage proportion that the population of each eligible municipality bears to the total population of all eligible municipalities according to the most recent annual estimates of population as certified to the Secretary of Revenue by the State Budget Officer. This annual estimation of population shall include increases in the population within the municipalities caused by annexations accomplished through July 1 of the calendar year in which these funds are distributed. Twenty-five percent (25%) of said fund shall be distributed among the several eligible municipalities of the State in the percentage proportion that the mileage of public streets in each eligible municipality which does not form a part of the State highway system bears to the total mileage of the public streets in all eligible municipalities which do not constitute a part of the State highway system.

It shall be the duty of the mayor of each municipality to report to the Department of Transportation such information as it may request for its guidance in determining the eligibility of each municipality to receive funds under this section and in determining the amount of allocation to which each is entitled. Upon failure of any municipality to make such report within the time prescribed by the Department of Transportation, the Department of Transportation may disregard such defaulting unit in making said allotment.

The funds to be allocated under this section shall be paid in cash to the various eligible municipalities on or before October 1 of each year. Provided that eligible municipalities are authorized within the discretion of their governing bodies to enter into contracts for the purpose of maintenance, repair, construction, reconstruction, widening, or improving streets of such municipalities at any time after January 1 of any calendar year in total amounts not to exceed ninety percent (90%) of the amount received by such municipality during the preceding fiscal year, in anticipation of the receipt of funds under this section during the next fiscal year, to be paid for out of such funds when received.

The Department of Transportation may withhold each year an amount not to exceed one percent (1%) of the total amount appropriated for distribution under this section for the purpose of correcting errors in allocations: Provided, that the amount so withheld and not used for correcting errors will be carried over and added to the amount to be allocated for the following year.

The word "street" as used in this section is hereby defined as any public road maintained by a

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municipality and open to use by the general public, and having an average width of not less than 16 feet. In order to obtain the necessary information to distribute the funds herein allocated, the Department of Transportation may require that each municipality eligible to receive funds under this section submit to it a statement, certified by a registered engineer or surveyor of the total number of miles of streets in such municipality. The Department of Transportation may in its discretion require the certification of mileage on a biennial basis.

(b) For purposes of this section and of G.S. 136-41.2 and 136-41.3, urban service districts defined by the governing board of a consolidated city-county in which street services are provided by the consolidated city-county, as defined by G.S. 160B-2(1), shall be considered eligible municipalities, and the allocations to be made thereby shall be made to the government of the consolidated city-county.

(c) Notwithstanding the provisions of subsections (a) and (b) of this section and of G.S. 136-41.2, the unincorporated area known as Butner qualifies in all respects for allocation of funds under this section and certification of the population and street mileage of Butner by the North Carolina Department of Human Resources is acceptable. Funds allocated to the area for this purpose shall be administered by the member of the State Board of Transportation administering the Highway Fund in Granville County.

§ 136-176. (For contingent repeal see editor's note) Creation, revenue sources, and purpose of North Carolina Highway Trust Fund.

(a) A special account, designated the North Carolina Highway Trust Fund, is created within the State treasury. The Trust Fund consists of the following revenue:

(1) Motor fuel, alternative fuel, and road tax revenue deposited in the Fund under G.S. 105-449.125, 105-449.134, and 105-449.43, respectively.

(2) Motor vehicle use tax deposited in the Fund under G.S. 105-187.9.

(3) Revenue from the certificate of title fee and other fees payable under G.S. 20-85.

(4) Revenue available from the retirement of refunding bonds issued to repay highway construction bonds and deposited in the Fund under G.S. 136-183.

(5) Interest and income earned by the Fund.

(b) Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. The rest of the funds in the Trust Fund shall be allocated and used as follows:

(1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. 136-179.

(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and construct the urban loops described in G.S. 136-180.

(3) Six and one-half percent (6.5%) to supplement the appropriation to cities for city streets under G.S. 136-181.

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(4) Six and one-half percent (6.5%) for secondary road construction as provided in G.S. 136-182.

(b) **(For contingent amendment, see editor's note)** Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. The rest of the funds in the Trust Fund shall be allocated and used as follows:

(1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. 136-179 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these projects.

(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and construct the urban loops described in G.S. 136-80 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these urban loops.

(3) Six and one-half percent (6.5%) to supplement the appropriation to cities for city streets under G.S. 136-181.

(4) Six and one-half percent (6.5%) for secondary road construction as provided in G.S. 136-182 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to secondary road construction.

The Department must administer funds allocated under subdivisions (1), (2), and (4) of this subsection in a manner that ensures that sufficient funds are available to make the debt service payments on bonds issued under the State Highway Bond Act of 1996 as they become due.

§ 136-181. (For contingent repeal see note) Supplement for city streets.

Funds allocated to supplement the appropriations for city streets made under G.S. 136-41.1 shall be distributed to cities as provided in that statute.

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NORTH CAROLINA

DEPARTMENT OF TRANSPORTATION

OTHER HIGHWAY CONSTRUCTION

OTHER HIGHWAY CONSTRUCTION

HIGHWAY FUND USES		TIP HWY Funding	Statute Reference
Construction and Maint	FY 1997/98		
Secondary Roads (5120)	$ 78,620,024		GS 136-44.2A; 136-44.5
Urban System (5130)	**14,000,000**		**SB 352 Sec. 32.4 (1)**
Public Service Rds (5140)	**2,000,000**		
Spot Safety (5170)	**9,100,000**		
Discretionary (5180)	**10,000,000**		**SB 352 Sec. 32.4 (2)**
Federally Aided Const (5600)	480,905,478	*	GS136-17.2A
Fed Hiway ACT-Plan&Resrch (5500)	11,819,032	*	
State Aid-Municipalities (5910)	78,620,024		GS 136-41.1
Maint. Primary (5210)	109,635,113		GS 136-44.3
Maint. Secondary (5220)	187,394,152		GS 136-44.6
Maint. Urban (5230)	36,414,035		GS 136-44.3
Maint. Contr. Resurf (5240)	119,792,020		
Capital Improvements (5400)	12,100,000		
Ferry Operation (5300)	18,098,290		
Railroad Program (5940)	18,800,000		
Airports Program (5950)	26,087,916		
Public Trans Program (5970)	30,874,978		
OSHA Program (5980)	925,000		
Total	$ 1,245,186,062		

$35,100,000

HIGHWAY TRUST FUND USES		TIP HWY Funding	Statute Reference
	FY 1997/98		
Intrastate System	$ 381,880,586	*	GS 136-176 (b) (1)
Secondary Roads	71,497,038		GS 136-176 (b) (4)
Urban Loops	154,416,605	*	GS 136-176 (b) (2)
State Aid - Municipalities	40,068,181		GS 136-176 (b) (3)
Program Administration	25,918,895		GS 136-176 (b)
Transfer to General Fund	170,000,000		GS 105-187.9
Total	$ 843,781,305		

HIGHWAY BOND USES		TIP HWY Funding	Statute Reference
	FY 1997/98		
Urban Loops	$ 125,000,000	*	95 Session, Chap 540
Intrastate System	75,000,000	*	95 Session, Chap 540
Secondary Roads	50,000,000		95 Session, Chap 540
Total	$ 250,000,000		

Senate Bill 352
Section 32.4.

SMALL URBAN CONSTRUCTION PROGRAM
DISCRETIONARY FUNDS

Of the funds appropriated in this act to the Department of Transportation:

(1) $14,000,000 shall be allocated in each fiscal year for small urban construction projects. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for the small urban construction program for small urban construction projects that are located within the area covered by a one-mile radius of the municipal corporate limits.

(2) $10,000,000 shall be used statewide for rural or small urban highway improvements, industrial access roads, and spot safety projects as approved by the Secretary of the Department of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formula as provided in G.S. 136-44.5.

The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to this section in each member's district prior to the Board of Transportation's action. The Department shall make a quarterly comprehensive report on the use of these funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

NORTH CAROLINA

DEPARTMENT OF TRANSPORTATION

SECONDARY ROAD CONSTRUCTION

SECONDARY ROADS CONSTRUCTION

HIGHWAY FUND USES		TIP HWY Funding	Statute Reference
Construction and Maint	FY 1997/98		
Secondary Roads (5120)	**$ 78,620,024**		**GS 136-44.2A; 136-44.5**
Urban System (5130)	14,000,000		SB 352 Sec. 32.4 (1)
Public Service Rds (5140)	2,000,000		
Spot Safety (5170)	9,100,000		
Discretionary (5180)	10,000,000		SB 352 Sec. 32.4 (2)
Federally Aided Const (5600)	480,905,478	*	GS136-17.2A
Fed Hiway ACT-Plan&Resrch (5500)	11,819,032	*	
State Aid-Municipalities (5910)	78,620,024		GS 136-41.1
Maint. Primary (5210)	109,635,113		GS 136-44.3
Maint. Secondary (5220)	187,394,152		GS 136-44.6
Maint. Urban (5230)	36,414,035		GS 136-44.3
Maint. Contr. Resurf (5240)	119,792,020		
Capital Improvements (5400)	12,100,000		
Ferry Operation (5300)	18,098,290		
Railroad Program (5940)	18,800,000		
Airports Program (5950)	26,087,916		
Public Trans Program (5970)	30,874,978		
OSHA Program (5980)	925,000		
Total	$ 1,245,186,062		

$ 200,117,062

HIGHWAY TRUST FUND USES		TIP HWY Funding	Statute Reference
	FY 1997/98		
Intrastate System	$ 381,880,586	*	GS 136-176 (b) (1)
Secondary Roads	**71,497,038**		**GS 136-176 (b) (4)**
Urban Loops	154,416,605	*	GS 136-176 (b) (2)
State Aid - Municipalities	40,068,181		GS 136-176 (b) (3)
Program Administration	25,918,895		GS 136-176 (b)
Transfer to General Fund	170,000,000		GS 105-187.9
Total	$ 843,781,305		

HIGHWAY BOND USES		TIP HWY Funding	Statute Reference
	FY 1997/98		
Urban Loops	$ 125,000,000	*	95 Session, Chap 540
Intrastate System	75,000,000	*	95 Session, Chap 540
Secondary Roads	**50,000,000**		**95 Session, Chap 540**
Total	$ 250,000,000		

Distribution Formula: (H/F & HTF)

Number of Mi.of Unpaved State-Maint Rds in County / Number of Mi.of Unpaved State-Maint Rds in State × $68,670,000

Plus

Num of Mi.of U/P St-Maint Rds in County -- 50 Veh/Day / Num of Mi.of U/P St-Maint Rds in State -- 50 Veh/Day × Amt. Over $68,670,000

Equal Total County Allocation (H/F & HTF)

Plus

Distribution Formula: Bond

Number of Mi.of Unpaved State-Maint Rds in County / Number of Mi.of Unpaved State-Maint Rds in State × Bond Proceeds

Equal Total County Allocation

§ 136-44.2A. Secondary road construction.

There shall be annually allocated out of the State Highway Fund to the Department of Transportation for secondary road construction programs developed pursuant to G.S. 136-44.7 and 136-44.8, a sum equal to that allocation made from the Highway Fund under G.S. 136-41.1(a). In addition, as provided in G.S. 136-176(b)(4) and G.S. 20-85(b), revenue is annually allocated from the Highway Trust Fund for secondary road construction. Of the funds allocated from the Highway Fund and the Highway Trust Fund, the sum of sixty-eight million six hundred seventy thousand dollars ($68,670,000) shall be allocated among the counties in accordance with G.S. 136-44.5(b). All funds for secondary road construction in excess of that amount shall be allocated among the counties in accordance with G.S. 136-44.5(c).

§ 136-44.5. Secondary roads; mileage study; allocation of funds.

(a) Before July 1, in each calendar year, the Department of Transportation shall make a study of all state-maintained unpaved roads in the State. The study shall determine the number of miles of unpaved state-maintained roads in each county, the total number of miles of unpaved state-maintained roads in the State, the number of miles of unpaved state-maintained roads in each county that have a traffic vehicular equivalent of at least 50 vehicles a day, and the total number of miles of unpaved state-maintained roads in the State that have a traffic vehicular equivalent of at least 50 vehicles a day. Except for federal-aid programs, the Department shall allocate all secondary road construction funds on the basis of a formula using the study figures.

(b) The first sixty-eight million six hundred seventy thousand dollars ($68,670,000) shall be allocated as follows: Each county shall receive a percentage of these funds, the percentage to be determined as a factor of the number of miles of unpaved state-maintained secondary roads in the county divided by the total number of miles of unpaved state-maintained secondary roads in the State.

(c) Funds allocated for secondary road construction in excess of sixty-eight million six hundred seventy thousand dollars ($68,670,000) shall be allocated to each county based on the percentage proportion that the number of miles in the county of state-maintained unpaved secondary roads with a traffic vehicular equivalent of at least 50 vehicles a day bears to the total number of miles in the State of state-maintained unpaved secondary roads with a traffic vehicular equivalent of at least 50 vehicles a day.

(d) Copies of the Department study of unpaved state-maintained secondary roads and copies of the individual county allocations shall be made available to newspapers having general circulation in each county.

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§ 136-176. (For contingent repeal see editor's note) Creation, revenue sources, and purpose of North Carolina Highway Trust Fund.

(a) A special account, designated the North Carolina Highway Trust Fund, is created within the State treasury. The Trust Fund consists of the following revenue:

(1) Motor fuel, alternative fuel, and road tax revenue deposited in the Fund under G.S. 105-449.125, 105-449.134, and 105-449.43, respectively.

(2) Motor vehicle use tax deposited in the Fund under G.S. 105-187.9.

(3) Revenue from the certificate of title fee and other fees payable under G.S. 20-85.

(4) Revenue available from the retirement of refunding bonds issued to repay highway construction bonds and deposited in the Fund under G.S. 136-183.

(5) Interest and income earned by the Fund.

(b) Funds in the Trust Fu..d are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. The rest of the funds in the Trust Fund shall be allocated and used as follows:

(1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. 136-179.

(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and construct the urban loops described in G.S. 136-180.

(3) Six and one-half percent (6.5%) to supplement the appropriation to cities for city streets under G.S. 136-181.

(4) Six and one-half percent (6.5%) for secondary road construction as provided in G.S. 136-182.

(b) **(For contingent amendment, see editor's note)** Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. The rest of the funds in the Trust Fund shall be allocated and used as follows:

(1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. 136-179 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these projects.

(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and construct the urban loops described in G.S. 136-80 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these

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urban loops.

(3) Six and one-half percent (6.5%) to supplement the appropriation to cities for city streets under G.S. 136-181.

(4) Six and one-half percent (6.5%) for secondary road construction as provided in G.S. 136-182 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to secondary road construction.

The Department must administer funds allocated under subdivisions (1), (2), and (4) of this subsection in a manner that ensures that sufficient funds are available to make the debt service payments on bonds issued under the State Highway Bond Act of 1996 as they become due.

(c) If funds are received under 23 U.S.C. Chapter 1, Federal-Aid Highways, for a project for which funds in the Trust Fund may be used, the amount of federal funds received plus the amount of any funds from the Highway Fund that were used to match the federal funds may be transferred by the Secretary of Transportation from the Trust Fund to the Highway Fund and used for projects in the Transportation Improvement Program.

(d) A contract may be let for projects funded from the Trust Fund in anticipation of revenues pursuant to the cash-flow provisions of G.S. 143-28.1 only for the two bienniums following the year in which the contract is let.

§ 136-182. (For contingent repeal see note) Supplement for secondary road construction.

Funds are allocated from the Trust Fund to increase allocations for secondary road construction made under G.S. 136-44.2A so that all State-maintained unpaved secondary roads with a traffic vehicular equivalent of at least 50 vehicles a day can be paved by the 1998-99 fiscal year. This supplement shall be discontinued when the Department of Transportation certifies that, with funds available from sources other than the Trust Fund, all State-maintained unpaved secondary roads, regardless of their traffic vehicular equivalent, can be paved during the following six years. If the supplement is discontinued before the Trust Fund terminates, the funds that would otherwise be allocated under this section shall be added to the allocation from the Trust Fund for projects of the Intrastate System.

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Sec. 4. Authorization of bonds and notes. Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing Highway Bonds in the election called and held as provided in this act, the State Treasurer is authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Highway Bonds", with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State as provided in this act, in an aggregate principal amount not exceeding nine hundred fifty million dollars ($950,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this act.

Sec. 5. Appropriation and use of bond and note proceeds. (a) The proceeds of the bonds and notes are appropriated to the Department of Transportation. This appropriation is in addition to any other appropriation to that Department.

(b) The proceeds of five hundred million dollars ($500,000,000) of the bonds and notes shall be used by the Department of Transportation for the purpose of paying, with any other available funds, part or all of the costs of all or some of the urban loops as shall be determined from time to time by the Department of Transportation.

(c) The proceeds of three hundred million dollars ($300,000,000) of the bonds and notes shall be used by the Department of Transportation for the purpose of paying, with any other available funds, part or all of the costs of all or some of the highways in the Intrastate System as shall be determined from time to time by the Department of Transportation.

(d) The proceeds of one hundred fifty million dollars ($150,000,000) of the bonds and notes shall be used by the Department of Transportation for the purpose of paying, with any other available funds, part or all of the costs of projects constituting a part of the State secondary highway system. The Department of Transportation shall use these funds for projects that result in the paving of unpaved roads. Each county shall receive a percentage of these funds, the percentage to be determined as a factor of the number of miles of unpaved State-maintained secondary roads in the county divided by the total number of miles of unpaved State-maintained secondary roads in the State. The particular projects to constitute parts of the State secondary highway system and to be financed from the proceeds of the bonds and notes shall be determined from time to time by the Department of Transportation.

(e) The funds appropriated in this section are supplemental to the funds appropriated pursuant to G.S. 136-176(b) and may not be used, directly or indirectly, for any purpose other than the purposes provided in this section. It is the intent of the General Assembly that the allocations pursuant to G.S. 136-176(b) shall not be supplanted or diminished due to the appropriations of the proceeds of the bonds or notes pursuant to this section.

Sec. 6. Priority of Highway Trust Fund Use. G.S. 136-176(b) reads as rewritten:

"(b) Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. The rest of the funds in the Trust Fund shall be allocated and used as follows:

(1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. ~~136-179.~~ 136-179 and to pay debt service on

NORTH CAROLINA

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION IMPROVEMENT PROGRAM (TIP)

§ 143B-350. Board of Transportation - organization; powers and duties, etc.

(a) There is hereby created a Board of Transportation. The Board shall carry out its duties consistent with the needs of the State as a whole and it shall not sacrifice the general statewide interest to the purely local desires of any particular area. The Board may, from time to time, provide that one or more of its members or representatives shall hear any person or persons concerning transportation.

(b) The Board of Transportation shall have two ex officio members. The Secretary of Transportation shall be an ex officio member of the Board of Transportation and shall be the chairman of the Board of Transportation. The chairman of the North Carolina Rail Council shall be an ex officio member of the Board of Transportation.

(c) The Board of Transportation shall have 20 members appointed by the Governor. One member shall be appointed from each of the 14 transportation engineering divisions and six members shall be appointed from the State at large. One at-large member shall be a registered voter of a political party other than the political party of the Governor. At least one at-large member shall possess a broad knowledge of public transportation matters. No more than two members provided for in this subsection shall reside in the same engineering division while serving in office. The initial members shall serve terms beginning July 1, 1977, and ending January 14, 1981, or until their successors are appointed and qualified. The succeeding terms of office shall be for a period of four years beginning January 15, 1981, and each four years thereafter. The Governor shall have the authority to remove for cause sufficient to himself, any member appointed by the Governor.

(d) The Board of Transportation shall have two members appointed by the General Assembly. One of these members shall be appointed upon the recommendation of the Speaker of the House of Representatives, and one shall be appointed upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121. The initial members appointed by the General Assembly shall serve for terms expiring June 30, 1983. Thereafter, their successors shall serve for two-year terms beginning July 1 of odd-numbered years. Vacancies in appointments made by the General Assembly shall be filled in accordance with G.S. 120-122.

(e) The Board of Transportation shall meet once in each 60 days at such regular meeting times as the Board may by rule provide and at any place in the State as the Board may provide. The Board may hold special meetings at any time at the call of the chairman or any three members. The Board shall have the power to adopt and enforce rules and regulations for the government of its business and proceedings. The Board shall keep minutes of its meetings, which shall at all times be open to public inspection. The majority of the Board shall constitute a quorum for the transaction of business. Board members shall receive per diem and necessary travel and subsistence expenses in accordance with G.S. 138-5 and G.S. 138-6, as appropriate.

(f) The Board of Transportation shall have duties and powers:

(1) To formulate policies and priorities for all modes of transportation under the Department of Transportation;

(2) To advise the Secretary on matters to achieve the maximum public benefit in the performance of the functions assigned to the Department;

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(3) To ascertain the transportation needs and the alternative means to provide for these needs through an integrated system of transportation taking into consideration the social, economic and environmental impacts of the various alternatives.

(4) To approve a schedule of all major transportation improvement projects and their anticipated cost for a period of seven years into the future. This schedule is designated the Transportation Improvement Program; it must be published and copies must be available for distribution. The document that contains the Transportation Improvement Program, or a separate document that is published at the same time as the Transportation Improvement Program, must include the anticipated funding sources for the improvement projects included in the Program, a list of any changes made from the previous year's Program, and the reasons for the changes;

(5) To consider and advise the Secretary of Transportation upon any other transportation matter that the Secretary may refer to it;

(6) To assist the Secretary of Transportation in the performance of his duties in the development of programs and approve priorities for programs within the Department;

(7) To allocate all highway construction and maintenance funds appropriated by the General Assembly as well as federal-aid funds which may be available;

(8) To approve all highway construction programs;

(9) To approve all highway construction projects and construction plans for the construction of projects;

(10) To review all statewide maintenance functions;

(11) To award all highway construction contracts;

(12) To authorize the acquisition of rights-of-way for highway improvement projects, including the authorization for acquisition of property by eminent domain;

(13) To promulgate rules, regulations, and ordinances concerning all transportation functions assigned to the Department.

The ability of a municipality to pay in part or whole for any transportation improvement project shall not be a factor considered by the Board of Transportation in its development and approval of a schedule of major State highway system improvement projects to be undertaken by the Department under G.S. 143B-350(f)(4).

(g) The Board of Transportation may, in its discretion, delegate to the Secretary of Transportation the authority:

(1) To approve all highway construction projects and construction plans for the construction of projects;

(2) To award all highway construction contracts;

(3) To promulgate rules, regulations, and ordinances concerning all transportation functions assigned to the Department.

The Secretary may, in turn, subdelegate these duties and powers.

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(h) Each member of the Board of Transportation who is appointed to represent a transportation engineering division or who resides in a division shall be consulted before the Board makes a decision affecting that division.

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§ 136-12. Reports to General Assembly; Transportation Improvement Program submitted to members and staff of General Assembly.

(a) The Department of Transportation shall, on or before the tenth day after the convening of each regular session of the General Assembly of North Carolina, make a full printed, detailed report to the General Assembly, showing the construction and maintenance work and the cost of the same, receipts of license fees, and disbursements of the Department of Transportation, and such other data as may be of interest in connection with the work of the Department of Transportation. A full account of each road project shall be kept by and under the direction of the Department of Transportation or its representatives, to ascertain at any time the expenditures and the liabilities against all projects; also records of contracts and force account work. The account records, together with all supporting documents, shall be open at all times to the inspection of the Governor or road authorities of any county, or their authorized representatives, and copies thereof shall be furnished such officials upon request.

(a1) The Department of Transportation shall report quarterly beginning on October 15, 1996, and then on the fifteenth of the month following the end of the fiscal quarter, to the Joint Legislative Transportation Oversight Committee on all projects to be built with funds obligated using the cash flow provisions of G.S. 143-28.1. The report shall contain a list of the projects and the amount obligated in anticipation of revenues for each year of the project.

(b) At least 30 days before it approves a Transportation Improvement Program in accordance with G.S. 143B-350(f)(4) or approves interim changes to a Transportation Improvement Program, the Department shall submit the proposed Transportation Improvement Program or proposed interim changes to a Transportation Improvement Program to the following members and staff of the General Assembly:

(1) The Speaker and the Speaker Pro Tempore of the House of Representatives;

(2) The Lieutenant Governor and the President Pro Tempore of the Senate;

(3) The Chairs of the House and Senate Appropriations Committees;

(4) Each member of the Joint Legislative Transportation Oversight Committee; and

(5) The Fiscal Research Division of the Legislative Services Commission.

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TIP HIGHWAY CONSTRUCTION

HIGHWAY FUND USES		TIP HWY Funding	Statute Reference
Construction and Maint	FY 1997/98		
Secondary Roads (5120)	$ 78,620,024		GS 136-44.2A; 136-44.5
Urban System (5130)	14,000,000		SB 352 Sec. 32.4 (1)
Public Service Rds (5140)	2,000,000		
Spot Safety (5170)	9,100,000		
Discretionary (5180)	10,000,000		SB 352 Sec. 32.4 (2)
Federally Aided Const (5600)	480,905,478	*	GS136-17.2A
Fed Hiway ACT-Plan&Resrch (5500)	11,819,032	*	
State Aid-Municipalities (5910)	78,620,024		GS 136-41.1
Maint. Primary (5210)	109,635,113		GS 136-44.3
Maint. Secondary (5220)	187,394,152		GS 136-44.6
Maint. Urban (5230)	36,414,035		GS 136-44.3
Maint. Contr. Resurf (5240)	119,792,020		
Capital Improvements (5400)	12,100,000		
Ferry Operation (5300)	18,098,290		
Railroad Program (5940)	18,800,000		
Airports Program (5950)	26,087,916		
Public Trans Program (5970)	30,874,978		
OSHA Program (5980)	925,000		
Total	$1,245,186,062		

$1,229,021,701

HIGHWAY TRUST FUND USES		TIP HWY Funding	Statute Reference
	FY 1997/98		
Intrastate System	$ 381,880,586	*	GS 136-176 (b) (1)
Secondary Roads	71,497,038		GS 136-176 (b) (4)
Urban Loops	154,416,605	*	GS 136-176 (b) (2)
State Aid - Municipalities	40,068,181		GS 136-176 (b) (3)
Program Administration	25,918,895		GS 136-176 (b)
Transfer to General Fund	170,000,000		GS 105-187.9
Total	$ 843,781,305		

HIGHWAY BOND USES		TIP HWY Funding	Statute Reference
	FY 1997/98		
Urban Loops	$ 125,000,000	*	95 Session, Chap 540
Intrastate System	75,000,000	*	95 Session, Chap 540
Secondary Roads	50,000,000		95 Session, Chap 540
Total	$ 250,000,000		

Regional Distribution -- $949,605,096 (excluding loops):

No. of Mi. of Intrastate System to Complete in Region / No. of Mi. of Intrastate System to Complete in State	X	25% of $949,605,096
		+
Est. Population of Region / Est. Population of State	X	50% of $949,605,096
		+
1/7	X	25% of $949,605,096
Distribution to Region		$XXX,XXX,XXX

§ 136-17.2A. Distribution formula for funds expended on Intrastate System and Transportation Improvement Program.

(a) Funds expended for the Intrastate System projects listed in G.S. 136-179 and both State and federal-aid funds expended under the Transportation Improvement Program, other than funds expended on an urban loop project listed in G.S. 136-180, shall be distributed throughout the State in accordance with this section. For purposes of this distribution, the counties of the State are grouped into seven distribution regions as follows:

(1) Distribution Region A consists of the following counties: Bertie, Camden, Chowan, Currituck, Dare, Edgecombe, Gates, Halifax, Hertford, Hyde, Johnston, Martin, Nash, Northampton, Pasquotank, Perquimans, Tyrrell, Washington, Wayne, and Wilson.

(2) Distribution Region B consists of the following counties: Beaufort, Brunswick, Carteret, Craven, Duplin, Greene, Jones, Lenoir, New Hanover, Onslow, Pamlico, Pender, Pitt, and Sampson.

(3) Distribution Region C consists of the following counties: Bladen, Columbus, Cumberland, Durham, Franklin, Granville, Harnett, Person, Robeson, Vance, Wake, and Warren.

(4) Distribution Region D consists of the following counties: Alamance, Caswell, Davidson, Davie, Forsyth, Guilford, Orange, Rockingham, Rowan, and Stokes.

(5) Distribution Region E consists of the following counties: Anson, Cabarrus, Chatham, Hoke, Lee, Mecklenburg, Montgomery; Moore, Randolph, Richmond, Scotland, Stanly, and Union.

(6) Distribution Region F consists of the following counties: Alexander, Alleghany, Ashe, Avery, Caldwell, Catawba, Cleveland, Gaston, Iredell, Lincoln, Surry, Watauga, Wilkes, and Yadkin.

(7) Distribution Region G consists of the following counties: Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, and Yancey.

(b) Until ninety percent (90%) of the mileage of the Intrastate System projects listed in G.S. 136-179 is completed, the Secretary of Transportation shall, on or before October 1 of each year, calculate the estimated amount of funds subject to this section that will be available for the next seven program years beginning that October 1. The Secretary shall then calculate a tentative percentage share for each distribution region by multiplying the total estimated amount by a factor that is based:

(1) Twenty-five percent (25%) on the estimated number of miles to complete the Intrastate System projects in that distribution region compared to the estimated number of miles to complete the total Intrastate System;

(2) Fifty percent (50%) on the estimated population of the distribution region compared to the total estimated population of the State; and

(3) Twenty-five percent (25%) on the fraction one-seventh, which provides an equal share based on the number of distribution regions.

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(c) When ninety percent (90%) of the mileage of the Intrastate System projects listed in G.S. 136-179 is completed, the Secretary of Transportation shall, on or before October 1 of each year, calculate the estimated amount of funds subject to this section that will be available for the next seven program years beginning that October 1. The Secretary shall then calculate a tentative percentage share for each distribution region by multiplying the total estimated amount by a factor that is based:

(1) Sixty-six percent (66%) on the estimated population of the distribution region compared to the total estimated population of the State; and

(2) Thirty-four percent (34%) on the fraction one-seventh, which provides an equal share based on the number of distribution regions.

(d) In each fiscal year, the Department shall, as nearly as practicable, expend in a distribution region an amount equal to that region's tentative percentage share of the funds that are subject to this section and are available for that fiscal year. In any consecutive seven-year period, the amount expended in a distribution region must be between ninety percent (90%) and one hundred ten percent (110%) of the sum of the amounts established under this subsection as the target amounts to be expended in the region for those seven years.

(e) In making the calculation under this section, the Secretary shall use the most recent estimates of population certified by the State Budget Officer.

(f) In developing the schedules of improvements to be funded from the Trust Fund and of improvements to be made under the Transportation Improvement Program, the Board of Transportation shall consider the highway needs of every county in a distribution region and shall make every reasonable effort to schedule the construction of highway improvements in a manner that addresses the needs of every county in the region in an equitable and timely manner.

§ 136-176. (For contingent repeal see editor's note) Creation, revenue sources, and purpose of North Carolina Highway Trust Fund.

(a) A special account, designated the North Carolina Highway Trust Fund, is created within the State treasury. The Trust Fund consists of the following revenue:

(1) Motor fuel, alternative fuel, and road tax revenue deposited in the Fund under G.S. 105-449.125, 105-449.134, and 105-449.43, respectively.

(2) Motor vehicle use tax deposited in the Fund under G.S. 105-187.9.

(3) Revenue from the certificate of title fee and other fees payable under G.S. 20-85.

(4) Revenue available from the retirement of refunding bonds issued to repay highway construction bonds and deposited in the Fund under G.S. 136-183.

(5) Interest and income earned by the Fund.

(b) Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. The rest of the funds in the Trust Fund shall be allocated and used as

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follows:

(1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. 136-179.

(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and construct the urban loops described in G.S. 136-180.

(3) Six and one-half percent (6.5%) to supplement the appropriation to cities for city streets under G.S. 136-181.

(4) Six and one-half percent (6.5%) for secondary road construction as provided in G.S. 136-182.

(b) **(For contingent amendment, see editor's note)** Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. The rest of the funds in the Trust Fund shall be allocated and used as follows:

(1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. 136-179 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these projects.

(2) Twenty-five and five hundredths percent (25.05%) to plan, design, and construct the urban loops described in G.S. 136-80 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to these urban loops.

(3) Six and one-half percent (6.5%) to supplement the appropriation to cities for city streets under G.S. 136-181.

(4) Six and one-half percent (6.5%) for secondary road construction as provided in G.S. 136-182 and to pay debt service on highway bonds and notes that are issued under the State Highway Bond Act of 1996 and whose proceeds are applied to secondary road construction.

The Department must administer funds allocated under subdivisions (1), (2), and (4) of this subsection in a manner that ensures that sufficient funds are available to make the debt service payments on bonds issued under the State Highway Bond Act of 1996 as they become due.

(c) If funds are received under 23 U.S.C. Chapter 1, Federal-Aid Highways, for a project for which funds in the Trust Fund may be used, the amount of federal funds received plus the amount of any funds from the Highway Fund that were used to match the federal funds may be transferred by the Secretary of Transportation from the Trust Fund to the Highway Fund and used for projects in the Transportation Improvement Program.

(d) A contract may be let for projects funded from the Trust Fund in anticipation of revenues pursuant to the cash-flow provisions of G.S. 143-28.1 only for the two bienniums following the year in which the contract is let.

§ 136-179. (For contingent repeal see note) Projects of Intrastate System funded from

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Trust Fund.

Funds allocated from the Trust Fund for the Intrastate System may be used only for the following projects of the Intrastate System:

Route	Improvements	Affected Counties
I-40	Widening	Buncombe, Haywood, Guilford, Wake, Durham
I-77	Widening	Mecklenburg
I-85	Widening	Durham, Orange, Alamance, Guilford, Cabarrus, Mecklenburg, Gaston
I-95	Widening	Halifax
US-1	Complete 4-laning from Henderson to South Carolina Line (including 6-laning of Raleigh Beltline)	Vance, Franklin, Wake, Chatham, Lee, Moore, Richmond
US-13	Connector from I-95 to NC-87	Cumberland
US-13	Complete 4-laning from Virginia Line to US-17	Gates, Hertford, Bertie
US-17	Complete 4-laning from Virginia Line to South Carolina Line (including Washington, New Bern, and Jacksonville Bypasses)	Camden, Pasquotank, Perquimans, Chowan, Bertie, Martin, Beaufort, Craven, Jones, Onslow, Pender, New Hanover, Brunswick
US-19/US-19E	Complete 4-laning from US-23 to NC 194 in Ingalls	Madison, Yancey, Mitchell, Avery
US-19	Complete 4-laning	Cherokee, Macon, Swain
US-23	Complete 4-laning and upgrading existing 4-lanes from Tennessee Line to I-240	Madison, Buncombe
US-23-441	Complete 4-laning from US-19/US-74 to Georgia Line	Macon
US-52	Complete 4-laning from I-77 to Lexington (including new I-77 Connector)	Surry, Davidson
US-64	Complete 4-laning from Raleigh to Coast (including freeway construction from I-95 to US-17)	Edgecombe, Pitt, Martin, Washington, Tyrrell, Dare
US-64	Complete 4-laning from Lexington to Raleigh	Davidson, Randolph, Chatham, Wake
US-70	Complete 4-laning from Raleigh to Morehead City (including Clayton, Goldsboro, Kinston, Smithfield-Selma, and Havelock Bypasses predominately freeways on predominately new locations)	Wake, Johnston,

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		Wayne, Lenoir, Craven
US-74	Complete 4-laning from Charlotte to US-17 (including multilaning of Independence Blvd. in Charlotte, and Bypasses of Monroe, Rockingham, and Hamlet)	Mecklenburg, Union, Richmond, Robeson, Columbus
US-74	Complete 4-laning from I-26 to I-85	Polk, Rutherford
US-158	Complete 4-laning from Winston-Salem to Whalebone	Forsyth, Guilford, Rockingham, Caswell, Person, Granville, Vance, Warren, Halifax, Northampton, Gates, Hertford, Pasquotank, Camden, Currituck, Dare
	New bridge over Currituck Sound	Currituck
US-221	Complete 4-laning from Linville to South Carolina	Avery, McDowell, Rutherford
US-220	Complete 4-laning from I-40 to US-1	Guilford, Randolph, Montgomery, Richmond
US-220/NC-68	Complete 4-laning from Virginia Line to I-40	Rockingham, Guilford
US-264	Complete 4-laning from US-64 to Washington (including Wilson and Greenville Bypasses) (including freeway construction from I-95 to Greenville)	Wilson, Greene, Pitt
US-321	Complete 4-laning from Boone to South Carolina Line	Caldwell, Catawba, Lincoln, Gaston
US-421	Complete 4-laning from Tennessee Line to I-40	Watauga, Wilkes, Yadkin
US-421	Complete 4-laning from Greensboro to Sanford (including Bypass of Sanford)	Chatham, Lee
NC-24	Complete 4-laning from Charlotte to Morehead City	Mecklenburg, Cabarrus, Stanly, Montgomery, Moore, Harnett, Cumberland, Sampson, Duplin, Onslow, Carteret
NC-87	Complete 4-laning from Sanford to US-74	Lee, Harnett, Cumberland, Bladen, Columbus
NC-105	Complete 4-laning from Boone to Linville	Watauga, Avery
NC-168	Complete multilaning from Virginia Line to US-158	Currituck
NC-194	Complete 4-laning from US-19E to US-221	Avery

§ 136-180. (For contingent repeal see note) Urban loops.

Funds allocated from the Trust Fund for urban loops may be used only for the following urban loops:

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Loop	Description	Affected Counties
Asheville Western Loop	Multilane facility on new location from I-26 west of Asheville to US-19/23 north of Asheville for the purpose of connecting these roads. The funds may be used to improve existing corridors.	Buncombe
Charlotte Outer Loop	Multilane facility on new location encircling City of Charlotte	Mecklenburg
Durham Northern Loop	Multilane facility on new location from I-85 west of Durham to US-70 east of Durham	Durham, Orange
Greensboro Loop	Multilane facility on new location encircling City of Greensboro	Guilford
Raleigh Outer Loop	Multilane facility on new location from US-1 southwest of Cary northerly to US-64 in eastern Wake County	Wake
Wilmington Bypass	Multilane facility on new location from US-17 northeast of Wilmington to US-17 southwest of Wilmington	New Hanover
Winston-Salem Northbelt	Multilane facility on new location from I-40 west of Winston-Salem northerly to I-40 in eastern Forsyth County	Forsyth

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Sec. 4. Authorization of bonds and notes. Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing Highway Bonds in the election called and held as provided in this act, the State Treasurer is authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Highway Bonds", with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State as provided in this act, in an aggregate principal amount not exceeding nine hundred fifty million dollars ($950,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this act.

Sec. 5. Appropriation and use of bond and note proceeds. (a) The proceeds of the bonds and notes are appropriated to the Department of Transportation. This appropriation is in addition to any other appropriation to that Department.

(b) The proceeds of five hundred million dollars ($500,000,000) of the bonds and notes shall be used by the Department of Transportation for the purpose of paying, with any other available funds, part or all of the costs of all or some of the urban loops as shall be determined from time to time by the Department of Transportation.

(c) The proceeds of three hundred million dollars ($300,000,000) of the bonds and notes shall be used by the Department of Transportation for the purpose of paying, with any other available funds, part or all of the costs of all or some of the highways in the Intrastate System as shall be determined from time to time by the Department of Transportation.

(d) The proceeds of one hundred fifty million dollars ($150,000,000) of the bonds and notes shall be used by the Department of Transportation for the purpose of paying, with any other available funds, part or all of the costs of projects constituting a part of the State secondary highway system. The Department of Transportation shall use these funds for projects that result in the paving of unpaved roads. Each county shall receive a percentage of these funds, the percentage to be determined as a factor of the number of miles of unpaved State-maintained secondary roads in the county divided by the total number of miles of unpaved State-maintained secondary roads in the State. The particular projects to constitute parts of the State secondary highway system and to be financed from the proceeds of the bonds and notes shall be determined from time to time by the Department of Transportation.

(e) The funds appropriated in this section are supplemental to the funds appropriated pursuant to G.S. 136-176(b) and may not be used, directly or indirectly, for any purpose other than the purposes provided in this section. It is the intent of the General Assembly that the allocations pursuant to G.S. 136-176(b) shall not be supplanted or diminished due to the appropriations of the proceeds of the bonds or notes pursuant to this section.

Sec. 6. Priority of Highway Trust Fund Use. G.S. 136-176(b) reads as rewritten:

"(b) Funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, not to exceed four and one-half percent (4.5%) of the amount of revenue deposited in the Trust Fund under subdivisions (a)(1), (2), and (3) of this section, may be used each fiscal year by the Department for expenses to administer the Trust Fund. The rest of the funds in the Trust Fund shall be allocated and used as follows:

(1) Sixty-one and ninety-five hundredths percent (61.95%) to plan, design, and construct the projects of the Intrastate System described in G.S. ~~136-179.~~ 136-179 and to pay debt service on

The Highway Program

The highway construction budget consists of the Federal Aid Construction Program, the state match from the Highway Fund, and the Intrastate and Urban Loop Programs from the North Carolina Highway Trust Fund. Beginning in 1998, the proceeds from the sale of highway bonds also are included in the construction budget. Combined funding is expected to be $1295.4 million for Federal Fiscal Year (FFY) 1998. Planning and design is budgeted at $95 million, leaving $1200.4 million for right-of-way and construction. During the seven-year TIP, almost $8.5 billion is expected to be available for right-of-way and construction.

The Federal Aid Construction Program consists of many funding categories. Funding in most of these categories is subject to overall federal budget constraints. Although North Carolina's total apportionment for these categories is expected to be about $496 million, it is anticipated that the obligation ceiling will be about $454 million. The other federal aid categories not subject to this obligation limit bring the total federal funds expected to be available in FFY 1998 to $530 million.

The amount of state matching funds needed for the Federal Aid Program is expected to be $133 million. About $26 million is budgeted from the Highway Fund for the state match, with the remaining $107 million to come from the Trust Fund. When federal aid is used on a Trust Fund project, the Trust Fund law allows an equal amount to be transferred from the Trust Fund to the Highway Fund to cover deficits in state match and to fund state construction projects.

Highway Construction Budget

(in millions)

Category (FFY)	1998	1999	2000	2001	2002	2003	2004	*Seven Year TIP Totals*
Federal Aid Construction	530.00	530.00	530.00	530.00	530.00	530.00	530.00	$3710.00
Proceeds from Bonds (Intrastate and Loops)	200.00	300.00	300.00					$800.00
Match Appropriated from Highway Fund	26.15	33.15	33.15	33.15	33.15	33.15	33.15	$225.05
Intrastate and Loops	539.24	563.75	590.27	617.14	645.07	674.11	704.29	$4333.87
Subtotal	**1295.39**	**1426.90**	**1453.42**	**1180.29**	**1208.22**	**1237.26**	**1267.44**	**$9068.92**
Less Planning & Design	-95.00	-95.00	-95.00	-95.00	-90.00	-90.00	-90.00	-650.00
Tip R/W & Const. Budget	**1200.39**	**1331.90**	**1358.42**	**1085.29**	**1118.22**	**1147.26**	**1177.44**	**$8418.92**

Federal Aid Construction Program - FFY 1998

(in millions)

Category	Federal Funds	Required State Matching Funds	Total
Interstate Maintenance	57.0	14.3	71.3
Planning & Research	11.3	2.8	14.1
Bridge Placement & Rehabilitation	65.2	16.3	81.5
National Highway System	82.2	20.6	102.8
Congestion Mitigation	11.8	3.0	14.8
Surface Transportation Program	238.8	59.7	298.5
P.L. 104 Restoration	4.6	1.2	5.8
Donor State Bonus	25.3	6.3	31.6
Total Apportionment	**496.2**	**124.2**	**620.4**
Obligation Ceiling	453.6	113.4	567.0
Minimun Allocation	40.0	10.0	50.0
Special Projects	36.4	9.1	45.5
Total Federal Funding Availability	**530.0**	**132.5**	**662.5**

The Highway Program (continued)

Highway Trust Fund Revenues
(in millions)

Funding element (FFY)	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	*Seven Year TIP Total*
25% of Motor Fuels Tax	253.51	260.10	267.90	275.13	282.56	290.19	298.03	$1927.42
3% Use Tax	439.74	459.53	480.21	501.82	524.40	548.00	572.66	$3526.36
Title Fees	86.61	88.27	90.04	91.84	93.67	95.55	97.45	$643.43
Investment Income	28.38	29.09	29.96	30.86	31.78	32.74	33.72	$216.53
Debt Service Availability	38.00	38.00	38.00	38.00	38.00	38.00	38.00	$266.00
Less General Fund Transfer	-170.00	-170.00	-170.00	-170.00	-170.00	-170.00	-170.00	-$1190.00
Total Trust Fund Revenues	**676.24**	**704.99**	**736.11**	**767.65**	**800.41**	**834.48**	**869.86**	**$5389.74**

Highway Trust Fund Allocations
(in millions)

Program (FFY)	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	*Seven Year TIP Total*
Intrastate Highway System	383.97	401.43	420.31	439.45	459.34	480.01	501.51	$3086.02
Urban Loops	155.26	162.32	169.96	177.69	185.74	194.11	202.79	$1247.87
Powell Bill & Secondary Roads	112.01	116.23	120.83	125.51	130.35	135.36	140.56	$880.85
Program Administration	25.00	25.00	25.00	25.00	25.00	25.00	25.00	$175.00
Total Allocations	**676.24**	**704.98**	**736.10**	**767.65**	**800.43**	**834.48**	**869.86**	**$5389.74**

The 1989 General Assembly created the North Carolina Highway Trust Fund to accomplish the following goals:

- complete a 3,600 - mile intrastate system of four - lane roads;
- widen and improve 113 miles of existing interstate highways;
- build multi - lane loops and connectors near seven major cities
- provide additional funds in order to pave all unpaved secondary roads by 2006
- provide additional funds for municipal streets

Revenues for the Trust Fund are generated from the state motor fuels tax, the three percent use tax on the sale of motor vehicles, titles and other fees, interest income and beginning in FY 1995, revenue from the retirement of bonds. Also, in November 1996, a $950 million Highway Bond referendum was approved, allocating $500 million of the proceeds to Urban Loops, $300 million to the Intrastate System, and $150 million to Secondary Roads.

The Trust Fund Law specifies that a designated amount will be transferred each year from the Trust Fund to the General Fund. Beginning in FY 1992, the transfer amount is $170 million annually. One half of Trust Fund revenues generated from title and other fees is then allocated to the paving of secondary roads. A maximum of 4.5 percent of the remaining Trust Fund revenues may be used for administration of the Trust Fund Program. The balance of revenues is then distributed as follows:

- 61.95 percent to the Intrastate System;
- 25.05 percent to Urban Loops;
- 6.5 percent to pave Secondary Roads;
- 6.5 percent to municipal street aid (the Powell Bill program)

Because the source of Trust Fund revenues are sensitive to changes in the economy, revenue forecasts are revised annually. Total Trust Fund revenues available for the Trust Fund Program are projected to be about $676 million for FFY 1998 and nearly $5.4 billion during the seven-year TIP period.

NORTH CAROLINA

DEPARTMENT OF TRANSPORTATION

HIGHWAY MAINTENANCE

HIGHWAY MAINTENANCE

HIGHWAY FUND USES		TIP HWY Funding	Statute Reference
Construction and Maint	FY 1997/98		
Secondary Roads (5120)	$ 78,620,024		GS 136-44.2A; 136-44.5
Urban System (5130)	14,000,000		SB 352 Sec. 32.4 (1)
Public Service Rds (5140)	2,000,000		
Spot Safety (5170)	9,100,000		
Discretionary (5180)	10,000,000		SB 352 Sec. 32.4 (2)
Federally Aided Const (5600)	480,905,478	*	GS136-17.2A
Fed Hiway ACT-Plan&Resrch (5500)	11,819,032	*	
State Aid-Municipalities (5910)	78,620,024		GS 136-41.1
Maint. Primary (5210)	**109,635,113**		**GS 136-44.3**
Maint. Secondary (5220)	**187,394,152**		**GS 136-44.6**
Maint. Urban (5230)	**36,414,035**		**GS 136-44.3**
Maint. Contr. Resurf (5240)	**119,792,020**		
Capital Improvements (5400)	12,100,000		
Ferry Operation (5300)	18,098,290		
Railroad Program (5940)	18,800,000		
Airports Program (5950)	26,087,916		
Public Trans Program (5970)	30,874,978		
OSHA Program (5980)	925,000		
Total	$ 1,245,186,062		

$ 453,236,320

HIGHWAY TRUST FUND USES		TIP HWY Funding	Statute Reference
	FY 1997/98		
Intrastate System	$ 381,880,586	*	GS 136-176 (b) (1)
Secondary Roads	71,497,038		GS 136-176 (b) (4)
Urban Loops	154,416,605	*	GS 136-176 (b) (2)
State Aid - Municipalities	40,068,181		GS 136-176 (b) (3)
Program Administration	25,918,895		GS 136-176 (b)
Transfer to General Fund	170,000,000		GS 105-187.9
Total	$ 843,781,305		

HIGHWAY BOND USES		TIP HWY Funding	Statute Reference
	FY 1997/98		
Urban Loops	$ 125,000,000	*	95 Session, Chap 540
Intrastate System	75,000,000	*	95 Session, Chap 540
Secondary Roads	50,000,000		95 Session, Chap 540
Total	$ 250,000,000		

§ 136-44.3. Annual maintenance program; State primary and urban systems.

The Department of Transportation shall make a study of the maintenance needs and costs of the State primary and urban systems. On the basis of the costs and proposed appropriations, the Department of Transportation shall develop a statewide annual maintenance program for the State primary and urban systems which shall be subject to the approval of the Board of Transportation and shall take into consideration the general maintenance needs, the special maintenance needs and vehicular traffic and other factors deemed pertinent. The Department of Transportation, from time to time, shall restudy the costs and criteria used as a basis for its annual maintenance program. Copies of the annual maintenance program shall be made available to any member of the General Assembly upon request. Each division engineer, at the end of the fiscal year, shall certify the maintenance of highways in his division in accordance with the annual work program, along with the explanations of any deviations.

§ 136-44.6. Uniformly applicable formula for the allocation of secondary roads maintenance funds.

The Department of Transportation shall develop a uniformly applicable formula for the allocation of secondary roads maintenance funds for use in each county. The formula shall take into consideration the number of paved and unpaved miles of state-maintained secondary roads in each county and such other factors as experience may dictate.

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MAINTENANCE ALLOCATIONS

PRIMARY

1. Statewide Programs
2. Unallocated
3. Bridge Maintenance
4. Road Maintenance
   a. "Off-the-top" - Snow and ice, rest areas, roadway lighting, specialized landscape maintenance, motorist assistance patrols.
   b. Formula allocation

SECONDARY

1. Statewide Programs
2. Unallocated
3. Bridge Maintenance
4. Road Maintenance
   a. "off-the-top" - Snow and ice, river ferries (1&6), specialized landscape maintenance (5)
   b. Formula allocation

URBAN:

1. Statewide Programs
2. Unallocated
3. Bridge Maintenance
4. Road Maintenance
   a. "Off-the-top" - Snow and ice, computer traffic control, roadway lighting, rest area (1), specialized landscape maintenance (5), motorist assistance patrols
   b. Formula allocation

MAINTENANCE ALLOCATIONS

PRIMARY MAINTENANCE ALLOCATION

Allocations are distributed to each division based on a ratio of division primary lane miles to statewide primary lane miles times total primary funds available.

Division Primary Lane Miles x Total primary funds available
Statewide Primary Lane Miles.

SECONDARY MAINTENANCE ALLOCATIONS

Allocations are distributed to each county based on ratios of secondary paved miles, secondary unpaved miles, and population. For paved secondary road maintenance and unpaved secondary road maintenance, a percentage of the total secondary allocation is calculated based on expenditures from historical data. The secondary paved miles ratio is further calculated at 90% for secondary paved miles and 10% for population.

Data Used in Formulas

TOTAL STATE SECONDARY PAVED MILES
TOTAL STATE SECONDARY UNPAVED MILES
TOTAL STATE SECONDARY ALLOCATION
TOTAL ALLOCATION AMOUNT FOR SECONDARY PAVED ROAD MAINTENANCE } HISTORICAL DATA
TOTAL ALLOCATION AMOUNT FOR SECONDARY UNPAVED ROAD MAINTENANCE } HISTORICAL DATA
TOTAL STATE POPULATION
COUNTY SECONDARY PAVED MILES
COUNTY SECONDARY UNPAVED MILES
COUNTY POPULATION

County Secondary Paved Miles x 90% Amount calculated for secondary paved road maintenance
Total State Secondary Paved Miles

County Population x 10% Amount calculated for secondary paved road maintenance
Total State Population

Country Secondary Unpaved Miles x Amount calculated for secondary unpaved road maintenance
State Secondary Unpaved Miles

URBAN MAINTENANCE ALLOCATIONS

Allocations are distributed to divisions based on each division's ratio of urban lane mileage to state urban lane mileage, and division population to total state population. Lane mileage and population are given equal weight (50%).

$$\frac{\text{Division Urban Lane Miles}}{\text{Total State Urban Lane Miles}} \times 50\% \text{ Total urban funds available}$$

$$\frac{\text{Division Population}}{\text{Total State Population.}} \times 50\% \text{ Total urban funds available}$$

CONTRACT RESURFACING ALLOCATIONS

Division-Wide Allocations - All Systems

Allocations are distributed to divisions statewide on a basis of pavement needs as determined by a pavement condition survey, lane miles, and population. The following shows a breakdown of percentage of total funds available for distribution:

50% of total funds available, by pavement needs
37.5% of total funds available, by lane miles
12.5% of total funds available, by population

DIV. PAVMT. Needs x 50% Of total funds available
Total State Pavement Needs

DIV. LANE MILES x 37.5% Of total funds available
Total State Lane Miles

DIV. POPULATION x 12.5% Of total funds available
Total State Population

Division-Wide By System

Allocations are distributed to each system in a division based entirely on pavement needs as determined by the pavement condition survey. The following shows the ratios used to arrive at allocations for each system:

Division Primary Need x Division total allocation
Division Total Need

Division Secondary Need x Division total allocation
Division Total Need

Division Urban Need x Division total allocation
Division Total Need

County Allocations

Allocations are distributed to counties based on pavement needs as determined by the pavement condition survey, secondary paved miles, and population. The percentages for each breakdown is shown below:

50% of total division secondary funds based on a ratio of county needs to division secondary needs.

37.5% of total division secondary funds based on a ratio of county secondary paved miles to division secondary paved miles.

12.5% of total division secondary funds based on a ratio of county population to division population.

$$\frac{\text{County Pavement Needs}}{\text{Division Pavement Needs}} \times 50\% \text{ Division secondary funds}$$

$$\frac{\text{County Secondary Paved Miles}}{\text{Division Secondary Paved Miles}} \times 37.5\% \text{ Division secondary funds}$$

$$\frac{\text{County Population}}{\text{Division Population}} \times 12.5\% \text{ Division secondary funds}$$

FEDERAL FUNDS FOR PUBLIC TRANSPORTATION IMPROVEMENTS

Section 32.18. To the extent allowable by federal law, the Department of Transportation shall use ten million dollars ($10,000,000) of federal highway funds for improvements to public transportation.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

BIENNIAL REPORT ON MAINTENANCE REQUIREMENTS

Section 32.19. G.S. 136-44.3 reads as rewritten:

"**§ 136-44.3. ~~Annual maintenance program; State primary and urban systems.~~ Maintenance program.**

~~The Department of Transportation shall make a study of the maintenance needs and costs of the State primary and urban systems. On the basis of the costs and proposed appropriations, the Department of Transportation shall develop a statewide annual maintenance program for the State primary and urban systems which shall be subject to the approval of the Board of Transportation and shall take into consideration the general maintenance needs, the special maintenance needs and vehicular traffic and other factors deemed pertinent. The Department of Transportation, from time to time, shall restudy the costs and criteria used as a basis for its annual maintenance program. Copies of the annual maintenance program shall be made available to any member of the General Assembly upon request. Each division engineer, at the end of the fiscal year, shall certify the maintenance of highways in his division in accordance with the annual work program, along with the explanations of any deviations.~~

In each even-numbered year, the Department of Transportation shall survey the condition of the State highway system and shall prepare a report of the findings of the survey. The report shall provide both quantitative and qualitative descriptions of the condition of the system and shall provide estimates of the following:

(1) The annual cost of routine maintenance of the State highway system;

(2) The cost of eliminating any maintenance backlog by categories of maintenance requirements;

(3) The annual cost to resurface the State highway system based upon a 12-year repaving cycle for the primary system and a 15-year cycle for other highways; and

(4) The cost of eliminating any resurfacing backlog, by type of system.

On the basis of the report, the Department of Transportation shall develop a statewide annual maintenance program for the State highway system, which shall be subject to the approval of the Board of Transportation and shall take into consideration the general maintenance needs, special maintenance needs, vehicular traffic, and other factors deemed pertinent.

Each division engineer, at the end of the fiscal year, shall certify the maintenance of highways in his division in accordance with the annual work program, along with an explanation for any deviations.

The report on the condition of the State highway system and the annual maintenance program shall be presented to the Joint Legislative Transportation Oversight Committee by November 30 of each even-numbered year, and copies shall be made available to any member of the General Assembly upon request."

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

GRADUATED DRIVERS LICENSE PROGRAM

Section 32.20. Section 11 of S.L. 1997-16 reads as rewritten:

"Section 11. This act becomes effective December 1, ~~1997, if the General Assembly appropriates the necessary funds from the Highway Fund to the~~

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

November 18, 19 & 20 1997

Agenda

Tuesday, Nov. 18

1. **Visit Railroad Yard (Raleigh)**
   Tour DOT Rail Car Servicing Facility and Discuss Rail Plans

1. **Visit Division of Motor Vehicles (Raleigh Headquarters)**
   Tour Operation and Discuss Building Replacement

NOTE
The subcommittee will first meet in our regular meeting room (RM 1228) at 10:00 AM before leaving for the site visits. We have planned a box lunch for you on a dinning car at the railroad yard, your cost will be $5.35.

Wednesday, Nov. 19

1. **Presentation of Budgetary & Statutory links to the Transportation Improvement Program (TIP)**

2. **Highways Performance Budget**

Thursday, Nov. 20

1. **Visit Capital Area Maintenance Sites**
   Maintenance Lab & Actual Highway Sites

NOTE
The subcommittee will first meet in our regular meeting room (RM 1228) at 9:00 AM before leaving for the site visits.

THE JOINT LEGISLATIVE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

November 20, 1997
9 AM
ROOM 1228

The Joint Legislative Appropriations Subcommittee On Transportation met in Room 1228 at 9 a.m. on Thursday, November 20, 1997. **Representative Joanne Bowie** presided.

Members Present:

Representative Joanne Bowie, Co-Chair
Representative Bobby Barbee
Representative Bill Hiatt
Representative Mary McAllister
3 Senators
Representative Thomas Hardaway
Representative Ron Sutton
Representative Jim Gulley
Representative Drew Saunders

Representative Bowie opened the meeting and informed the members they would be touring the North Carolina Maintenance Facility on Blue Ridge Road in Raleigh. **C.A. Gardner, Deputy Chief Engineer of Construction and Maintenance, Department of Transportation,** welcomed the Committee and directed them to waiting vans for the tour. At the Blue Ridge Facility, **Mr. David Allsbrook, Division Engineer**, introduced his staff to the Committee and explained that all counties have a maintenance facility. Out of 100 counties there are 82 maintenance facilities in place around the state of North Carolina.

The Maintenance Facility Division performs many highway duties, including; clearing drainage ditches, filing potholes, mowing grass, and repairing guard rails. At the Facility the Committee viewed the salt, sand, and cold patch inventory stored in covered sheds. Mr. Gardner noted the Maintenance Department is responsible for 2 thousand miles of State roads in Wake Country alone.

Mr. Gardner stated that employee safety is one of the top priorities of the Department and the Department's Employee Safety Program is one of the top in the country.

Mr. Gardner along with **Mr. Ken Murphy, District Engineer**, and **Mr. Lacey Love, Maintenance Engineer**, directed the Committee on a 25 mile ride viewing problem areas. The Committee viewed backlog concerns (areas that need attention - but are not on a priority list). Examples; guard rail needs, pavement crumbling on shoulders on intersections of ramps because of large trucks parking to rest or sleep, drainage and overflowing water in ditches, curb damage, trash concerns at intersections, erosion of sloping hillsides near the highways and high & low shoulder areas.

The tour was well planned. The Committee had an opportunity to ask questions and the general consensus was that it was a great learning experience.

Respectfully submitted:

Representative Joanne W. Bowie
Presiding, Co-Chair

Sharon A. Gaudette
Committee Clerk

Senator Luther Jordan, Co-Chair

AGENDA

Joint Appropriations Subcommittee on Transportation
January 20 and 21, 1998
Rm. 1228 LB

Tuesday - 10:00 a.m.

I. Remarks by Secretary Tolson

II. Public Transit, Rail, Aviation, and Ferry Performance Budgets
- Karl Knapp, Fiscal Research Division
- David King - DOT Deputy Secretary
- Sanford Cross, Public Transportation Division
- Patrick Simmons, Rail Division

III. Small Construction Funding
- Tony Goldman, Fiscal Research Division

IV. Status of GPAC Recommendations for DOT
- Tony Goldman, Fiscal Research Division

Wednesday - 9:00 a.m.

I. Year 2000 Computer System Requirements
- Tony Goldman, Fiscal Research Division
- Paul Roberts, DOT Management Information Systems

II. DOT Financial System
- Tony Goldman, Fiscal Research Division
- Wayne Stallings, DOT Controller
- Paul Roberts, DOT Management Information Systems

III. FEMA Receivables
- Tony Goldman, Fiscal Research Division
- Don Goins, Chief Engineer
- Wayne Stallings, DOT Controller

IV. Potential 1998-99 Highway Fund Spending Needs
- Tony Goldman, Fiscal Research Division
- Karl Knapp, Fiscal Research Division

V. Trust Fund Update
- Karl Knapp, Fiscal Research Division

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

January 20, 1998

Room 1228 LB

10AM

The Joint Appropriations Subcommittee on Transportation met on Tuesday, January 20, 1998 at 10AM in room 1228 of the Legislative Building. **Representative Ed McMahan** chaired the meeting. The meeting was attended by four of the Senate members and the following House members:

Rep. Joanne Bowie	Rep. Jerry Dockham
Rep. Bobby Barbee	Rep. Jim Gulley
Rep. Bill Hiatt	Rep. Mary McAllister
Rep. Drew Saunders	Rep. Ronnie Sutton
Rep. Jim Crawford	Rep. Jane Mosley

Rep. Thomas Hardaway

Rep. McMahan introduced Mr. Norris Tolson, Secretary of the Department of Transportation. Mr. Tolson gave brief remarks. He spoke of the challenges facing DOT at this time; of how economic development is tied to roads; and of the 45 days in which he is to implement a plan. Mr. Tolson said he will develop a plan for use of discretionary funds that will be open to scrutiny; that any planning for roads will consider the environment and that he will look at maintenance. He asked the committee's support. Mr. Tolson also said that he will look at the Board of Transportation at the Governor's request. He praised the outstanding workers at DOT. Mr. Tolson further stated that there seems to have been a lack of communication with the citizens of the state and he wants citizen input. To this end, they are setting up a web site. Mr. Tolson was welcomed to his new position by Rep. McMahan and Senator Albertson on behalf of the committee.

Ferries

Rep. McMahan introduced Mr. Dave King, DOT Deputy Secretary. Mr. King said that in non highway modes of transportation, it is difficult to find quantitative measurements. The state owns and operates the ferry system, therefore there are measurements. He asked the committee's input in defining further measurements. In response to a question by Rep. Bowie, Mr. King said they can give flexibility if the output can be controlled, for example they went to the counties for their input in transporting work first clients. Ferry headquarters is in Morehead City. Repairs are completed at Manns Harbor to which he recommends the committee visit. There are seven ferry sites from Curituck to Fort Fisher. The ferries carry 2.3 million people per year. Safety is always a primary concern. During hurricanes, the ferry system is depended on to evacuate people from Ocracoke island. Sixty percent of the ferries' passengers are North Carolinians. Mr. King thinks tolls should be raised to help cover operating expenses. In response to a question by Sen. Jordan, Mr. King said the tolls cover 8% of the operating budget. Ferries cost three to five million dollars depending on size and where it will be used. The 23 ferries now in

use are maintained by the 85 people at Manns Harbor. Mr. King then read the objectives from the Transportation Program Area booklet, page 8-76. Those objectives are: 1. To provide ferry service to all water-locked, inhabited locations without bridges. 2. Increase ferry service to meet minimum headway of one hour for 90% of passengers during peak hours and seasons. 3. Evacuate and remove 100% of projected peak capacity from water-locked locations within six hours of notice. Sen. Albertson wanted to know how many school children to the ferries carry. Mr. King said he did not have numbers but knows a lot of children are ferried at Curituck. In response to Sen. Jordan, Mr. King said operating costs vary per ferry but $18.3 million is the total current operating cost for 23 ferries. In response to Rep. Sutton, Mr. King said that when a ferry is down, a spare is put into service. Rep. McMahan asked the committee for suggestions from them concerning additional objectives.

Aviation

Mr. Bruce Matthews of DOT was introduced. He went over the objectives for Aviation.(See page 8-66 in the Transportation Program). Those objectives are: 1. To provide airport facilities to meet business aviation needs. 2. Correct safety deficiencies at North Carolina airports. 3. Increase all weather access to the airport system. 4. Increase safety enhancement training for pilots and mechanics. 5. Extend the life of airport facilities and maintain adequate safety levels., 6. Provide aviation operations support for DOT programs and management. Mr. Matthews said they will conduct safety seminars this year. He also spoke of aerial photography and its use in highway planning. In response to a question by Rep. Sutton, Mr. Matthews said the state does not provide money for local airports except for capitol improvement. He said the Lumberton airport may cost $75,000 to $100,000 a year for maintenance. In response to a question by Sen. Carpenter, Mr. Matthews said in the TIP program the number of airports and funding for them is spelled out. In response to a question by Rep. Mosley, Mr. Matthews said DOT staff uses DOT aircraft. There are four airplanes, of which three are equipped with cameras. Mr. Matthews continued. He said there are 73 publicly owned used airports. He suspects that there are six to eight instances per year that businesses do not relocate to North Carolina due to deficient runways. Sen. Albertson requested a list and graph showing airports and highlighting short runways. In response to a question by Rep. Sutton, Mr. Matthews said the top priorities are maintenance of aviation facilities and remaining competitive. Rep. Bowie wanted to know what the airplanes are moving, Mr. Matthews said people. A goal of aviation is to have an airport within a 30 minute drive of 95% of the population. In response to some questions from Sen. Reeves, Mr. Matthews said that in Florida maintenance money is raised from an aviation fuel tax. The state does not collect on airport usage because local governments operate the airports. In response to Rep. McMahan, Mr. King said they have a close working relationship with the Department of Commerce.

Public Transportation

Mr. Sandford Cross of DOT public transportation was introduced. There are 2000 buses used for public transportation of which DOT owns one which is used for training purposes. The system services 100 counties and 17 cities across the state. 50% of the revenue comes from local government, 25% from the federal government, and 25% from the state. Programs are developed based on local governments' stated needs. Mr. Cross reviewed the objectives (see page 8-48 through 8-51 in Transportation Program Area). The objectives are: 1. Upon request, provide funding for transit systems in North Carolina cities with more than 50,000 persons. 2. Ensure coordinated rural public transportation systems in counties that receive state and federal financial assistance. 3. Support van pooling with capital assistance for 100% of demonstrated need. 4. Improve the safe operation of urban and rural transit systems by providing training to 500 employees annually. 5. Conduct transportation development plans for rural public transportation systems in 20 counties annually.

Van pooling operates in the Triad, Triangle and in Charlotte. Operating costs are paid in full by passengers. The van pool programs are located where local governments have requested them. In response to Rep. Sutton, Mr. Cross said the vans are owned by the local transit program. There are about 100 vans operating in the state currently. The state participates with the federal and local government to purchase vans. The rate of participation varies from local government to local government. The ridership also contributes to replacement vans. In response to a question by Rep. Barbee, Charlotte received different funding from Winston Salem because funds for public transit are allocated by population. Mr. Cross said they are behind in objective 5. In response to Sen. Reeves, Mr. Cross said public transportation would not effect traffic. Charlotte has improved their system and as a result ridership has increased. Raleigh maintained their system and ridership has not increased. It is up to each local government . Rep. McMahan said that it makes sense for urban areas to increase ridership and that goal should be tied to funding. DOT has $2 million and they have to spend matching funds and come up with plans for ridership. Rep. Barbee wanted to know who makes the decision regarding riders who are picked up. Mr. Cross said the local governments usually in conjunction with the Council on Aging. In response to Rep. Barbee, the program is not abused because riding the van is the last option . Senator Reeves said he would like to see more money connected to improving ridership. Mr. Cross said DOT is working with the TTA in the Triangle, Triad and Charlotte and providing funds and/or planning support. Rep. McMahan said if anyone had further thoughts concerning this, they should give them to staff.

Rail Division

Mr. Pat Simmons, DOT rail division was introduced. He distributed a handout titled Performance Budget: NCDOT Rail Division, from which he spoke. The handout also included a rail map for the state. The state owns 3500 miles of rails. He spoke of property that is up for abandonment which the state often tries to acquire The goal of rail service taking 2 hours from Raleigh to Charlotte is not going to happen because Norfolk Southern will not do anything until the issues around the North Carolina railroad are

worked out. Rail passengers have increased by 7.8% in FY 97. Revenue has grown by 24% in FY 97. Fourteen stations around the state are being improved. The Silver Palm replaced the Palmetto train. The handout also includes a chart that shows a summary of rail corridors, both acquired and programmed for acquisition for future use. Sen. Albertson wanted to know how wide the corridor is in Castle Hayne. Mr. Simmons said he thinks 100 feet. Rep. McAllister wanted to know the round trip cost Costs on rails vary much like costs on airplanes but it is probably between $36 to $58. Rep. Barbee wanted to know what is complete towards reducing time to Charlotte. Mr. Simmons said they propose double or triple tracking all rails between the two cities. In response to Rep. McMahan, there is no federal funding for rail passenger improvements. However, the Northeast corridor is receiving federal funds and we may therefore be eligible for funding through that program. Sen. Reeves wanted information regarding the difficulty of building a multi modal station. Mr. Simmons said one of the problems is defined by the height and width of the existing bridges Rep. McMahan asked about 8mil for capitol assistance, where is it being spent. That money is in public transit. Purchase of North Carolina railroad is moving along. A shareholders meeting of the NC railroad should take place in March 1998 which is the next leg in the process. In response to a question, the corridors are purchased due to future planning and to protect rights of way. For example Cedar yard may be used in the future to open transportation between Charlotte and Gastonia. Sen. Albertson said he is glad they are protecting these corridors especially their viability in increasing economics.

Rep. McMahan asked Mr. David King about the $18 million already appropriated. Mr. King said for New Starts and matching money. Rep. McMahan spoke about a $13million shortfall in the short session. Rep. Bowie said we need to look at finding new sources of funding. Rep. McMahan said we would like to see a better defined plan for use of money as well as the time frame. Mr. King believes they can be more specific in the short session. Rep. McMahan said that even with local governments, DOT should set some goals, directives and time frames to which Mr. King agreed. There was further discussion around the need for public transit. Mr. King said if the system were up and ready, 16, 000 in the Triangle would ride per day at the outset.

Mr. Tony Goldman distributed North Carolina Department of Transportation Small Construction Projects from which he spoke. Small Construction projects are funded outside of TIP. The Board of Transportation does get involved. In response to a question by Rep. Saunders, these projects are not defined by costs. On page 4 of the handout, small urban funds are defined. The fund was created to address projects in small cities and towns that would not qualify for assistance under TIP at a maximum cost of $150,000. The fund consists of $14 million which is $1 million per division. The division engineer looks at each request. Mr. Goldman handed out Approval of Funds for Specific Divisionwide Urban Construction Projects from the January 9, 1998 Board of Transportation. The handout lists specific projects, and costs by division, that have been approved by the Board of Transportation.

Rep. McAllister asked about barriers, specifically those on I-95 in Lumberton. Mr. Larry Goode responded saying a committee has been formed to look at ways to improve barrier safety. Rep. Sutton said that though the speed limit if 55 miles per hour, cars are speeding at 70 to 75 miles per hour.

Mr. Goldman returned to page 5 in the handout which discusses access and public service road funds. This program is funded at $2million. This has been supplemented with $1 million from TIP. The Board of Transportation approved the addition of the $1 million in their November 1997 meeting. Requests for this money go to the Chief Engineer or State highway administrator's staff and always with involvement by the division engineer. The general guideline is $1000 per new employee. Other factors considered are the economic impact, the geographic region and availability of funds. In response to a question by Rep. Bowie, Mr. Goode said the requests are made for the most part by new businesses coming to the area and the Department of Commerce. Mr. Goldman continued with page 7 of the handout regarding spot safety projects. $9,100,000 has been allocated for spot safety. The average cost per project is $40,000. There is a large backlog of these projects which is reviewed monthly. Accident data and site investigations are updated as necessary. Any project over $75,000 is forwarded to the State Highway Administrator for his approval. Mr. Goldman handed out, from the Board of Transportation meetings of Nov. and Dec. 1997, and Jan. 1998. the Approval or Funds for Specific Spot Safety Improvement Projects. In response to Rep. Sutton, Mr. Goldman said the Board of Transportation does vote on spot safety projects. In response to Rep. McMahan, rail crossings are funded differently and under TIP.

Mr. Goode said the spot safety improvements are predominantly traffic signals. $10 million was allocated for rural or small urban highway improvements, industrial access roads, and spot safety projects as approved by the Secretary of the Department of Transportation. The Speaker of the House and the President Pro Tempore also have input as to how the money is used. Page 8 in the handout list projects that were funded.

Mr. Goldman distributed the following handouts: Department of Transportation Headquarters Organization and Staffing Issues; Dept. of Transportation Update on GPAC recommendations January 1998; The Request for Proposals issued for the performance review of the Board of Transportation and the Department of Transportation. Each handout was reviewed. Mr. Goldman also distributed a chart that shows projected and actual positions in preconstruction. Rep. McMahan asked how many projects were covered by $669 million allocated in FY 97 for preconstrution projects. Mr. Goode said the costs of the projects vary so much that it is hard to pin down. For example, in today's letting there were 37 projects at a cost of $105 million. He also said that the Department had increased its outsourcing from 25% to 39%.

In response to a question by Rep. McMahan, Mr. Goode said the state can do secondary roads more efficiently and cheaper than outside contractors because they already have the equipment and are prepared for contingencies.

Approximately 6.5% or $70 million has been used for paving secondary roads. We probably have about 4,000 out of 10,000 miles remaining to be paved.

Fiscal is working up data to show cost of TIP vs. revenue streams for the next several years.

Major Adams from DMV Enforcement was introduced. He spoke about the process of DMV being notified of the lack of vehicular insurance. His division sends letters to owners requesting them to certify that they have insurance. Officers follow up on the no responses. There was further discussion regarding the amount of work this process takes. Mr. Knapp said that in Connecticut and Utah insurers provide a monthly list of the uninsured.

In response to Rep. McMahan, Major Adams said he will make figures for arrests on charges such as auto theft available.

Mr. Goldman then went through the Request For Proposals issued by the State Auditor.

The meeting adjourned at 3:50PM.

Representative Ed McMahan
Co-Chair

Gloria Haywood
Senate Committee Clerk

VISITOR REGISTRATION SHEET

JOINT APPRO/SUBCOMMITTEE TRANSPORTATION I-20 , ~~1997~~ 1998

Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Pete Boyce	3501 Yaltin Dr, Raleigh, N.C.
Leigh Ann Coffin	Office of State Auditor, 300 N. Salisbury Rd, NC
Milton Alphl	OSBM
[illegible]	[illegible]
[illegible]	[illegible]
Will Plenty	Wilmington Intl Airport
Ruth Sappie	NCDOT
Curtis Yates	NCDOT
Angie Harris	DOT
Sanford Crow	NCDOT-
Don Goins	NCDOT
Calvin Leggett	NCDOT
Patrick Simmons	NCDOT
David Herlong	State Planning
[illegible]	[illegible]
[illegible]	[illegible]
David King	NCDOT

1-20-98 II.

Performance Budget: NCDOT-Rail Division

- Prevent abandonment within 20 miles of cities.
  - FY 96 15.5 miles
  - FY 97 0 miles
- Maintain accurate map
  - Refer to map
- State Rail Plan
  - Maintained
- Evaluate all proposed abandonments
  - Track via Surface Transportation Board

Performance Budget: NCDOT-Rail Division

- Broker short line business on 75% of all abandoned corridors
- Rural Hall-Brook Cove abandoned in FY 97
- Maintain an accurate listing of all shippers and shipments on at-risk lines
- Incomplete
- Conduct site inspections on 33%
- Incomplete

Performance Budget: NCDOT-Rail Division

• Raleigh to Charlotte in 2 hours by 2000	• Not gonna happen
• Contract with Norfolk Southern (NS) for Rail IMPACT	• NS not performing work
• Conduct Preliminary Engineering	• Completed
• Present program & budget for 2 hour goal	• Completed

Performance Budget: NCDOT-Rail Division

- Increase rail passenger travel by 20%
- Develop multi-modal program
- Improve pax stations
- Revive *Palmetto*
- Plan Western NC
- Develop NC product line

- FY 97 pax up7.8% revenues up 24%
- Transit 2001 Report
- Underway
- *Silver Palm* FY 97
- Completed
- Completed

Acquired Corridors	Date	Miles	Programmed for Acquisition	Date	Miles
Cedar Yard	11/91	0.5	Norlina-Bolling	FY98	32
Piedmont & Northern	12/91	13.6	Cedar Yard	FY98	1
Maiden Branch	4/93	6.3	Norlina Ridgeway	FY99	3.3
Wallace-Castle Hayne	8/94	26.3	Wilmington Downtown Lead	FY99	0.7
Durham &South Car.	8/95	15.5	Norlina-Virginia	FY99	19
Franklinton-Louisberg	1/90	9.6	Weldon-North Weldon	FY99	3
Andrews-Murphy	7/88	14.23	Chatham-Wake	FY99	6.3
			Elizabeth City-Weeksville	FY99	7.3
TOTAL		86.03			72.6

NORTH CAROLINA RAILROADS DIRECTORY

Class I

Reporting Mark	Railroad/Address	Contact
CSX	**CSX TRANSPORTATION** State Headquarters Raleigh, NC 27606 5540 Centerview Dr., Suite 425	Lyman Cooper, Resident VICE PRESIDENT 919/851-5433; 919/851-9560 FAX E. Clark Adams, Manager, Industrial Development 704/563-4611; 704/563-4617 FAX
	Corporate Headquarters Jacksonville, FL 32202, 500 Water St.	A.R. Carpenter, President & CEO 904/359-7699; 904/359-3597 FAX
	Florence Service Lane Florence, SC 29506, 100 Oakland Ave.	General Manager 803/664-8200; 803/664-8273 FAX
	Appalachian Service Lane Erwin, TN 37650, 229 Nolichucky Ave.	T.J. Swisher, Superintendent of Field Operations 423/743-2710; 423/743-2719 FAX
NS	**NORFOLK SOUTHERN CORPORATION** State Headquarters Raleigh, NC 27608, 1500 Carson St.	Durwood Laughinghouse, Resident Vice President 919/831-3002; 919/831-3041 FAX James Bowman, Industrial Development 919/831-3092; 919/831-3041 FAX
	Corporate Headquarters Norfolk, VA 23510, Three Commercial Place	David R. Goode, Chairman, President & CEO 757/629-2610; 757/629-2345 FAX
	Piedmont Division Greenville, SC 29601, 1120 W. Washington St.	John Wagner 864/255-4210; 864/255-4279
	Virginia Division Roanoke, VA 24042, 110 Franklin Rd. SE	T.N. Evans, Superintendent 540/981-4476; 540/981-4880 FAX

Affiliated with A Class I

Reporting Mark	Railroad/Address	Contact	Ownership	
CPLJ	**CAMP LEJEUNE RAILROAD**	Norfolk Southern Corporation	**USMC**	Right of Way
HPTD	**HIGH POINT, THOMASVILLE & DENTON RR**	Winston-Salem Southbound Railway	**CSX & NS**	Corporate
SUR	**STATE UNIVERSITY RAILROAD**	Norfolk Southern Corporation	**NC & NCRR**	Right of Way
US	**US ARMY RAILROAD**		**US Army**	Right of Way
WSS	**WINSTON-SALEM SOUTHBOUND RAILWAY** Winston Salem, NC 27107, 4550 Overdale Rd.	H.W. Usrey, Operations Manager 910/788-9407, 910/788-9085 FAX	**CSX & NS**	Corporate

Independently Owned

Reporting Mark	Railroad/Address	Contact	Owner/Operator
ACWR	**ABERDEEN CAROLINA & WESTERN RAILWAY** Star, NC 27356, PO Box 586	Robert Menzies, President 910/428-9030; 910/428-2966 FAX	
AR	**ABERDEEN & ROCKFISH RAILROAD** Aberdeen, NC 28315, PO Box 917	Edward A. Lewis, President 910/944-2341; 910/944-9738 FAX	
ARC	**ALEXANDER RAILROAD** Taylorsville, NC 28681, PO Box 277	Benjamin Zachary, General Manager 704/632-2103; 704/585-6541 FAX	
ATW	**ATLANTIC & WESTERN RAILWAY, L.P.** Sanford, NC 27331, PO Box 1208	Ella Frye, General Manager 919/776-7521; 919/774-4621 FAX	**Rail Partners, L.P.** **Panama City Beach, FL** Corporate
BMH	**BEAUFORT & MOREHEAD RAILWAY, L.P.** Morehead City, NC 28557, PO Box 3608	W.C. Taylor, President A.T. Leary Jr., General Manager 919/726-1777; 919/726-3759 FAX	**NC Ports Railway Commission** Right of Way
CA	**CHESAPEAKE & ALBEMARLE RAILROAD** Ahoskie, NC 27910, 214 N. Railroad St.	Carl Hollowell, General Manager 919/332-3778; 919/338-3777; 919/338-5634 FAX	**RailTex, San Antonio, TX** **NS** Corporate Right of Way
CALA	**CAROLINA SOUTHERN RAILROAD** Conway, SC 29526, 171 Highway 905	Ken Pippin, President Jason Pippin, V.P., Operations 803/248-8008; 803/248-8003 FAX	

Independently Owned *continued*

Reporting Mark	Railroad/Address	Contact	Owner/Operator
CFR	**CAPE FEAR RAILWAYS** Fort Bragg, NC 28307, PO Box 70090	Randolph Mills, Superintendent 910/497-5008, 910/497-9124 FAX	**Seaboard Corp., Shawnee Mission, KS** Corporate
CLNA	**CAROLINA COASTAL RAILWAY** Midlothian, VA 23113, One Park W. Circle #203	J.W. Bentz, President Danny Jones,Operations Manager 804/379-4664; 804/379-9521 FAX	**Rail Link, Midlothian, VA** Corporate
CRIJ	**CAROLINA RAIL SERVICES, INC.** Raleigh, NC 27604, 3100 Smoketree Ct., Suite 801	Sam A. Holcomb, President 919/790-8244; 919/790-8266 FAX	**Carolina Rail Services, Inc.** Corporate **NC Ports Railway Commission** Right of Way
CWCY	**CALDWELL COUNTY RAILROAD** Morganton, NC 28655, 2114 Williams Wood Dr.	Don McGrady, President 704/433-7409; 704/437-9652 FAX	**Caldwell County Economic Development Commission** Right of Way
CTR	**CLINTON TERMINAL RAILROAD CO.** Clinton, NC 28329, PO Box 11	L. Gray Tuttle, President-General Manager 910/596-0844; 910/596-0233 FAX	
DER	**DUNN-ERWIN RAILWAY** Fayetteville, NC 28302, PO Box 1845	Paul T. McArdle, General Manager 910/483-3543; 910/483-3557 FAX	**Aberdeen & Rockfish RR** Corporate
GSMR	**GREAT SMOKY MOUNTAINS RAILWAY** Dillsboro, NC 28725, PO Box 397	Malcom G. MacNeill, President 704/586-8811; 800/872-4681; 704/586-8806 FAX	
LRS	**LAURINBURG & SOUTHERN RAILROAD** Laurinburg, NC 28353, PO Box 1929	Murphy Evans, President 910/276-0786; 910/276-2853 FAX	
NCDOT	**NORTH CAROLINA DEPT. OF TRANSPORTATION** Rail Division, Raleigh, NC 27611-5201	Patrick B. Simmons, Director 919/733-4713; 919/733-1391 FAX	Owners Right of Way
NCPRC	**NC PORTS RAILWAY COMMISSION** Wilmington, NC 28401, 1717 Woodbine St.	William C. Taylor, General Manager 910/762-0916; 910/251-8159 FAX	Owner of Rights of Way
NCRR	**NORTH CAROLINA RAILROAD COMPANY** Raleigh, NC 27604, 3200 Atlantic Ave.,Suite 110	Sam Hunt, President Scott Saylor, Executive VICE PRESIDENT/Staff Counsel 919/954-7601; 919/954-7099 FAX	Owner of Leased Right of Way
NCVA	**NORTH CAROLINA & VIRGINIA RAILROAD** Ahoskie, NC 27910, 214 N Railroad St.	Carl Hollowell, General Manager 919/332-2778; 919/332-3325 FAX	**RailTex, San Antonio, TX** Corporate
NCYR	**NASH COUNTY RAILROAD** Spring Hope, NC 27882, PO Box 487	Pete Claussen, President, Gulf & Ohio Railways Ronnie E. McKenzie, General Manager 919/478-3939; 919/478-7079 FAX	
RSNR	**RED SPRINGS & NORTHERN RAILROAD** Laurinburg, NC 28353, PO Box 1929	Murphy Evans, President 910/276-0786; 910/276-2853 FAX	**Advancement, Inc.** Right of Way
TBRY	**THERMAL BELT RAILWAY** Morganton, NC 28655, 2114 Williams Wood Dr.	Don McGrady, President 704/433-7409; 704/437-9652 FAX	**Rutherford RR, Dev. Corp.** Right of Way
VSRR	**VIRGINIA SOUTHERN RAILROAD** Ahoskie, NC 27910, 214 N Railroad St.	Carl Hollowell 919/332-2778; 919/332-3325 FAX 804/736-8862, 804/736-9968	**RailTex, San Antonio, TX** Corporate
WTRY	**WILMINGTON TERMINAL RAILWAY** NC Ports Railway Commission Wilmington, NC 28401, 1717 Woodbine St.	K. Earl Durden, President 904/230-8331; 904/230-8848 FAX	**Rail Management, Panama City, FL** Operator **NC Ports Railway Commission** Right of Way
YAN	**BLACK MOUNTAIN RAILROAD** Coral Gables, FL 33134, 3127 Ponce De Leon Blvd.	Walter S. Klements, Sr., President 305/448-9787; 305/443-4500 FAX	
YVRR	**YADKIN VALLEY RAILROAD** Rural Hall, NC 27405, PO Box 1218	Pete Claussen, President, Gulf & Ohio Railways H.E. "Andy" Anderson, General Manager 910/969-6055, 910/969-9168 FAX	**NS** Right of Way

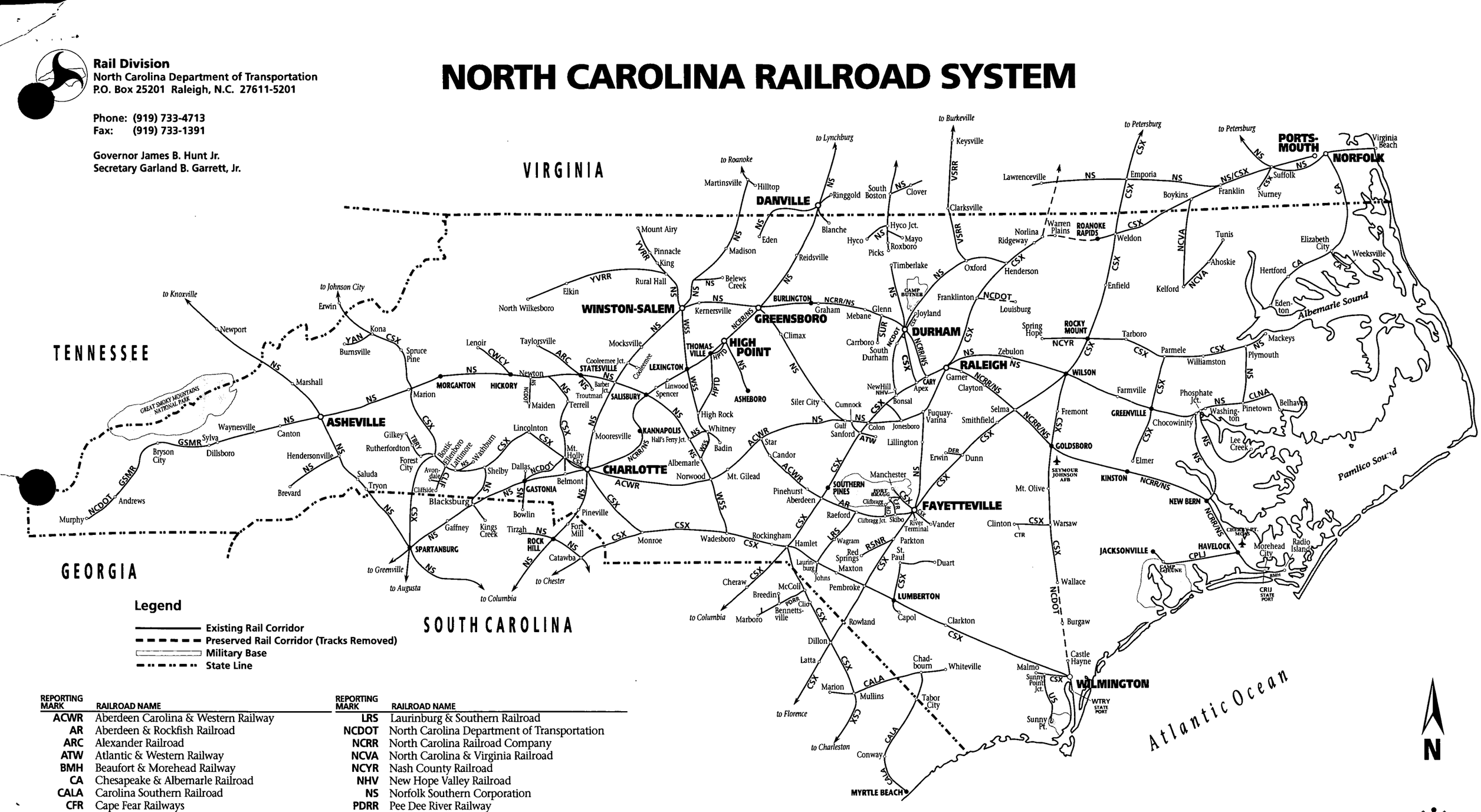
Map inquiries and suggested revisions should be submitted to Paul Worley, NCDOT Rail Division, Safety & Engineering Branch, PO Box 25201, Raleigh, NC 27611
E-mail address: pworley@doh.state.nc.us

Rail Division
North Carolina Department of Transportation
P.O. Box 25201 Raleigh, N.C. 27611-5201

Phone: (919) 733-4713
Fax: (919) 733-1391

Governor James B. Hunt Jr.
Secretary Garland B. Garrett, Jr.

NORTH CAROLINA RAILROAD SYSTEM



Legend

- Existing Rail Corridor
- Preserved Rail Corridor (Tracks Removed)
- Military Base
- State Line

REPORTING MARK	RAILROAD NAME
ACWR	Aberdeen Carolina & Western Railway
AR	Aberdeen & Rockfish Railroad
ARC	Alexander Railroad
ATW	Atlantic & Western Railway
BMH	Beaufort & Morehead Railway
CA	Chesapeake & Albemarle Railroad
CALA	Carolina Southern Railroad
CFR	Cape Fear Railways
CLIF	Cliffside Railroad
CTR	Clinton Terminal Railroad
CLNA	Carolina Coastal Railway
CPLJ	Camp Lejeune Railroad
CRIJ	Carolina Rail Services
CSX	CSX Transportation
CWCY	Caldwell County Railroad
DER	Dunn-Erwin Railway
GSMR	Great Smoky Mountains Railway
HPTD	High Point, Thomasville & Denton Railroad
LRS	Laurinburg & Southern Railroad
NCDOT	North Carolina Department of Transportation
NCRR	North Carolina Railroad Company
NCVA	North Carolina & Virginia Railroad
NCYR	Nash County Railroad
NHV	New Hope Valley Railroad
NS	Norfolk Southern Corporation
PDRR	Pee Dee River Railway
RSNR	Red Springs & Northern Railroad
SUR	State University Railroad
TBRY	Thermal Belt Railway
US	US Military
VSRR	Virginia Southern Railroad
WSS	Winston-Salem Southbound Railway
WTRY	Wilmington Terminal Railroad
YAN	Black Mountain Railroad
YVRR	Yadkin Valley Railroad

NCDOT RAIL DIVISION WEB SITE
www.bytrain.org

AMTRAK STATIONS IN NORTH CAROLINA

Burlington	Fayetteville	High Point	Salisbury
Cary	Gastonia	Kannapolis	Selma
Charlotte	Greensboro	Raleigh	Southern Pines
Durham	Hamlet	Rocky Mount	Wilson

For Information or Reservations: 1-800-USA-RAIL or www.amtrak.com

LOOK, LISTEN & LIVE AT RAILROAD CROSSINGS

June 1997

1-20-98 III

NORTH CAROLINA

DEPARTMENT OF TRANSPORTATION

SMALL CONSTRUCTION PROJECTS

SMALL CONSTRUCTION PROJECTS

HIGHWAY FUND USES		TIP HWY Funding	Statute Reference
Construction and Maint	FY 1997/98		
Secondary Roads (5120)	$ 78,620,024		GS 136-44.2A; 136-44.5
Urban System (5130)	14,000,000		SB 352 Sec. 32.4 (1)
Public Service Rds (5140)	2,000,000		
Spot Safety (5170)	9,100,000		
Discretionary (5180)	10,000,000		SB 352 Sec. 32.4 (2)
Federally Aided Const (5600)	480,905,478	*	GS136-17.2A
Fed Hiway ACT-Plan&Resrch (5500)	11,819,032	*	
State Aid-Municipalities (5910)	78,620,024		GS 136-41.1
Maint. Primary (5210)	109,635,113		GS 136-44.3
Maint. Secondary (5220)	187,394,152		GS 136-44.6
Maint. Urban (5230)	36,414,035		GS 136-44.3
Maint. Contr. Resurf (5240)	119,792,020		
Capital Improvements (5400)	12,100,000		
Ferry Operation (5300)	18,098,290		
Railroad Program (5940)	18,800,000		
Airports Program (5950)	26,087,916		
Public Trans Program (5970)	30,874,978		
OSHA Program (5980)	925,000		
Total	$1,245,186,062		

$35,100,000

HIGHWAY TRUST FUND USES		TIP HWY Funding	Statute Reference
	FY 1997/98		
Intrastate System	$ 381,880,586	*	GS 136-176 (b) (1)
Secondary Roads	71,497,038		GS 136-176 (b) (4)
Urban Loops	154,416,605	*	GS 136-176 (b) (2)
State Aid - Municipalities	40,068,181		GS 136-176 (b) (3)
Program Administration	25,918,895		GS 136-176 (b)
Transfer to General Fund	170,000,000		GS 105-187.9
Total	$ 843,781,305		

HIGHWAY BOND USES		TIP HWY Funding	Statute Reference
	FY 1997/98		
Urban Loops	$ 125,000,000	*	95 Session, Chap 540
Intrastate System	75,000,000	*	95 Session, Chap 540
Secondary Roads	50,000,000		95 Session, Chap 540
Total	$ 250,000,000		

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan
GLOBAL TRANSPARK AUTHORITY TO REIMBURSE HIGHWAY FUND FROM FEDERAL SOURCES

Section 32. When funds are provided from the Highway Fund to the Global TransPark Authority for environmental impact statements or assessments and the Global TransPark Authority applies for and receives reimbursement for those expenses from federal sources up to one million eight hundred thousand dollars ($1,800,000), the federal reimbursements shall be paid over by the Global TransPark Authority into the Highway Fund within 30 days of receipt. These funds shall be allocated to State-funded maintenance appropriations in the manner approved by the Board of Transportation.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan
AIRCRAFT AND FERRY ACQUISITIONS

Section 32.1. G.S. 143B-350 is amended by adding a new subsection to read:

"(i) Before approving the purchase of an aircraft from the Equipment Fund or a ferry in a Transportation Improvement Program, the Board of Transportation shall prepare an estimate of the operational costs and capital costs associated with the addition of the aircraft or ferry and shall report those additional costs to the General Assembly pursuant to G.S. 136-12(b), and to the Joint Legislative Commission on Governmental Operations."

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan
DEPARTMENT OF TRANSPORTATION TO PAY DEPARTMENT OF CORRECTION ONLY FOR ACTUAL MEDIUM CUSTODY INMATE LABOR

Section 32.2. The Department of Transportation shall pay the Department of Correction only for the actual labor performed by medium custody inmates.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan
HIGHWAY FUND ALLOCATIONS BY CONTROLLER

Section 32.3. Article 1 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-16.10. Allocations by Department Controller to eliminate overdrafts.**

The Controller of the Department of Transportation shall allocate at the beginning of each fiscal year from the various appropriations made to the Department of Transportation for State Construction, State Funds to Match Federal Highway Aid, State Maintenance, and Ferry Operations, sufficient funds to eliminate all overdrafts on State maintenance and construction projects, and these allocations shall not be diverted to other purposes."

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan
SMALL URBAN CONSTRUCTION PROGRAM DISCRETIONARY FUNDS

Section 32.4. Of the funds appropriated in this act to the Department of Transportation:

(1) $14,000,000 shall be allocated in each fiscal year for small urban construction projects. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for the small urban construction program for small urban construction projects that are located within the area covered by a one-mile radius of the municipal corporate limits.

(2) $10,000,000 shall be used statewide for rural or small urban highway improvements, industrial access roads, and spot safety projects as approved by the Secretary of the Department of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formula as provided in G.S. 136-44.5.

The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to this section in each member's district prior to the Board of Transportation's action. The Department shall make a quarterly comprehensive report on the use of these funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

USE OF ANNUAL UNRESERVED HIGHWAY FUND CREDIT BALANCE

Section 32.5. G.S. 136-44.2 reads as rewritten:

"**§ 136-44.2. Budget and appropriations.**

The Director of the Budget shall include in the 'Current Operations Appropriations Bill' an enumeration of the purposes or objects of the proposed expenditures for each of the construction and maintenance programs for that budget period for the State primary, secondary, urban, and State parks road systems. The State primary system shall include all portions of the State highway system located outside municipal corporate limits which are designated by N.C., U.S. or Interstate numbers. The State secondary system shall include all of the State highway system located outside municipal corporate limits that is not a part of the State primary system. The State urban system shall include all portions of the State highway system located within municipal corporate limits. The State parks system shall include all State parks roads and parking lots which are not also part of the State highway system.

All construction and maintenance programs for which appropriations are requested shall be enumerated separately in the budget. Programs that are entirely State funded shall be listed separately from those programs involving the use of federal-aid funds. Proposed appropriations of State matching funds for each of the federal-aid construction programs shall be enumerated separately as well as the federal-aid funds anticipated for each program in order that the total construction requirements for each program may be provided for in the budget. Also, proposed State matching funds for the highway planning and research program shall be included separately along with the anticipated federal-aid funds for that purpose.

Other program categories for which appropriations are requested, such as, but not limited to, maintenance, channelization and traffic control, bridge maintenance, public service and access road construction, and ferry operations shall be enumerated in the budget.

The Department of Transportation shall have all powers necessary to comply fully with provisions of present and future federal-aid acts. No federally eligible construction project may be funded entirely with State funds unless the Department of Transportation has first consulted with the Joint Legislative Commission on Governmental Operations. For purposes of this section, 'federally eligible construction project' means any construction project except secondary road projects developed pursuant to G.S. 136-44.7 and 136-44.8 eligible for federal funds under any federal-aid act, whether or not federal funds are actually available.

The 'Current Operations Appropriations Bill' shall also contain the proposed appropriations of State funds for use in each county for maintenance and construction of secondary roads, to be allocated in accordance with G.S. 136-44.5 and 136-44.6. State funds appropriated for secondary roads shall not be transferred nor

DIVISIONWIDE SMALL URBAN FUND

This fund was initiated to address those projects in small cities and towns that would not qualify for assistance on a statewide-needs basis in the Transportation Improvement Program. Initially, the maximum cost guidelines were for projects $50,000 and under. Through the years inflation, etc., has resulted in the maximum cost at the present time of $150,000.

This fund has been a life-saver for the smaller municipality as well as projects of smaller scope in the larger cities. The fund consists of $14 million, or $1,000,000 per highway division. The funds can be used only within the incorporated municipal limits plus a one-mile perimeter of the incorporated municipal limits. Each Board of Transportation Member responsible for each of the 14 highway divisions recommends projects from the $1,000,000 per highway division to the full Board of Transportation.

ACCESS AND PUBLIC SERVICE ROAD FUNDS:

This fund addresses access needs for industrial sites, schools, and volunteer fire departments; this fund is $2 million dollars. To supplement this fund, TIP Project R-3835 was established in the amount of $1 million dollars.

Access money can be used for fire departments in municipal limits. Secondary road funds are used for fire departments outside the city limits. School bus drives are eligible for access funds regardless if they are in or out of a city.

The division engineers submit to the Chief Engineer – Operations the requests and their recommendations on each access funding request. Sometimes requests are presented directly to the Chief Engineer or State Highway Adminstrator's staff, with involvement by by the division engineer after this meeting. The general guideline is $1,000 per new employee. The total amount being invested in the site and its economic impact to the area is also considered, as well as the geographic region, available funds, and any previous roadway work done by the department in the area.

There are always more requests than available funds. The department sets priorities based on the above data and input from the Department of Commerce Economic Development representatives.

See attached summary from department policy and procedures guidelines.

ACCESS ROAD IMPROVEMENTS TO INDUSTRIAL MANUFACTURING, RESEARCH, AND RECREATIONAL PROJECTS

The Board of Transportation will review requests for access road improvements to industrial or manufacturing projects as a part of the Statewide effort to attract new industry to North Carolina. Projects eligible for assistance from the Department of Transportation may be any industrial or manufacturing factory, mill, assembly or fabricating, or industrial research development or laboratory facility, or industrial processing facility or expansion of existing such facilities. The Board of Transportation will individually review the economic impact of the location of distribution facilities for distributing manufactured goods. The number of employees and truck traffic will be primary justification for assistance with road improvements. The Board of Transportation will also individually review requests for access road improvements to recreational facilities that provide significant impact of employment and attraction of people to the facilities from other sections of North Carolina and from out of state.

Approval of such requests will be based primarily upon the initial number of employees as compared to the road improvement cost. The initial investment in the project and the precedent of past approvals by the Board of Transportation for similar projects will be considered. The particular county involved will be considered as to current economic development.

The access road improvements eligible to be approved by the Board of Transportation will be along an alignment determined by the Department of Transportation, and the right-of-way will be dedicated at no cost to the Department of Transportation. Such access road improvements will terminate at the property line of the project. The road improvements involved must become a part of the State Maintained System as required by North Carolina General Statutes.

The Board of Transportation will consider the addition of an access road constructed by others to the State Maintenance System provided it is justifiable based upon the existing Access and Public Service Road Policy. The construction standards for such a road will be determined by the Division Engineer based upon the intended use of the roadway.

PROCEDURE USED TO RANK SPOT SAFETY PROJECTS FOR CONSIDERATION FOR FUNDING BY THE BOARD OF TRANSPORTATION

Spot Safety Projects are Prioritized using a method which is based on a technical comparison of highway safety needs. For each location analyzed, the total number of accidents, accident rates (which take into consideration traffic volume), and severity index (which takes into consideration overall accident severity at the site) are primary considerations. Each location is field investigated by trained traffic safety engineers. Locations that have experienced "patterns of correctable accidents" are prime candidates for corrective treatment. Locations where speeds are high resulting in high accident severity are given special consideration. Locations in the vicinity of schools where young children may walk to school or high schools where young inexperienced drivers are present are given special attention when an engineering study reveals special problems. Alternate treatments are considered within the bounds of funding available on a "spot safety type project" (which average in the $40,000 range). Cost of corrective treatment vrs. potential benefit in safety to motorists is a major consideration. Secondary, but important, considerations are the existence of traffic congestion, traffic congestion with delay, delay only and the combination of the three as they relate to traffic accidents.

Where traffic signals are requested, a detailed analysis and comparison of the 11 signal warrants is conducted. Signal warrants that are met are weighted with heavy emphasis on the accident warrant and those "volume warrants" where heavy traffic must be present to meet the warrant and justify the traffic signal installation. Pedestrian and school crossing warrants carry more weight than peak hour delay and peak hour volume warrants for example.

An informal committee composed of the State Traffic Engineer, the Assistant State Traffic Engineer for Field Operations, the Five Area Traffic Engineers (from five regions of the State) with input from the 14 Division Engineers and the 14 Division Traffic Engineers review on a monthly basis priorities on a divisionwide as well as a statewide basis. The "pubic outcry" for a safety improvements is given consideration.

A large backlog of projects continually exists (currently in the $6 million range). Priorities change monthly as new locations are brought to our attention. The backlog of projects is reviewed each month, new projects are considered, accident data and site investigations are updated as necessary. Local needs are considered (such as in the less populated highway divisions and within towns and cities) and a final list is prepared and recommended to the Board of Transportation. Any project with a cost estimate of more than $75,000 is forwarded to the State Highway Administrator for his consideration for approval.

There is consideration being given to consolidating all Spot Safety Funds within either Traffic Engineering or under the divisions within the seven (7) geographic regions.

Also under consideration is the establishment of an oversight committee to review Spot Safety project priorities derived from the above process.

STATEWIDE DISCRETIONARY
1997-98 FISCAL YEAR

DIV	COUNTY	DESCRIPTION	AMOUNT	DATE
1	Bertie	Curb and gutter SR 1336 from NC 45 to south city limits of Colerain	$ 75,000	9/5/97
	Bertie	Pave SR 1234 from NC 305 to Hertford County Line	$ 40,000	12/5/97
	Currituck	Pave SR 1406 (Second St) from NC 12 to SR 1185	$ 15,000	9/5/97
	Dare	Construct left-turn lane on NC 12 in Avon	$ 75,000	9/5/97
	Dare	Repair and improve flood gates on various ocean outfalls in Nags Heal and Kill Devil Hills	$ 50,000	10/3/97
2	Beaufort	Supplement project to realign Highland Ave and Reed Dr	$ 93,000	9/7/97
	Craven	Pave SR 1436 (Willis Neck Rd)	$112,000	9/5/97
	Craven	Upgrade Drag Strip Rd off SR 1616	$ 20,000	10/3/97
3	Onslow	Pave SR 1328 from SR 1327 to dead end	$103,000	10/3/97
	Sampson	Install flasher on US 421 at Plainview School	$ 7,500	12/5/97
4	Halifax	Widen and provide turn lanes on NC 903 east of I-95	$ 45,000	9/5/97
	Nash	Roadway lighting at I-95/Goldrock interchange	$190,000	9/5/97
	Nash	Construct access road to Nash County Community College	$ 25,000	12/5/97
	Wayne	Drainage improvements on US 70	$ 10,000	9/5/97
	Wilson	Grade, drain, stabilize Phillips Street from NC 222 westward	$ 25,000	12/5/97

STATEWIDE DISCRETIONARY
1997-98 FISCAL YEAR

DIV	COUNTY	DESCRIPTION	AMOUNT	DATE
5	Franklin	New entrance into Vance/Granville Community College Satellite facility	$ 66,490	9/5/97
	Granville	Strengthen bridge on SR 1138 (Culbreth Rd) to county landfill	$ 50,000	9/5/97
	Granville	Strengthen pavement on SR 1104 (East Lyon Station Rd)	$ 60,000	12/5/97
	Person	Pave Cheryl Circle	$ 15,000	9/5/97
	Wake	Install traffic signal at Falls of Neuse and Ravenscoft	$ 35,000	9/5/97
	Wake	Install traffic signal at intersection of Leesville Rd and Hickory Grove Church Rd	$ 35,000	9/5/97
	Wake	Widen, strengthen and resurface SR 1160	$ 50,000	9/5/97
	Wake	Pave SR 2360A (Jake May Rd) from SR 2358 0.75 mile	$160,000	10/3/97
	Wake	Construct left-turn lane on Old Stage Rd (SR 1006) and right-turn lane on Vandora Springs Rd (SR 2713) and install traffic signal	$ 75,000	12/5/97
	Wake	Supplement widening of SR 1301 (Sunset Lake Rd) from SR 1152 toward US 401	$ 7,559	12/5/97
6	Bladen	Supplement paving of SR 1509	$ 70,000	9/5/97
	Columbus	Supplement paving of SR 1361 B from SR 1317 to SR 1339	$ 47,993	9/5/97

STATEWIDE DISCRETIONARY
1997-98 FISCAL YEAR

DIV	COUNTY	DESCRIPTION	AMOUNT	DATE
6	Columbus	Curb and gutter NC 904 from end of curb and gutter to US 701 Bypass	$160,000	10/3/97
	Cumberland	Supplement paving of SR 1705	$ 50,000	9/5/97
	Harnett	Pave SR 1716	$ 12,672	9/5/97
	Harnett	Widen NC 55 for left-turn lane at NC 27	$ 55,000	10/3/97
	Harnett	Pave SR 1884 to Stoney Run Industrial Park	$ 65,000	12/5/97
	Robeson	Widen SR 2236 from NC 41 to SR 2237	$ 67,000	9/5/97
7	Alamance	Widen and curb and gutter Corregidor St at the Mebane Arts and Community Center	$ 75,000	9/5/97
	Guilford	Construct left-turn lane on SR 1833 (Barrow Rd) at SR 1836 (Williard Dairy Rd)	$ 50,000	9/5/97
	Guilford	Pave SR 2804 (Bird Rd) from SR 2755 to dead end	$ 52,000	12/5/97
	Rockingham	Supplement curb and gutter project on NC 770	$ 25,000	9/5/97
8	Moore	Install signal on NC 211 (Archie Rd) at West Pine Middle School	$ 35,000	9/5/97
	Moore	Install traffic signal at intersection of US 15-501 and Memorial Drive/entrance to Pinehurst Trace	$ 50,000	9/5/97
	Randolph	Supplement paving of SR 1125 (Old Maple Springs Rd)	$100,000	9/5/97
	Richmond	Pave SR 1465A from SR 1464 to county line	$ 45,000	9/5/97

STATEWIDE DISCRETIONARY
1997-98 FISCAL YEAR

DIV	COUNTY	DESCRIPTION	AMOUNT	DATE
9	Davidson	Pave SR 2792 from SR 2096 to Randolph County Line	$ 21,000	12/5/97
	Forsyth	Pave SR 2997 from SR 2996 to Davidson County Line	$ 20,000	9/5/97
	Stokes	Pave SR 1652 (Moir Farm Rd) from SR 1674 to SR 1647	$160,000	9/5/97
10	Cabarrus	Install traffic signal at intersection of SR 1430 and SR 1394	$ 25,000	9/5/97
	Mecklenburg	Install signal, construct right-turn lane, and improve crossover at intersection of US 29 and SR 2680	$ 62,500	9/5/97
	Stanly	Pave SR 1233 from end of pavement to SR 1232	$ 81,000	9/5/97
	Union	Pave SR 1728 (Clonnie Strawn Rd) between Old Lawyers Rd and Old Peachland Rd	$ 20,000	9/5/97
	Union	Pave SR 1318 (Lochhaven Rd) in Town of Weddington	$ 90,000	10/3/97
11	Watauga	Construct access road to Caldwell Community College off SR 1107	$110,000	10/3/97
	Wilkes	Pave SR 2406 (Pardue Lane)	$ 75,000	12/5/97
	Yadkin	Supplement paving of SR 1376	$100,000	9/5/97
12	Catawba	Pave SR 1847 from SR 1848 to railroad, 0.20 mile	$ 25,000	12/5/97
	Cleveland	Pave SR 2247 from SR 2246 to SR 2245	$ 35,000	9/5/97
	Cleveland	Supplement paving of SR 2247	$ 30,000	12/5/97
	Gaston	Pave SR 1444 (Kiser Rd) from SR 1445 to SR 1443	$108,000	9/5/97

STATEWIDE SECRETIONARY
1997-98 FISCAL YEAR

DIV	COUNTY	DESCRIPTION	AMOUNT	DATE
12	Gaston	Pave SR 2641 from SR 2423 to dead end	$ 49,500	10/3/97
	Gaston	Pave SR 1114 from SR 1112 to dead end	$ 56,000	10/3/97
	Iredell	Pave Airport Road, 0.90 mile	$ 50,000	9/5/97
	Iredell	Pave SR 2908 from SR 1113 to dead end	$ 50,000	12/5/97
13	Buncombe	Install guardrail on section of SR 2162	$ 40,000	9/5/97
	Mitchell	Pave SR 1181 (Hughes Rd) from NC 80 to dead end	$ 50,000	9/5/97
	Mitchell	Pave SR 1115 (George McKinney Rd) from SR 1114 to SR 1114, 0.73 mile	$130,000	9/5/97
	Mitchell	Supplement paving of SR 1181 (Hughes Rd)	$ 50,000	10/3/97
	Mitchell	Supplement paving of SR 1330 (Hughes Gap Rd)	$ 28,000	12/5/97
	Rutherford	Upgrade Pioneer Road to acceptable maintenance condition	$ 20,000	9/5/97
14	Clay	Supplement widening of pavement on US 64 at Blackhawk Industries	$ 2,500	10/3/97
	Graham	Supplement project to upgrade West Buffaloe Creek Rd off SR 1123	$130,000	9/5/97
	Polk	Improve and pave SR 1304 from SR 1303 to Rutherford County	$ 25,000	9/5/97
		TOTAL	$4,042,714	

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APPROVAL OF FUNDS FOR SPECIFIC
DIVISIONWIDE URBAN CONSTRUCTION PROJECTS

Town/County	Description	Est. Cost
Elizabeth City/ Pasquotank Div. 1 U-2651W	W. O. 9.8011175 has been approved to widen and relocate SR 1382-1383 to provide revised access to the College of Albemarle. This is to request additional funds.	$ 35,000.00
Winfall/ Perquimans Div. 1	Widen, curb and gutter, and improve drainage on NC 37 from White Street west 400 ft. W. O. 9.8014222	$ 50,000.00
Columbia/ Tyrrell Div. 1	W. O. 9.8010722 has been approved to construct a connector road from US 64 to SR 1300 at Tyrrell Elementary School. This is to request additional funds.	$ 25,000.00
New Bern/ Craven Div. 2	Construct connector road from SR 1167 to Craven Regional Airport terminal W. O. 9.8022961	$150,000.00
Farmville/ Pitt Div. 2	Revise signal and construct turn lane on US 264A at Field Street. Additional $41,500 to be provided by City. W. O. 9.8021720	$ 41,500.00
Wrightsville Beach/ New Hanover Div. 3	Widen, curb and gutter, and drainage improvements on US 76 (S. Lumina Avenue) from Sunset Avenue to dead end, 0.50 mile. An additional $50,000 will be provided by Town. W. O. 9.8033323	$100,000.00
Clayton/ Johnston Div. 4	Install a fully actuated traffic signal on NC 42 at SR 1902 (Glen Laurel Road) W. O. 9.8040625	$ 40,000.00
Tarboro/ Edgecombe Div. 4	Extend curb and gutter and widen pavement on north side of SR 1213 from Austin Street west 0.30 mile W. O. 9.8044157	$ 90,000.00
Clayton/ Johnston Div. 4 U-1854T	W. O. 9.8040621 has been approved to widen NC 42 from SR 1551 to SR 1555. This is to request additional funds.	$ 3,771.84

APPROVAL OF FUNDS FOR SPECIFIC DIVISIONWIDE URBAN CONSTRUCTION PROJECTS

Town/County	Description	Est. Cost
Clayton/ Johnston Div. 4	W. O. 9.8040622 has been approved to construct left-turn lanes and install signal at intersection of SR 1551 and SR 1552. This is to request additional funds.	$ 13,795.33
Eureka/ Wayne Div. 4 U-1854F	W. O. 9.8041105 has been approved for survey and design of NC 222 from SR 1520 to north city limits. This is to request additional funds to close project.	$ 2,531.62
Raleigh/ Wake Div. 5	Install five-phase traffic signal at intersection of SR 1829 (Strickland Road) and Six Forks Station Shopping Center and interconnect to the City's computerized signal system. W. O. 9.8052053	$ 50,000.00
Elizabethtown/ Bladen Div. 6	Widen SR 1150 (Peanut Road) from 150 ft. north of Swanzy Street to SR 1148 W. O. 9.8061521	$110,000.00
Bladenboro/ Bladen Div. 6	Install curb and gutter and storm sewer on NC 211 Business from end of curb and gutter toward Spaulding Monroe Middle School W. O. 9.8060320	$ 75,000.00
Chadbourn/ Columbus Div. 6 U-2056P	W. O. 9.8060817 has been approved to base and pave SR 1578. This is to request funds be reduced in the amount of $5,000.	
Tabor City/ Columbus Div. 6	Widen, curb and gutter, and storm drainage on NC 904 (Burns Street). Companion to W. O. 6.430007 to complete construction from end of existing curb and gutter to Floyd Street W. O. 9.8064122	$ 75,000.00
Bolton/ Columbus Div. 6	Drainage improvements on NC 214 W. O. 9.8060410	$ 20,000.00

APPROVAL OF FUNDS FOR SPECIFIC
DIVISIONWIDE URBAN CONSTRUCTION PROJECTS

Town/County	Description	Est. Cost
Lake Waccamaw/ Columbus Div. 6 U-2056Q	W. O. 9.8062306 has been approved to install guardrail at three locations on SR 1757. This is to request the description be changed to: Extend crossline pipes in three locations on SR 1757 with no change in funds.	
Fayetteville/ Cumberland Div. 6 U-1856D	W. O. 9.8069767 has been approved for preliminary engineering, survey, design and plan preparation to widen US 401 Business. This is to request additional funds to complete construction on SR 1168 (Whitfield Street) at US 401 Business (Robeson Street).	$ 35,000.00
Hope Mills/ Cumberland Div. 6	Construct left-turn lane on SR 2252 (Chicken Foot Road) at SR 2238 (Sand Hill Road) to serve new Wal-Mart Distribution facility. W. O. 9.8062226	$ 75,000.00
Fayetteville/ Cumberland Div. 6	Preliminary engineering to widen US 401 Business (Robeson Street) at NC 87 (CBD Loop) ramp for dual left turns W. O. 9.8062005	$ 10,000.00
Fayetteville/ Cumberland Div. 6	Widen ramps and upgrade signal on US 401 Business (Martin L. King Freeway) for triple left turns at Ramsey Street W. O. 9.8062006	$ 30,000.00
Spring Lake/ Cumberland Div. 6	Remove island and widen pavement at NC 24/87/210 to improve intersection W. O. 9.8064321	$ 40,000.00
Fayetteville/ Cumberland Div. 6	Construct barrier wall on SR 1007 (All American Expressway) along controlled access fence line in conjunction with Cliffdale Road interchange project. City to participate in 50% of cost of project. W. O. 9.8062007	$ 50,000.00
Fayetteville/ Cumberland Div. 6	Widen SR 1141 (Bingham Drive) at US 401 for turn lanes, revise signal and improve drainage. Companion to Spot Safety Projects. W. O. 9.8062008	$ 95,000.00

APPROVAL OF FUNDS FOR SPECIFIC
DIVISIONWIDE URBAN CONSTRUCTION PROJECTS

Town/County	Description	
Fayetteville/ Cumberland Div. 6 U-2156B	W. O. 9.8069796 has been approved to install guardrail on SR 1838 and SR 1006 at Locks Creek. This is to request funds be reduced in the amount of $20,000.	
Fayetteville/ Cumberland Div. 6 U-2056S	W. O. 9.8069791 has been approved to widen SR 1141 for turn laneat SR 1003. This is to request funds be reduced in the amount of $10,000.	
Fayetteville/ Cumberland Div. 6 U-1956Z	W. O. 9.8069784 has been approved to provide intersection revision and signalization on US 401 at Methodist College. This is to request funds be reduced in the amount of $20,000.	
Fayetteville/ Cumberland Div. 6 U-1956X	W. O. 9.8069782 has been approved to install signal at intersection of SR 3259 and SR 1404. This is to request funds be reduced in the amount of $30,000.	
Fayetteville/ Cumberland Div. 6 U-1756M	W. O. 9.8069754 has been approved to widen US 401 Business for turn lane onto McPherson Church Road. This is to request funds be reduced in the amount of $25,000.	
Spring Lake/ Cumberland Div. 6 U-1956C	W. O. 9.8064319 has been approved to curb and gutter and widen NC 87/210 at new Federal School Site #2. This is to request funds be reduced in the amount of $10,000.	
Hope Mills/ Cumberland Div. 6 U-2056X	W. O. 9.8062224 has been approved to provide turn lanes on SR 1363 and SR 1132. This is to request funds be reduced in the amount of $20,000.	
Coats/ Harnett Div. 6	Construct right-turn lane on NC 27 at NC 55 at Coats School and modify traffic signal. Companion to W. O. 6.450006 approved to widen NC 55 for left-turn lane. W. O. 9.8061013	$ 65,000.00

APPROVAL OF FUNDS FOR SPECIFIC
DIVISIONWIDE URBAN CONSTRUCTION PROJECTS

Town/County	Description	Est. Cost
Lillington/ Harnett Div. 6 U-1956H	W. O. 9.8062420 has been approved for preliminary engineering for turn lanes on US 401. This is to request additional funds to complete construction of center left-turn lanes on US 401 to serve Harnett County Governmental Complex.	$ 75,000.00
Lillington/ Harnett Div. 6 U-2156K	W. O. 9.8062422 has been approved to install wheelchair ramps at various locations. This is to request funds be reduced in the amount of $10,000.	
St. Pauls/ Robeson Div. 6	Preliminary engineering for radius improvements on US 301/NC 20 to accommodate trucks and make signal modifications W. O. 9.8063917	$ 10,000.00
Lumberton/ Robeson Div. 6	Widen SR 1791 from I-95 project limits on NC 211 to I-95 project limits at US 301 W. O. 9.8062777	$ 75,000.00
Lumberton/ Robeson Div. 6	Widen SR 2413 for left-turn lane to serve Quickie Manufacturing. Companion to Industrial Access Project funded with State Construction Funds. W. O. 9.8062778	$ 50,000.00
Pembroke/ Robeson Div. 6 U-2056Y	W. O. 9.8063524 has been approved to install signal on NC 711 at Colony Plaza Shopping Center. This is to request funds be reduced in the amount of $50,000.	
Lumberton/ Robeson Div. 6 U-1956S	W. O. 9.8062775 has been approved to install signal system on NC 211 at Walnut Street. This is to request funds be reduced in the amount of $25,000.	
Burlington/ Alamance Div. 7 U-1667R	W. O. 9.8070188 has been approved to widen US 70 for turn lane. This is to request additional funds.	$ 4,000.00
Burlington/ Alamance Div. 7 U1667W	W. O. 9.8070189 has been approved to improve drainage on SR 1158 south of SR 1306. This is to request funds be reduced in the amount of $10,000.	

APPROVAL OF FUNDS FOR SPECIFIC
DIVISIONWIDE URBAN CONSTRUCTION PROJECTS

Town/County	Description	Est. Cost
Stokesdale/ Guilford Div. 7 U-1667U	W. O. 9.8072606 has been approved to pave SR 2039. This is to request additional funds.	$ 6,000.00
Aberdeen/ Moore Div. 8	Replace curb and gutter on SR 2055 between Knight and Maple Streets. Work to be done in a contract by the Town with DOT reimbursement upon satisfactory completion. W. O. 9.8080126	$ 15,000.00
Randleman/ Randolph Div. 8	Grade, drain, base, pave SR 1958 (Little Fox Road) from SR 1989 northerly for 0.20 mile to truck entrance to Ekni Leather Company W. O. 9.8083319	$ 15,000.00
Huntersville/ Mecklenburg Div. 10 U-2060Q	W. O. 9.8100716 has been approved to realign intersection of SR 2136 and SR 2138 and add turn lanes. This is to request additional funds.	$ 28,998.20
Mooresville/ Iredell Div. 12	Relocate SR 1474 (Bluefield Road) to align with NC 150-SR 1109 intersection , 0.20 mile W. O.9.8122624	$125,000.00
Robbinsville/ Graham Div. 14	Widen US 129 from SR 1275 to SR 1260, 1.00 mile W. O. 9.8141724	$150,000.00
Franklin/ Macon Div. 14	Replace traffic islands, driveway turnouts, improve drainage, and resurface Depot Street. W. O. 9.8141043	$ 75,000.00

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APPROVAL OF FUNDS FOR SPECIFIC SPOT SAFETY IMPROVEMENT PROJECTS

TOWN/COUNTY DIVISION	DESCRIPTION	ESTIMATED COST
Currituck Co. Div. 1 PS-3107	Intersection of US 158 and SR 1186 (Walnut Island Drive) and entrance to the Food Lion Shopping Center in Grandy. Install warning flashers on the existing signal warning signs on US 158. File 1-97-257. Project 6.047017.	$10,000.00
Pasquotank Co. Div. 1 PS-3108	Intersection of US 17-158 and SR 1333 (Main Street Extended) north of Elizabeth City. Install a "Vehicle Entering When Flashing" warning flasher and appropriate pavement markings. File 1-97-223. Project 6.117032.	$15,000.00
Beaufort Co. Div. 2 PS-2698	Project 6.157010 has previously been approved to widen US 264 to provide left turn lanes in both directions and construct channelized islands in the vicinity of SR 1609 and SR 1715. $75,000.00 has been approved. This is to request additional funds. File 2-91-37.	$13,000.00
Pitt Co. Div. 2 RS-2357	SR 1708 (Fire Tower Road) from SR 1700 (Old Tar Road/Evans Street Extension) westward for approximately 0.30 mile near Greenville. Extend the three lane section. File 2-97-228. Project 6.227055.	$75,000.00
Wilmington/ New Hanover Co. Div. 3 US-3573	Intersection of NC 132 (College Road) and Holly Tree Road. Shift the left turn lanes on NC 132 into the median to improve left turning sight distance and revise the existing traffic signal. File 3-97-403. Project 6.257056.	$62,000.00
Johnston Co. Div. 4 PS-3109	Intersection of US 301 and SR 2141 east of Micro. Install an overhead two circuit flasher. File 4-97-216. Project 6.317069.	$15,000.00
Wayne Co. Div. 4 PS-3110	Intersection of NC 55 and SR 1948 (Camp Jubilee Road). Install an overhead flasher and provide minimal commercial channalization in the southeast quadrant at the old country store. File 4-97-8. Project 6.337056.	$20,000.00

APPROVAL OF FUNDS FOR SPECIFIC SPOT SAFETY IMPROVEMENT PROJECTS

TOWN/COUNTY DIVISION	DESCRIPTION	ESTIMATED COST
Wayne Co. Div. 4 PS-3111	Intersection of NC 111 and SR 1744 (Indian Springs Road) in the vicinity of Spring Creek School near Seven Springs. Install an overhead two circuit flasher. File 4-97-9. Project 6.337057.	$15,000.00
Raleigh/ Wake Co. Div. 5 US-3574	Intersection of SR 1321 (Avent Ferry Road) and Athens Drive and Lake Dam-Pineview Drive. Install a traffic signal at both locations using the same controller. File 5-93-136. Project 6.407242.	$50,000.00
Raleigh/ Wake Co. Div. 5 US-3575	Intersection of SR 1012 (South Street) and SR 2026 (Person Street). Revise the existing traffic signal to include pedestrian signal heads and pushbuttons. File 5-96-213. Project 6.407243.	$10,000.00
Robeson Co. Div. 6 PS-3112	Intersection of US 74 and SR 1003. Widen US 74 symmetrically for a left turn lane. File 6-93-26. Project 6.467020.	$75,000.00
Alamance Co. Div. 7 PS-3117	Intersection of NC 49 and SR 1136 (Belmont-Alamance Road) south of Burlington. Install a two phase traffic signal. File 7-95-229. Project 6.477061	$34,000.00
Chapel Hill/ Orange Co. Div. 7 US-3576	Intersection of SR 1742 (Ephesus Church Road) and Legion Road. Construct left turn lanes on SR 1742 and install a traffic signal. The total cost of the project is $110,000.00. $50,000.00 will be funded from other sources. File 7-97-19. Project 6.507056.	$60,000.00
Randleman/ Randolph Co. Div. 8 US-3577	Intersection of SR 1950 (Academy Street) and SR 1952 (High Point Street). Widen all four approaches and remove concrete islands to provide auxiliary turn lanes. File 8-95-205. Project 6.577048.	$75,000.00
Stokes Co. Div. 9 RS-2358	SR 1974 (Mountain View Road) approximately 0.60 mile west of NC 8. Install guardrail at horizontal curves in fill section. File 9-97-217. Project 6.647008.	$15,000.00

APPROVAL OF FUNDS FOR SPECIFIC SPOT SAFETY IMPROVEMENT PROJECTS

TOWN/COUNTY DIVISION	DESCRIPTION	ESTIMATED COST
Huntersville/ Mecklenburg Co. Div. 10 US-3578	Intersection of NC 73 (Sam Furr Road) and SR 2316/ SR 2141 (Northcross Drive). Install a five phase fully actuated traffic signal. File 10-97-217. Project 6.677119.	$30,000.00
Surry Co. Div. 11 PS-3113	Median crossover on US 52 Bypass at Neighbors Truck Stop located approximately 0.50 mile north of US 52 Business south of Mount Airy. Install "Trucks Entering Highway" warning signs with flashers and widen the crossover to allow trucks to store in the median without encroaching in the southbound travel lanes. File 11-97-210. Project 6.747033.	$50,000.00
Gaston Co. Div. 12 PS-3114	Intersection of NC 279 and SR 2447. Install a two phase actuated traffic signal. File 12-96-19. Project 6.817062.	$30,000.00
Clay Co. Div. 14 PS-3115	Intersection of US 64 and SR 1140. Install a two phase actuated traffic signal. File 14-97-9. Project 6.927004.	$40,000.00
Jackson Co. Div. 14 PS-3116	Intersection of US 23-74 and SR 1449/SR 1527 east of Sylva. This is to request preliminary engineering to revise the existing crossover to prohibit side street traffic from crossing all four lanes in one move (directional crossover) and design new crossovers to accommodate U-turns and left turns denied at the existing crossover. File 14-97-17. Project 6.967015.	$5,000.00

ROVAL OF FUNDS FOR SPECIFIC SPOT SAFETY IMPROVEMENT PROJECTS

TOWN/COUNTY DIVISION	DESCRIPTION	ESTIMATED COST
Dare Co. Div. 1 PS-3118	Intersection of NC 12 and SR 1292 (Waterside Park). Install an overhead pedestrian cross walk warning sign with appropriate flashers. File 1-97-251. Project 6.057047.	$30,000.00
Chocowinity/ Beaufort Co. Div. 2 U-1952R	Intersection of US 17 and SR 1143 (Patrick Lane). Construct turn lanes on US 17 and install traffic signal. The total cost of the project is $140,000.00 with $40,000.00 being allocated from Small Urban and $25,000.00 from the developer. File 2-97-6. Project 6.157017.	$75,000.00
Pitt Co. Div. 2 PS-3119	Intersection of NC 33 and NC 222 and SR 1400 in Belvoir. Provide channelization along the four quadrants of the intersection and install a traffic actuated flasher. File 2-97-231. Project 6.227056.	$39,000.00
Duplin Co. iv. 3 S-3120	Intersection of US 117/SR 1417 (I-40 Connector) and US 117/SR 1006 near Calypso. Install shoulder mounted "Vehicle Entering When Flashing" signs with flashers on the northbound and southbound approaches to the intersection. File 3-95-5. Project 6.247018.	$20,000.00
Johnston Co. Div. 4 PS-3030	Project 6.317063 has previously been approved to install "Vehicle Entering When Flashing" type signs on both approaches of US 70 and SR 1570 and main entrance to Bayer Complex east of Clayton. $6,000.00 has been approved. This is to request additional funds. File 4-94-201.	$40,000.00
Wayne Co. Div. 4 RS-2359	Intersection of SR 1534 (Big Daddy Road) and SR 1543 (Lancaster Road). Install a two circuit flasher. File 4-97-239. Project 6.337058.	$15,000.00
Garner/ Wake Co. Div. 5 US-3580	Intersection of SR 2710 (Aversboro Road) and Seventh Street. Install a two phase traffic signal. File 5-95-200. Project 6.407244.	$25,000.00

APPROVAL OF FUNDS FOR SPECIFIC SPOT SAFETY IMPROVEMENT PROJECTS

TOWN/COUNTY DIVISION	DESCRIPTION	ESTIMATED COST
Garner/ Wake Co. Div. 5 U-1465H	Intersection of SR 1006 (Old Stage Road) and SR 2711 (Vandora Springs Road). Construct a left turn lane on SR 1006 and a right turn lane on SR 2711. Install a traffic signal. To be supplemented with Discretionary and Small Urban Funds File 5-96-215. Project 6.407247.	$75,000.00
Raleigh/ Wake Co. Div. 5 US-3581	Intersection of I-440 Southbound Ramp and SR 1319 (Jones Franklin Road). Revise the existing signal at I-440 Southbound Ramp to include signalization at Fort Sumter Road. File 5-95-213 Project 6.407245.	$20,000.00
Wake Co. Div. 5 RS-2360	Intersection of SR 1007 (Poole Road) and SR 2233 (Smithfield Road) southeast of Raleigh. Install a two phase traffic signal. File 5-97-19 Project 6.407246.	$35,000.00
Hope Mills/ Cumberland Co. Div. 6 US-3582	Intersection of NC 59 (Hope Mills Road) and SR 1118 (Parkton Road). Install a three phase fully actuated traffic signal. File 6-97-200. Project 6.447077.	$35,000.00
Burlington/ Alamance Co. Div. 7 US-3583	Intersection of SR 1363 (South Mebane Street) and Sixth Street. Install a two phase traffic signal. File 7-95-14. Project 6.477062.	$30,000.00
Greensboro/ Guilford Co. Div. 7 US-3584	Intersection of SR 1398 (Freeman Mill Road) and Glenwood Avenue and Garrett Street. Install a three phase traffic signal. File 7-96-205. Project 6.497144.	$25,000.00
Hoke Co. Div. 8 PS-3122	Intersection of NC 211 and SR 1116 (Old Maxton Road) and SR 1458 (Scott Currie Road) near Raeford. Construct left turn lanes on NC 211. File 8-97-209. Project 6.537007.	$75,000.00

APPROVAL OF FUNDS FOR SPECIFIC SPOT SAFETY IMPROVEMENT PROJECTS

TOWN/COUNTY DIVISION	DESCRIPTION	ESTIMATED COST
Thomasville/ Davidson Co. Div. 9 US-3585	Intersection of SR 2055 (Liberty Drive) and SR 2061 (Authur Drive). Install a two circuit overhead flasher. File 9-96-220. Project 6.607056.	$4,000.00
Forsyth Co. Div. 9 PS-3123	Intersection of NC 66 (Old Hollow Road) and SR 2024 (Old Valley School Road) near Walkertown. Construct a left turn lane on the north approach of NC 66. File 9-97-210. Project 6.627095.	$40,000.00
Watauga Co. Div. 11 PS-3124	US 321 west of SR 1117 (Mast Gap Road) in the Sugar Grove Community. Install flashers on an existing "Pedestrian Crossing" warning sign facing westbound motorists. File 11-97-207. Project 6.757025.	$2,500.00
Catawba Co. Div. 12 PS-3125	Intersection of NC 10 and SR 1722-SR 1801. Install a two phase actuated traffic signal. File 12-96-7. Project 6.797050.	$30,000.00
Cleveland Co. Div. 12 RS-2361	Intersection of SR 1001 and SR 2033. Install a two phase actuated traffic signal. File 12-97-27. Project 6.807027.	$30,000.00
Henderson Co. Div. 14 PS-3126	Intersection of NC 191 and SR 1381-SR 1444. Install a four phase actuated traffic signal. File 14-97-6. Project 6.957052.	$45,000.00

APPROVAL OF FUNDS FOR SPECIFIC SPOT SAFETY IMPROVEMENT PROJECTS

TOWN/COUNTY DIVISION	DESCRIPTION	ESTIMATED COST
Manteo/ Dare Co. Div. 1 US-3579	US 64-264 from SR 1118 (Harriott Street) to NC 345. Refine existing traffic signal system. Install pedestrian signals with the existing traffic signals at SR 1128 and SR 1129 File 1-97-270. Project 6.057048.	$12,000.00
Greenville/ Pitt Co. Div. 2 US-3296	Project 6.227047 has previously been approved to upgrade the existing signal heads to current standards and remark the dual left turn lanes on northbound US 264 Alternate (Greenville Boulevard) for longer tapers at its intersection with NC 33 (Tenth Street) and SR 1598 (Tenth Street). $25,000.00 has been approved. This is to request the description be revised to interconnect the traffic signal with signals at the intersections of Greenville Boulevard at Moseley Drive and Greenville Boulevard at Eastbrook Drive. No additional funds are requested. File 2-94-20.	
Edgecombe Co. Div. 4 PS-3121	Intersection of NC 33 and NC 42 at Scott's Crossroads. Install a two circuit flasher. Install "STOP AHEAD" thermoplastic pavement markings on both approaches of NC 33. File 4-97-273. Project 6.297028.	$15,000.00
Harnett Co. Div. 6 PS-3127	Intersection of NC 55 and SR 1532 (Oak Grove Church Road) south of Angier. Install a two circuit flasher. File 6-97-203. Project 6.457020.	$5,000.00
Harnett Co. Div. 6 PS-3128	Intersection of NC 210 and SR 1006 (Old Stage Road). Install a two circuit flasher. File 6-97-204. Project 6.457021.	$8,000.00
Davie Co. Div. 9 PS-3129	Intersection of US 158 and NC 801 at Hillsdale. Modify the existing traffic signal to provide a left turn phase for US 158 eastbound traffic and for NC 801 southbound traffic. File 9-97-220. Project 6.617011.	$15,000.00
Rowan Co. Div. 9 PS-3130	Intersection of US 29 and SR 1243 (North Beaver Street/ Daughtery Road) near Landis. Install a two circuit flasher. File 9-97-207. Project 6.637029.	$6,000.00

APPROVAL OF FUNDS FOR SPECIFIC SPOT SAFETY IMPROVEMENT PROJECTS

TOWN/COUNTY DIVISION	DESCRIPTION	ESTIMATED COST
Ashe Co. Div. 11 PS-3131	US 221 at Fleetwood Elementary School approximately 0.20 mile south of SR 1106 south of West Jefferson. Install school speed zone flashers. File 11-97-14. Project 6.717006.	$5,000.00
Hendersonville/ Henderson Co. Div. 14 US-3586	Intersection of US 64 and SR 1307. Construct a left turn lane with proper tapers on US 64. File 14-95-16. Project 6.957053.	$27,500.00

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IV.
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DEPT. OF TRANSPORTATION
UPDATE ON GPAC RECOMMENDATIONS
January 1998

DIVISION OF HIGHWAYS

I. DOT should eliminate the Division Equipment Operations Supervisor positions in each of the 14 Divisions.

Accomplished.

II. DOT should eliminate the district layers of management within the Highway Division Maintenance section.

DOT still disagrees.

III. The Department should consolidate the Equipment section resources associated with the 14 division garages and those 14 NCDOT county garages located nearby.

Latest Action: Ten of the 14 highway divisions have consolidated division garages and county garages. The remaining four divisions will consolidate facilities as capital improvement funds are made available.

IV. Signal-related activities and staff resources should be assigned to the Division Assistant Traffic Engineer.

Latest Action: This has been implemented.

V. Additional preconstruction staffing needs of the NCDOT's Highway Trust Fund program should be met by increased use of outside contract forces.

Latest Action: The fees for the use of private firms for preconstruction have increased to the following:

1993	$31 million	
1994	$40 million	
1995	$43 million	
1996	$43 million	
1997	$61 million	
1998	$50 million	projected

The number of preconstruction positions has remained near the same level throughout this period as yearly project lettings have increased from $586 million in FFY 1993 to $788 million in FFY 1996 and $669 million in FFY 1997, with approximately $1.5 billion projected for FFY 1998.

VI. Additional construction staffing of NCDOT's Highway Trust Fund program should in part be met by an increasing proportion of outside contract forces.

Latest Action: From July 1995 through December 1997, 71 construction contracts were let that included construction surveying at a cost of $11,639,287. In addition, $33,685,481 have been awarded to private engineering firms for construction engineering and inspection.

VII. DOT should retain the 14 division structure of its field forces.

DOT still agrees.

VIII. DOT should retain control over its non-sedan equipment maintenance funcions.

DOT still agrees.

IX. DOT should maintain its current maintenance staffing and accomplish the increased maintenance program workload through expanded use of outside contract forces.

Latest Action: DOT agrees with this proposal as long as the work can be accomplished cost effectively by the contractors. The Department has contracted the following dollar amounts of routine maintenance operations during the last four fiscal years:

FY 93-94	$41,626,680	
FY 94-95	$40,169,526	
FY 95-96	$59,857,159	
FY 96-97	$55,572,022	
FY 97-98	$68,000,000	projected

These activities included items such as mowing, widening and resurfacing (excluding 7.xxxxxx money), pavement markers, pavement markings, bridge replacement and rest areas.

X. DOT should contract out all Secondary Road construction.

Latest Action: DOT still does not agree that all secondary road construction should be contracted. Many secondary road projects can be built more cost effectively and efficiently using state maintenance forces. DOT has contracted out the following amounts during the last four years; the percentages are based on total funding:

FY 93-94	$36,537,959		
FY 94-95	$45,552,743	40%	
FY 95-96	$43,597,250	36%	
FY 96-97	$45,820,495	37%	
FY 97-98	$60,000,000	43%	projected

XI. DOT should expand its use of municipal agreements to address growing urban operations needs.

Latest Action: DOT has continued to expand its use of agreements with municipalities for maintenance of signals, signs and markings, roadways, bridges and others. DOT will continue to encourage municipalities to share roadway improvement responsibilities through the municipal agreement process. In 1995, 1996 and 1997 there were a total of 864 municipal agreements executed.

XII. The General Assembly should amend the Highway Trust Fund program legislation to permit ~~17~~ 16% of the available funds to be used by DOT for maintenance and operation purposes.

General Assembly has taken no action.

XIII. The Highway Trust Fund program should be further adjusted to eliminate the requirement to pave all unpaved secondary roads with total traffic volume of between 50 and 100 cars per day.

General Assembly has taken no action.

XIV. The State should periodically reassess the justification for the financial feasibility of building 4-lane roads within 10 miles of 96% of the state's population.

Latest Action: The justification of the Intrastate System is stated in NCGS 136-178. DOT, in accordance with the Highway Trust Fund law, has continued to provide annually financial reports to the Joint Legislative Transportation Oversight Committee.

XV. The General Assembly should authorize a comprehensive transportation financing study.

Latest Action: Transit 2001 recommended including quick funding initiatives for improving public transportation which were presented to the General Assembly in 1997. DOT will continue to allocate funding for transportation improvement projects in accordance with the distribution formula (NCGS 136-17.2A) based on financially constrained revenue projections.

DIVISION OF MOTOR VEHICLES

I. DMV should close approximately 64 field offices and boost productivity by 10% over the next 3 years. This should result in elimination of 76 positions for an annual savings of $2.3 million.

Latest Action: In January of 1992, the Driver License Section had 195 offices throughout the State, with 107 of those full-time and the balance (88) part-time. GPAC recommended the closure of 64 offices, which would have brought the number down to 131. DMV has exceeded that goal. Today the Driver License Section has 125 offices, plus 17 mobile service center sites. In addition, the Section has adopted a staffing and siting plan that will result in and additional 15-20 offices being closed over the next five years.

II. State operated Vehicle Registration offices in Raleigh and Charlotte should be privatized to reduce costs and improve productivity.

Latest Action: The Division still disagrees with this recommendation. As stated, these two offices provide services that cannot be provided effectively by contract agents. These two offices offer resolutions to problems created at contract offices.

It should also be noted that currently there is a contract agent transaction cost analysis being conducted by the Office of Productivity Management. This study should help address the question of in-house costs versus contractor costs.

III. DMV should enhance its automated Vehicle Registration System and encourage significantly greater use of mail-in registrations and other innovative programs to improve effeicency.

Latest Action: The new automated Vehicle Registration System, STARS, was fully implemented December 2, 1996. The new system implementation was a success and operations within the Section are greatly improved.

Mail-in renewals have gradually increase and more than 20% of all renewals are now done by mail.

The Section is exploring the use of credit cards which will allow the renewals to be done by phone or via the internet.

IV. DMV process service officers positions should be phased out. Any collection activities for bad checks or process service fees should be transferred to the Attorney General's collection section or contracted to a private collection agency.

In FY 1993-94, seven process officer positions were abolished and the remaining 95 positions were reclassified as Vehicle Enforcement Officer I. According to DMV, these officers have been crossed-trained in weight enforcement, motor carrier inspections, patrolling of rest areas and enforcement of traffic laws under G.S. 20.

V. The DMV inspector job classes should be civilianized and perform only regulatory activities. The staffing for these regulatory functions should consist of no more than 55 inspectors and 5 to 7 support staff to conduct dealer audits/inspections and inspections of emission testing stations.

DMV does not agree. The Division feels that these law enforcement positions continue to be a valuable and a much needed investigative force to combat auto theft, title fraud, title and registration document forgery, odometer fraud, driver license fraud, and counterfeiting.

VI. The law enforcement activities performed by the DMV major crimes unit should be transferred to the SBI. Sixteen positions should be provided to the SBI to staff this function. The SBI should be granted original jurisdiction to investigate multi-jurisdictional auto related crimes similar to the powers formerly granted to DMV.

The Major Crime Unit was disbanded and the personnel were assigned to there former duty stations.

VII. DMV should take all necessary actions to ensure that data on auto related crimes is shared with the SBI in order to support investigation of such crimes.

The "theft location" data base at DMV is shared with all law enforcement agencies for the purpose of stolen vehicle identification and identification of the recorded owners of the vehicles.

VIII. The Motor Carrier Safety and Weight functions of DMV enforcement should be transferred to the Highway Patrol at the end of an 18-month transition period.

No Action

DEPARTMENT-WIDE

I. Eliminate 95 to 100 positions involving one-to-one relationships, narrow spans of control, overlapping functions, and unnecessary functions.

The following cuts made in response to GPAC:

* 4 positions cut in the Secretary's Office
* 2 Fiscal Positions
* 1 Assistant DMV Commissioner
* 1 DMV Chief Deputy II
* 1 Management Assessment position
* Division of Highways – 149 permanent work order positions, 30 permanent hourly work order positions, and 4 administrative personnel
* 8 Equipment Fund Personnel

II. The Internal Audit Section, Beautification Program, and the Charlotte IRP Office should report through a revised organization structure to eliminate fragmentation and improve program effectiveness.

The Department reorganized these functions in 1993. The Internal Audit Section currently reports to the Dep. Secretary for General Administration, the Beautification Program reports to the Dep. Secretary for Intergovernmental Affairs, General Services and Personnel. IRP and Vehicle Registrations are now in a combined organization.

1/20/98

IV (a)

Department of Transportation
Headquarters Organization and Staffing Issues

KPMG Peat Marwick
Government Services Management Consultants
for
North Carolina General Assembly
Government Performance Audit Committee
December 1992

Issue Statement

This paper analyzes the organization and staffing of the Department of Transportation (DOT). It primarily focuses on units in DOT's headquarters in Raleigh.

Background

DOT is responsible for essentially all State activities associated with the State's transportation system. It also administers ownership, lien recording, and motor vehicle operator licensing through the Division of Motor Vehicles (DMV).

The Secretary of Transportation supervises a staff of over 13,000 and administered fiscal 1991 expenditures of $1.4 billion. As illustrated in DOT's organizational chart on Exhibit 1, there are two major units reporting to the Secretary - Operations and Programs.

The Deputy Secretary of Operations is responsible for highways, public affairs, and safety programs. The largest division in DOT, the Division of Highways, is under this deputy. The Division of Highways manages and coordinates all activities related to the planning, construction, maintenance, and operation of the Statewide highway system which covers 77,439 miles, the largest state-maintained system in the nation. The State Highway Administrator supervises a staff of approximately 11,000. This division administers the Transportation Improvement Program, including the recently established Highway Trust Fund. The division's organizational structure includes the following four key units and numerous subunits:

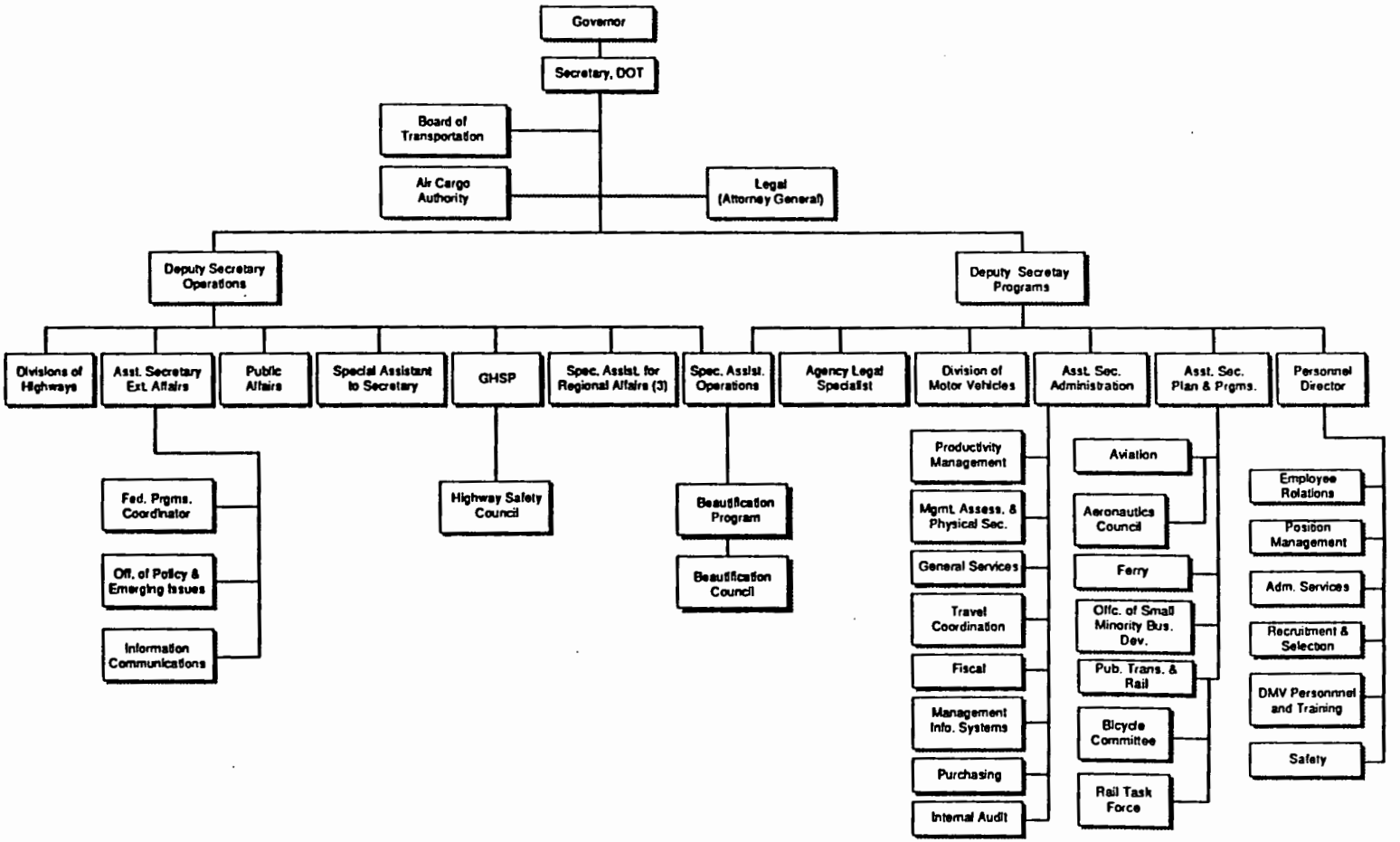
- Preconstruction Section - responsible for all highway design activities up until bids are received and has approximately 1,600 positions. Subunits include planning and environmental, highway design, traffic engineering, support services, and right of way.

- Operations Section - manages operations pertaining to construction and maintenance of highways as well as field operations. Subunits include construction and materials, maintenance and equipment, and 14 highway divisions with 35 districts.

- Programs Section - is responsible for tracking the status of approved projects and coordinating schedules with other branches. Subunits include program development, facility management, research and development, and statewide planning.

- Secondary Roads Office - is responsible for administering the policies and procedures of the Board of Transportation for the State-maintained secondary roads system in North Carolina.

EXHIBIT 1
Department of Transportation
Current Organization Chart



The Deputy Secretary of Programs is responsible for administrative support, public transportation, and the Division of Motor Vehicles. One assistant secretary directs the Fiscal, Management Information Systems, Purchasing, Internal Audit, Management Assessment and Physical Security, Travel Coordination, General Services, and Productivity Management divisions. A second assistant secretary supervises planning and program activities related to the State's intermodal transportation needs plus the Aviation, Ferry, and Public Transportation divisions and the Office of Small Minority Business Development. The Commissioner of Motor Vehicles oversees DMV, the second-largest division in the Department.

The Division of Motor Vehicles ensures the protection and personal safety of the public with respect to the operation of motor vehicles and use of highway facilities by administering a wide variety of laws. In doing so, the Commissioner of Motor Vehicles supervises a staff of nearly 2,000. Organizationally, the division has six sections:

- Vehicle Registration - administers licensing, titling, and lien recording activities related to motor vehicles. In addition to State-operated offices in Raleigh and Charlotte, 125 contractor-operated branch offices are involved in this process.

- Driver's License - issues and maintains records on all operators' licenses. This section employs 589 people in 10 branches and units. A total of 173 people are assigned to the division's headquarters in Raleigh, and the remaining 416 are divided among the field offices. There are 194 driver's license offices distributed among the State's 100 counties.

- Enforcement - provides services to enforce regulations relating to weight control, vehicle theft, safety inspections, licensing of dealers and manufacturers as well as motor carriers engaged in interstate and intrastate commerce. The 600 employees included in this section also serve notices revoking license plates and drivers' licenses and collect funds to cover bad checks.

- Collision Reports and General Services - provides a central collection agency for reports of accidents in order to produce a statistical data base for motor vehicle safety programs and handles administrative functions dealing with printing, reproduction, and mailing services. There are approximately 100 staff in this section.

- School Bus and Traffic Safety - trains and certifies all school bus drivers in the State for the 13,000 public school buses and provides traffic safety education programs and materials to highway users. This section employs approximately 120 people.

- International Registration Plan - administers a registration reciprocity compact covering member states and one Canadian province. The plan provides for payment of license fees on commercial vehicles based on fleet miles of

operation in each state. During fiscal 1991, the section's 30 employees issued 79,616 license plates.

DOT operations are funded by the Highway Fund, Highway Trust Fund, and federal funds.

Findings

The criteria that are the basis for our organization and staffing findings and recommendations are as follows:

- Provide adequate levels of management
- Maintain a reasonable span of control
- Avoid overly fragmented functions
- Avoid duplicative functions and responsibilities
- Organize effective regional service delivery structures
- Delineate clear lines of communication

Finding 1: ***The department has 95 to 100 positions involving excess layers of management, excessively narrow spans of control, overlapping functions, and unnecessary positions.***

There are 51 positions in DOT that involve one-to-one reporting relationships, nearly half of which are in the Division of Motor Vehicles. These positions typically involve a supervisor and an assistant supervisor whose duties include "filling in" when the supervisor is gone. Specifically, DOT sections with one-to-one reporting relationships include:

- General Services
- Internal Audit
- Governor's Highway Safety Program
- Hydraulics
- Right of Way
- Occupational Safety and Emergency Planning
- Roadside Environmental
- Bridge Maintenance
- Roadway Maintenance
- Equipment
- Materials and Tests

Most of DMV's one-to-one relationships are in the 10 district Driver's License offices that have a supervisor and an assistant supervisor, which is considered excessive. Other sections in DMV with one-to-one relationships are:

- International Registration Plan
- School Bus & Traffic Safety
- Vehicle Registration

An additional 31 positions are considered excessive because of narrow spans of control.

These are management and supervisory positions where the span of control is frequently two or three, which is very narrow given the duties performed. In many cases, the affected units have small numbers of staff (e.g., often two to five staff) which represents further opportunity to consolidate staff to achieve broader spans of control.

DOT sections with narrow spans of control include the following:

- General Services
- Fiscal
- Photogrammetry
- Design Services
- Location and Surveys
- Structure Design
- Pavement Management
- Traffic Engineering
- Equipment Inventory Control
- Program, Policy and Budget

There are also 9 to 11 positions that have overlapping or similar functions, some of which are in the External Audit Branch and the Internal Audit Section. The mission of the Internal Audit Section is to promote and ensure proper operational procedures and fair, accurate financial operations within DOT by conducting internal compliance, fiscal, and operational audits and by monitoring fiscal records and operational procedures. There are three units in the External Audit Branch: Engineering Contractors - reviews and audits invoices; Utilities and Railroads - audits charges; and Single Audit - audits grants. While the focus of these two audit units is different, their basic audit functions are similar. If they were combined, certain supervisory and secretarial support staff positions could be eliminated.

In addition, the Civil Rights Office monitors the Disadvantaged Business Enterprise Program; however, certain positions in other units also monitor similar activities. These units include Management Assessment and Compliance, the Construction Branch, and the Right of Way Branch. The monitoring of Civil Rights-related matters in DOT should be centralized in the Civil Rights Office, and the overlap of these functions in other offices should be eliminated.

We further identified 4 to 7 positions whose functions are considered unnecessary. These positions are in the Secretary's Office and the Fiscal Section and include the Special Assistants for Regional Affairs.

The specific positions to be eliminated are detailed in the study's work papers.

*Finding 2: **There are misplaced organizational units within DOT.***

The following organizational units within DOT are organizationally misplaced:

- **Internal Audit Section** - the mission of the Internal Audit Section is to promote and ensure proper operational procedures and fair, accurate financial operations within DOT by conducting internal compliance, fiscal, and operational audits and by

monitoring fiscal records and operational procedures. Internal Audit reports to the Assistant Secretary of Administration which weakens the independence of the function. Ordinarily, an internal audit function would report to the chief executive officer, audit committee, or the equivalent.

- **Beautification Program** - the purpose of the Beautification Program is to serve the citizens by improving the appearance of North Carolina highways. Its goals are to establish and maintain effective litter cleanup and litter prevention programs, and to increase public support for the Wildflower Program. This unit reports to both the Deputy Secretary of Operations and the Deputy Secretary of Programs. The dual reporting responsibility does not appear effective, nor does the placement of the program.

- **Charlotte International Registration Plan (IRP) Office** - the IRP section administers a registration reciprocity compact covering member states and one Canadian province. The plan provides for payment of license fees on commercial vehicles based on fleet miles of operation in each state. During fiscal 1991, the section's 30 employees issued 79,616 license plates. The Charlotte IRP office is included in the Vehicle Registration Section, whereas all other IRP activities are included in the separate International Registration Plan Section.

Finding 3: ***The Division of Highways has 14 divisions, which is the highest in the southeast.***

We analyzed the divisional office structure for the Division of Highways and determined that North Carolina has the highest number of divisions among the southeastern states. As shown in Exhibit 2, the average for the 10 southeastern states is 9, and North Carolina has 14. However, DOT compares favorably with other state DOT's in terms of miles of state-maintained highways per division office as shown in Exhibit 2. Based on this comparison, the number of highway divisions appears reasonable.

Recommendations

Recommendation 1: ***The 95 to 100 positions involving one-to-one relationships, narrow spans of control, overlapping functions, and unnecessary functions should be eliminated.***

The 95 to 100 excessive positions noted in Finding 1 should be eliminated. Based on the average DOT employee salary of $24,059, including benefits in the amount of $6,351, we estimate that potential annual savings as a result of eliminating these positions would be $2.9 to $3.0 million. Exhibit 3 illustrates the financial savings over a 10-year period if 100 positions are eliminated.

EXHIBIT 2
1990 Highways Expenditures of North Carolina and the Southeast States

State	Number of Divisions *	State-Maintained Street Mileage#	Land Area (Sq. Miles)^	Street Mileage Per Division	Land Area Per Division
Alabama	9	10,988	50,767	1,221	5,641
Florida	7	11,791	54,153	1,684	7,736
Georgia	7	17,790	58,056	2,541	8,294
Kentucky	12	27,544	39,669	2,295	3,306
Maryland	7	5,375	9,837	768	1,405
North Carolina	**14**	**77,439**	**48,843**	**5,531**	**3,489**
South Carolina	7	41,406	30,203	5,915	4,315
Tennessee	4	14,548	41,155	3,637	10,289
Virginia	9	55,727	39,704	6,192	4,412
West Virginia	10	30,662	24,119	3,066	2,412
Total	86	293,270	396,506	32,852	51,297
Average	9	29,327	39,651	3,285	5,130

* AASHTO Reference Book of Member Department Personnel & Committees 1990-1991
\# "Highway Statistics 1989" from the U.S. Dept. of Transportation - Federal Highway Admin.
^ "The Book of the States 1990-91 Edition" from The Council of State Governments

EXHIBIT 3
Estimated Annual Savings
(1992 dollars)

	Fiscal Year ending June 30									
	Current	1994	1995	1996	1997	1998	1999	2000	2001	2002
Yearly	--	$3,041,000	$3,041,000	$3,041,000	$3,041,000	$3,041,000	$3,041,000	$3,041,000	$3,041,000	$3,041,000
Cumulative	--	$3,041,000	$6,082,000	$9,123,000	$12,164,000	$15,205,000	$18,246,000	$21,287,000	$24,328,000	$27,369,000

Recommendation 2: The Internal Audit Section, Beautification Program, and the Charlotte IRP Office should report through a revised organization structure to eliminate fragmentation and improve program effectiveness.

To improve DOT's overall effectiveness, the following organizational changes should be made:

- The Internal and External Audit units should be consolidated into one audit group reporting directly to the Secretary of Transportation.

- The Beautification Program should be moved under the Maintenance Branch in the operations section of the Division of Highways.

- All IRP functions, including those of the Charlotte office, should be included in the IRP section in DMV. This will eliminate the current fragmentation of this function, improve consistency, and achieve operating efficiencies.

While these organizational changes will not affect the number of positions or facilities in these units, they will make the units more effective by moving them closer to their actual areas of responsibility and accountability. Internal Audit will be raised to a proper accountability level, the beautification program will be moved to where the functions are actually being carried out, and the Charlotte IRP office will have a reporting relationship that is consistent with other IRP activities.

Implementation Considerations

The staffing reductions will yield savings that can be used to fund other highway program needs. It is possible that individuals occupying the unnecessary positions can fill other positions in DOT that are or may become vacant through retirements and other personnel actions.

The recommended organizational changes can be immediately implemented.

Preconstruction Staffing Assessment

KPMG Peat Marwick
Government Services Management Consultants
for
North Carolina General Assembly
Government Performance Audit Committee
December 1992

Issue Statement

The objectives of this paper are to:

- Determine the extent to which NCDOT has used in-house versus outside contract forces to perform the additional preconstruction work load associated with the Highway Trust Fund (HTF) program.

- Develop recommendations for meeting NCDOT's remaining preconstruction resource requirements associated with the HTF program.

Background

The Highway Trust Fund significantly expanded NCDOT's capital improvement program for the period 1989 through 2002 (subsequently extended to 2007) by $9.1 billion. Eleven percent of the HTF program funds were expected to be used for preconstruction activities associated with the resulting projects.[1] To handle the resulting increase in workload, NCDOT originally projected the need for 573[2] additional positions in preconstruction, representing a 53 percent increase in preconstruction staffing from early 1989 levels. Most of these positions were to be in roadway design, structural design, and design services units. The projected staff requirements in the preconstruction area were based on the presumption that 75 percent of the preconstruction work would be done by in-house forces, while 25 percent would be done by outside contract forces.

NCDOT originally projected the need for 784[3] additional positions in construction to address the HTF workload. Most of these positions were to be in the field construction units of the Division offices. Most actual construction work was projected to be carried out by outside contract forces, except in the Secondary Road Construction program. The increase in in-house construction-related staff was for materials testing and construction engineering and inspection activities.

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[1] NCDOT Memorandum: Data Requested for Phase II, Statewide Performance Audit, by J. T. Peacock, Jr., Chief Engineer - Preconstruction, August 14, 1992.

[2] NCDOT Memorandum: Manpower Study for Expansion Budget, by J.T. Peacock, Jr., State Highway Design Engineer, March 13, 1989.

[3] Based on staffing datea provided by P.M. Watts, Construction Operations Engineer - Construction, December 1992.

Findings

Finding 1: NCDOT's preconstruction units have received 555[4] additional positions or 97 percent of their originally projected staffing needs since the HTF program began.

Since the start of the HTF program, 555 positions have been added to the Department's preconstruction units. This represents 97 percent of the originally estimated increase in preconstruction staffing needed to address the HTF program work load.

Finding 2: NCDOT's construction units have received 146[5] additional positions or 19 percent of their originally projected staffing needs since the HTF program began.

Since the start of the HTF program, the filling of in-house construction-related positions required by the program has lagged the preconstruction staffing effort. As of the end of 1992, the Department has added 146 construction-related positions, or 19 percent of the number originally projected to be needed by the program. This is primarily due to two factors:

- Actual construction of major projects generally lags the preconstruction efforts by three to five years
- The Department's Construction and Materials Branch has taken a balanced approach to meeting the resource requirements of the HTF program by geographically allocating available in-house construction staff and increasing the use of outside contract forces

Besides adding more in-house staff, the Department has addressed the increasing construction work load resulting from the HTF program in the following ways:

- Temporary and permanent transfers of in-house construction personnel within and across division boundaries
- Project assignments across division boundaries to balance available in-house construction resources

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[4] Based on staffing data provided by J.T. Peacock, Jr., Chief Engineer - Preconstruction, September 1992.

[5] Based on staffing data provided by P.M. Watts, Construction Operations Engineer - Construction, December 1992.

- Increased delegation of CEI responsibilities lower among the in-house construction project teams, resulting in greater leveraging of construction management staff (resident engineers)

- Contract specifications that make contractors responsible for increasing aspects of project process control, such as material sampling, with Department verification and oversight

- Contract terms that allow the contractor to perform construction layout on selected projects (32 projects to date)

- Recent pilot program that uses private engineering firms to perform construction engineering and inspection functions under the oversight of NCDOT resident engineers (2 projects to date)

Finding 3: NCDOT's preconstruction units are currently seeking to add 298 more staff to address the HTF work load.

The Department is currently seeking to add 298 more staff to its preconstruction units over the next 15-year period, with most of the increase occurring during the next 4-year period in the Highway Design and Planning & Environmental branches. This increase is predicated on the Department having a relatively stable, elevated level of preconstruction work over the next 15-year period due to the HTF program. However, unless the HTF program is extended further, the level of preconstruction activity will likely drop off significantly over the last five years of the program, as final projects are readied for right-of-way acquisition and construction. Therefore, preconstruction staffing levels will likely be dropping in the final third of the program timeframe.

Recommendations

Recommendation 1: Additional preconstruction staffing needs of NCDOT's HTF program should be met by increased use of outside contract forces.

The use of private engineering firms to handle peak work load requirements is a well-founded strategy for avoiding the public-sector problems of staffing up and down for varying work loads. With the Department currently contracting out only about 20 to 25 percent of preconstruction work to private engineering firms, there is significant room to expand the use of outside contract forces to address the preconstruction work load associated with the additional 298 positions sought by the Department. If this were done, the level of preconstruction work contracted out would rise to about 32 to 36 percent. This is a very reasonable level of outside contracting for preconstruction activities, particularly since the HTF program represents a 78 percent increase in the pre-1989 preconstruction work load of the Department.

This recommendation will enable the Department to more easily adjust its preconstruction activities to match the changing HTF program work load. This will be particularly important as the HTF program further matures and the level of preconstruction activities drops off.

Recommendation 2: Additional construction staffing needs of NCDOT's HTF program should in part be met by an increasing proportion of outside contract forces.

The Department's on-going strategy to increasingly rely on the use of private engineering firms to perform surveys, process control, and construction engineering and inspection functions should be continued. With the HTF program entering a phase of expanded construction activity, having completed a number of project plans, the Department will need to further leverage its in-house construction staff to meet the requirements of the program.

The increased use of outside contract forces to perform quality control/quality assurance functions will require continued NCDOT construction staff involvement in project oversight and verification, careful selection of vendors, and rigorous contract administration of these projects. The level of such outside contracting should be based on the following considerations:

- Focus outside contract activity on the peak load requirements of the HTF construction program
- Retain sufficient in-house capability to address the base load requirements of the HTF construction program and properly administer the outside CEI-related contracts
- Select contractors with significant experience in performing construction engineering and inspection for major road/bridge projects and familiarity with NCDOT's engineering standards and construction specifications

This recommendation will enable the Department to more easily adjust its construction-related activities to match the changing HTF program work load. This will be particularly important as the HTF program further matures and the level of construction-related activities increases.

Implications

By using private engineering firms to handle more of the HTF program preconstruction and construction work load, the Department can avoid adding more staff to its already large preconstruction units while reducing the number of new in-house staff required to support the construction portion of the program. This will reduce the number of in-house staff that will need to be let go when the HTF program work load declines. It will also facilitate greater exposure of private engineering firms to the preconstruction and construction

requirements of NCDOT, which will improve the quality of their products and the efficiency of their efforts.

Division Organization and Staffing Assessment

KPMG Peat Marwick
Government Services Management Consultants
for
North Carolina General Assembly
Government Performance Audit Committee
December 1992

Issue Statement

The objectives of this paper are to:

- Assess the organizational structure of the division offices and their related districts relative to established organizational criteria.
- Develop recommendations for improving the organizational efficiency and effectiveness of the division offices and their respective districts.

Background

The North Carolina Department of Transportation (NCDOT) is responsible for the largest statewide road network in the country, with over 76,975 road miles and 163,799 lane miles. This includes interstate, state, and most local roads. The Department has 13,668 personnel, of which 81 percent or 11,054 personnel are in the Division of Highways. Of this group, 76 percent or 8,400 personnel are located in the divisions across the State.

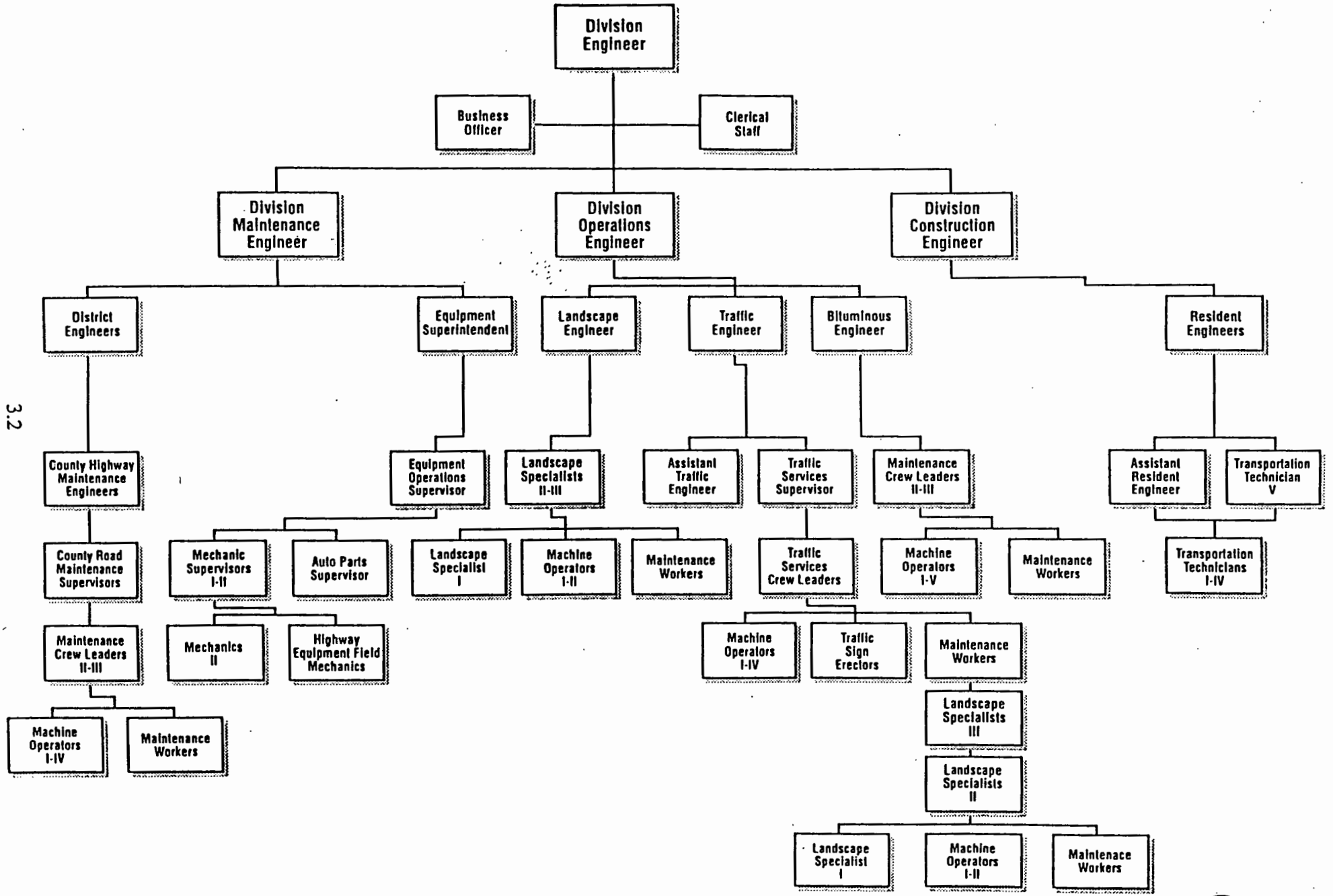
The North Carolina Department of Transportation's maintenance, operations, and construction functions are the responsibility of the Operation's Section of the Division of Highways. The Operations Section consists of the following four central office units and branches:

- Occupations, Safety, and Emergency Planning Unit
- Maintenance and Equipment Branch
- Construction and Materials Branch
- Statewide Emergency Operations Coordinator

Most maintenance, operations, and construction field staff are located in 14 divisions, which span the entire state. Each division includes from 5 to 14 counties, with 2 to 3 districts per division. Each division is responsible for about 5,500 road-miles, 9,700 paved lane-miles, 1,200 pieces of equipment, and a staff of about 600 personnel. There are from 5 to 14 garages per division, with most counties having their own NCDOT garage/maintenance yard.

The 14 division offices report to the Chief Engineer of Operations and the Secondary Roads Officer. The organization structure of most of the 14 divisions is illustrated in Exhibit 1. Among the 14 divisions, there is some variety in the grouping of functions. Two of the

TYPICAL DIVISION ORGANIZATION STRUCTURE



more rural divisions combine the Division Maintenance Engineer and Division Operations Engineer into one position. Other variations are summarized below:

Alternative Reporting Relationships	Divisions
■ Landscape Engineer reports to Division Maintenance Engineer	1,4,11,12,14
■ Traffic Engineer reports to Division Maintenance Engineer	1,9,12,14
■ Bituminous Engineer reports to Division Maintenance Engineer	1,4,5,12
■ Bituminous Engineer reports to Division Construction Engineer	2,14
■ Equipment Superintendent reports to Division Operations Engineer	3,4,7,9,10

Within the major functional units comprising NCDOT's division organizational structure, there are numerous layers of management and staff. This results from the Department's geographic distribution of field maintenance, operations, and construction activities, and the hierarchy of staff classifications associated with each functional area.

During the past decade, several changes in the division organizational structure have been made by the Department. These include:

- Placing the Division Equipment Superintendent under the direct authority of the Division Engineer, instead of the central office Equipment & Inventory Control Unit (in 1986)

- Establishing the position of Division Operations Engineer in twelve of the divisions, reporting to the Division Engineer, to reduce the span of control burden on the Division Maintenance Engineer by assuming management responsibility for such functions as (in 1987):

  - Division facilities development program
  - Division-based Highway Trust Fund project development
  - Traffic engineering
  - Roadside environmental
  - Bituminous operations
  - Others, as appropriate (such as equipment maintenance)

- Eliminating inefficient, one-person equipment maintenance garages (several two-person garages remain)

- Increasing the number of maintenance districts in several of the more urbanized divisions, due to the increasing scope of the work load within these divisions.

These changes have responded to the increasing field-based work load of the Department, especially related to the Highway Trust Fund program, and the Department's desire to effectively manage this work load.

Findings

The assessment of the organizational structure of NCDOT's divisions and districts is based on the application of well-established organizational criteria. These consist of the following:

- Maintain functional alignment of responsibilities
- Avoid duplication of functional responsibilities and reporting relationships
- Include all key functions
- Distinguish policy-making and support (staff) responsibilities from operating (line) responsibilities
- Maintain a reasonable span of control for managers and supervisors
- Retain sufficient layers of management and staff to efficiently direct and perform the work

Finding 1: ***NCDOT's 14 Divisions are appropriate for the large scope of the Department's road system responsibilities.***

Exhibit 2 compares the number and scale of operation of NCDOT's 14 divisions to those of nine other state departments of transportation within the southeast. According to this exhibit, NCDOT's divisions are responsible for an average of 5,531 road miles within an average land area of 3,489 square miles. This compares to an average of 2,998 road miles and 4,829 square miles per district for the other nine states. While NCDOT's 14 divisions are 28 percent smaller in land area than their counterparts in the other nine states surveyed, they are responsible for maintaining and operating 84 percent more road miles. Thus, while certain economies of scale could be achieved by reducing the number of divisions and creating larger divisions, the large scope of NCDOT's current road system responsibilities suggests the need to retain the higher level of management oversight provided by the current 14 division structure.

Finding 2: ***Excessive management layers exist between the Division Engineer position and the county maintenance workers.***

Between the Division Engineer position and the county maintenance workers, there are five layers of management, as shown in Exhibit 1. These include:

Comparison of State DOT Division Offices

State	Number of Divisions *	State-Maintained Street Mileage#	Land Area (Sq. Miles)^	Street Mileage Per Division	Land Area Per Division
Alabama	9	10,988	50,767	1,221	5,641
Florida	7	11,791	54,153	1,684	7,736
Georgia	7	17,790	58,056	2,541	8,294
Kentucky	12	27,544	39,669	2,295	3,306
Maryland	7	5,375	9,837	768	1,405
North Carolina	**14**	**77,439**	**48,843**	**5,531**	**3,489**
South Carolina	7	41,406	30,203	5,915	4,315
Tennessee	4	14,548	41,155	3,637	10,289
Virginia	9	55,727	39,704	6,192	4,412
West Virginia	10	30,662	24,119	3,066	2,412
Total	86	293,270	396,506	32,852	51,297
Average	9	29,327	39,651	3,285	5,130

* AASHTO Reference Book of Member Department Personnel & Committees 1990-1991

\# "Highway Statistics 1989" from the U.S. Dept. of Transportation - Federal Highway Admin.

^ "The Book of the States 1990-91 Edition" from The Council of State Governments

- Division Maintenance Engineer
- District Engineers
- County Highway Maintenance Engineers
- County Road Maintenance Engineers
- Maintenance Crew Leaders

This represents a large number of middle management layers. Within this structure, there is a fairly narrow span of control for the Division Maintenance Engineers (3 to 5 units) and the District Engineers (4 to 5 units). Within each division, there are currently 2 to 3 districts, each of which covers from one to 6 counties. Most districts cover from 2 to 3 counties. This contributes to the narrow span of control associated with the Division Maintenance Engineer and District Engineer positions.

Finding 3: ***The Division Equipment Operations Supervisor position represents a redundant layer of management.***

Another part of the Division organizational structure that reflects a narrow span of control is in the Division Equipment Unit. Each of the 14 divisions has a Division Equipment Operations Supervisor, who has a one-on-one reporting relationship to the Division Equipment Superintendent and manages the Auto Parts Supervisor and Mechanic Supervisors. This one-on-one reporting relationship creates uncertainty regarding the management responsibilities of the Division Equipment Superintendent, inhibits the efficient delegation of responsibilities within the Division Equipment units, and complicates management reporting within the unit.

Finding 4: ***The Landscape Specialist III position represents a redundant layer of management where reporting to the Landscape Engineer in a one-on-one relationship.***

The Roadside Environmental Unit (Landscape) in nine of the divisions has a one-on-one reporting relationship between the Landscape Engineer and the Landscape Specialist III positions. As with the Equipment Operations Supervisor position, the Landscape Specialist III position represents a very narrow span of control and is an unnecessary layer of management within this unit, where such a one-on-one reporting relationship exists.

Finding 5: ***The Department operates separate Division and county garages in the same geographic areas.***

The Equipment Section of the 14 divisions performs maintenance and repair functions for all NCDOT equipment, except for sedans which are maintained through the Department of Administration. Each division has between 5 and 10 garages, including one major division garage. In some cases, two-person garages continue to operate in certain rural areas of the State, where the distance between garages is fairly large (40 to 50 miles). In addition, there are local county garages co-located near the division garages. These latter garages represent a potential opportunity for consolidation, to reduce the overall number of garage facilities maintained by the Department.

Finding 6: Equipment maintenance is an integral part of the field support activities of the Department.

The equipment maintenance function is an integral part of the field support activities of the Department. Ready access to well-maintained vehicles and the ability to quickly repair vehicles is an essential ingredient to enabling the Department's field forces to accomplish their maintenance, operations, and construction missions in a timely manner.

Finding 7: Division Traffic Services units lack adequate management focus on signal-related activities.

Division Traffic Services units are variously organized, with some units having all field forces reporting to the Division Traffic Services Supervisor and others having signal-related forces assigned to the Assistant Division Traffic Engineer in a Traffic Control Technical Services unit. The latter arrangement provides a better balance of technical and non-technical traffic services personnel among the middle management positions within this unit, resulting in a more equitable span of control among these supervisory personnel.

Recommendations

Recommendation 1: NCDOT should retain the 14-division structure of its field forces.

The 14-division structure of NCDOT field forces is a reasonable arrangement for ensuring proper management oversight and public accessibility, given the geographic size and functional scope of responsibilities of the Department's field activities. However, there is a narrow span of control and excessive layers of middle management between the Division Maintenance Engineer position and the County Highway Maintenance Engineer position. This provides a significant opportunity for increased efficiency in the highway maintenance area through streamlining the existing organizational arrangement.

Recommendation 2: The "district" layer of management within the Division Highway Maintenance sections should be eliminated.

Under this arrangement, the County Highway Maintenance Engineers in each Division would report directly to the Division Maintenance Engineer, while the district administration, permits, and planning/design units would be consolidated into three units reporting to the Division Maintenance Engineer. In addition, from five to seven County Highway Maintenance Engineer units would report to the Division Maintenance Engineer position. This action would remove a middle layer of management and provide an opportunity to eliminate at lease three positions per district through consolidation of administrative, permits, and planning/design responsibilities on a division basis. Such positions would likely include:

- District Engineer
- Transportation Technician
- Clerk Typist

This would amount to 117 positions saved across the 14 divisions.

The recommended elimination of the district layer of management will increase the span of control of the Division Maintenance Engineer position. **To maintain a reasonable span of control, it is further recommended that those two divisions (Divisions 1 and 12) currently without a Division Operations Engineer position should establish such a position.** This will add two positions to the Division complement. In addition, all 14 Division Operations Engineer positions should have the following four units reporting to them:

- Traffic Services
- Roadside Environmental
- Equipment
- Bituminous Operations

Recommendation 3: ***The Department should eliminate the Division Equipment Operations Supervisor positions in each of the 14 divisions.***

This recommendation will maintain a reasonable span of control for the Division Equipment Superintendent while eliminating the need for 14 positions.

Recommendation 4: ***NCDOT should retain control over its non-sedan equipment maintenance functions.***

The Department should continue to be responsible for the maintenance of its non-sedan equipment fleet, as currently managed at the division level and supported at the central office, to ensure timely, on-site service to its maintenance, operations, and construction field forces.

Recommendation 5: The Department should consolidate the Equipment section resources associated with the 14 division garages and those 14 NCDOT county garages located nearby.

This recommendation would involve closing or consolidating 14 NCDOT county garages statewide.

Recommendation 6: Signal-related activities and staff resources should be assigned to the Division Assistant Traffic Engineer.

The Traffic Services sections of the 14 divisions should be aligned in such a way that the signal/traffic control personnel report to the Assistant Traffic Engineer, while the pavement marking/signs personnel report to the Traffic Services Supervisor. This realignment recognizes the increasingly technical aspects of traffic signal planning and implementation, while also providing for a more balanced distribution of Traffic Services staff among the Traffic Services supervisors.

Implications

These organizational recommendations will enable the Department to reduce its division-based staff by at least 129 positions, and perhaps up to 168 positions. This could produce an annual savings of from $4 to $6 million. A major benefit of this change will be to reduce the layers of management within the division highway maintenance area, while retaining a reasonable span of control for the remaining management positions. The Department will also be able to better rationalize its network of equipment maintenance garages by closing small, redundant facilities. While these facility consolidations will not likely lead to staff savings, there will be marginal savings due to reduced maintenance and operating costs associated with those facilities that can be closed.

Division Maintenance Staffing and Use of Contract Services Assessment

KPMG Peat Marwick
Government Services Management Consultants
for
North Carolina General Assembly
Government Performance Audit Committee
December 1992

Issue Statement

The objectives of this paper are to:

- Assess the adequacy of the Department's overall maintenance[1] staffing levels in the fourteen field divisions
- Assess the current use of outside contractors by NCDOT divisions for performing maintenance and construction services.
- Recommend changes in the type and extent of outside contracting of maintenance and construction services by the NCDOT divisions to better leverage existing NCDOT staff resources and meet peak or expanding workloads.

Background

The Department's maintenance mission is defined by three basic categories of work:

- Routine Maintenance - the day-to-day activities associated with preserving the infrastructure and providing a safe, aesthetic and comfortable highway system. Example activities include patching, traffic line painting, and snow removal. Bituminous surface treatments are also considered routine maintenance.
- Secondary Road Construction - upgrading existing roads from unpaved to paved. This includes the normal construction activities of earthwork, drainage, base, and paving.
- Contract Resurfacing - resurfacing existing paved roads by contract, normally with hot-mix asphaltic concrete.

The staffing and resources employed to carry out the Department's highway maintenance program are assigned at either of three organizational levels:

- Counties - are normally responsible for routine maintenance and most secondary road construction.
- Districts - are made up of from one to six counties. Administrative and engineering functions such as minor roadway design, permit processing, and surveying are handled by the staff at this level.

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[1] The term maintenance, as used in this section, refers to both maintenance and operations activities, including repair, renewal, traffic engineering, and environmental services.

- Divisions - includes a number of division-wide crews: bituminous operations, environmental, traffic services, and equipment maintenance. Although the equipment maintenance personnel are physically assigned to county-based garages, they are managed from the Division level.

The existing NCDOT field staffing allocation was determined by establishing uniform work standards and productivity guidelines for the basic maintenance activities. The work standards were applied to the road mileage inventory to determine the staffing requirements for each of the field organizations.

NCDOT uses a variety of outside contractors to perform selected functions in the maintenance and construction areas. While most construction activities have been traditionally performed by private contractors, the role of private contractors in the area of field maintenance and operations has been a more recent development. Like many other state departments of transportation, NCDOT has been increasingly turning to outside contractors to perform maintenance functions in order to keep up with the growing maintenance workload without having to markedly expand division-based maintenance levels. While some debate the cost-effectiveness of using outside contractor forces to perform these functions, this recent development has helped the Department bridge the gap between its increasing maintenance workload and its decreasing staff resources to address this workload.

The amount of maintenance contracting has a direct impact on the need for in-house staff. The amount of contracting and the type of work which is contracted out varies by division. Overall, the Department contracts out about 22 percent of its work load, measured by dollar amounts.[2] Typical activities which are contracted, either totally or in part, include:

- Mowing
- Secondary Road Construction - about 50 percent of the total
- Tree Trimming
- Small Urban Projects
- Spot Safety Projects
- Maintenance of Selected Traffic Control Devices

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[2] *Progress Report on Maintenance and Operations Personnel.* Transportation Research Circular, Number 360. Transportation Research Board, National Research Council. June 1990.

Findings

Finding 1 : NCDOT is handling a larger maintenance program with fewer in-house maintenance staff.

The Department's maintenance program has grown, in constant 1992 dollars, by about 15 percent since 1981. In the same period, staffing has gone down from 6,018 authorized permanent positions to the current 5,586 positions, a reduction of 7 percent. (See Exhibit 1.) The Department was performing $57,000 of maintenance work per full-time employee in 1981, in 1992 dollars. For fiscal year 1992, it is performing $71,000 of maintenance work per full-time employee.

Finding 2 : Most of the Department's maintenance program growth has occurred in the Secondary Road Construction program.

A major contributor to the increased maintenance program work load is the Secondary Road Construction program, which expanded dramatically in 1989 as a result of the Highway Trust Fund. About 92 percent of the maintenance program increase since 1981 is attributable to the Secondary Road Construction program, as illustrated in Exhibit 2.

Finding 3 : Most Division construction work is performed by outside contractor forces.

Exhibit 3 lists the approximate proportion of division field activities that are performed by outside contract forces. As shown in Exhibit 3, the vast majority of division construction activities is performed by outside contractor forces, under the project management oversight of NCDOT division resident engineers. By State law, all construction projects over $300,000 are to be performed by outside contractors, which are procured by competitive bid.

In more recent years, with the growth in construction work load spawned by the Highway Trust Fund, the NCDOT Construction and Materials Branch has increasingly contracted out selected construction engineering and inspection (CEI) functions to leverage in-house construction forces and reduce the problems of rapid staffing changes. Examples include:

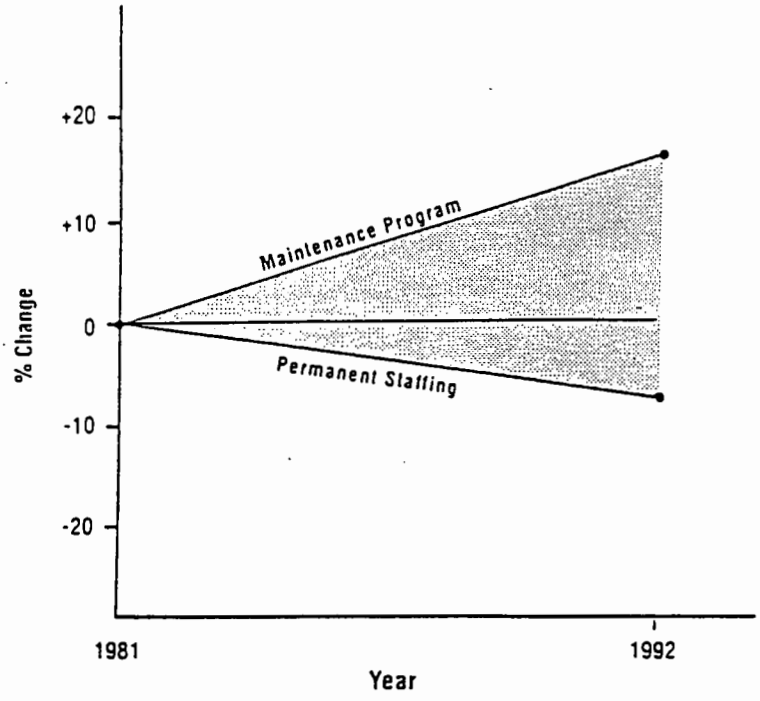
- Requiring contractors to assume increasing responsibility for their own process control by having them perform day-to-day materials sampling, while the Department's construction staff performs verification testing and reviews the overall operations.

- Requiring contractors to perform their own construction layout (surveying) on selected projects (32 projects to date).

- Contracting out the entire construction engineering and inspection functions to private engineering firms, reporting to Department resident engineers, which has been done on several contracts as part of an on-going pilot program.

EXHIBIT 1

Growth in the Maintenance Program Versus In-House Staffing



Explanatory Notes:

1. Maintenance Program is that portion of the maintenance program normally performed by in-house forces. It includes routine maintenance, traffic operations,roadside/environmental, and the secondary road construction program. It excludes contract resurfacing.

2. The % change is based on constant 1992 dollars calculated by using the maintenance cost trend index.

Sources: NCDOT for maintenance program and staffing data.

Highway Statistics - 1988, Federal Highway Administration, U.S. Department of Transportation for maintenance cost trend index from 1981 to 1988.

EXHIBIT 2

Increase in the Maintenance Program
(Millions of 1992 Constant Dollars)

FY	Maintenance	% of Total Program	Secondary Road Construction	% of Total Program	Program Total
1981	$277	80%	$ 68	20%	$345
1988	$272	78%	$ 77	22%	$349
1992	$281	71%	$115	29%	$396

Source: NCDOT

EXHIBIT 3

DIVISION CONTRACTING OUT BY FUNCTION

Function	Approximate Contract Proportion
Administration	0%
Contract Construction	100%
Secondary Road Construction	50%
Resurfacing	70%
Small Urban, Discretionary, and Public Access Roads	95%
Spot Safety Projects	95%
Maintenance and Operations	12%

Source: Interviews with NCDOT division personnel and Highway Operations Division staff

These instances demonstrate NCDOT's increasing willingness to use outside contract resources to help meet the work load needs in the construction program during peak periods to avoid postponing funded projects due to lack of in-house staff. Continued Department oversight of these contracted out CEI functions ensures proper internal control over these quality control/quality assurance activities.

Finding 4 : Half of the Secondary Road Construction program is performed by in-house Division maintenance forces.

Prior to the mid-1980's, the paving of unpaved secondary roads was largely done by in-house maintenance forces. Since the mid-1980s, the Department has made significant progress in contracting out increasing proportions of the Secondary Road Construction program, particularly the base and paving portions of these projects. This has resulted in 50 percent of the Secondary Road Construction program being contracted out.

The $300,000 limit for in-house performance of construction projects enables the NCDOT divisions to retain the remaining 50 percent of the Secondary Road Construction program by using in-house maintenance forces. The in-house portion currently amounts to about $50 million annually, but could readily be contracted out to an industry suffering from the national recession. The Department keeps half of the Secondary Road Construction program to utilize available division maintenance forces who are not adequately funded to address the Department's remaining maintenance work load.

Finding 5 : Most routine maintenance and operations activities continue to be performed by in-house Division forces.

In the maintenance area, the NCDOT divisions contract out a very limited portion of their responsibilities, averaging around 12 percent (excluding the Secondary Road Construction, Spot Safety, and Small Urban projects which involve the division maintenance/operations forces). This level of routine maintenance contracting reflects a more recent trend toward outsourcing these kinds of activities to help absorb a portion of the increased maintenance program work load. Exhibit 4 shows the kinds of specific activities contracted out by the NCDOT divisions in the areas of construction and maintenance, as well as their average proportion contracted out. According to these figures, the primary areas contracted out in maintenance include:

- Mowing the grass along NCDOT roadway rights of way
- Maintaining roadside rest areas, particularly along interstate highways
- Signal installation
- Specialized services (landscaping, painting, electrical work)

EXHIBIT 4

DIVISION ACTIVITIES CONTRACTED OUT

Division Contract Activities	Average Proportion Contracted Out	
■ Construction		
- Construction Management	5%	
- Construction Survey	5%	(mostly interstate)
- Primary/Interstate Construction	100%	
- Plant Mix Resurfacing	100%	
- Small Urban Construction	95%	
- Spot Safety Program	95%	
- Access and Public Service Roads	95%	
- Secondary Road Construction	50%	
- Secondary Road Construction - Equipment	10%	
■ Maintenance		
- Mowing (primarily along paved roads)	80%	
- Rest Area Maintenance	80%	
- Secondary Roads Surveys and Design	30%	
- Bituminous Surface Treatment Resurfacing	50%	
- Planting, Seeding, and Mulching	50%	
- Lime Application	100%	
- Special Tree Removal Service	100%	
- Roadside Lighting Maintenance	50%	
- Pavement Markings (Regular)	20%	
- Pavement Markings Removal	100%	
- Raised Pavement Markings and Reflectors	100%	
- Signal, Loop, and Pole Installation	80%	
- Logo Signing	100%	
- Special Electrical Work	100%	

Source: Interviews with NCDOT division personnel and Highway Operations Division staff.
[1] Includes both in-house and contracted out functions

Most other routine maintenance activities are performed by in-house forces, whose numbers have declined over the past 11 years despite a growing work load. This relatively low level of contracting for maintenance functions reflects concerns by division management over the costs of contracting out for these services, the level of service quality provided, and the flexibility and responsiveness to changing needs or conditions. Efforts to contract out mowing and roadside rest area maintenance continue to evoke concerns regarding the service performance and costs of outside contractors compared to in-house forces.

Exhibit 5 compares NCDOT to seven other state departments of transportation in terms of contracted maintenance and operations functions. The results indicate that NCDOT has about the same proportion of maintenance and operations functions performed by outside forces as the other states, on average, assuming that Secondary Road Construction is included as a maintenance activity in the NCDOT figures. If this activity is removed, then the NCDOT figure would drop to about 12 percent, which would be less than half of the average for the other seven states noted in Exhibit 5. The fact that NCDOT counts Secondary Road Construction as a maintenance function, unlike the other seven states included in the peer comparison, results from the Department's decision to allow in-house division maintenance forces to perform up to 50 percent of this activity to make up for the lack of maintenance and operations program budget growth over the last several years that is commensurate with the growth in maintenance and operations work load.

Finding 6 : While NCDOT's maintenance staffing appears lean, the Department does not currently need more in-house maintenance staff.

The Department's overall ratio of lane-miles per maintenance staff is higher than that of other state highway agencies in the southeast, as shown in Exhibit 6. This means that the Department is carrying out its maintenance program with proportionately less staff than the other states included in the peer comparison.

To make a valid comparison with the other states, only those maintenance personnel assigned at the division level and below were included in the analysis. The data show that North Carolina has as overall staffing level of 29 lane-miles per maintenance employee. This compares to an average of 21 lane-miles per employee for the other surveyed states, which had a range of 14 to 27 lane-miles per employee.

In evaluating these comparisons, it is recognized that there are variations in organizational structure, maintenance responsibilities, amount of work contracted out, and many other factors that affect staffing levels. Also, without a definitive measure of the quality of each state's road system, from a maintenance perspective, it is not feasible to determine which state had the "optimum" staffing level. Given these variables and the opportunities to contract our increased proportions of maintenance activities, the Department does not need to expand its overall in-house maintenance staff at the present time. Current staff could be reassigned to higher priority in-house functions, while selected functions are increasingly

EXHIBIT 5

COMPARISON OF CONTRACT MAINTENANCE ACTIVITY BY STATE

State	Percent of Maintenance Work Contracted Out
Florida	15%
Kentucky	12%
Maryland	16%
North Carolina	22%[1]
South Carolina	35%
Tennessee	26%
Virginia	50%
West Virginia	5%
Average	23%[2]

Source: *Progress Report on Maintenance and Operations Personnel.* Transportation Research Circular, Number 360. Transportation Research Board, National Research Council. June 1990.

[1] Includes Secondary Road Construction activity for NCDOT only. If this activity is not included, the percentage of maintenance work contracted out drops to 12 percent.

[2] Non-weighted average of 8 states in sample.

EXHIBIT 6

Comparison of NCDOT Staffing with Southeastern States

State DOT	Number of Maintenance Personnel[1]	Lane Mile[2]	Lane-Miles Per Employee
Florida	2,500	36,220	14.5
North Carolina	**5,586**	**163,799**	**29.3**
South Carolina	3,611	86,999	24.1
Tennessee	2,327	32,650	14.0
Texas	6,735	181,006	26.8
Virginia	5,650	115,096	20.3
West Virginia	2,774	50,465	18.2
Average			22.8[3]

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[1] Survey of state department of transportation maintenance divisions

[2] *Progress Report on Maintenance and Operations Personnel.* Transportation Research Circular, Number 360. Transportation Research Board, National Research Council. June 1990.

[3] Weighted average of seven states in sample.

contracted out. Over time, as the State highway system expands due to the HTF program, there may be limited staff increases needed to carry out the resulting increase in routine maintenance activities.

In addition to the comparison with other states and the analysis of maintenance staffing trends, the Audit Team performed an analysis of the variation in county-level maintenance staffing. The purpose of the analysis was to determine whether there might be inefficiencies in the allocation of resources. The analysis showed that there are wide variations in the ratio of lane-miles per employee between the counties. However, there are also wide variations in the county organization, environment, and operating practices which could make the variation in staffing justifiable. The Department is currently conducting a crew-size study to determine maintenance staffing needs. The Department's approach will consider the organizational, environmental, and operating variables, and result in an equitable distribution of staff.

Recommendations

Recommendation 1 : The Department should maintain its current maintenance staffing and accomplish the increased maintenance program work load through expanded use of outside contract forces.

The overall level of staffing for the Department should be based on:

- The determination of resources needed to provide an acceptable level of service, accomplish the annual maintenance program efficiently, and erase the existing maintenance backlog

- The determination of the most appropriate mix of contract and in-house resources

As the maintenance program has increased, the Department has been able to handle a portion of the increased work through contracting. However, the Department can make additional use of private contractors. To help the Department better meet its current and future maintenance responsibilities, the following actions are therefore recommended:

- NCDOT should continue to contract out construction activities, as well as those maintenance functions, such as mowing, roadside rest area maintenance, building maintenance, signal installation, and signal maintenance, that it currently contracts.

- NCDOT should contract out all of the Secondary Road Construction program and free up the in-house maintenance staff now performing this function to concentrate on backlogged and expanding maintenance needs. This presumes that the Department receives sufficient further funding of its routine maintenance program to support the reassignment of Division maintenance forces currently involved in the Secondary Road Construction program. This could be facilitated by transferring a portion (16 percent) of

the Highway Trust Fund monies to the division maintenance budgets, as recommended elsewhere by the GPAC Audit Team.

- NCDOT should expand its efforts to contract out maintenance functions, by increasing the proportion of contracted work in such areas as: ditch cleaning, landscaping, and bituminous surface treatment resurfacing.

Increasing the types and level of routine maintenance contracted out should be based not only on the costs and service levels of the proposed efforts, but also on the relative availability of competition in the service area. This may be a problem in the more rural areas of the State, where the number of contractors capable of performing the requested functions might be limited.

Recommendation 2 : NCDOT should expand its use of municipal agreements to address growing urban operations needs.

NCDOT should expand efforts to turn over operations-related functions, such as signal maintenance, signal system operation, sign maintenance, and pavement marking maintenance, to local urbanized communities through municipal agreements. This recommendation will place operational responsibility closer to the group most impacted by the function while potentially relieving NCDOT of part of the associated costs.

Increasing the extent of maintenance operations activities performed by outside contract forces can be done in a variety of ways, including:

- Developing a demonstration project which contracts out all maintenance and operations activities within a certain geographic area (county) to serve as a basis for comparing in-house versus contract costs on an area-wide basis

- Identifying selected functions for contracting out on a district or division basis

- Identifying functions to contract out, based on the specialized nature of the work and the availability of competitive contractor resources

Implications

The proposed recommendations will provide for a greater role of the private sector in the Department's Secondary Road Construction program and its maintenance program. Increased contracting out of these program functions will provide increased flexibility to Department management in handling changes to program workloads and embracing new technology and more innovative techniques. It will also promote increased business development by providing local entrepreneurs greater opportunity to compete for work previously performed by in-house forces. This will enable the Department to better leverage its own division staff resources to:

- Address backlogged and expanding maintenance and operations workload
- Serve as quality control contract administrators over outside contract maintenance/operations providers

The effect of these recommendations will be to effectively double contract activity in the areas of Secondary Road Construction (by about $50 million per year) and routine maintenance and operations (by about $20 million per year).

Highway Trust Fund Investment Strategies

KPMG Peat Marwick
Government Services Management Consultants
for
North Carolina General Assembly
Government Performance Audit Committee
December 1992

Issue Statement

The objectives of this paper are to:

- Compare the current status and progress of the Highway Trust Fund (HTF) program with its original goals and objectives
- Assess the impacts of the Highway Trust Fund program on system maintenance requirements

Background

The Highway Trust Fund was initiated by the General Assembly in 1989 as a $9.1 billion, 13.5-year roads program consisting of the following four components:

- Expand 1,757 road miles of the 3,600-mile Intra-State Highway System from two lanes to four lanes (62 percent of overall HTF program funding)
- Create 212 road miles of urban expressway loop roads surrounding seven major cities in the State (25 percent of overall HTF program funding)
- Pave 10,000 road miles of unpaved secondary roads carrying traffic volumes of 50 or more cars per day (6.5 percent of overall HTF program funding)
- Provide additional funds to municipalities for street improvement (6.5 percent of overall HTF program)

The objectives of the HTF program were to:

- Put a 4-lane highway within 10 miles of 96 percent of the State's population
- Stimulate economic growth
- Improve the quality of life for citizens of North Carolina by providing access to better roads
- Improve the safety of roads, particularly in mountainous areas

Funding for the HTF program consisted of the following sources:[1]

- Increased motor fuels excise tax
- Increased motor carrier road tax
- Use tax on motor vehicles
- Increased vehicle registration and titling fees
- Funds freed up by retirement of highway refunding bonds
- Interest on revenues generated by the HTF

These total revenues were originally expected to generate $12.5 billion over a 13.5 year period, with about $3.4 billion going to the General Fund and $9.1 billion available for Trust Fund projects.

Findings

Since the start of the HTF program, the actual revenues collected by the State have fallen below original projections by 26 percent due to the effects of the continuing economic recession.[2] As a result, the program timeframe effectively has been extended to 18.5 years.

Finding 1: Significant progress has been made in paving unpaved secondary roads.

During the initial three years of the HTF program, the following have been accomplished:

- 116 miles of Intra-State Highway System roads have been converted from two to four lanes (7 percent of the planned mileage)[3]

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[1] *Progress Report on Maintenance and Operations Personnel.* Transportation Research Circular, Number 360. Transportation Research Board, National Research Council. June 1990.

[2] Trust Fund revenue of $894 million for FY 1990-1992, versus $1,201 million projected in 1989. Source: *North Carolina Highway Trust Fund - Project Status Report.* North Carolina Department of Transportation, August 19, 1992, Table 1 - Revenue Projections.

[3] Ibid.

- 3,248 miles of unpaved roads have been paved (32 percent of the planned mileage)[4]

- Fund authorization for preliminary engineering on six of the urban loops, right-of-way acquisition on three of the urban loops, and construction of 7.4 miles of roadway (for the Charlotte Loop)[5]

- Significant staffing up (701 positions) by the Department to address the program, primarily in the pre-engineering area[6]

In addition, the State has decided to help fund certain secondary road maintenance activities (such as road stabilization) by allowing NCDOT to use $10 million per year in HTF monies and $10 million per year in Highway Fund monies.

Finding 2: ***State budget constraints have resulted in growing deferred maintenance of the State's highway system.***

The State's roadway maintenance and operations budget has been squeezed by the fiscal constraints affecting State government, resulting in a growing level of deferred maintenance, while the availability of HTF program funding has led NCDOT to increasingly focus its overall resources on the capital improvement program. The NCDOT maintenance and operations budget is currently underfunded by about $50 million per year, and has an increasing deferred maintenance backlog of about $305 million, according to the NCDOT Maintenance Division.[7] Some of the maintenance needs are being met by the HTF program through capital improvement projects and the funding of selected maintenance activities. However, the State's budget constraints in recent years have limited the Department's ability to adequately fund its maintenance and operations programs. As a consequence, the Department has shifted its focus and resources increasingly to capital improvement projects due in large measure to the increased funding made available by the HTF program. Evidence of this is the extensive use of NCDOT division maintenance forces for the surfacing of unpaved secondary roads funded by the HTF program.

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[4] Ibid.

[5] Ibid.

[6] Based on staffing data provided by J.T. Peacock, Jr., Chief Engineer - Preconstruction, September 1992, and P.M. Watts, Construction Operations Engineer - Construction, December 1992.

[7] Maintenance Needs Study. North Carolina Department of Transportation Division of Highways and UNC Institute for Transportation Research and Education; April 5, 1990, p. 17.

Finding 3: ***Existing funding sources are inadequate to meet current and future highway maintenance needs.***

The HTF program will increase the size of NCDOT's paved roadway system by about 18 percent and will increase the Statewide maintenance requirements by about 15 percent over the next 15.5 years. The HTF program makes no provision for the long-term maintenance and operating costs associated with those new paved lane miles which will be added to the State's road system by the program. As shown in Exhibits 1 and 2, we estimate that after completion of the program, NCDOT will be facing an added $44 million per year (in 1992 dollars) in average long-term maintenance and retreatment costs. During the 18.5-year term of the program, the added maintenance and retreatment costs will represent 3 percent of the HTF program revenues. By the last year of the program, the annual maintenance cost increase of $31 million (in 1992 dollars) will represent about 5 percent of the HTF program revenues for that year of $679 million. Within four years of the program's completion, the average annual maintenance cost for the new roads will rise to $44 million (in 1992 dollars).

When taken together, the current maintenance backlog, the current maintenance shortfall, and the projected HTF-related shortfall in maintenance obligations is expected to amount to about $80 million per year over the next 15.5 years.

Finding 4: ***Failure to adequately address NCDOT's growing maintenance backlog will result in premature roadway surface failures, resulting in billions of dollars in unnecessary future costs.***

The underfunded NCDOT maintenance and operations program budget represents a growing long-term financial time bomb for the State. Extensive studies have demonstrated that the long-term, life cycle costs of deferring roadway maintenance can be up to ten times the cost of performing adequate maintenance and renewal on an ongoing basis. The higher cost of deferred roadway maintenance manifests itself in terms of premature roadway surface failure, which requires costly capital replacement. Given the size of North Carolina's roadway system, this could represent billions of dollars in unnecessary future roadway reconstruction and replacement costs.

Recommendations

Recommendation 1: ***The General Assembly should amend the HTF program legislation to permit 16 percent of the available funds to be used by NCDOT for maintenance and operations purposes.***

The current and projected shortfall in highway maintenance funding should be addressed by the State to prevent future advanced deterioration of the State's roadway system.

EXHIBIT 1

HIGHWAY TRUST FUND PAVED LANE MILE INCREASES

The Highway Trust Fund Program will add 24,786 lane miles of pavement infrastructure

HTF Element	New Road Miles	Program Scope	Added Lane-Miles of Pavement
Urban Loops	212	New multi-lane highways, mostly 6 lanes	1,272
Intrastate	1,757	Upgrade existing 2-lane roads to 4-lane	3,514
Unpaved Roads	10,000	Upgrade existing unpaved roads to 2-lane paved roads	20,000
		Total new paved lane-miles	24,786

EXHIBIT 2

HIGHWAY TRUST FUND MAINTENANCE-RELATED NEEDS

The added lane-miles of paved roads will create an additional need for maintenance funds

HTF Element	Added Lane-Miles of Pavement	Routine Maintenance Needs		Retreatment Needs	
		Cost Factor	Annual Maintenance Cost (millions)	Retreatment Cycle	Annual Cost (millions)
Urban Loops	1,272	$3,600/ln-mi[1]	$ 4.6	10 years	$ 2.5[2]
Intrastate	3,514	$2,000/ln-mi[1]	7.0	10 years	7.0
Unpaved	20,000	N/A	N/A[3]	7 years	22.9[4]
		Total	$11.6[5]		$32.4[5]
Total additional maintenance needs after program completion =					$44.0 annually[5]

Explanatory Notes:

1 NCDOT Maintenance Division Automated Cost Report - FY91.

2 Based on plant mix paving @ $20,000 per mile.

3 The cost for routine maintenance of unpaved roads is approximately equal to that of paved roads. Therefore, there will be no net increase in the needs for routine maintenance funding.

4 Based on Bituminous Surface Treatment @ $8,000 per mile.

5 Costs are reported in 1992 dollars.

Explanatory Notes:

[1] NCDOT Maintenance Division Automated Cost Report - FY91.

[2] Based on plant mix paving @ $20,000 per mile.

[3] The cost for routine maintenance of unpaved roads is approximately equal to that of paved roads. Therefore, there will be no net increase in the needs for routine maintenance funding.

[4] Based on Bituminous Surface Treatment @ $8,000 per mile.

[5] Costs are reported in 1992 dollars.

Increasing the funding resources available for maintenance and operations can be achieved in a number of ways, including increasing existing user fee-based levies, developing other revenue sources (such as sales tax increments, joint development fees, value capture taxes, or road/crossing tolls), or allocating monies from other highway programs, such as the HTF program.

The above recommendation would provide sufficient funding to eliminate the current backlog in maintenance, to provide for the increased maintenance obligations associated with the new roads added by the HTF program, and to bring the Department's overall maintenance program fully into line with the ongoing needs of the State's road system.

Recommendation 2: ***The HTF program should be further adjusted to eliminate the requirement to pave all unpaved secondary roads with total traffic volume of between 50 and 100 cars per day.***

This recommendation will reduce the growth of the Statewide paved roadway system by focusing the Secondary Road Construction program on higher priority roads. As a result, the higher long-term maintenance and renewal costs associated with paved roads will be more cost-effectively reserved for those roads with sufficient traffic density to justify the higher level of surface treatment. This will reduce the cost of the Secondary Roads Construction portion of the HTF by $357 million, and reduce the miles of unpaved roads to be repaved by about 6,000 miles.

Recommendation 3: ***The State should periodically reassess the justification for and financial feasibility of building 4-lane roads within 10 miles of 96 percent of the State's population.***

This recommendation will enable the State to adjust the HTF program based on changing financial conditions and highway program priorities.

Recommendation 4: ***The General Assembly should authorize a comprehensive transportation financing study.***

The highway maintenance backlog and shortfall described above, coupled with the unfunded expanding maintenance obligations associated with the Highway Trust Fund program, suggest that current funding resources are inadequate to meet the Department's long-term program needs. General fund transfers, interagency transfers, and program allocations of highway fund revenues increasingly dilute the revenues available for needed roadway capital improvement, maintenance, and operations. With the passage of landmark federal surface transportation funding legislation by Congress in 1991 (The Intermodal Surface Transportation Efficiency Act of 1991 - ISTEA), the level and allocation of federal transportation funding has significantly changed. The change in national and State

administrations will likely generate further changes to the funding and program priorities for transportation at the federal and State levels.

These changes and the funding inadequacies noted above provide a strong basis for the State to reevaluate the overall financing requirements of its multi-modal transportation program. Such a study should be directed by the Highway Oversight Committee. Such an effort should consider all modes receiving State funding, short-term and long-term program needs and life-cycle costs, currently available and alternative funding sources, and possible legislation needed to ensure that designated revenue sources are properly used to support program priorities in a comprehensive and equitable fashion. During such a study, the recommendations noted above could be further explored to determine their specific implications for the State's overall highway program and their compatibility with the directions the State may take as a result of thoroughly considering all transportation financing issues and concerns.

Implications

Implementing the first recommendation will require either further extending the HTF program timeframe by three years, assuming current revenue projections are realized, or reducing the scope of the capital improvement portion of the program by 16 percent. The three-year program extension would retain the scope of the program with modest impact on the schedule. The reduced scope option would retain the current schedule, but allow for fewer miles of roadways to be paved or constructed.

The alternative to fully funding the Department's maintenance requirements will be significantly higher future costs for roadway renewal, rehabilitation, and replacement. While the proposed action will not result in significant short-term savings for the State, over the long-term (10 to 25-year timeframe) the State will significantly reduce its overall highway program costs to preserve the condition of its roads and bridges. These savings are estimated to grow from $12 million in the year 2000 to $120 million in the year 2010, as the effects of earlier preventative maintenance are realized through lower repair and replacement costs. The alternative is a larger highway system that exhibits significant deterioration upon program completion.

Ultimately, the State will need to consider how to fund the incremental $44 million in annual maintenance costs associated with the HTF program roads, plus the current $50 million annual maintenance cost shortfall, once the HTF program ends and its revenue sources are removed.

The second recommendation will enable the Department to reallocate a portion (60 percent) of the Secondary Road Construction program funds to other higher priority needs, such as the under-budgeted maintenance and operations programs, as described above. This will provide long-term savings in terms of lower eventual repair and replacement costs for the paved Statewide system.

The third and fourth recommendations are aimed at providing the State with periodic comprehensive assessments of its overall transportation-related financial needs and funding opportunities. This will enable the State to make transportation program and revenue adjustments that are tailored to meet the changing mobility needs and priorities of its citizens and businesses.

Privatization of DMV's State-operated Vehicle Registration Offices

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for
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Government Performance Audit Committee
December 1992

Issue Statement

This paper assesses the feasibility of privatizing the Department of Transportation's two state-operated vehicle registration offices

Background

All motor vehicles and trailers must be registered and licensed to operate in the state in which the owner is located. Interstate commercial vehicles require proportional or multi-state registration and licenses. There are over 200 million vehicles registered in the United States, of which 6 million are registered in North Carolina. The motor vehicle registration process varies widely among the states.

In North Carolina, the Division of Motor Vehicle's (DMV) Vehicle Registration Section administers licensing, titling, and lien recording activities related to motor vehicles and employs 126 people. Only two of its 127 offices are state-operated (Raleigh and Charlotte); the remainder are contractor-operated branch offices. Of the total vehicle registration volume, 4 percent is from state-operated offices, 87 percent is from contract offices, and 9 percent is mail-in business. During 1991, 6.03 million vehicle registrations (including mail-ins) were processed in North Carolina. Exhibit 1 shows the number of vehicle registrations for five years, which have grown at a compound annual rate of 2 percent.

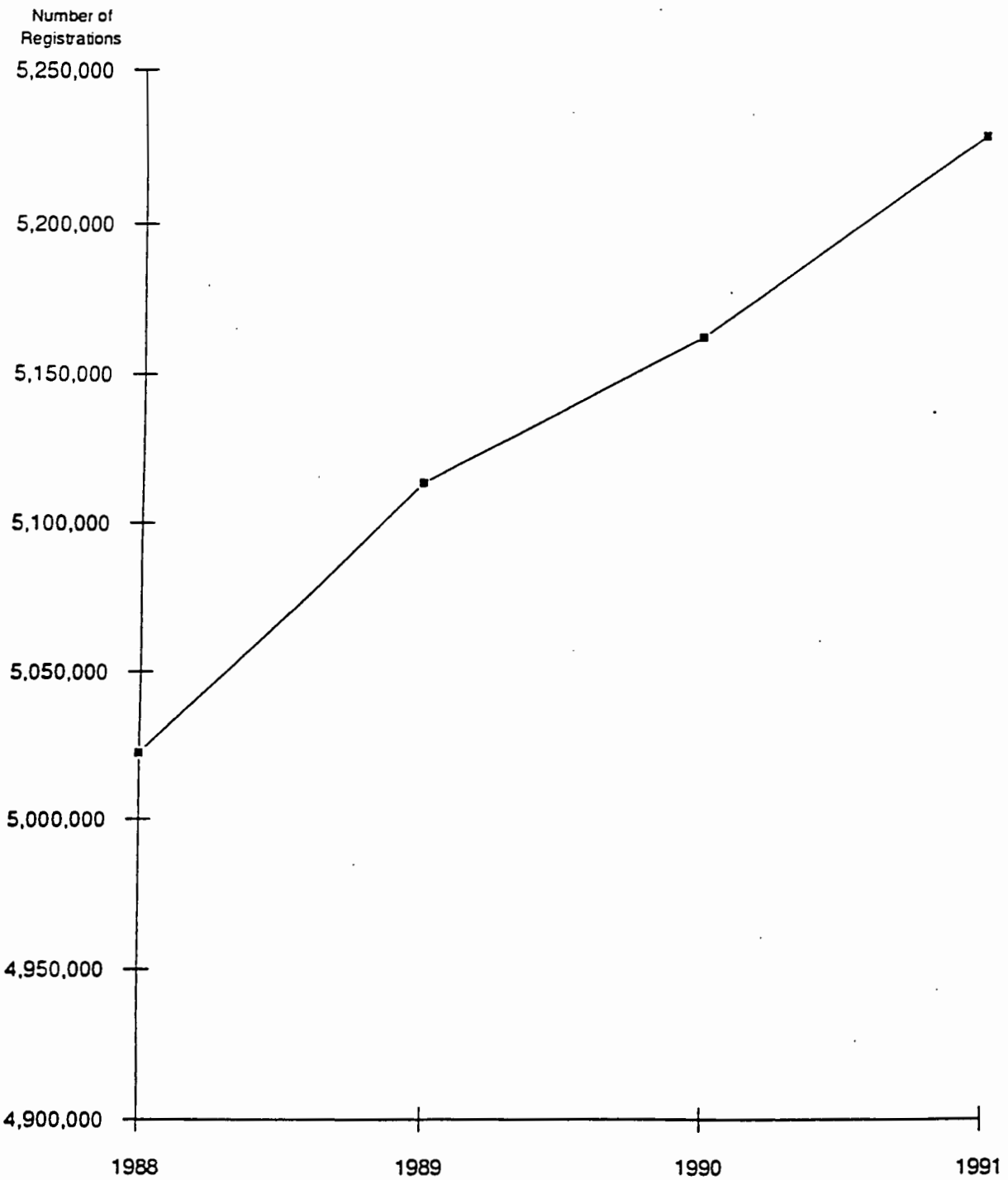
Currently, North Carolina has an annual volume of 5,479,000 vehicle registrations/renewals. The registration system includes a state-level central office with one state branch office in Charlotte and 119 contractual offices. The system has a central computer to which all contractual offices and the Charlotte branch office have direct input access.

The state-run branch in Raleigh employs 28 people, and the Charlotte branch employs 23, for a total of 51 state employees. In fiscal year 1991, salaries and benefits totaled approximately $772,000 and $631,000 for the Raleigh and Charlotte branches, respectively. Besides the normal vehicle registration transactions, these branches typically process more complicated transactions, such as international registrations and instant titles.

Contract license plate agencies are owner-operated businesses that employ at least two people at minimum wage, are open 39 hours a week, and were paid approximately $7.2 million for processing 7.85 million transactions in fiscal year 1991. The contractors are paid $.92 per transaction, the lowest of all states we surveyed. Prior to November 1990, they were paid for only half of a transaction when they processed Highway Use Tax items. They are now paid for a full transaction.

These contracts automatically renew unless the contractor violates the contract terms. In some small offices (less than 25,000 transactions), the Chamber of Commerce has the contract since these offices are not thought to be profitable due to the low volume of transactions.

Exhibit 1
North Carolina Vehicle Registrations for 1988 - 1991



NOTE: The above figures do not include the two state offices' registrations, personalized license plates, and approximately 500,000 mail-ins annually

Source: U.S. Department of Transportation Highway Statistics - 1988, 1989, 1990, and 1991

Every transaction processed in the contract offices is reviewed by state employees in the Vehicle Registration Section. DMV also completes the data entry, codes in the insurance company, and prepares the document for microfilming. In addition, DMV assigns new titles, where appropriate.

If any errors are found in the transactions that resulted in a monetary difference, the contract agents are charged for the mistake. Note that this charge only covers the dollar error and does not cover the cost of processing letters to the contract agents or other administrative expenses associated with the error. According to personnel in the Vehicle Registration Section, the contract agents typically make more errors than the state-operated offices because they are more concerned with quantity since their reimbursement is based on the volume of their work.

Findings

Finding 1: ***It costs approximately $2.26 more to process a transaction in a state-run office than in a contract office.***

To compare the cost of processing a transaction in a DMV-run office to one processed in a contractor-operated office, the "variable costs" of the operations were evaluated. These include salaries, benefits, rent, and utilities for the state offices; and branch agency fees, field supervisors' salaries, and travel for contractor offices. We did not assess "fixed" costs such as telephones, supplies, plates, "Bates" machines, and other office equipment because the state pays for these items for both the state-run offices and the contractors. Based on our analysis, it costs approximately $2.26 more to process a transaction in a state-run office than in a contract office. (See Exhibit 2)

Finding 2: ***The Department of Transportation has a modernization plan that calls for the development of automated systems that other states are now completing.***

DOT indicated that it had contacted several states a couple of years ago to see if they had systems that could be acquired to replace vehicle registration systems. DOT found that most systems in other states at that time were either old or still under development. Furthermore, DOT's MIS division stated that North Carolina's requirements are unique in many ways.

Recommendations

Recommendation 1: State-operated vehicle registration offices in Raleigh and Charlotte should be privatized to reduce costs and improve productivity.

Based on the cost analysis and productivity comparisons presented above, the state-operated vehicle registration offices in Raleigh and Charlotte should be privatized. The staffing, financial, and service implications of this recommendation are discussed below.

Exhibit 2
Comparison of North Carolina State-run to Contractor-operated Vehicle Registration Offices

OFFICE ATTRIBUTES	REF	STATE-RUN	CONTRACT-OPERATED
Number of locations		2	125
Number of Employees		51	550
Transactions/Year		451,291	7,852,521
Salaries and Benefits		$1,403,000	$7,224,319
Rental & Utilities		50,000	303,289
Total "Office Related" Costs		$1,453,000	$7,527,608
Cost per Transaction	1	$3.22	$0.96
Average Transactions Processed/Employee Day	2	35	57
Avg Number of Minutes per Transaction	3	14	8

1 Cost per transaction = Total "office related" costs /Total transaction per year

2 Avg number of minutes/transaction = no. of minutes/work day (60min/hr*8hr/day) ÷ no. of transaction per employee/day

3 Avg number of minutes/transaction = no. of minutes/work day (60min/hr*8hr/day) ÷ no. of transaction per employee/day

Staffing implications. If the two state-owned vehicle registration offices are privatized, staff can be reduced by 41 over 5 years, assuming only one office will be privatized in the first year and 20 percent of the current staff will be necessary for administrative oversight and quality review of the contractor's work. This 20 percent includes one additional field supervisor. (See Exhibit 3.)

EXHIBIT 3

Estimated Staff Reductions for Ten-year Period

	Current year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6-10
Total staff reductions	0	-26	-25	0	0	0	0
Total driver registration office state employees	51	25	0	0	0	0	0
Additional quality review staff required (cumulative)	0	5	10	10	10	10	10
Cumulative net change in state employee work force	0	-21	-41	-41	-41	-41	-41

Financial implications. Privatizing the Raleigh and Charlotte offices will result in an estimated savings of approximately $10.6 million over ten years. (See Exhibit 4) This assumes that the average Department of Transportation salary is $24,059 and the average benefit cost is $6,351. This estimate accounts for the cost of the additional administrative oversight that would be required for the new contract offices, estimated at 20 percent, and assumes that, in the first year, only one office will be privatized.

Service implications. In addition to the dollar savings, transactions may be processed more quickly if the Raleigh and Charlotte offices are privatized. During 1991, each employee in the contract offices processed an average of 57 transactions per day, whereas the average was 35 in the two state-run offices. In other words, contract offices can process one transaction in 8.42 minutes while the state-run offices take 13.71 minutes. Although the state-run offices

EXHIBIT 4

Estimated Annual Savings
(1992 dollars)

	Fiscal Year ending June 30									
	Current	1994	1995	1996	1997	1998	1999	2000	2001	2002
Yearly	--	$638,610	$1,246,810	$1,246,810	$1,246,810	$1,246,810	$1,246,810	$1,246,810	$1,246,810	$1,246,810
Cumulative	--	$638,610	$1,885,420	$3,132,230	$4,379,040	$5,625,850	$6,872,660	$8,119,470	$9,366,280	$10,613,090

are reported to handle a larger percentage of more complex transactions, there appear to major differences in the levels of transactions processed.

Implementation considerations

To implement this recommendation, DMV should issue requests for proposals and competitively bid the operation of each office. When a contractor is selected, DMV will need to specify the number of state employees needed to manage the contractor and review the quality of the contractor's work.

To ensure that the contractor's work is performed efficiently and effectively, the state-run quality review process will need to be enhanced.

Recommendation 2: ***DMV should enhance its automated vehicle registration system and encourage significantly greater use of mail-in registrations and other innovative programs to improve efficiency.***

In addition to privatizing these offices, DMV should encourage vehicle owners to mail in their vehicle registration business, thereby reducing the need for 126 vehicle registration offices.

In addition, we recommend that the DMV purchase a computer system that will accommodate direct transmission of registration information by contractors and branch offices to a central system at least on a daily basis. We further recommend that the system be designed to accommodate possible future applications such as direct customer telephone input through automated teller machines and credit card usage. The use of automated teller machines would have to be negotiated with the banks.

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Consolidation of Driver License Offices

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Government Performance Audit Committee
December 1992

Statement of Issue

This analysis assesses the State's practice of providing driver licensing services through a large network of field offices and evaluates opportunities for increasing staff utilization.

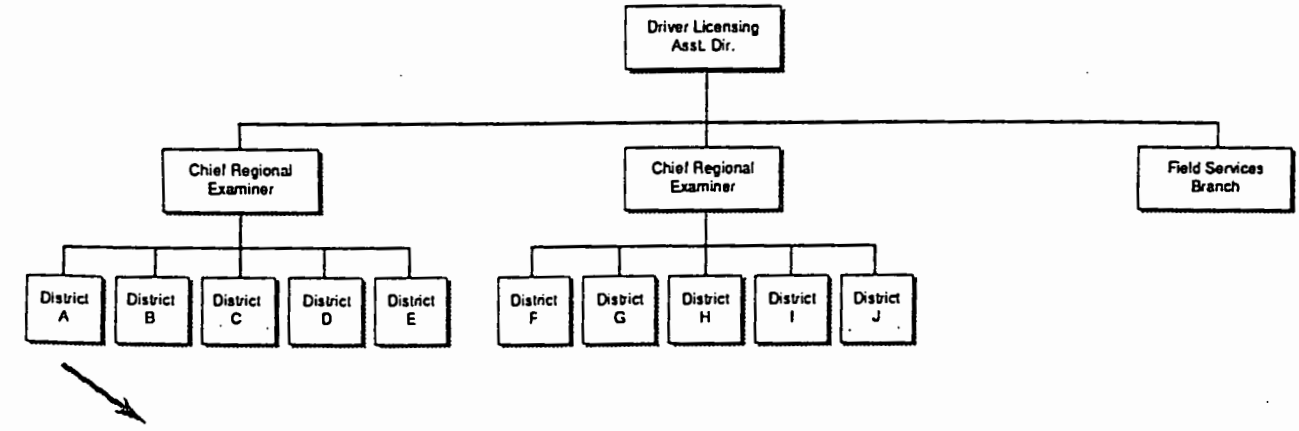
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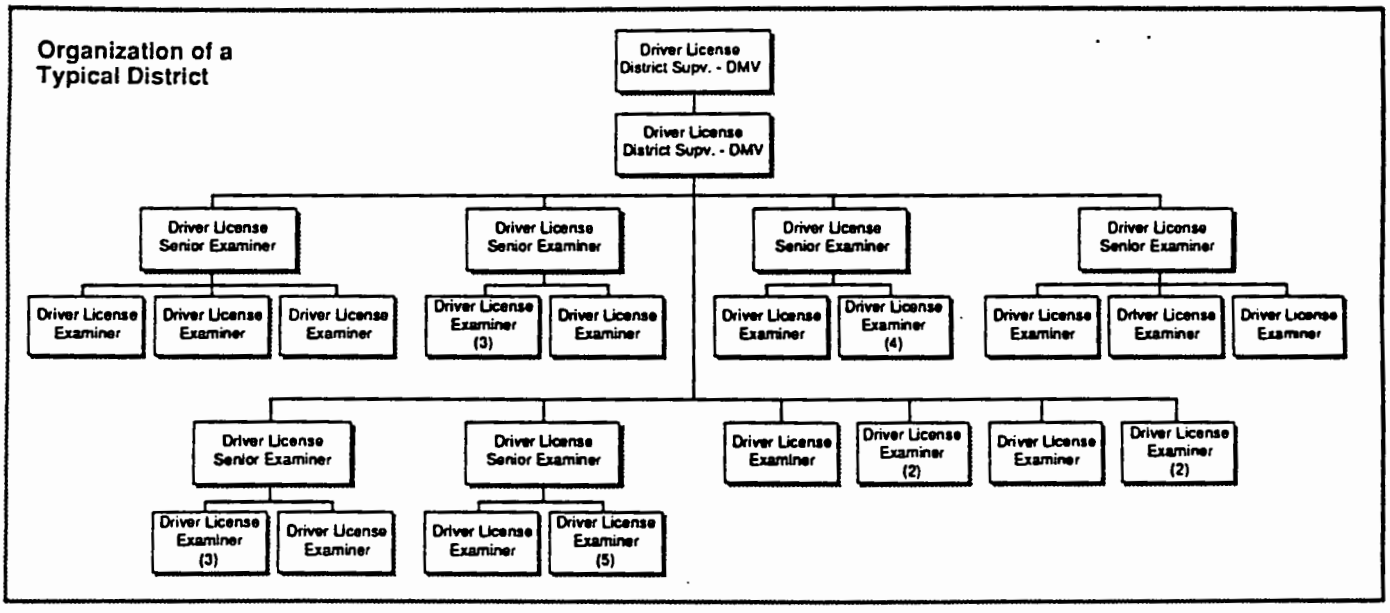
Driver Licensing is one of seven sections administered by the Department of Transportation's (DOT) Division of Motor Vehicles (DMV). The mission of the Driver License Section is to administer North Carolina Motor Vehicle Laws related to licensing and driver improvement. Section offices perform the following activities:

- Prepare the Drivers' Handbook, Motorcyclists' Handbook, Truck Drivers' Handbook, and the Commercial Drivers' Manual
- Compile and issue tests and revisions for driver examination and motorcycle endorsement examinations
- Certify qualified truck driving schools, truck and bus companies, and company examiners to administer road tests
- Conduct driver license examinations and the issuance of original and renewal licenses, learners' permits, duplicate licenses, and non-driver photo identification cards; collect required fees
- Medically evaluate drivers with physical or mental impairments and deny or restrict licenses because of disabilities that would impair the safe operation of a motor vehicle; maintain confidential medical records and conduct confidential hearings
- Administer the motorist liability insurance requirement related to driver license renewal
- Revoke and suspend licenses in accordance with Motor Vehicles Laws; conduct hearings when licenses have been revoked or suspended or are subject to suspension or revocation; conduct driver improvement conferences for frequent offenders
- Execute voter registration program
- Provide copies of driving records to courts and law enforcement agencies; provide records to attorneys, insurance companies, employers, and the general public upon payment of the prescribed fee

The Driver License Section employs 589 persons, 173 of whom are assigned to the Division's

EXHIBIT 1
Driver License Section
Organization Chart*





*Note: This chart depicts part of the Driver License section

headquarters in Raleigh and 416 of whom are dispersed among a service network of field offices. Driver License field offices are divided into 10 districts, supervised by two Regional Chief Examiners and staffed by District Supervisors and Assistant Supervisors. Each field office is staffed by an average of two to three examiners. The Driver License Section organization is presented in Exhibit 1.

The Driver License Section currently maintains a total of 7,001,842 driver records, of which 4,544,446 are active licensees, and the remaining are persons with photo identification cards and learners and motorcyclists permits. During 1991, Driver License offices issued 247,118 original driver licenses, renewed 912,923 licenses, and issued 341,902 duplicate licenses. The average numbers of applications processed per person day by each field office are presented in Appendix A.

Driver License Section staff and budget trends are shown in Exhibit 2.

EXHIBIT 2
Driver License Section Statistics

	Fiscal Year				
	1987-88	1988-89	1989-90	1990-91	1991-92
Positions	549	573	587	589	589
Annual Budget (millions)	$15.4	$16.5	$17.9	$21	$19.1

Source: The North Carolina State Biennium Budget

Findings

Finding 1: DMV has an excessive number of Driver Licensing field offices.

The existing service delivery system has evolved over time to the current configuration of 194 field offices located throughout the State, as illustrated in Exhibit 3. Our analysis of the number of licensed drivers per number of driver licensing offices in seven states surrounding North Carolina indicated that North Carolina serves fewer drivers per office than all but one of the comparative states (see Exhibit 4). Most southeastern states serve significantly larger numbers of drivers per office than North Carolina. Exhibit 5 shows the number of Driver License offices in other southeastern states.

EXHIBIT 3
Locations of Driver License Offices

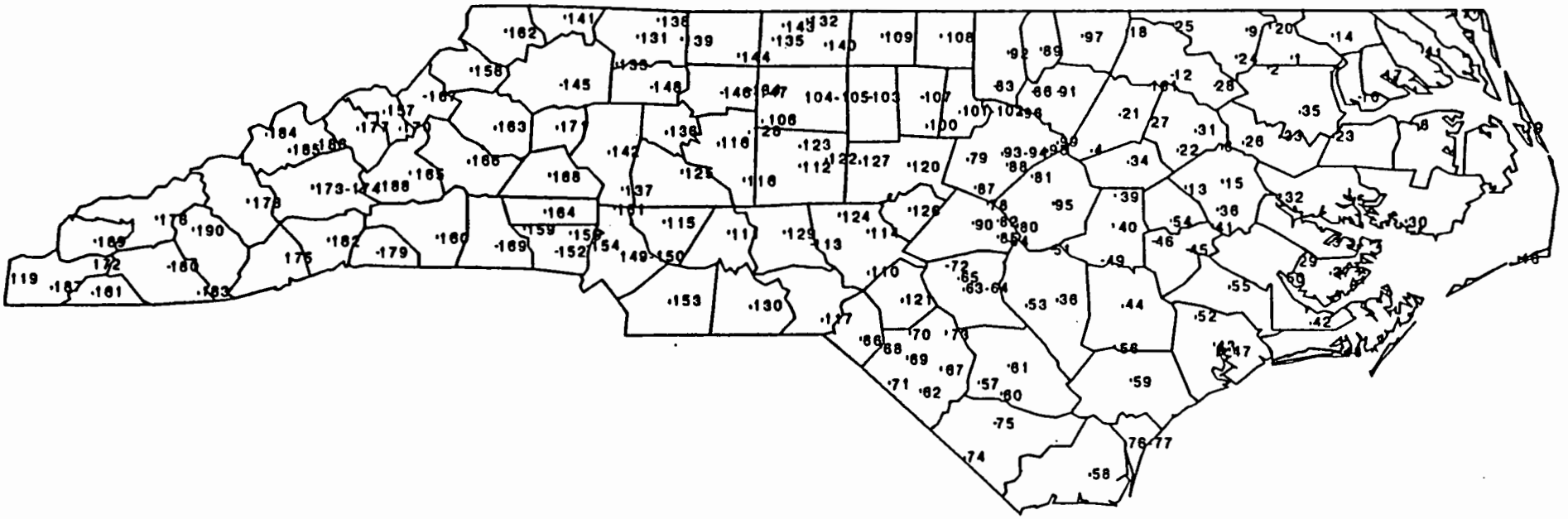


EXHIBIT 4
Comparison of Drivers per Driver License Office in the Southeast

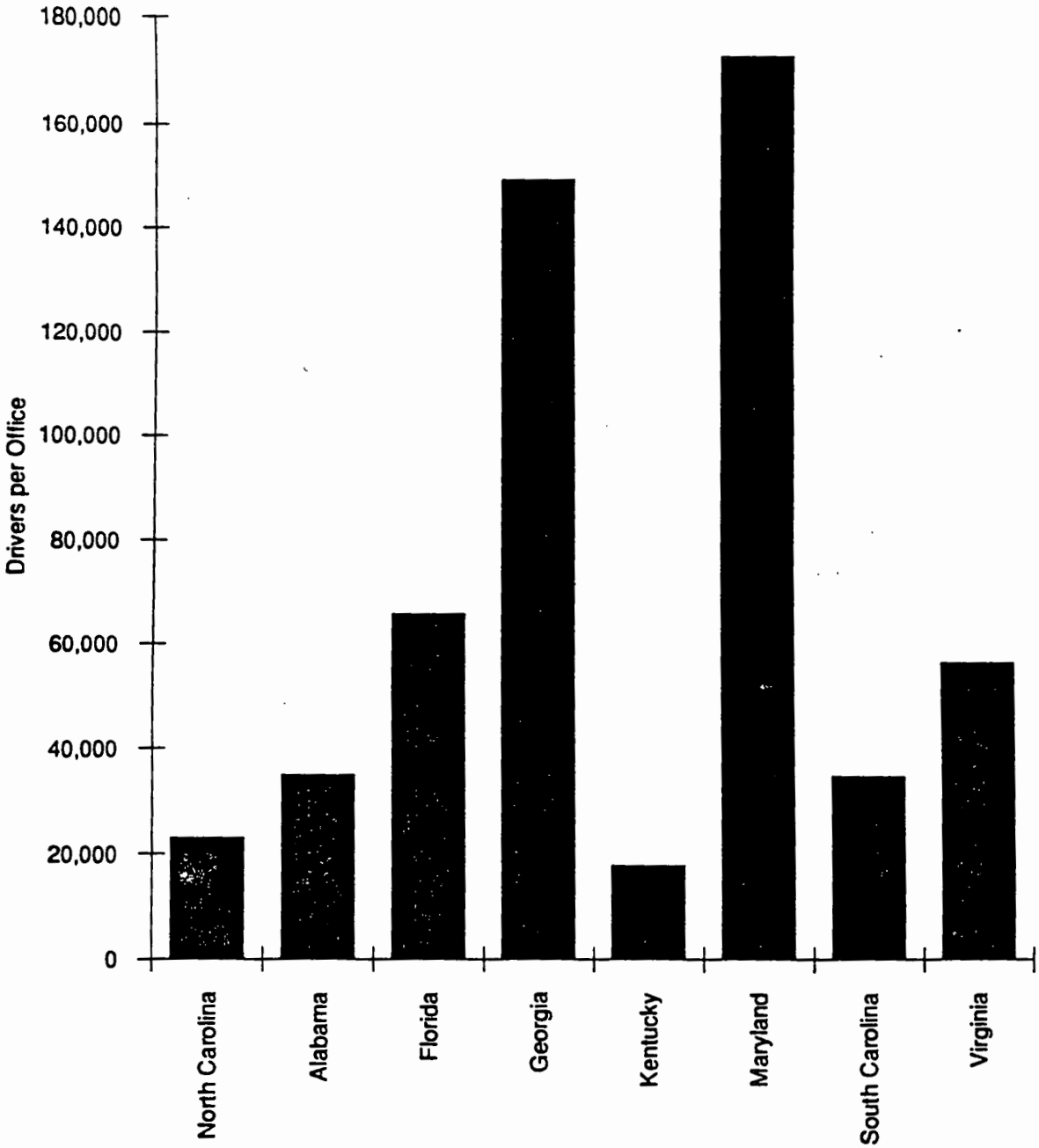


EXHIBIT 5
Southeastern State Driver License Offices

State	Number of Offices
Alabama	81
Florida	137
Georgia	29
Kentucky	134
Maryland	18
North Carolina	**194**
South Carolina	67
Virginia	75

In addition, many of North Carolina's Driver License offices are in close proximity to each other with almost all counties having at least one field office and some having as many as nine.

Finding 2: ***Many Driver License field offices have work loads, as measured by applications processed, that are well below the average for DMV.***

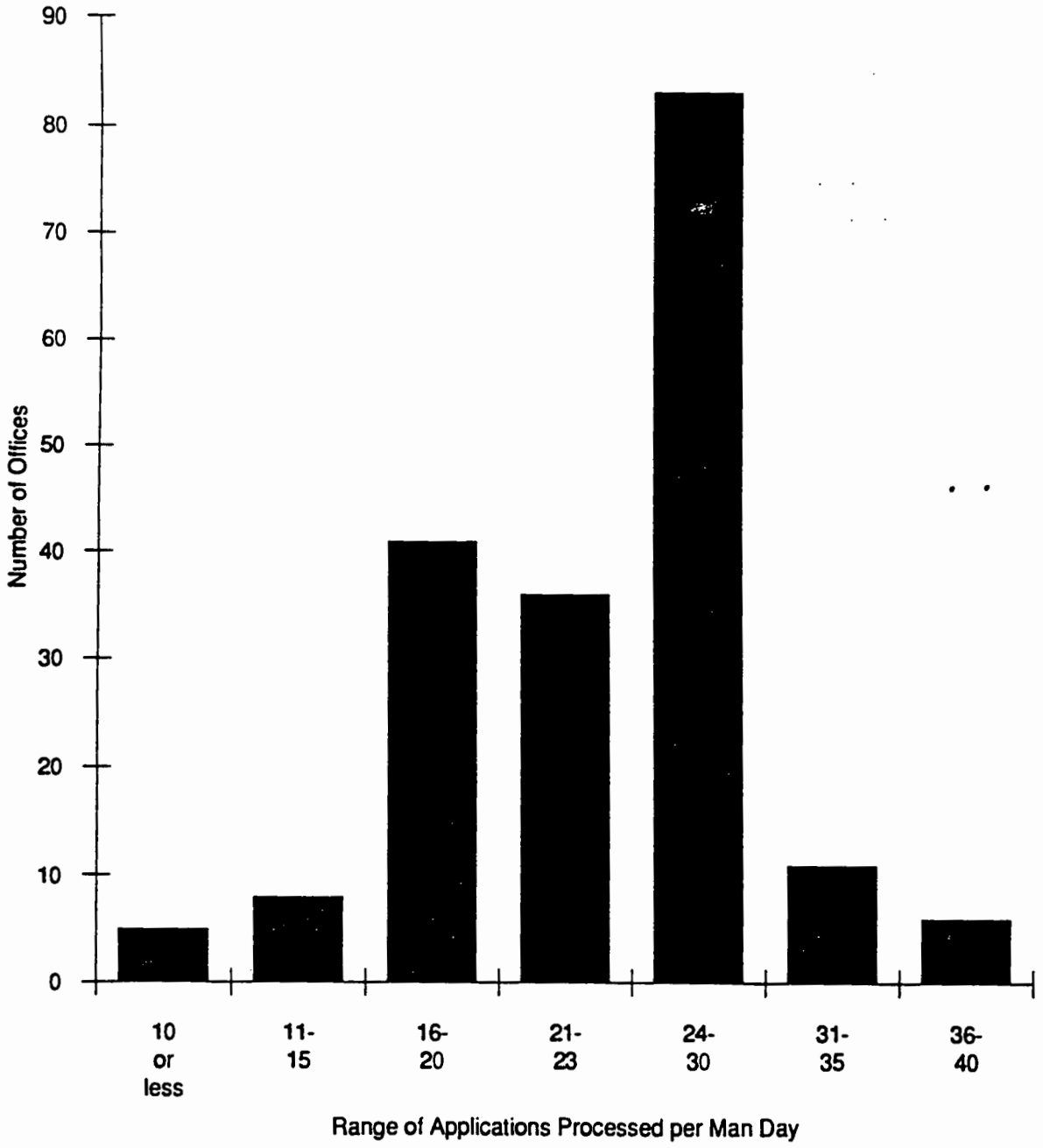
The actual work load performed by the Driver License field offices varies substantially from location to location. An analysis of DMV activity reports indicates that the average number of driver license applications processed per person day is 24. However, as illustrated in Exhibit 6, approximately 46 percent of the offices process significantly fewer applications than the State average. Furthermore, many of the field offices are located within close proximity of each other and serve common communities.

Recommendations

Recommendation 1: ***DMV should close approximately 64 field offices and boost productivity by 10 percent over the next 3 years.***

The following offices are candidate offices for closing and position reductions:

EXHIBIT 6
Number of Driver License Offices by Average Applications Processed per Person Day



- 35 field offices that average only 20 applications per person day or less and are located in close proximity to other offices. These offices are not justified based on work load.

- 29 field offices with work loads in the 20 to 30 average application per person day application range should also be considered for consolidation with other offices to boost productivity, reduce costs, and eliminate additional offices within close proximity to other offices.

Under this scenario, field offices would be within 15 miles of everyone in the State, except for those who are already driving further.

In conjunction with office closings, the number of overall examiner positions should be rationalized so that the field staff will process an average of 27 applications per person day, which is a 10 percent increase in productivity.

Implications. There are 120 full-time equivalent examiners in the offices recommended for closing or potential consolidation. Based on the number of applications currently processed in the offices that are candidates for closing, we estimate that it would be necessary to transfer 44 examiners to the remaining offices to address increased service requirements. This results in a net elimination of 76 positions. The elimination of these positions would result in an annual savings of $2.3 million. The closing of the least productive field offices and the staff reductions would increase the average applications processed per person day from 24 to 27.

Exhibit 7 shows the number of offices to be closed and the number of positions to be eliminated per year. Exhibit 8 shows the estimated salary savings over a 10-year period.

EXHIBIT 7
Recommended Phasing of Office Closings and Position Reductions

	Current	1994	1995	1996	1997	1998	1999	2000	2001
Offices Closed	--	35	15	14	--	--	--	--	--
Positions Eliminated	--	46	15	15	--	--	--	--	--

EXHIBIT 8
Estimated Annual Savings
(1992 dollars)

	Fiscal Year ending June 30									
	Current	1994	1995	1996	1997	1998	1999	2000	2001	2002
Annual	--	$1,398,860	$1,855,010	$2,311,160	$2,311,160	$2,311,160	$2,311,160	$2,311,160	$2,311,160	$2,311,160
Cumulative	--	$1,398,860	$3,253,870	$5,565,030	$7,876,190	$10,187,350	$12,498,510	$14,809,670	$17,120,830	$19,431,990

In addition, the DOT can achieve savings by eliminating costs associated with the operation and maintenance of the facilities to be closed. The amount of savings will vary depending on the specific characteristics of offices to be closed. Individual field offices vary substantially in size and hours of operation and may be owned by the State, rented, or, in some cases, situated in donated space.

Implementation Considerations

DMV should take the following steps prior to implementing recommendations:

- Review offices to be closed and estimate work load and staffing requirements to be assimilated by the remaining offices
- Evaluate whether remaining offices can physically and operationally assimilate the work load of closing offices
- Develop an office closure schedule
- Develop and implement a program for informing and, if necessary, retraining staff
- Devise methods of informing community constituents of anticipated changes

DMV should begin this process in fiscal year 1993.

References

Department of Transportation, Governor's Efficiency Study, 1985

Departmental Plans: Outlooks and Objectives, 1991-1995

Driver License Statistics, North Carolina DOT - DMV, Driver License Section Activity Report, 1991

Highway Statistics, Federal Highway Administration, 1989

Map of North Carolina Driver's License Offices

North Carolina State Budget, 1988-90 and 1991-92 Bienniums

Overview of the Driver License Section, North Carolina Division of Motor Vehicles, 1991

Appendix A

Location	Number of Examiners	Ave. # of Appl. Per Man Day for Calendar 1991
District A:		
Colerain	0	6
Robersonville	1	8
Bethel	1	12
Columbia	2	15
Aulander	0	17
Bailey	1	17
Enfield	1	17
Hatteras	2	17
Rich Square	1	17
Windsor	2	17
Aurora	1	18
Conway	1	19
Scotland Neck	1	19
Swan Quarter	1	19
Littleton	1	20
Murfreesboro	1	20
Tarboro	2	20
Edenton	2	21
Elizabeth City	4	21
Manteo	2	21
Rocky Mount	6	22
Plymouth	1	23
Washington	3	24
Ahoskie	2	25
Belhaven	1	25
Farmville	1	25
Hertford	1	25
Pinetops	1	25
Gatesville	1	26
Greenville	6	27
Roanoke Rapids	3	27
Spring Hope	1	27
Williamston	1	28
Wilson	5	28
Nashville	1	31
District B:		
Newton Grove	1	13
La Grange	1	17
Trenton	1	19
Richlands	1	20

Location	Number of Examiners	Ave. # of Appl. Per Man Day for Calendar 1991
Clinton	3	21
Goldsboro	6	22
Grifton	1	22
New Bern	5	22
Wallace	2	22
Jacksonville	4	23
Morehead City	4	24
Fremont	1	25
Kinston	5	26
Kenansville	1	27
Snow Hill	1	28
Roseboro	1	29
Bayboro	1	30
Midway Park	2	30
Ayden	1	32
Mount Olive	1	32
Havelock	1	37
District C:		
Clarkton	1	10
Bladenboro	1	14
Wilmington (North)	6	17
Fayetteville (South)	8	18
Rowland	1	18
Tabor City	1	18
Elizabethtown	2	19
Lumberton	4	19
Pembroke	1	19
Whiteville	3	20
Fairmont	1	22
Spring Lake	1	22
Wilmington (South)	5	22
Fayetteville (West)	4	23
Laurinburg	2	23
Fort Bragg	4	26
Burgaw	1	28
Bolivia	0	29
Red Springs	1	36
St. Pauls	1	37
Maxton	1	38
District D:		
Coats	1	8

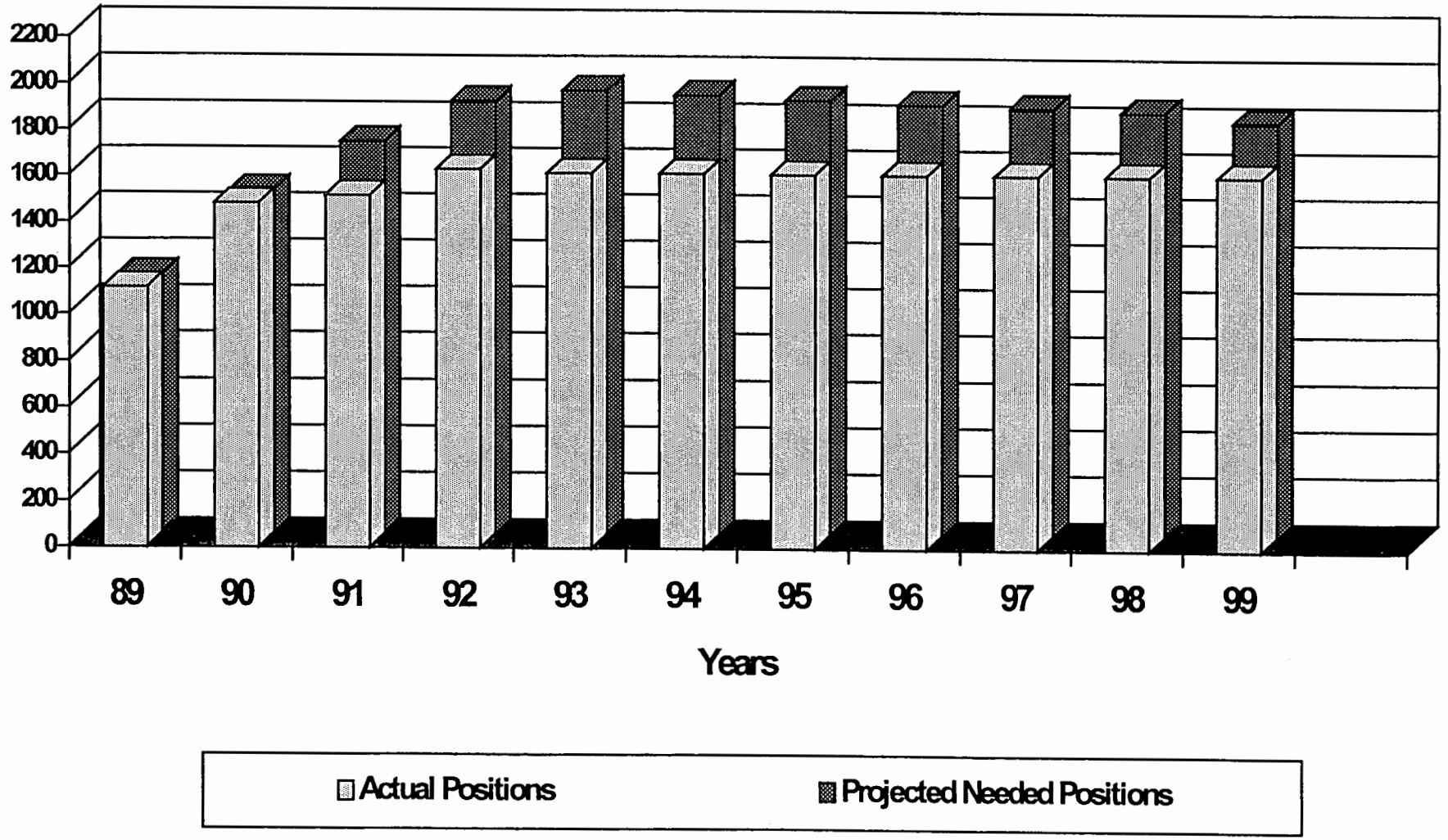
Location	Number of Examiners	Ave. # of Appl. Per Man Day for Calendar 1991
Erwin	1	12
Benson	1	14
Franklinton	1	16
Angier	1	24
Lillington	1	24
Creedmoor	2	25
Clayton	1	27
Dunn	3	27
Smithfield	3	27
Garner	3	28
Raleigh (West)	12	28
Henderson	3	29
Wake Forest	2	29
Wendell	1	29
Apex	1	30
Oxford	2	30
Raleigh (East)	8	30
Louisburg	2	31
Warrenton	1	31
Fuquay-Varina	1	37
Zebulon	1	40
District E:		
Greensboro (West)	11	20
Greensboro (East)	6	23
High Point	6	25
Roxboro	2	25
Durham (East)	7	26
Graham	6	27
Carrboro	4	29
Hillsborough	2	29
Durham (South)	4	32
Yanceyville	1	33
District F:		
Carthage	1	19
Siler City	2	20
Hamlet	2	21
Ramseur	1	21
Liberty	1	23
Pittsboro	1	23
Albemarle	3	24
Concord	6	24

Location	Number of Examiners	Ave. # of Appl. Per Man Day for Calendar 1991
Lexington	4	24
Salisbury	4	24
Asheboro	4	25
Raeford	1	25
Candor	1	26
Troy	1	26
Sanford	3	27
Aberdeen	3	28
Denton	1	28
Randleman	1	29
Robbins	1	29
Thomasville	2	31
Wadesboro	1	33
District G:		
Elkin	4	19
Yadkinville	2	20
Winston-Salem (North)	7	21
Winston-Salem (South)	9	21
Sparta	1	22
Stoneville	1	23
Wilkesboro	3	23
Dobson	1	26
Mount Airy	3	26
Pilot Mountain	2	26
Walnut Cove	2	27
Madison	1	28
Mooresville	2	28
Statesville	3	28
Kernersville	2	29
Reidsville	2	29
Eden	1	30
Mocksville	1	31
District H:		
Charlotte (West)	9	18
Stanley	1	20
Charlotte (North)	9	25
Gastonia	7	26
Cornelius	1	29
Mount Holly	3	29
Monroe	7	30
Charlotte (South)	8	33

Location	Number of Examiners	Ave. # of Appl. Per Man Day for Calendar 1991
District I:		
Bakersville	1	16
Taylorsville	2	17
Newland	1	19
Jefferson	1	21
Boone	2	22
Marion	2	22
Hickory	5	23
Lenoir	5	24
Lincolnton	2	24
Cherryville	0	25
Morganton	4	25
Newton	3	25
Shelby	4	26
Forest City	3	27
Spruce Pine	1	27
District J:		
Asheville (West)	8	0
Hot Springs	1	11
Asheville (East)	2	15
Franklin	2	17
Clyde	4	18
Old Fort	1	18
Marshall	1	19
Robbinsville	1	19
Highlands	1	20
Andrews	1	21
Burnsville	1	21
Hendersonville	5	21
Bryson City	1	22
Mars Hill	1	23
Murphy	1	23
Hayesville	1	28
Sylva	1	28
Brevard	1	30
Columbus	1	30
Average		24

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
PROJECTED AND ACTUAL POSITIONS IN PRECONSTRUCTION

IV (b)



IV (c)
1-20-98

REQUEST FOR PROPOSALS **RFP Number 704910**

TITLE: Performance Review of the NC Board of Transportation and NC Department of Transportation

USING AGENCY: North Carolina Office of the State Auditor

ISSUE DATE: January 6, 1998

ISSUING AGENCY: North Carolina Department of Administration
Division of Purchase and Contract
116 W. Jones Street, Room 4062 /or/ P. O. Box 29582
Raleigh, NC 27603-8002 Raleigh, NC 27626-0582

Attention: Dianna H. Wentz
Phone: (919) 733-4505, ext. 122
For Questions Only Fax: (919) 733-5037
E-Mail: dianna_wentz@mail.doa.state.nc.us

Sealed Proposals will be received until 2:00 p.m., January 28, 1998.

IMPORTANT NOTE: Indicate firm name, RFP number and "Technical Proposal" or "Cost Proposal" on the front of each sealed proposal envelope or package, along with the date for receipt of proposals specified below.

SEND ALL PROPOSALS AND DIRECT ALL INQUIRIES TO THE ISSUING AGENCY ADDRESS SHOW ABOVE.

NOTE: All offerors are encouraged to attend a PREPROPOSAL CONFERENCE on January 14, 1998, at 10:00 a.m., Education Building, 301 N. Wilmington Street, Auditorium, Room 150 North. A summary of all questions and answers (addendum) will be provided via the Internet as follows:

http://www.state.nc.us/PandC/intbids.htm

Questions concerning the specifications in this Request for Proposals will be received until 1:00 p.m. on January 15, 1998.

IMPORTANT: ***Offerors are advised that this RFP contains two sections - A section for the Performance Review of the Board of Transportation and for the Performance Review of the Department of Transportation. Offerors may submit a proposal on one or both of the sections.***

INTRODUCTION

SECTION I: NC BOARD OF TRANSPORTATION (THE BOARD)

The North Carolina Office of the State Auditor (OSA) is seeking firms with expertise in performance reviews to respond to a Request for Proposal (RFP) for a performance review of :

- **The Board of Transportation (the Board)**

The final report of the performance review of the Board will be submitted according to the specified timeframe outlined in this RFP.

The Board of Transportation is the governing body of the North Carolina Department of Transportation (NCDOT). It consists of 26 members appointed by the Governor and the General Assembly. The Board is responsible for the formulation of "policies and priorities for all modes of transportation under the Department of Transportation" [G.S. 143B-350 (f)(1)]. Specific powers of the Board of Transportation include:

- to allocate state and federal transportation construction and maintenance funds,
- to approve and award highway and mass transit construction projects, and
- to promulgate rules and regulations concerning all transportation functions assigned to the Department by statute.

BOARD OF TRANSPORTATION PERFORMANCE REVIEW

A. Background

The Board of Transportation of the North Carolina Department of Transportation

The Board of Transportation is the governing body of the North Carolina Department of Transportation. It consists of 26 members, 21 of whom are appointed by the Governor of the State of North Carolina, two by the President Pro Tem of the state Senate, and two by the Speaker of the state House of Representatives. The Secretary of the North Carolina Department of Transportation, who is appointed by the Governor, is designated as the Chairman of the Board. The Board has the responsibility "to formulate policies and priorities for all modes of transportation under the Department of Transportation" [G.S. 143B-350 (f)(1)].

The performance review is being requested to determine if the current structure and function are meeting the needs of the citizens of North Carolina.

B. Study Description

Introduction

The North Carolina Office of the State Auditor (OSA) is seeking a qualified consultant to conduct a performance review of the Board of Transportation of the NCDOT. The review, to be conducted under *Government Auditing Standards* as promulgated by the Comptroller General of the United States, will evaluate the duties, powers, functions and operating procedures of the Board. The consultant shall make recommendations for change that can be implemented or recommended to the General Assembly to improve the Board's operational efficiency and responsiveness to the public. The Office of the State Auditor shall have access to the consultant's working papers.

C. Scope

The major topics to be addressed in the review are as follows:

1. Review the composition, membership requirements, and function of the Board. Analyze the effectiveness of the current Board structure in the governance of the Department of Transportation. Determine what governance structure is necessary for optimal operational efficiency and responsiveness to the public. If changes to the current structure are recommended, make recommendations how those changes can be implemented.

2. Review the Board's current ethics policy and evaluate the policy's strengths and weaknesses relevant to the prevention of conflicts of interest by Board members.

3. Review ethics policies in states that are nationally recognized as models of ethical behavior in public service specifically relating to citizen boards with the authority to allocate state transportation funds. Compare and contrast these state policies with the Board's current ethics policy. Give recommendations on how to make the Board's current ethics policy comparable to the standards of the state models chosen as examples.

4. Analyze Board members' role in selecting projects to be included in the Transportation Improvement Program (TIP) as well as the role of local governments and the general public into this decision-making process. Make recommendations for positive change that address both the public's need for information and dialogue with state officials and the Department's mission of "providing total transportation services in a manner which is safe, environmentally sound and responsive to the public's needs".

5. Analyze Board members' use of discretionary funding, including the interaction of requests from local governments, legislators and the public that lead to these funding allocation decisions. Recommend the appropriate role for this program in future state transportation policy.

6. Analyze Board members' relationship to the department staff—in the decision-making process concerning the location of highway corridors and other major transportation projects, and determine their influence and involvement in the daily operational aspects of NCDOT activities and functions. Make appropriate recommendations.

The above are representative issues and are included to give potential offerors a better understanding of subject areas and potential lines of inquiry.

C. Timeframe Considerations

Anticipated key dates associated with the review are listed in the table below:

Date	Event
January 6, 1998	Mail RFP Notice to Vendors
January 14, 1998	Preproposal Conference
January 28, 1998	Proposals Due
April 15, 1998	Submit complete Report on Board of Transportation

SECTION II: NC DEPARTMENT OF TRANSPORTATION (NCDOT)

The North Carolina Office of the State Auditor (OSA) is seeking firms with expertise in performance reviews to respond to a Request for Proposal (RFP) for a performance review of :

- **The North Carolina Department of Transportation (NCDOT), with the exception of the Division of Motor Vehicles.**

The final report of the performance review of the NCDOT will be submitted according to the specified timeframe outlined in this RFP.

The North Carolina Department of Transportation is responsible for new highway construction, maintenance of over 78,000 miles of roads on the state system, and the administration of rail, public transportation, and ferry programs statewide. NCDOT is also responsible for the registration of motor vehicles and the enforcement of transportation safety laws.

The head of the department is the Secretary of Transportation.

DEPARTMENT OF TRANSPORTATION PERFORMANCE REVIEW

A. Background

The Department of Transportation

North Carolina, the 10th largest state in area, has over 78,000 miles of state-maintained roads, making it one of the largest state-maintained highway systems in the nation. The North Carolina Department of Transportation (NCDOT), with over 15,000 employees, has the responsibility of providing the necessary planning, construction, maintenance, and operation of an integrated statewide system of transportation. The NCDOT is also responsible for the accurate registration of motor vehicles and for the enforcement of laws for this State relating to transportation safety. The major transportation functions of the NCDOT include highways, motor vehicles, aeronautics, mass transit and transportation safety.

B. Study Description

Introduction

The North Carolina Office of the State Auditor (OSA) is seeking a qualified consultant to conduct a performance review of the NCDOT. The performance review will not include the Division of Motor Vehicles. The consultant shall make recommendations for change that can be either implemented or recommended to the General Assembly to improve the NCDOT's operational efficiency and responsiveness to the public. The performance review is to be conducted under *Government Auditing Standards* as promulgated by the Comptroller General of the United States, and the Office of the State Auditor shall have access to the consultant's working papers.

C. Scope

The major topics to be reviewed by the performance review, together with more detailed explanation of review scope, are below. The information is arranged with a general topic followed by specific areas for review.

1. Review the public input process to determine if the public has adequate input opportunity.

A. Review the public participation process of the NCDOT for highway and other transportation projects. Determine its effectiveness in keeping the public informed, responding to questions in a timely manner, and addressing local concerns.

B. Review other states' public participation procedures for transportation projects that are recognized as national models of citizen input. Compare and contrast these states with NCDOT. Make recommendations for positive change.

C. Identify statutory language, administrative rules and written procedures that are not tied to federal requirements for public input. Language may be unclear or inappropriate and recommend statutory changes.

2. Review the Transportation Improvement Program (TIP) process, regarding how projects are included in the TIP and how TIP hearings are held

A. Review the TIP process and how projects are included in the TIP.

B. Determine if current TIP hearings are adequately dispersed geographically to allow for maximum public input.

C. Make recommendations for improving the total TIP process.

3. Review right-of-way procedures

A. Review NCDOT's right-of-way acquisition procedures.

B. Review the right-of-way acquisition process in states with a national reputation for efficiency and effectiveness in this process. Compare and contrast the states chosen with NCDOT's current statutes and procedures.

C. Make recommendations for improving the right-of-way acquisition process.

4. Review of pre-construction, construction and maintenance functions

A. Review NCDOT's pre-construction, construction, and maintenance operations and management. Identify statutory language that may be needed to assure consistency in these functional areas. Include a review of the procedures for bidding, letting, and managing transportation construction contracts.
B. Make recommendations that will improve the operational efficiency of these functions.

5. Review the long-range planning process and examine how it can be more effective.

A. Review and evaluate the function and effectiveness of the Statewide Planning Branch in the Division of Highways in NCDOT.
B. Review the transportation planning process in states with national reputations as leaders in this process. Compare and contrast other states' policies as they may relate to urban and statewide planning with the current NCDOT policy.
C. Make recommendations for improving NCDOT's long-range transportation planning process. Evaluate the establishment of transportation planning as an independent, multimodal function within NCDOT.

6. Review management structure and customer service.

A. Review and evaluate the function and effectiveness of the current management structure of NCDOT. Assess the degree to which the current management structure is meeting the goals and objectives of NCDOT.

B. Review any statutory requirements which relate to the management of NCDOT. Identify language that may be unclear or inappropriate, and recommend needed statutory changes.
C. Choose other states with similarly-sized programs with efficient and effective management structure. Compare and contrast these states' structures with the NCDOT management structure.
D. Recommend what governance structure is necessary for optimal efficiencies and responsiveness to the public.
E. Assess the quality of customer service provided by the NCDOT and make recommendations for improving external and internal customer service.

7. Review personnel procedures

A. Review and evaluate the function and effectiveness of the current personnel structure and procedures in relation to the mandates of the Office of State Personnel.
B. Determine which personnel procedures are inefficient and ineffective and recommend changes to improve the process.

The NCDOT goal is to greatly enhance the quality of service to the public provided by the department, its management and employees. The intent of NCDOT is to use the findings and recommendations of this performance review to meet these goals.

The consultant shall develop both short term (6 months) and long-term timetables (2 years) for the implementation of the recommendations developed by the performance review. The implementation schedule will identify the recommendations in a sequence that will take into account the interaction of various systems, programs, policies, or procedures as changes are implemented.

The consultant and consultant staff will be available to assist the Office of the State Auditor (OSA) staff with the completion of draft legislation, if needed, for introduction in the 1998 Session of the General Assembly. The OSA staff will be available to assist with certain aspects of the review.

The consultant will conduct interviews with senior management, unit managers, and other NCDOT employees in developing recommendations for change. It is the responsibility of the consultant to conduct the review and compile the necessary documentation, findings, and recommendations.

Timeframe Considerations

Anticipated key dates associated with the review are listed in the table below:

Date	Event
January 6, 1998	Mail RFP Notice to Vendors
January 14, 1998	Preproposal Conference
January 28, 1998	Proposals Due
May 15, 1998	Submit complete Report on the NC Department of Transportation

SECTION III: THE PROCUREMENT PROCESS

The following is a general description of the process by which a firm will be selected to provide services.

1. Request for Proposals (RFP) is issued to prospective contractors.

2. A preproposal conference and a deadline for written questions is set.
(See cover sheet of this RFP for details.)

3. Proposals in one original and **ten (10)** copies will be received from each offeror in two separate sealed packages - the Technical Proposal and the Cost Proposal. Each original shall be signed and dated by an official authorized to bind the firm. **Unsigned proposals will not be considered.**

4. All proposals must be received by the issuing agency not later than the date and time specified on the cover sheet of this RFP.

5. At that date and time the package containing the technical proposals from each responding firm will be publicly opened and the name of each offeror announced publicly. A notation will also be made whether a separate sealed cost proposal has been received. Cost proposals will be placed in safekeeping until opened at a later date.

6. Technical proposals will be evaluated first

7. Upon completion of the technical evaluation, the cost proposals of those firms whose technical proposals have been deemed acceptable will be publicly opened. The total cost offered by each firm will be tabulated and become a matter of public record. Interested parties are cautioned that these costs and their components are subject to further evaluation for completeness and correctness and therefore may not be an exact indicator of an offeror's pricing position.

8. At their option, the evaluators may request oral presentations or discussion with any or all offerors for the purpose of clarification or to amplify the materials presented in any part of the proposal. However, offerors are cautioned that the evaluators are not required to request clarification; therefore, all proposals should be complete and reflect the most favorable terms available from the offeror.

9. Proposals will be evaluated according to completeness, content, experience with similar projects, ability of the offeror and its staff, and cost. ***NOTE: All proposals must comply with the format prescribed under Section IV: Format Proposal section of this RFP.*** Award of a contract to one offeror does not mean that the other proposals lacked merit, but that, all factors considered, the selected proposal was deemed to provide the best value to the State.

10. Offerors are cautioned that this is a request for offers, not a request to contract, and the State reserves the unqualified right to reject any and all offers when such rejection is deemed to be in the best interest of the State.

11. Offerors may submit proposals on Section I or Section II or both Sections, and the State reserves the right to award a contract to more than one firm should this option be in the best interest of the State.

SECTION IV: PROPOSAL FORMAT REQUIREMENTS

The response to this RFP shall consist of the following sections:

A. Executive Summary
B. Background and Experience
C. References
D. Financial Statement
E. Project Staffing and Organization
F. Technical Approach
G. Cost Proposal

A. Executive Summary

The executive summary shall consist of the proposal cover letter highlighting the contents of this proposal, and bearing the authorized representative's signature.

B. Background and Experience

This section shall include:

- Background information on the organization and details of experience with similar projects.
- A statement of understanding of the objectives of the review and the responsibilities for completing the study, with a clear, straightforward explanation of how the offeror will ensure the successful performance of the review.
- A statement of the offeror's capability to conduct the study in accordance with applicable performance review standards.

C. References

- At least three references for applicable projects conducted in situations and/or environments similar to this work effort.

D. Financial Statement

- The offeror's most recent audited financial statement or similar evidence of financial stability shall be provided.

E. Project Organization

- This section must include the proposed staffing, deployment and organization of key personnel to be assigned to this project.

- The offeror shall provide information as to the qualifications and experience of all executive, managerial, legal, and professional personnel to be assigned to this project, including resumes citing experience with similar projects and the responsibilities to be assigned to each person, with emphasis on relevant current experience.

F. Technical Approach

- This section shall include a planned approach (or methodology) for completing the objectives of the review, including work plans with timetables, staffing assignments, and time sequenced events.

- This section shall include, in narrative, outline, and/or graph form the offeror's approach to accomplishing the tasks outlined in the Scope of Work section of this RFP. A description of each task and deliverable and the schedule for accomplishing each shall be included.

G. Cost Proposal

- Offerors may submit proposals on Section I or Section II or both Sections.

- The Cost Proposal shall be submitted in a separate, sealed package and contain:

  Personnel costs (including hourly rates and total hours)
  Travel and Subsistence Expenses
  Subcontractor Costs (if any)
  Other Costs (e.g., office expenses)
  TOTAL COST A total not to exceed cost representing the maximum amount for all work to be performed must be clearly indicated on the Execution of Proposal page.

Offerors must demonstrate clearly and succinctly that they have the necessary experience and qualifications and the proven track record to complete the project successfully, on time, and within budget.

SECTION V: EVALUATION PROCESS

- At their option, the evaluators may request oral presentations or discussions with any or all offerors for the purpose of clarification or to amplify the material presented in any part of the proposal. However, offerors are advised that this provision is not mandatory. Therefore, all proposals should be complete and concise and reflect the most favorable terms available from the bidders. Vendors may be required to provide copies of reports and other pertinent documentation they have completed for similar projects, especially in the public sector.

- Upon completion of the technical evaluation, the cost proposals of those technical proposals deemed acceptable will be opened.

  Proposals will be evaluated according to the criteria discussed in Section VI of this RFP. An award will be made to the firm(s) whose proposal(s) is/are deemed to be in the best of interest of the State. The State reserves the right to reject any or all offers if it is determined to be in the State's best in interest.

  The award of a contract to one offeror does not mean that the other proposals lacked merit; but, with all factors considered, that THE SELECTED PROPOSAL WAS DEEMED TO PROVIDE THE BEST COMBINATION OF VALUES TO THE STATE OF NORTH CAROLINA.

- Vendors are cautioned that this is a Request for Proposals, not a request to contract, and the Office of the State Auditor reserves the unqualified right to reject any or all offers for any contract when such rejection is deemed to be in the best interest of the State of North Carolina.

SECTION VI: Evaluation Criteria Schedule

1. Understanding the key objectives of the project.

2. Approach to the completion of the study including methodology to be employed, work plan to be followed, concepts to be emphasized, issues to be addressed, and resources to be used.

3. Staffing resources that will be assigned to the study including:

   - Reasonable combination of experience levels and areas of expertise.

   - Use of unique resources for specific areas, organizations and disciplines involved.

   - Adequate time commitment of senior management and technical and business specialists.

4. Staff experience in performance review procedures and techniques, quality assurance reviews, and other items that will be employed to ensure the timely delivery of a quality report.

5. Capability, including proven track record, to ensure the successful completion of the performance review described in this RFP.

6. Proven ability to meet the qualifications and credentials described in this RFP.

7. Cost.

SECTION VII: COST PROPOSAL / EXECUTION OF PROPOSAL

THIS PAGE MUST BE SIGNED AND INCLUDED IN YOUR PROPOSAL.

By submitting this proposal, the potential contractor certifies the following:

_____This proposal is signed by an authorized representative of the firm.

_____It can obtain insurance certificates as required within 10 calendar days after notice of award.

_____The cost and availability of all equipment, materials, and supplies associated with performing the services described herein have been determined and included in the proposed cost.

_____All labor costs, direct and indirect, have been determined and included in the proposed cost.

_____The potential contractor has read and understands the conditions set forth in this RFP and agrees to them with no exceptions.

Therefore, in compliance with this Request for Proposals, and subject to all conditions herein, the undersigned offers and agrees, if this proposal is accepted within thirty (30) days from the date of the opening, to furnish the subject services for a cost not to exceed :

SECTION I: NC BOARD OF TRANSPORTATION
$ _____(_____dollars and ____/100).

SECTION II: NC DEPARTMENT OF TRANSPORTATION
$ _____(_____dollars and ____/100).

TOTAL COST FOR SECTION I AND SECTION II:
$ _____(_____dollars and ____/100).

****

OFFEROR: _____ FED. EMPLOYER I.D.: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

TELEPHONE NUMBER: _____

BY: _____ TITLE: _____ DATE: _____
(Signature)

_____
(Typed or printed name)

DO NOT WRITE BELOW LINE

****

ACCEPTANCE OF PROPOSAL

BY:_____ TITLE:_____ DATE: _____
NC Dept. of Transportation

Unsigned proposals will not be considered.

GENERAL CONTRACT TERMS AND CONDITIONS

GOVERNING LAW:
This contract is made under and shall be governed and construed in accordance with the laws of the State of North Carolina.

SITUS:
The place of this contract, its situs and forum, shall be North Carolina , where all matters, whether sounding in contract or tort, relating to is validity, construction, interpretation and enforcement shall be determined

INDEPENDENT CONTRACTOR:
The Contractor shall be considered to be an independent contractor and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or will secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with the North Carolina Department of Transportation.

KEY PERSONNEL:
The Contractor shall not substitute key personnel assigned to the performance of this contract without prior written approval by the Office of the State Auditor's Contract Administrator. The individuals designated as key personnel for purposes of this contract are those specified in the Contractor's proposal.

SUBCONTRACTING:
Work proposed to be performed under this contract by the Contractor or its employees shall not be subcontracted without prior written approval of the Office of the State Auditor's Contract Administrator. Acceptance of an offeror's proposal shall include any subcontractor(s) specified therein.

PERFORMANCE AND DEFAULT:
If, through any cause, the Contractor shall fail to fulfill in timely and proper manner the obligations under this agreement, the Office of the State Auditor (OSA) shall thereupon have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items under this contract prepared by the Contractor shall, at the option of the OSA, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials. Notwithstanding, the Contractor shall not be relieved of liability to the OSA for damages sustained by the OSA by virtue of any breach of this agreement, and the OSA may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the OSA from such breach can be determined.

In case of default by the Contractor, the State may procure the services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The State reserves the right to require performance bond or other acceptable alternative guarantees from successful offeror without expense to the State.

Upon the entering of a judgment of bankruptcy of insolvency by or against the Contractor, the OSA may terminate this contract for cause.

Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

TERMINATION:
The Office of the State Auditor (OSA) may terminate this agreement at any time by 30 days notice in writing from the OSA to the Contractor. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the OSA, become its property. If the contract is terminated by the OSA as provided herein, the Contractor shall be paid for services satisfactorily completed, less payment or compensation previously made.

AVAILABILITY OF FUNDS:
Any and all payments to the Contractor are dependent upon and subject to the availability of funds to the Office of the State Auditor for the purpose set forth in this agreement.

CONFIDENTIALITY:
Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Office of the State Auditor.

CARE OF PROPERTY:
The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished it for use in connection with the performance of this contract or purchased by it for this contract and will reimburse the State for loss of damage of such property.

COPYRIGHT:
No deliverable items produced in whole or in part under this agreement shall be the subject of an application for copyright by or on behalf of the Contractor.

GENERAL INFORMATION ON SUBMITTING PROPOSALS

EXCEPTIONS:
All proposals are subject to the terms and conditions outlined herein. All responses shall be controlled by such terms and conditions and the submission of other terms and conditions, price lists, catalogs, and/or other documents as part of an offeror's response will be waived and have no effect either on this Request for Proposals or on any contract that may be awarded resulting from this solicitation. Offeror specifically agrees to the conditions set forth in the above paragraph by signature to the proposal.

COMPETITIVE OFFER:
Pursuant to the provision of G.S. 143-54, and under penalty of perjury, the signer of any proposal submitted in response to this RFP thereby certifies that this proposal has not been arrived at collusively or otherwise in violation of either Federal or North Carolina antitrust laws.

ORAL EXPLANATIONS:
The State shall not be bound by oral explanations or instructions given at any time during the competitive process or after award.

REFERENCE TO OTHER DATA:
Only information which is received in response to this RFP will be evaluated; reference to information previously submitted shall not be evaluated.

ELABORATE PROPOSALS:
Elaborate proposals in the form of brochures or other presentations beyond that necessary to present a complete and effective proposal are not desired.

COST FOR PROPOSAL PREPARATION:
Any costs incurred by offerors in preparing or submitting offers are the offerors' sole responsibility; the State of North Carolina will not reimburse any offeror for any costs incurred prior to award.

TIME FOR ACCEPTANCE:
Each proposal shall state that it is a firm offer which may be accepted within a period of 30 days. Although the contract is expected to be awarded prior to that time, the 30 day period is requested to allow for unforeseen delays.

TITLES:
Titles and headings in this RFP and any subsequent contract are for convenience only and shall have no binding force or effect.

CONFIDENTIALITY OF PROPOSALS:
In submitting its proposal the offeror agrees not to discuss or otherwise reveal the contents of the proposal to any source outside of the using or issuing agency, government or private, until after the award of the contract. Offerors not in compliance with this provision may be disqualified, at the option of the State, from contract award. Only discussions authorized by the issuing agency are exempt from this provision.

RIGHT TO SUBMITTED MATERIAL:
All responses, inquiries, or correspondence relating to in reference to the RFP, and all other reports, charts, displays, schedules, exhibits, and other documentation submitted by the offerors shall become the property of the State when received.

OFFEROR'S REPRESENTATIVE:
Each offeror shall submit with its proposal the name, address, and telephone number of the person(s) with authority to bind the firm and answer questions or provide clarification concerning the firm's proposal.

SUBCONTRACTING:
Offerors may propose to subcontract portions of the work provided that their proposals clearly indicate what work they plan to subcontract and to whom and that all information required about the prime contractor is also included for each proposed subcontractor.

PROPRIETARY INFORMATION:
Trade secrets or similar proprietary data which the offeror does not wish disclosed to other than personnel involved in the evaluation or contract administration will be kept confidential to the extent permitted by NCAC T01:05B.1501 and G.S. 132-1.3 if identified as follows: Each page shall be identified in boldface at the top and bottom as "CONFIDENTIAL". Any section of the proposal which is to remain confidential shall also be so marked in boldface on the title page of that section. Cost information may not be deemed confidential. In spite of what is labeled as confidential, the determination as to whether or not it is shall be determined by North Carolina law.

HISTORICALLY UNDERUTILIZED BUSINESSES:
Pursuant to General Statute 143-48 and Executive Order #77, the State invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises and non-profit work centers for the blind and severely disabled.

DECLINE TO OFFER:
Any firm which receives a copy of the RFP but which declines to make an offer is requested to send a written "Decline to Offer" to the issuing office. Failure to respond as requested may subject the firm to removal from consideration on future requirements.

PROTEST PROCEDURES:
A party wanting to protest a contract awarded pursuant to this solicitation must submit a written request to the State Purchasing Officer, Division of Purchase and Contract, 116 West Jones Street, P.O. Box 29582, Raleigh, N.C. 27626-0582. This request must be received by the Division of Purchase and Contract within thirty (30) consecutive calendar days from the date of the contract award, and must contain specific sound reasons and any supporting documentation for the protest. *NOTE: Contract award notices are sent only to those actually awarded contracts, and not to every person or firm responding to this solicitation.* Offerors may call 919-733-4528 to obtain a verbal status of contract award. All protests will be handled pursuant to the North Carolina Administrative Code, Title 1, Department of Administration, Chapter 5, Purchase and Contract, Section 5B.1519.

ACCESS TO PERSONS AND RECORDS: The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7. The Contractor shall retain all records for a period of three years following completion of the contract.

ASSIGNMENT:
No assignment of the Contractor's obligations nor the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority , the State may:

a. Forward the contractor's payment check(s) directly to any person or entity designated by the Contractor, or
b. Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check(s).

In no event shall such approval and action obligate the State to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

COMPLIANCE WITH LAWS:
The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

AFFIRMATIVE ACTION:
The Contractor shall take affirmative action in complying with all Federal and State requirements concerning fair employment and employment of the handicapped, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin, or physical handicap.

INSURANCE:
Contractor shall obtain, pay for, and keep in force for the duration of the contract the following minimum insurance and shall furnish to the Office of the State Auditor (OSA) certificates evidencing that such insurance is in effect and providing that the carrier shall give the Contractor and the OSA at least 10 days written notice of any material change in or cancellation of such insurance:

1. Worker's Compensation Insurance, required by the laws of North Carolina, covering all of the Contractor's employees engaged in any work hereunder..

2. Public liability insurance against liability for bodily injury or death of any one person in any one accident in the amount of $100,000, and in the amount of $300,000 for the injury or death of more than one person in any one accident; this policy shall further provide against liability for Property Damage in the amount of $100,000 for any one accident and $100,000 in the aggregate, which may be caused by Contractor or employees in the course of doing its work.

All above insurance coverage shall be obtained from a company duly licensed to do business in the State of North Carolina and countersigned by a licensed resident agent.

ADVERTISING:
The offeror shall not use the award of a contract as part of any news release or commercial advertising.

ENTIRE AGREEMENT:
This contract and any documents incorporated specifically by reference represent the entire agreement between the parties and supersede all prior oral or written statements or agreements. This Request for Proposals, any addenda thereto, and the offeror's proposal are incorporated herein by reference as though set forth verbatim.

All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

AMENDMENTS:
This contract may be amended only by written amendments duly executed by the Office of the State Auditor and the Contractor. The N.C. Division of Purchase and Contract shall give prior approval to any amendment to a contract awarded through that office.

.....END OF RFP.....

MEMORANDUM

Date: January 6, 1997

To: Interested Parties

From: Senator Luther Jordan, Co-Chair
Representative Joanne Bowie, Co-Chair
Representative Jerry Dockham, Co-Chair
Representative Ed McMahan, Co-Chair

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE MEETING

DATE: Tues., January 20, 1998 - 10AM
Weds., January 21, 1998 - 9AM
Thurs., January 22, 1998 - 9AM

PLACE: ROOM 1228 LEGISLATIVE BUILDING

If you have questions, please contact one of the following:

Karl Knapp, Fiscal Research	733-4910
Tony Goldman, Fiscal Research	733-4910
Ken Levenbook, Staff Attorney	733-6660
Gloria Haywood, Senate Clerk	715-3034
Sharon Gaudette, House Clerk	733-5853
Sharon Cram, House Clerk	733-5732

Posted: January 6, 1998
Press_____
Legislative Services Office_____
Committee Record_____

AGENDA

Joint Appropriations Subcommittee on Transportation
January 20 and 21, 1998
Rm. 1228 LB

Tuesday - 10:00 a.m.

I. Remarks by Secretary Tolson

II. Public Transit, Rail, Aviation, and Ferry Performance Budgets
- Karl Knapp, Fiscal Research Division
- David King - DOT Deputy Secretary
- Sanford Cross, Public Transportation Division
- Patrick Simmons, Rail Division

III. Small Construction Funding
- Tony Goldman, Fiscal Research Division

IV. Status of GPAC Recommendations for DOT
- Tony Goldman, Fiscal Research Division

Wednesday - 9:00 a.m.

I. Year 2000 Computer System Requirements
- Tony Goldman, Fiscal Research Division
- Paul Roberts, DOT Management Information Systems

II. DOT Financial System
- Tony Goldman, Fiscal Research Division
- Wayne Stallings, DOT Controller
- Paul Roberts, DOT Management Information Systems

III. FEMA Receivables
- Tony Goldman, Fiscal Research Division
- Don Goins, Chief Engineer
- Wayne Stallings, DOT Controller

IV. Potential 1998-99 Highway Fund Spending Needs
- Tony Goldman, Fiscal Research Division
- Karl Knapp, Fiscal Research Division

V. Trust Fund Update
- Karl Knapp, Fiscal Research Division

JOINT APPPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

Minutes

January 21, 1998

Room 1228 LB

9:00AM

The Joint Appropriations Transportation Subcommittee met on January 21, 1998 at 9:00AM in room 1228 of the Legislative Building. The meeting was chaired by **Representative Ed McMahan**. The meeting was attended by Three of the Senate members and the following House members:

Rep. Joane Bowie	Rep. Jerry Dockham
Rep. Bobby Barbee	Rep. Dan Blue
Rep. Thomas Hardaway	Rep. Bill Hiatt
Rep. Jim Gulley	Rep. Mary McAllister
Rep. Jane Mosley	Rep. Drew Saunders

Rep. Ronnie Sutton

Paul Roberts of DOT Management Information Systems was introduced. He distributed a handout, The Year 2000 Conversion Project. Mr. Roberts spoke from the handout beginning with the background of the project. They have hired Keane, Inc. as a consultant. DOT estimates that the conversion will cost $28 million. Right now, DOT is remediating systems and they have a web site for current status at www.dot.state.nc.us/administration/mis/projects/y2k. In response to a question by Rep. Bowie, Mr. Roberts said they are keeping the future in mind as they ready them for the year 2000. As far as the multi modal transportation, they do not have a lot of programs on rail but do on highways and in Aviation. One of the problems they are facing is finding people who speak the language of these 30 year old systems. The previous estimated cost was low because tests had not been made on the system. After the tests were performed, the estimate reached $28 million which he believes to be accurate. Mr. Roberts continued through the handout which gives a detailed account of the Year 2000 conversion plan and its implementation schedule. He called attention to the latter half of the handout which lists and answers the most frequently asked questions.

In response to a question by Rep. Saunders, Mr. Roberts said that "windowing" will solve the problem into the future at least for 60 years. Also in response to Rep. Saunders, Mr. Roberts said the $28 million was not up front money. They will need $13.7 million to make up the $28 million. They pay contractors as they perform, not up front. They are currently ahead of schedule and under budget. In response to Rep. Sutton, Mr. Roberts said the problem extends to both software and hardware. Rep. Sutton wanted to know how much hardware DOT will need to purchase. Mr. Roberts said the answer is unknown today but he thinks it will not be substantial. He believes the 286's and 386's will all be replaced. In response to Rep. Sutton, Mr. Roberts said that the previous estimate of $14 million and the current estimate of $28 million were made by the same people. The original estimate was not inclusive. Once testing was completed, the data became finite. In response to Rep. McMahan, Mr. Roberts said they are repairing a

system in their fiscal division that will have to be replaced. It would take three years to replace the system and cannot risk a shut down, so it will be repaired. In response to Sen. Carpenter, Mr. Roberts said other state agencies are in the same place and costs are parallel. The current projection for all state agencies is $132 million according to the State Steering Committee.

In response to Rep. Blue, Mr. Roberts said there is an active effort at the top to change toward web based technology which is less expensive but the state has not looked at substituting web based technology because it cannot be done by the year 2000. Mr. Roberts said of the $28 million, in excess of 10 million is attributable to their financial system which should be replaced by 2003. Senator Albertson wondered would the taxpayer see any benefit from these expenditures. Mr. Roberts said this is a maintenance issue so their would be little measure of improvement to the public but the web page is open now and it did not cost a lot of money. Persons can send messages directly to the secretary because of the web site.

Mr. Wayne Stallings, DOT controller was introduced. Mr. Stallings spoke of the accounting uniqueness in all DOTS due to their structure. Mr. Stallings distributed a handout. Page I lists DOT Financial System Volume Statistics. Page 2 lists the Components of Current DOT Financial System. DOT's structure keeps them from fitting the state controller's model. In response to Sen. Albertson, Mr. Stallings said that just about each stop light generates its own electric bill. Sen. Albertson asked if the bills would be the same every month. Mr. Stallings said there has been some streamlining. In response to Sen. Carpenter, Mr. Stallings said they could go back and check on a work order. They are in the computer and have codes. Eventually the work orders are loaded onto paper. The active ones are kept online. Page 3 of the handout titled Project History - Legislation which repeats House Bill 229. Page 4 , Project Direction gives the conclusion. It was intended that work would begin September 1996 but Hurricane Fran hit and prevented the extensive participation that was needed from the Highway Department so they did not begin until December 1996. Page 5 lists the tasks. They first looked at how to improve the business process, found ways and implemented them. Each system they are looking at are client server based. To accomplish this, a lot more infrastructure is required. There are probably 4000 users of the system throughout the state. Rep. Saunders asked if client server systems are more or less expensive than mainframe. Mr. Stallings said he was not sure but thought the client server was more costly to implement but higher rated due to its flexibility and other advantages. Mr. Edward Renfrow, state controller, was introduced. Mr. Renfrow said the client server technology is two to two and a half times more expensive. He said the General Assembly is going to client server technology in some areas. He continued that the networking capability is greater and there are less administrative costs. In response to Rep. Saunders, Mr. Stallings said that individual agencies would be responsible for the system if it became client server, unless an agreement is issued with SIPS. Mr. Stallings continued with page 6 of the handout, Implementation Concepts. DOT is unique because it needs a program to process work orders, federal aid billing, contract management and equipment management for 22,000 pieces of equipment. The plan is to report to the Legislature in

May 1998 and issue and RFP in May1998. The money that is needed will be spread over 4 or 5 years. In response to Rep. Sutton, the system is probably capable of taking us through the year 2007 but the language is obsolete and he believes it will fail. In response to Rep. McAllister, vendors come from all over the country and he will leave a list of them.

Mr. Renfrow spoke on the urgency of bringing systems into 200 compliance. They need a statewide accounting system that can talk to each other. A seamless transition from mainframe to client server technology as already begun. They will come to the Short Session with plans, funding requests, and projections. They want to go to electronic transfers on a statewide basis so they will be bringing a three year plan to the Short Session. In response to a question by Rep. McMahan, about $40 to $50 of the $132 million has been allocated.

Mr. Tony Goldman then introduced Mr. Don Goings, Chief Engineer at DOT. Mr. Goins distributed a handout, Status of Declared Disasters, regarding FEMA relief funds and a status report of declared disasters. The recent rock slide was not eligible for FEMA because the President of the USA did not declare it a federal disaster. Mr. Goode said the Highway Fund accounts receivable lays out money first and we are out of about $75 million because we are waiting for about $9 million in reimbursement. Mr. Goldman said there are three choices facing the General Assembly, 1. take no action. 2. Not appropriate money to cover the $65 million or 3. Appropriate $65 million. Rep. Sutton wanted to know the time frame. The General Assembly must make that decision. Mr. Goode said that all that is possible to obtain federal money for all of the disasters had been done.

Mr. Tony Goldman handed out Department of Transportation Spending Pressures. That handout describes a need for $30 to $40 million for a new financial system. Mr. Goldman said that realistically that much money will not have to be spent at once. The spending pressures are issues that the Legislature will have to look at for 1998/99 fiscal year.

Mr. Goldman handed out Maintenance Budget 1996-97. This was first presented in March 1997. Penciled in is the certified budget for 98/99 which is $78.2 million short of the 96/97 funding level. DOT has been using $20million allocated for secondary road building to provide secondary road maintenance. DOT is required to give the backlog assessment to the General Assembly by November 1988. Mr. Goldman, in response to Rep. Saunders said areas do not appear that can make up the shortfall and revenues are not significantly ahead.

Mr. Larry Goode, in response to Sen. Albertson said asphalt prices have risen about 50% in ten years and that traffic is growing at a rapid rate requiring a double layer of asphalt. Prices of asphalt are similar in South Carolina and Virginia. Mr. Gardner of DOT said we have a small asphalt plant but due to its size it is not cost effective for resurfacing

roads. Mr. Gardner, also in response to Sen. Albertson said the people who own asphalt plants also bid on road resurfacing.

Mr. Goldman introduced Commissioner Janice Faulkner to discuss DMV Enforcement Equity Pay Plan. Ms. Faulkner distributed a handout from DMV Enforcement regarding the proposed pay equity plan. She read from page 3, the rationale for the pay equity plan. Captain Mark Stabler of DMV Enforcement, was introduced. He reiterated the rationale for the equity pay plan. Senator Jordan wanted to know if we have lost people to other law enforcement agencies. Mr. Stabler said yes, but not a lot. In response to Rep. Saunders, Ms. Faulkner said performance is tied to increases. Any additional increase for state employees would be added to the salaries. In response to a question by Rep. Barbee, Mr. Stabler said there is ongoing training in DMV and it goes on at a greater rate than other law enforcement agencies. Sen. Albertson said he thinks equity for DMV Enforcement is long overdue. In response to a question by Sen. Jordan, Mr. Stabler said they are looking to combine training with highway patrol in the areas of driver training, critical tasks and perhaps further things. In response to a question by Rep. McAllister, DMV Enforcement can make an arrest as long as it is on the highway. He said that motor safety officers are concentrated in high accident corridors and they target unsafe vehicles.

Mr. Goldman referred to the Spending Pressures handout and noted the Highway Patrol needs $2.8 million for 98/99. Sen. Jordan wondered were there other resources to obtain this money. Mr. Goldman said if the choice is not to appropriate it, the department will have to find a way to fund it themselves. Rep. Sutton wanted to know if this was an oversight in the last budget. The oversight was by Crime and Public Safety.

Mr. Karl Knapp distributed a handout titled Transit 2001 Funds. There are differences in the 97/98 funding from the 98/99. This is going to become an issue.

Mr. Paul Roberts passed out a chart which compares SIPS costs vs. Usage Growth. In 96/97 costs went up 150% and usage increased 557%. The projected usage for 97/98 is 748% and costs a 230% increase. Part of the reason for more use is new drivers. Mr. Roberts estimates that DOT will owe SIPS $17 million this year.

Mr. Knapp handed out Highway Trust Fund Update. That handout gives the Highway Trust Fund revenue provisions, uses, budget. It also lists the Equity Funding formula, the Equity Allocations Regions, The delays in the Highway Trust Fund Building program, a chart showing Trust Fund Revenues, the Cumulative Highway Trust Fund Revenues, and, Highway Trust Fund Spending. Also included is a chart that shows Trust Fund Appropriations and Expenditures, the 1996 Highway Trust Fond Bond Expenditures, Highway Trust Fund Project Cost Increases, actual projects, The Cumulative Intrastate System Miles Funded, Percent of Intrastate System Miles Funded, the amounts per region under the equity funding formula, the percent difference from equity allocation, the status of urban loop projects, Secondary Road Paving, Percent of Unpaved Roads paved 1989-1997.

$950 bond issue would be spent on time. Mr. Goode said yes, the trust fund money will be spent first and then the bond money. From July 1998 to July 1999 many contracts will be let. There has been 100% increase in the right of way costs. Environmental requirements are far more extensive. Rep. McMahan asked Mr. Goode if it was anticipated in 1989 to transfer $1 billion into the TIP. Mr. Goode said that over $400 million federal dollar spent has not been taken out. Mr. Goode said they needed the flexibility that moving the entire amount of federal dollars for maintenance needs. The study commission studied maintenance needs but there was no specific mention in the legislation. Rep. McMahan said that the amount transferred should be better defined, and he would like to see that looked at. Mr. Goode said that He and Secretary Tolson would need to look at it and talk to him about it. Mr. Goode said that from an equity standpoint they have to be very careful because some areas do not have trust fund projects.

Rep. Hardaway asked if they knew the percentage of revenue generated by region. Mr. Knapp said it was doubtful if they could generate it because of the process of generation. Rep. Hardaway continued. The people in his area are frustrated because of the lack of progress on Highway 158, and that a review of the Trust Fund legislation. Rep. McMahan said that maybe it needs to be looked at since it is almost 10 years since the Trust Fund legislation was inacted.

Mr. Goode said that a lot of money was being spent in division 1 but the priorities are highways 64 and 17 and then 158.

Rep. McMahan spoke about the excellent reports that staff provides and thank you to them. He then adjourned the meeting.

Representative Ed McMahan
CoChair

Gloria Haywood
Senate Committee Clerk

VISITOR REGISTRATION SHEET

Joint Appropriations Transportation Subcommittee
Name of Committee

Date 1/21/98

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John Cartwright	NCDOT
Bob Martin	Keane Inc (NCDOT)
Jim Hall	Cooper & Lybrand
Annette Ethridge	Gov's Office
Tony Gould	NCDOT
Will Tang	NCATC
[illegible]	SGM
Jamie Faulkner	DMV Commissioner
Mark Stahler	DMV

VISITOR REGISTRATION SHEET

Joint Appropriations Transportation Subcommittee
Name of Committee

Date 1/21/98

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Ruth Sappri	NCDOT
Eugene Colla	DMV
Leigh Ann Coffin	Office of State Auditor
V L McBride	DOT
Joe Stewart	NC Dept Cops
Wayne Stallings	NCDOT
Milton Alford	OSBM
Meridee Benton	NCDOT
Jim Kennedy	Office of State Auditor
Ed Renfrow	State Controller
Gwen Canady	OSC

1/21/98
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Legislative Brief: The Year 2000 Conversion Project

North Carolina Department of Transportation

Paul Roberts
DOT, Management
Information Systems

Legislative Brief:
The Year 2000 Conversion Project

North Carolina Department of Transportation

Director: P.A. Roberts Program Manager: D. Watson

✪ Background

DOT faces a tremendous challenge over the next two years preparing our many application systems to operate effectively and efficiently after December 31,1999. Most of the older application systems have been in place since the 1960's and were built using industry wide accepted standards of that era. In the early 60s, when many of today's general accounting and core business systems were designed and programmed, a major constraint was the number of characters that could be recorded. This physical limitation led to the practice of representing the descriptor "year" with only two digits in order to save precious space on key punch cards. This limitation was eliminated when disk storage became widely available. These older systems (called Legacy systems) are the programs of primary concern.

✪ The Plan

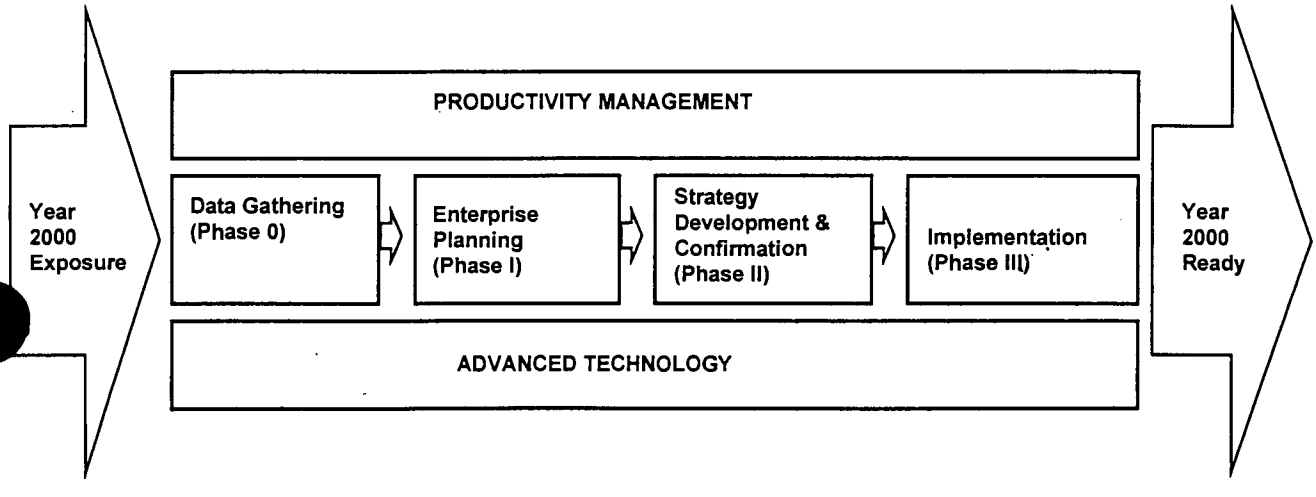
The Department has established and empowered a Year 2000 project team to aggressively attack the problem. This technical management structure provides planning, research, problem resolution and testing and configuration control. A third-party management consultant company, Keane Inc., has been added to the project team to lend their expertise in the matter. This project team's functions include:

- Communications management
- Skill transfer
- Tool acquisition and remediation of software
- Replacement or retirement of systems as appropriate
- Status tracking

The project team also coordinates and share knowledge within and across agencies. DOT has joined with the State Year 2000 Steering Committee in the strategic redirection for the State of North Carolina's Year 2000 Efforts. We meet bi-weekly with the state Year 2000 Committee and share our ideas and concerns.

Our Department is following a methodology developed by Keane, Inc. (RESOLVE 2000) for addressing the Year 2000 challenge. This approach is a four-phase approach that provides effective step progressions for the decisions and resource commitments necessary for a project of this magnitude. The project consists of:

- Phase Zero - Information Gathering
- Phase I - Enterprise Planning
- Phase II - Strategy Development and Confirmation
- Phase III - Implementation

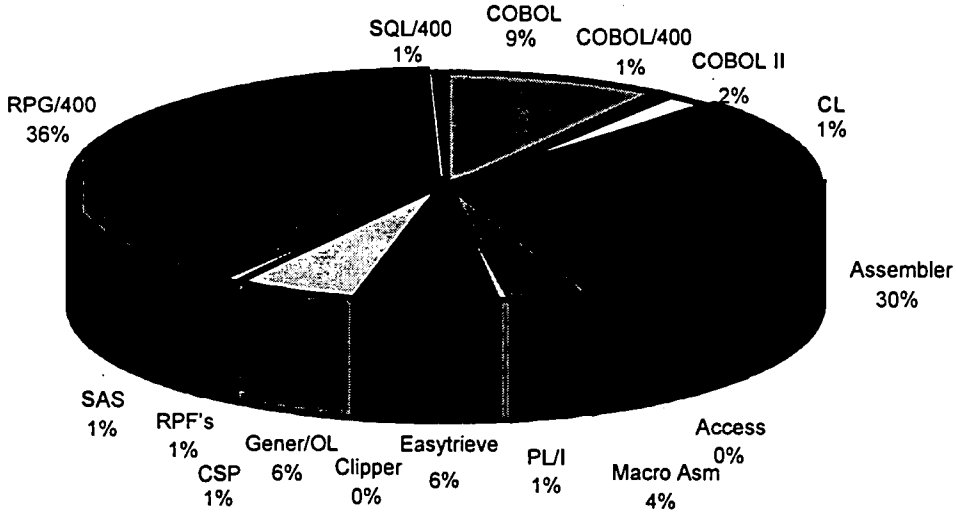


✪ Phase Zero

The Department has completed Phase Zero. This effort provided the department with a portfolio of applications and a high-level plan that addressed the estimated cost and resources needed by the Department to become Year 2000 compliant. The DOT-MIS application portfolio consists of 98 mainframe applications and 48 non-mainframe (AS/400 and PC) applications.

✪ Program Number Distribution

The DOT systems languages consist of COBOL, COBOL/400, COBOL II, CL, ASSEMBLER, Macro ASSEMBLER, PL/I, EASYTRIEVE, GENER/OL, CSP, RPF's, SAS, and RPG as illustrated below. Phase Zero identified a few applications to be retired and several to be replaced before the Year 2000.



✪ Phase I

The department has completed Phase I. Phase I provided NCDOT with a detailed project plan, and identification of necessary resources. Phase I also aids in defining the roles and responsibilities of project participants. Phase I provided DOT with a detail plan for Year 2000 strategy development and confirmation which will describe the tasks, schedule and assignments for the subsequent phases. Phase I provided DOT with finalized impact findings, date field impact analysis, and impact assessment reports.

✪ Phase II and III

Phase II and Phase III will provide the department an in-depth study of the environment, and define in detail the conversion requirements, database and file impacts, testing needs, and migration plans. This phase also consisted of a pilot conversion project, completed on time and under budget. Phase III, (where we currently are) provides for the completion of the Year 2000 conversions, certification, testing, documentation of changes and the establishment of processes to facilitate future maintenance.

✪ Expenses and Cost Projections

Total Estimate: 28 million dollars based on detailed code assessment.
Cost projections and estimating methodology have been audited by the State Year 2000 Oversight Team.

✪ Current Status

Actively engaged in remediation of systems across NCDOT. (ahead of schedule, under budget)
Detailed status can be found on the DOT Y2K Web site at www.dot.state.nc.us/administration/mis/projects/y2k.

Pre-Detailed Assessment

September 1996
Gross projection needs for Y2K compliance identified based strictly on:
- Known System Inventory
- Extrapolated cost to correct.

Detailed Assessment is begun.
Budget is submitted Spring 1997.

1996/97	1997/98	1998/99	1999/00	
1.8	4.9	5.4	2.7	**14.8 M**

After Detailed Assessment

July 1997
Keane, Inc. completes Detailed Assessment identifying total cost projection for DOT as 28 million dollar based on:
- Detailed analysis of each system
- End to end project estimating.

1996/97	1997/98	1998/99	1999/00	
1.2	4.8 Cert. Budget 2.7 M request from SIPS Reserve	5.6 Cert. Budget Preliminary Session Request of 13.7		**28 M**

Carry forward of 800,000

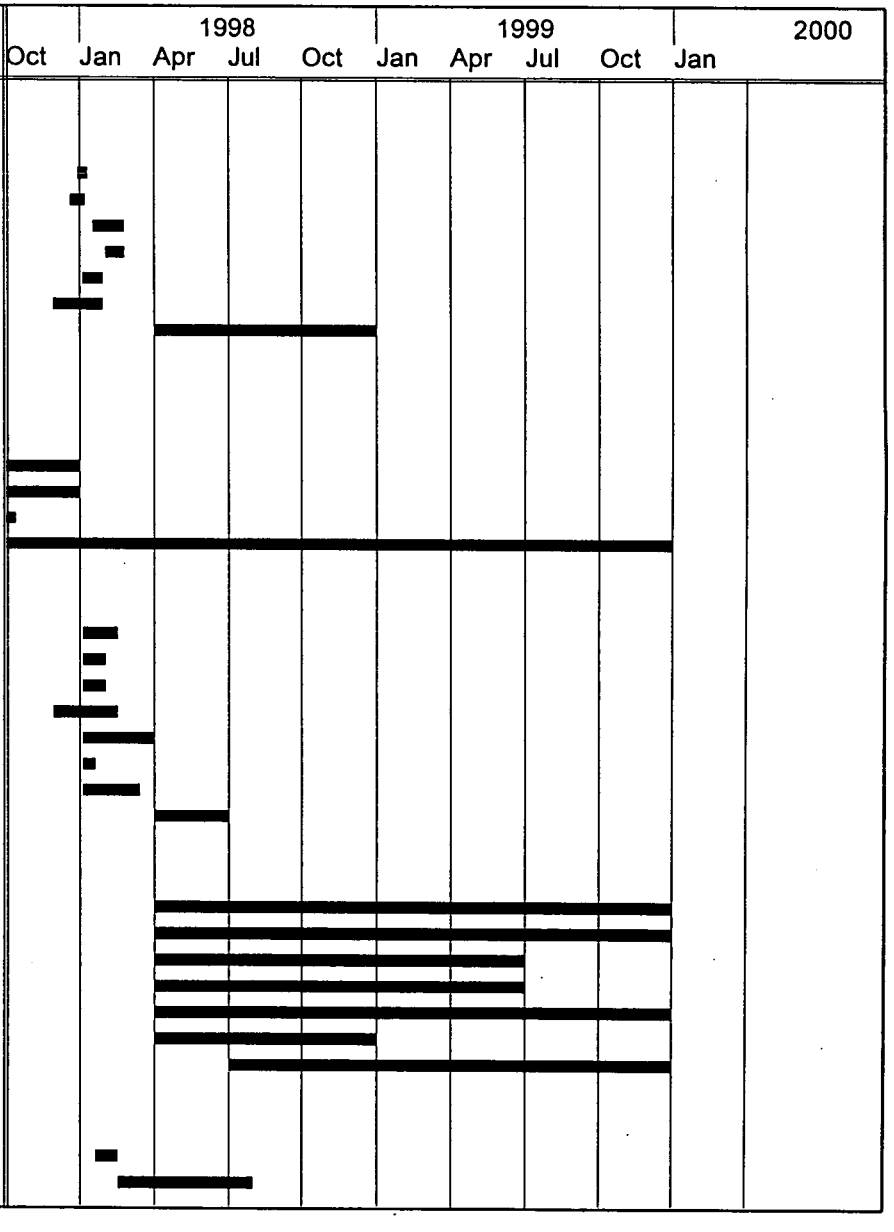
September 1997
DOT requests 2.7 million from SIPS Year 2000 Reserve Fund.

December 1997
DOT prepares preliminary short session budget request for 13.7 million, remainder of Y2K conversion cost for 98/99 budget.

400,000
4,800,000
800,000
2,700,000
5,600,000
14,300,000
13,700,000 to complete project
28,000,000

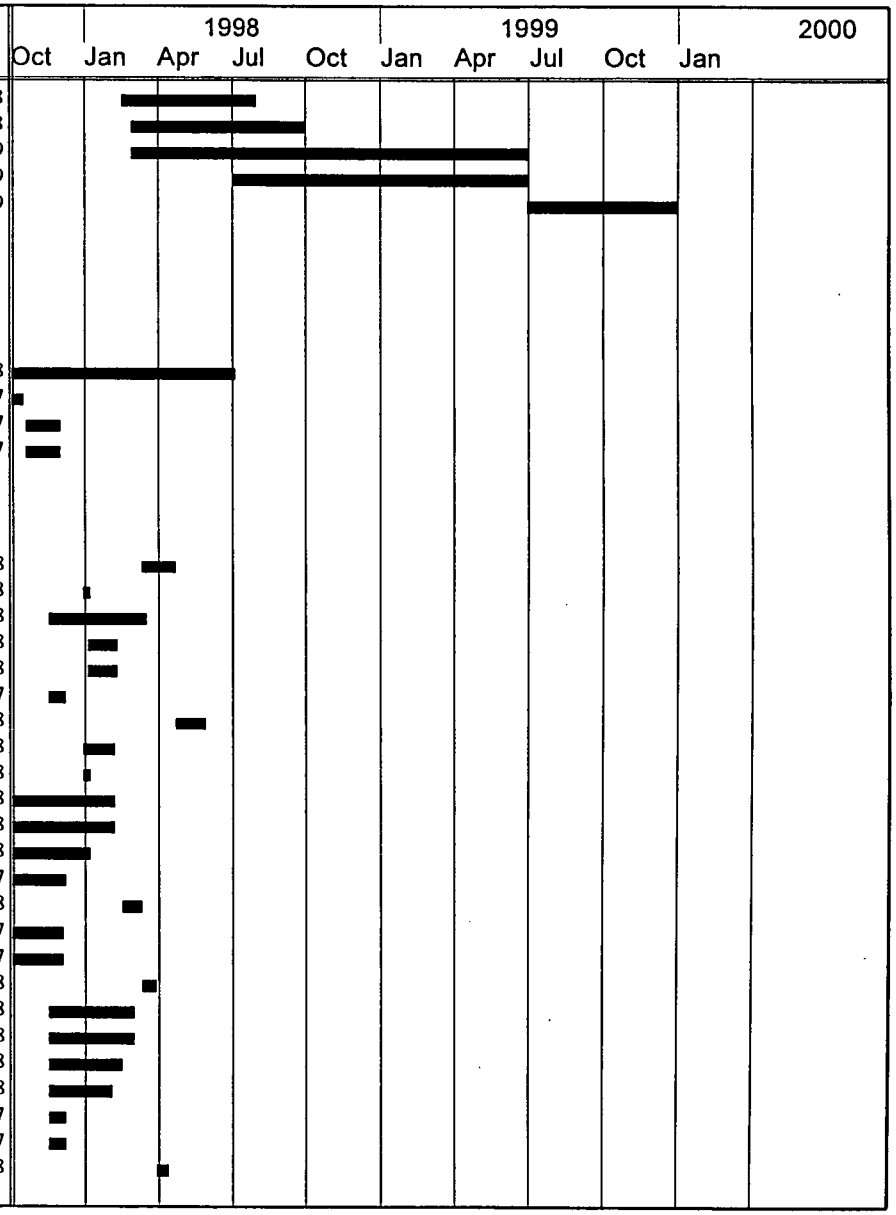
DOT Y2K Master Plan

Task Name	Notes	Revised Start	Revised End
Manage Y2K Program			
Develop Status Reporting Procedures	Complete	8/1/97	8/14/97
Develop Y2K Deliverable Guidelines & Templates	Complete	12/29/97	1/12/98
Develop Contract Guidelines	Complete	12/22/97	1/8/98
Develop Purchasing Guidelines		1/19/98	2/27/98
Develop Communications Plan		2/2/98	2/27/98
Develop Re-Infection Policy		1/5/98	1/30/98
Develop PMO Tracking Database		12/1/97	1/30/98
Develop Enterprise Contingency Plans		4/1/98	12/31/98
Department-Wide Projects			
AWARENESS CAMPAIGN			
Conduct Awareness Presentations	Complete	8/1/97	12/31/97
Develop Contact List	Complete	8/1/97	12/31/97
Develop Management Packets	Complete	9/15/97	10/15/97
Maintain Web Site		8/18/97	12/31/99
DEPARTMENTAL INVENTORY			
Develop List of Standard Dept Software	In Progress	1/6/98	2/16/98
Analyze/Select BIOS Testing Tool	In Progress	1/6/98	2/2/98
Analyze/Select SW Application Testing Tool	In Progress	1/6/98	2/2/98
Develop Database Respository	In Progress	12/1/97	2/16/98
Develop Instruction Materials	In Progress	1/6/98	4/1/98
Contact Y2K Point People/Discuss Roles		1/6/98	1/20/98
Set Up Y2K Support Desk		1/6/98	3/16/98
Conduct Department-Wide Inventory		4/1/98	6/30/98
Manage Vendor Compliance			
Research Product Compliance		4/1/98	12/31/99
Track Product Compliance		4/1/98	12/31/99
Plan/Implement Product/Equipment Upgrades		4/1/98	6/30/99
Schedule Product/Equipment Testing		4/1/98	6/30/99
Determine Risk		4/1/98	12/31/99
Develop Contingency Plans		4/1/98	12/31/98
Facilitate Implementation of Plans		7/1/98	12/31/99
Manage Data Interfaces			
Develop Approach		1/20/98	2/16/98
Identify Interfaces		2/16/98	7/31/98



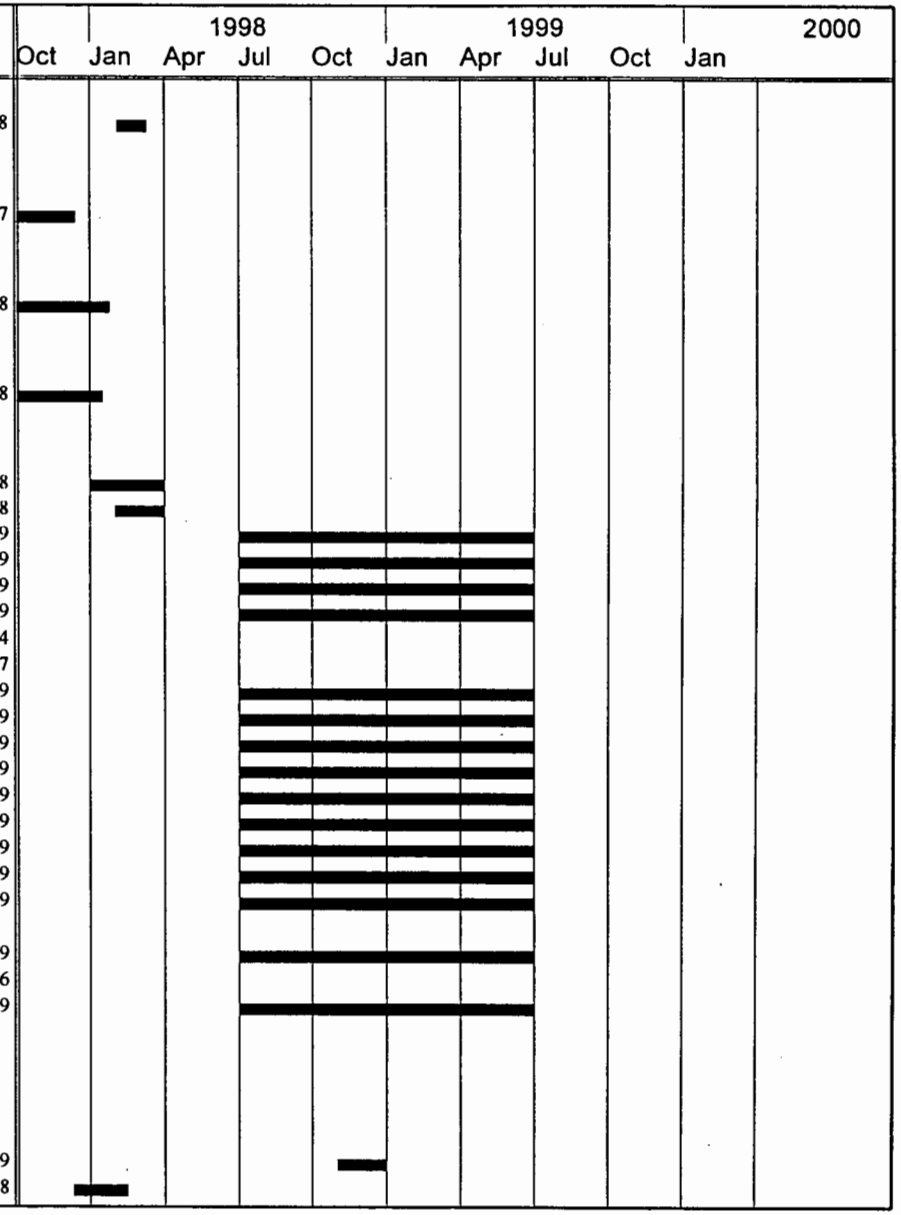
DOT Y2K Master Plan

Task Name	Notes	Revised Start	Revised End
Send Letters		2/16/98	7/31/98
Track Responses		3/2/98	9/30/98
Coordinate Interface Communication		3/2/98	6/30/99
Write Interface Contingency Plans		7/1/98	6/30/99
Facilitate Interface Contingency Plans		6/30/99	12/31/99
MIS Projects			
ENDEVOR MIGRATION			
Endevor Migration-Priority 1	Complete	7/10/97	7/6/98
Endevor Migration-Priority 2	Complete	9/15/97	10/17/97
Endevor Migration-Priority 3	Complete	10/20/97	12/1/97
Endevor Migration-Priority 4	Late (Payroll Only)	10/20/97	12/1/97
CICS 4.1 MIGRATION			
Adopt-A-Highway		3/13/98	4/21/98
Asphalt Job Mix Formula	Complete	12/29/97	1/9/98
Bridge Maintenance	In Progress	11/17/97	3/18/98
Construction (Letting Master)	In Progress	1/6/98	2/9/98
Construction: Rainhart Profilograph	Complete	1/6/98	2/9/98
Design Services Bidding	Complete	11/17/97	12/9/97
Erosion Sediment Control		4/22/98	5/27/98
Fiscal-Auto Fuel Issues	In Progress	12/31/97	2/6/98
Fiscal-Budget, Work Orders ...	Late	12/31/97	1/9/98
Fiscal-Equipment	In Progress	8/25/97	2/6/98
Fiscal-Inventory	In Progress	8/25/97	2/6/98
Fiscal-Purchasing	Complete	8/25/97	1/9/98
Fiscal-Warrant Check Writing	Complete	8/25/97	12/8/97
Highway Performance		2/18/98	3/13/98
Payroll	Complete	8/25/97	12/5/97
Personnel-Retirement	Complete	8/25/97	12/5/97
Planning Supplementary Data		3/13/98	3/30/98
Project Management	In Progress	11/17/97	3/4/98
Project Management System	In Progress	11/17/97	3/4/98
Project Master Scheduling	In Progress	11/17/97	2/18/98
Right-of-Way Area Data	In Progress	11/17/97	2/4/98
Secretary's Correspondence System	Complete	11/17/97	12/9/97
Secretary's Legislative System	Complete	11/17/97	12/9/97
Traffic Engineering	Possible	3/31/98	4/13/98



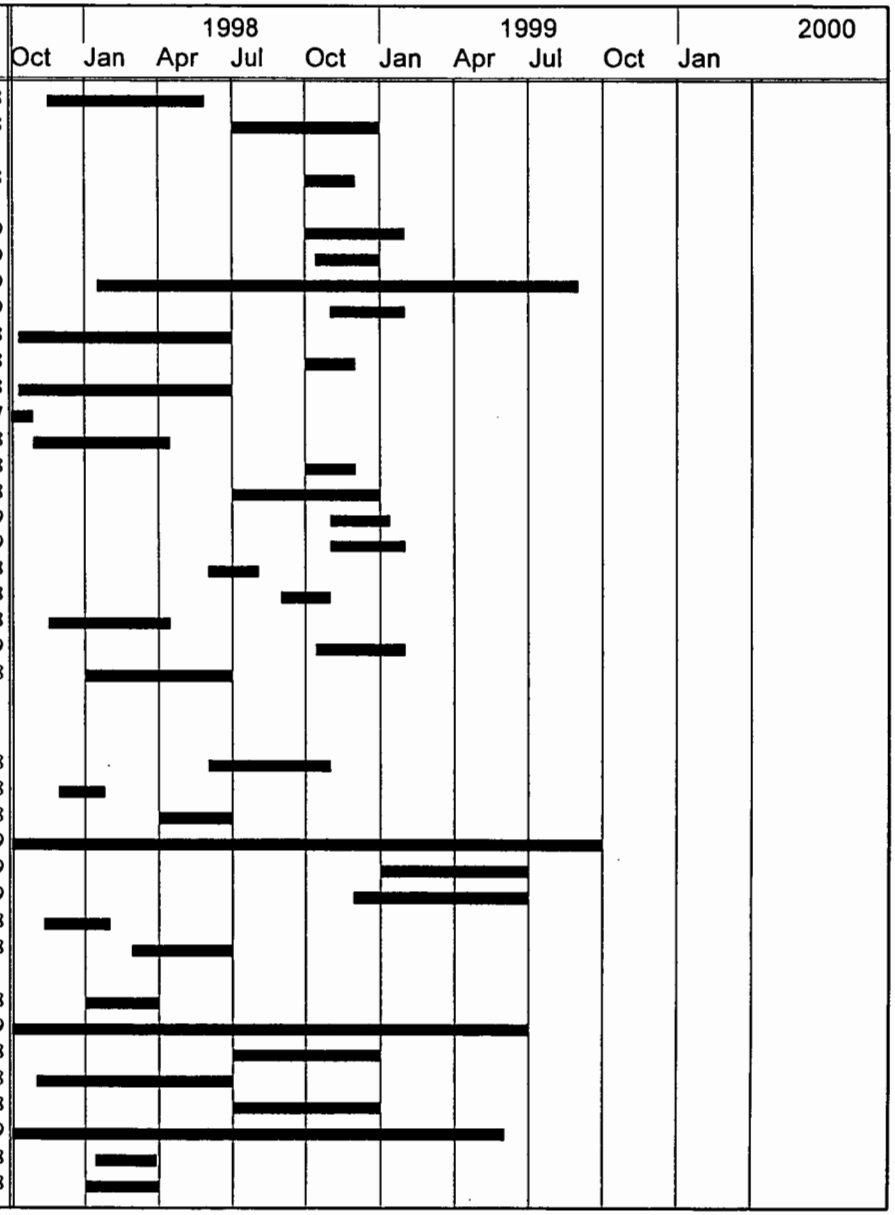
DOT Y2K Master Plan

Task Name	Notes	Revised Start	Revised End
	Retirement		
Traffic Ordinances		2/4/98	3/13/98
SOLUTION STUDIES			
Solution Study-Priority 3/4	Complete	10/1/97	12/15/97
PC REPLACEMENT STUDY			
PC Replacement Study	Finalizing	8/25/97	1/27/98
FISCAL ANALYSIS			
Fiscal Analysis	In Progress	9/8/97	1/16/98
COMPLIANCE TESTING			
Bids Diskette System		1/1/98	3/31/98
Civil Rights Statistical System		2/2/98	3/31/98
Comprehensive Approved Products Listing		7/1/98	6/30/99
Computerized Message Mailing System		7/1/98	6/30/99
Contractor Directory System		7/1/98	6/30/99
DMV Legislative Tracking		7/1/98	6/30/99
Drivers License System	Complete	12/1/93	11/30/94
Fuel Tax	Complete	7/1/96	2/28/97
Grievance Tracking System		7/1/98	6/30/99
Highway Location Inventory Update		7/1/98	6/30/99
Inmate Labor		7/1/98	6/30/99
Maintenance Management		7/1/98	6/30/99
Materials & Tests Seed Quality Reporting		7/1/98	6/30/99
Project & TIP Cross-Reference		7/1/98	6/30/99
Purchasing Tracking System		7/1/98	6/30/99
Recycle Products and Solid Waste System		7/1/98	6/30/99
School Bus Safety System	Possible Remediate	7/1/98	6/30/99
State Roads - Posted Roads		7/1/98	6/30/99
State Titling and Registration System (STARS)	Complete	1/1/96	12/31/96
Train System		7/1/98	6/30/99
REMEDIATION PROJECTS			
Adopt-a-Highway Data System		11/2/98	1/1/99
BAMS	In Progress	12/11/97	2/16/98



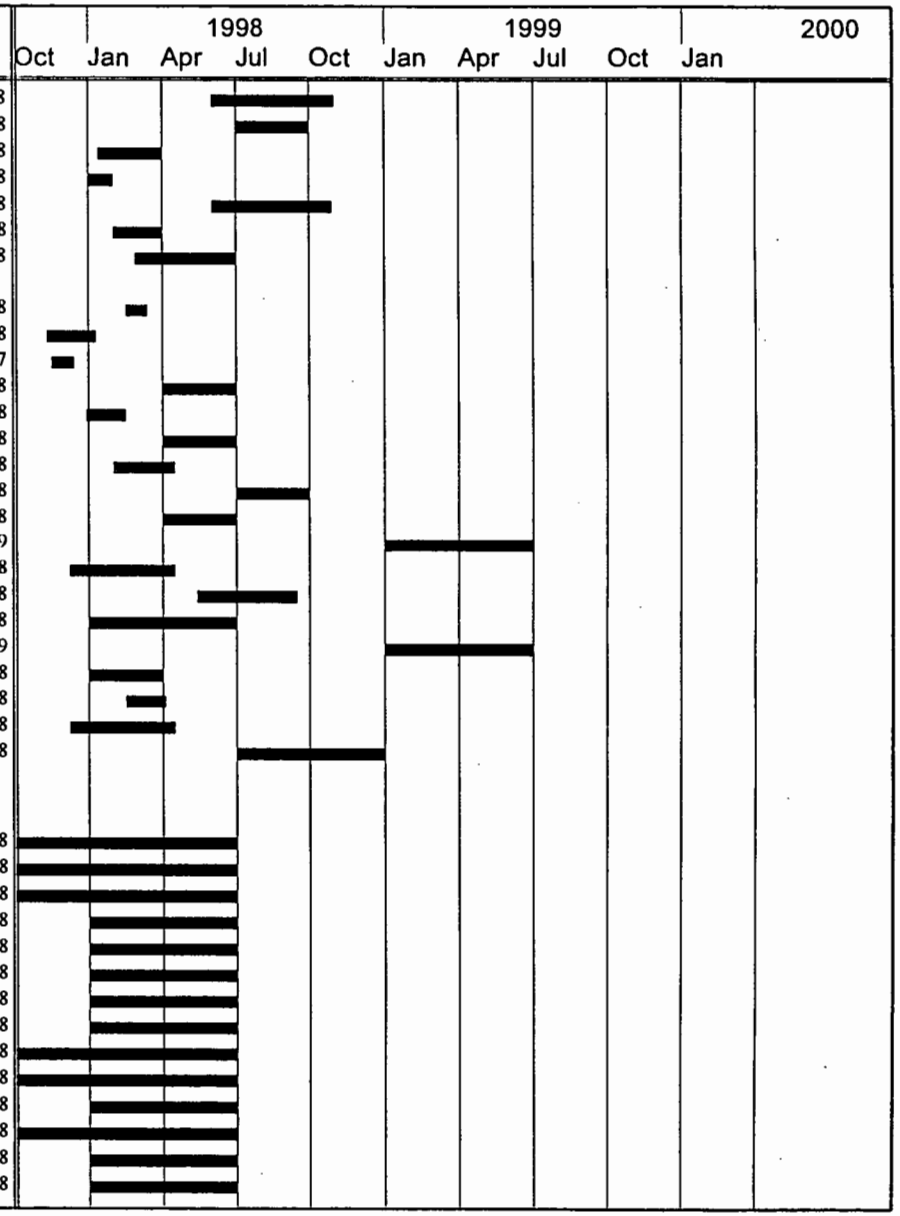
DOT Y2K Master Plan

Task Name	Notes	Revised Start	Revised End
Bridge Maintenance	In Progress	11/17/97	5/29/98
Construction: Rainhart Profilograph Data Entry	Possible Replace	7/1/98	12/31/98
Dealer System	Possible Replace	10/1/98	12/1/98
Design Services Bidding System		10/1/98	2/1/99
Erosion and Sediment Control		10/15/98	1/1/99
Fiscal		1/19/98	8/31/99
Highway Performance Monitoring System		11/2/98	2/1/99
Law Allowance Income Payroll	In Progress	10/13/97	6/30/98
Logo System		10/1/98	12/1/98
Payroll	In Progress	10/13/97	6/30/98
Permits	Complete	7/7/97	10/30/97
Personnel-Retirement	In Progress	10/31/97	4/15/98
Personnel's Logging System		10/1/98	12/1/98
Planning-Secondary Roads		7/1/98	12/31/98
Planning Supplementary Data		11/2/98	1/15/99
Project Management		11/2/98	2/1/99
Project Management System		6/1/98	8/3/98
Project Master Scheduling System (PMSS)		9/1/98	11/2/98
Right of Way Area Data Systems	Late Start	11/17/97	4/15/98
Right of Way Management System		10/15/98	2/1/99
Traffic Engineering Accident Analysis		1/1/98	7/1/98
REPLACEMENT PROJECTS			
Asphalt Job Mix Formula: Asphalt Plans		6/1/98	11/2/98
Bridge Damages Program	In Progress	12/1/97	1/27/98
Child Remittance System	On Hold	4/1/98	6/30/98
Crash Reporting (Collision)	In Progress	9/1/97	9/30/99
Contract Vendor: Contracts: Fuel Price Adj		1/1/99	6/30/99
Emission (Inspection/Maint Info System)		12/1/98	6/30/99
Enforcement Administration	In Progress	11/10/97	2/2/98
Engineer Tracking System	Package Replace	3/2/98	6/30/98
Federal Authorization System		1/1/98	3/31/98
Financial Security System	In Progress	9/1/97	6/30/99
Fuel Master Conversion System		7/1/98	12/31/98
Grants Admin Automation System	In Progress	11/3/97	6/30/98
Imprest Cash System	On Hold	7/1/98	12/31/98
International Registration Plan	In Progress	7/1/97	5/31/99
Invoice & Tracking System	In Progress	1/15/98	3/30/98
Material Safety Data Sheet Inv Control Version	In Progress	1/1/98	3/31/98



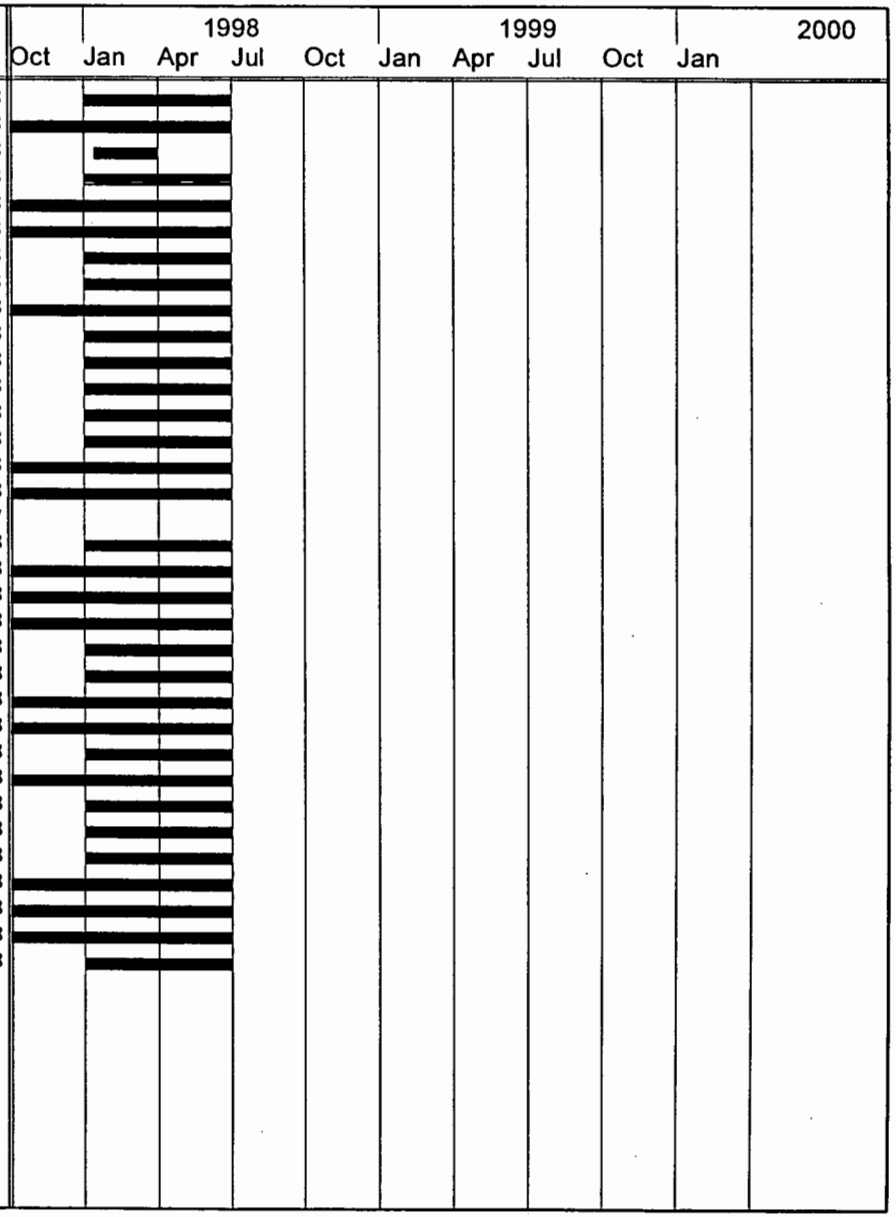
DOT Y2K Master Plan

Task Name	Notes	Revised Start	Revised End
Materials & Tests		6/1/98	11/2/98
Materials & Tests Certifications Reference Files		7/1/98	9/30/98
Motor Fleet System	In Progress	1/15/98	3/31/98
NCDOT Parking System	In Progress	1/1/98	2/2/98
Pavement Condition Survey: Pavement Mgmt		6/1/98	10/30/98
PD-118 Automated Logging System		2/2/98	4/1/98
Personnel Statistical System	Packaged Replace	3/2/98	6/30/98
Personnel Training		2/16/98	3/16/98
Private Engineering Firm Project Data	Late	11/10/97	1/12/98
Project Management Cross-Ref System	Complete	11/17/97	12/15/97
Right of Way Encroachments Index		4/1/98	6/30/98
Roadway: Municipal Street Fiscal Data	In Progress	12/29/97	2/16/98
Secretary's Correspondence System		4/1/98	6/30/98
Secretary's Legislative Tracking System		2/2/98	4/15/98
Shared Leave System		7/1/98	9/30/98
State Highway Administrator's Correspondence		4/1/98	6/30/98
Subcontract System		1/1/99	6/30/99
Telephone Billing System	In Progress	12/9/97	4/15/98
TIP Project History		5/15/98	9/15/98
Traffic Counts		1/1/98	6/30/98
Traffic Engineering Signal Mgmt: Rail		1/1/99	6/30/99
Traffic Engineering Spot Safety Program		1/1/98	3/31/98
Traffic Ordinances		2/17/98	4/3/98
Utility Billing System	In Progress	12/9/97	4/15/98
Workman's Compensation System		7/1/98	12/31/98
RETIREMENTS - PC SYSTEMS			
Accident Reporting		5/1/97	6/30/98
Aviation		5/1/97	6/30/98
Bicycle		5/1/97	6/30/98
Bridge Label Program		1/1/98	6/30/98
Chief Engineer's Education Budget System		1/1/98	6/30/98
Chief Engineer's M&C Reports		1/1/98	6/30/98
Class Download Conv/Summ Program		1/1/98	6/30/98
Commuting Vehicles		1/1/98	6/30/98
Contract Master		5/1/97	6/30/98
CRB		5/1/97	6/30/98
Division Utilization Conversion Print		1/1/98	6/30/98
DOT Table: Project Mgmt Fund Status		5/1/97	6/30/98
Ferry Division Survey		1/1/98	6/30/98
FICS-Chg Card Entry Summ-Gas		1/1/98	6/30/98



DOT Y2K Master Plan

Task Name	Notes	Revised Start	Revised End
Fixed Assets < $500		1/1/98	6/30/98
Geotechnical		5/1/97	6/30/98
Governor's Correspondence System		1/15/98	3/31/98
Highway Beautification		1/1/98	6/30/98
Highway Design: Suspense Case Inquiry		5/1/97	6/30/98
Highway/Improvement		5/1/97	6/30/98
Inventory Esage Program		1/1/98	6/30/98
Label Printing Program		1/1/98	6/30/98
Legislative Tracking-Trans Code LEG1		5/1/97	6/30/98
Light Traffic Roads		1/1/98	6/30/98
Material Safety Data Sheet Field Personnel		1/1/98	6/30/98
MB, WB, or DBE Subcontractor Program		1/1/98	6/30/98
MIS Purchase Requisition System		1/1/98	6/30/98
NCDOT Parking System		1/1/98	6/30/98
Node Link		5/1/97	6/30/98
Ombudsman System		5/1/97	6/30/98
Overweight Citations	TB Retired	1/1/97	3/31/97
Personnel Referral Tracking System		1/1/98	6/30/98
Planning & Env: Speed Check Study		5/1/97	6/30/98
Project File		5/1/97	6/30/98
Public Transportation: Planning		5/1/97	6/30/98
Purchase Req Spec Prog-Data Entry		1/1/98	6/30/98
Purchase Req Spec Prog-Inquiry		1/1/98	6/30/98
Rail (Federal RR Crossing)		5/1/97	6/30/98
Railroad Project Status		5/1/97	6/30/98
Roadway Maint Program		1/1/98	6/30/98
Salt & Dynamite		5/1/97	6/30/98
Service Awards System		1/1/98	6/30/98
Statewide Maint Cost Program		1/1/98	6/30/98
Structure Inspection Log		1/1/98	6/30/98
Traffic & Planning		5/1/97	6/30/98
Traffic Engineering		5/1/97	6/30/98
Traffic Project Update		5/1/97	6/30/98
Travel Advances		1/1/98	6/30/98



NCDOT in the Year 2000

Handling the Year 2000 Challenge

What is the Year 2000 problem?

- Two-digit years
- '97' instead of '1997' (assumes '19')
- In 2000 ('00'), will still assume '19'
- Not 2000, but 1900?
- All date-dependent functions miscalculated

For example . . .

- A road resurfacing program calculates the time lapse between resurfacings
  - Road last paved in 1994:

    How long ago was that?

    » In 1997 . . . 97 - 94 = 3 years

    » In 2000 . . . 00 - 94 = -94 years

What?!



For example . . .

- DOT's personnel system calculates retirement based on the employee's date of hire
  - Employee began work in 1978:
    - » In 1999 . . . 99 - 78 = 21 years . . . 9 years until retirement
    - » In 2000 . . . 00 - 78 = -78 years . . . 108 years until retirement?!?

For example . . .

- An elevator doesn't work on the first business day of 2000 when the controlling security system shuts it down because January 1, 1900 was a Saturday or Sunday and the evlavators are shut down on the weekend…

Why do we have the problem?

- Early computer programmers tried to save space
- Used only two digits to store the year
- The industry changed, but the programming standard didn't
- No one thought his programming would last this long

What could be affected?

- Application software
- Desktop software
- Hardware systems
- Microprocessing devices - any device containing a programmable chip and embedded date logic

How could DOT be affected?

- Critical "legacy" systems such as Fiscal, Payroll, Bridge Maintenance, Project Management, etc.
- Other internally developed systems or programs
- Hardware - printers, servers, desktops, handheld computers, laptops, etc.
- Vendor supplied systems
- Microprocessing Devices with built-in date logic - traffic controllers, transits, phone systems, scales, camera equipment, VCRs, etc.

How is DOT addressing Y2K?

- A DOT Year 2000 Program Office has been staffed to address compliance throughout DOT.
- This office will serve as the central point of contact within DOT for year 2000 issues

Program Office Role...

- Promoting Awareness
- Tracking and Analysis of Year 2000 Projects
- Inventory Third Party Hardware/Software Products and Microprocessing Devices
- Research Compliance
- Develop Contingency Plans
- Research External/Internal Data Interfaces
- Review current contracts/license agreements
- And much more...

How can you help?

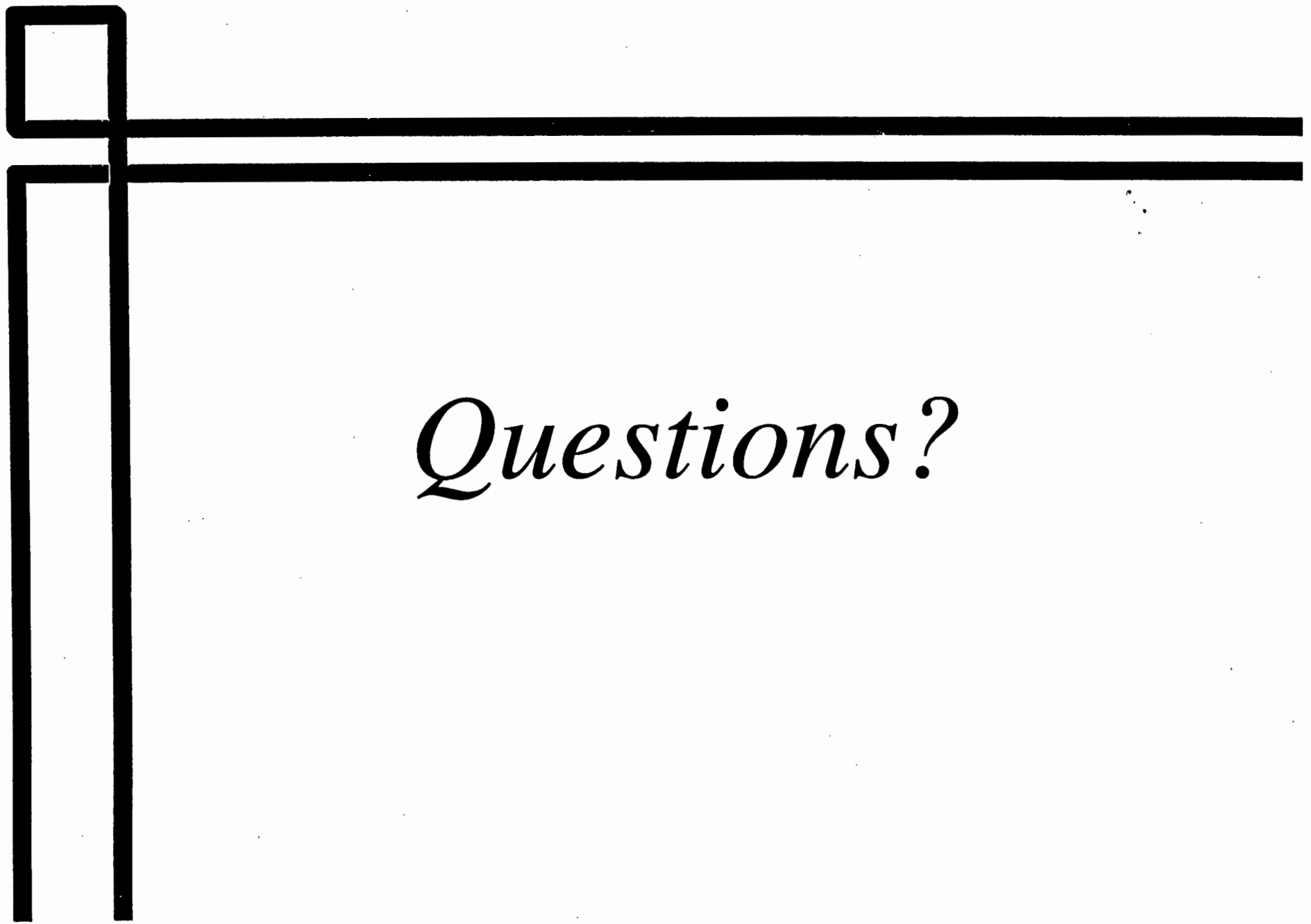
- Spread the word
- Use your expert DOT business knowledge to help the Program Office identify potential problems
- Think proactively
- Think compliance and ask year 2000 questions as you purchase new products

Additional information...

Visit the DOT Year 2000 Web Page at:
year2000.dot.state.nc.us

or

email your questions/concerns to
year2000@dot.state.nc.us


Questions?



Frequently Asked Questions about the Y2K Challenge

What is the Year 2000 Problem?

The problem started over thirty years ago as a simple cost-saving measure, used to record dates in a mainframe computer. It may have been a prudent economy measure at the time, but through neglect it has come back to haunt the computer world.

Simply put, way back in the 1960s and 1970s, decisions were made to write the date in computer programs as 2 digits. Hence, 1970 was written as "70". The "19" was just assumed. The problem will come when the computer reaches midnight on January 1, 2000. It will then see the date "00" and interpret it as 1900 instead of 2000.

Why are dates so important?

Dates are used extensively to determine if someone should receive or not receive things like Social Security, pensions, Medicare, retirement benefits, driving licenses, voter registrations, school grades, salary increases, tax refunds, seniority discounts, etc. . Manufacturing industries use dates to control manufacturing processes, maintenance schedules and to keep track of machine operations. Few would argue that dates are very important in banking and finance (e.g. interest, due dates, delinquent accounts, mortgages, loans, stocks, etc.). In the military and in navigation tracking, dates are absolutely essential. Fire a missile on December 31, 1999, and it will probably hit its target. Fire a missile on January 1, 2000, and it may use a star chart from 1900. Way off course!!!

Why not just change the date?

"Just changing the date" means changing every reference to a date in every program and file in use, archived and stored. This is a massive logistics problem. No one can know just how mammoth this task would be until they first found and counted every instance. Few companies have kept track of their software, and an estimated 40% of companies have either lost or thrown away their original "source" code.

Why not just switch from using two digits to four?

Converting to four digits would be the ideal solution, given time and resources. But time and resources are another part of the problem. Experts are still arguing as to what form the solution should take. Remember, everyone must be standardized for global commerce as we know it to continue.

These FAQs were compiled and adapted from the ComLinks.com and the IBM Year 2000 web sites.

Who's to blame?

In the Information Revolution that has swept the world, corporate leaders have ignored the technicalities of managing information. "Cut costs and maximize profits" has been the cry. The problem has its roots in a desperate shortage of expensive memory in early computers. Looking at the problem through today's eyes is misleading. A Pentium computer on an executive's desk probably has more memory and storage space than all the machines in a major city back in the 1960s. Back then, programmers had to find ways of squeezing every bit out of the system.

Also, those who developed the mainframes of yesteryear never expected their systems and software to still be in use at the turn of the century – thirty years later. The average life of a computer system was only 10 years.

Does the problem only affect mainframes?

It is both a hardware and software problem on virtually every machine and program. Many hardware pieces (e.g. PCs) have an internal clock which may or may not work on January 1, 2000. Some clocks will revert back to 1900, some to 1980, some to 1984, and still others will just go on their merry way to who knows where! It is true, however, that the mainframe community will be affected the most. Regardless of what the PC salesmen may tell you, mainframes are still the workhorses of commerce, government and finance. A simple "patch" can be put on a PC within minutes. But a mainframe may have hundreds of millions of lines of code, all of which are interconnected and have been patched many times already.

Should we punch in 23:59, December 31, 1999, and see what happens?

STOP!! Many speakers, 12-hour experts and reporters have suggested doing this as a test. You may get away with this on a home PC with retail, off-the-shelf programs. But do not attempt a date advance on a network, or on a PC with beta software, licensed dated software, or otherwise attached to any other system. There are many cases of licensed software blocking re-entry and expiring licenses. Many programs are instructed to view "turning the clock back" the same way a used car dealer views turning back the mileage on a car. It equals fraud.

What should computer users do to fix the problem?

Computer users need to update applications and data fields that do not handle century markers or dates beyond 1999. Specifically, they should:

- Determine the magnitude of the problem facing them by assessing their entire system, including the full portfolio of system and application software source code (including any shrink-wrapped, off-the-shelf applications) to determine what needs to be updated and made Year 2000 compliant;
- Decide the best way to make the updates (most likely on an individual, program-by-program basis);

- Implement the updates to the source code, test to make sure it handles both 199X and 2XXX data correctly, and establish a procedure to ensure that the source code can't be inadvertently changed back to a two-digit format.

For more information, or to see how NCDOT is handling the Year 2000 challenge, visit our web site at **http://dot.state.nc.us/administration/mis/projects/Y2K/.**

DOT FINANCIAL SYSTEM
VOLUME STATISTICS

	NUMBER PER YEAR	NUMBER PER DAY	VALUE
TRANSACTION VOLUMES			
PURCHASE ORDERS ISSUED	49,409	198	520,000,000
OPEN CONTRACTS	5,400		950,000,000
INVOICES AND OTHER PAYMENT REQUESTS	282,717	1,131	
NON PAYROLL CHECKS PAID	166,437	666	2,162,328,347
PAYROLL CHECKS/PAYMENTS	390,000	1,560	385,000,000
ELECTRIC BILLS (9,875 ACCOUNTS)	118,500	474	13,000,000
TELEPHONE BILLS (1,690 ACCOUNTS)	20,280	81	1,200,000
BILLINGS TO CUSTOMERS	33,000	132	35,800,000
FEDERAL AID/GRANT BILLINGS	250	1	484,600,000
ACCOUNT VOLUMES			
WORK ORDERS/JOB ORDERS	20,000		1,983,000,000
UNITS OF EQUIPMENT	22,000		419,000,000 (purchase cost) 177,000,000 (current value)
FIELD OPERATING UNITS	185		
MANAGEMENT/DMV UNITS	141		211,000,000
ACTIVITY(FUNCTION) CODES	400		
OBJECT CODES	210		
POSSIBLE # OF COST CATEGORIES	310,915,504,935		
ESTIMATED ACTUAL # OF COST CATEGORIES	4,000,000		549
INVENTORY LOCATIONS	250		34,000,000
INVENTORY ITEMS	15,000		

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II.
(pg. 2-7)

COMPONENTS OF CURRENT DOT FINANCIAL SYSTEM

	NUMBER OF PROGRAMS	REPLACE?
GENERIC FINANCIAL APPLICATIONS		
budget	24	YES
cash management	4	YES
dmv imprest cash	13	YES
financial statements	57	YES
fixed assets	7	YES
general ledger	93	YES
grants accounting	25	YES
inventory	128	YES
purchasing	87	YES
check writing	60	YES
	498	
SPECIALIZED PROJECT ACCOUNTING/REPORTING		
contract accounting	52	YES
project budgets	15	YES
job reports	15	YES
maintenance mgt inquiry	20	YES
payroll charges to projects	28	YES
work order charges/processing	307	YES
	437	
SPECIALIZED BILLING/REVENUE APPLICATIONS		
federal aid	86	YES
logo signs	16	NO
outdoor advertising	28	NO
ferry operations	4	NO
	134	
SPECIALIZED FLEET MANAGEMENT		
fleet management	154	YES
fuel issues	28	NO
	182	

Wayne Stallings
DOT. Controller

Project History - Legislation

- **1995 Legislation requires DOT and OSC to develop a comprehensive plan for DOT financial information**
- **House Bill 229:**
  - **The comprehensive plan shall provide for the complete financial accounting and reporting requirements of the Department, including those for work order funding and costing, billing for Federal Highway Aid and other sums owed to the Department, payment to highway and engineering contractors, fleet management and inventory management as well as core accounting functions of purchasing, accounts payable, accounts receivable, budget preparation, budget control, fixed assets, and grant accounting.**
  - **For all the above functions, the comprehensive plan shall identify:**
    - **Processing concepts and methods that will be employed**
    - **The computer hardware and software and associated manual processes required to perform the required functions efficiently and effectively**
    - **The implementation cost for the computer hardware and software and related costs such as training**
    - **The time required for implementation**
    - **The projected operating costs for the new system**
    - **Projected operating savings, if any.**
  - **The planned system shall conform to the applicable standards and requirements of the State Accounting System.**

Project Direction

- **DOT/OSC evaluation and conclusions:**
  - **DOT has unique requirements for project accounting**
  - **Current NCAS software would require extensive modification to meet DOT needs, and extensive modifications are not in the strategic interest of the State**
  - **DOT should replace its existing systems with new software using commercial software packages where possible**
  - **DOT should seek to acquire software that OSC could use in other agencies when/if appropriate.**
  - **DOT will assume principal responsibility for acquiring/developing its new financial information systems**
  - **DOT will review its business processes and identify ways to streamline them before implementing new systems**
  - **DOT will work with OSC to ensure that its new systems meet OSC-NCAS requirements**
  - **DOT will ensure that its new systems conform to statewide technical standards as set forth by the IRMC.**

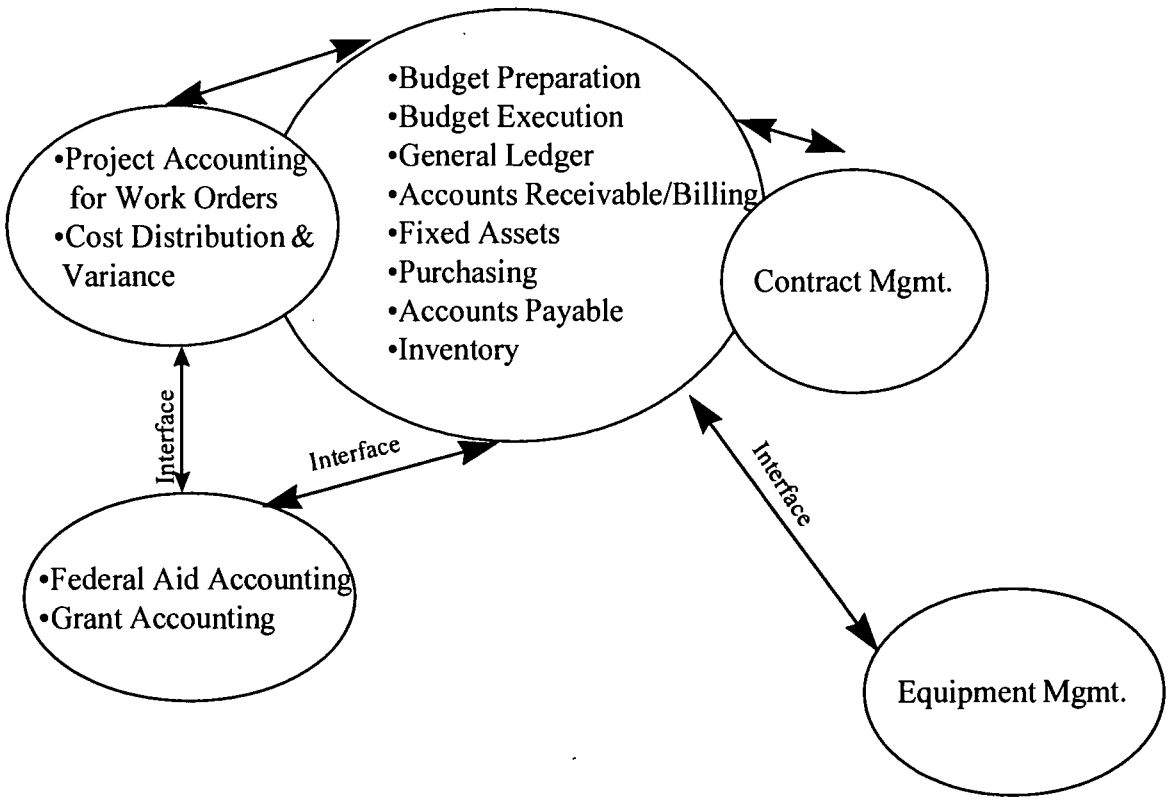
Project Tasks

- **Business Process Improvement**
- **Software Evaluation**
  - **35 vendors received initial distribution**
  - **34 additional vendors requested copy**
  - **10 responses received by DOT**
- **Technology Planning**
- **Transition Planning.**

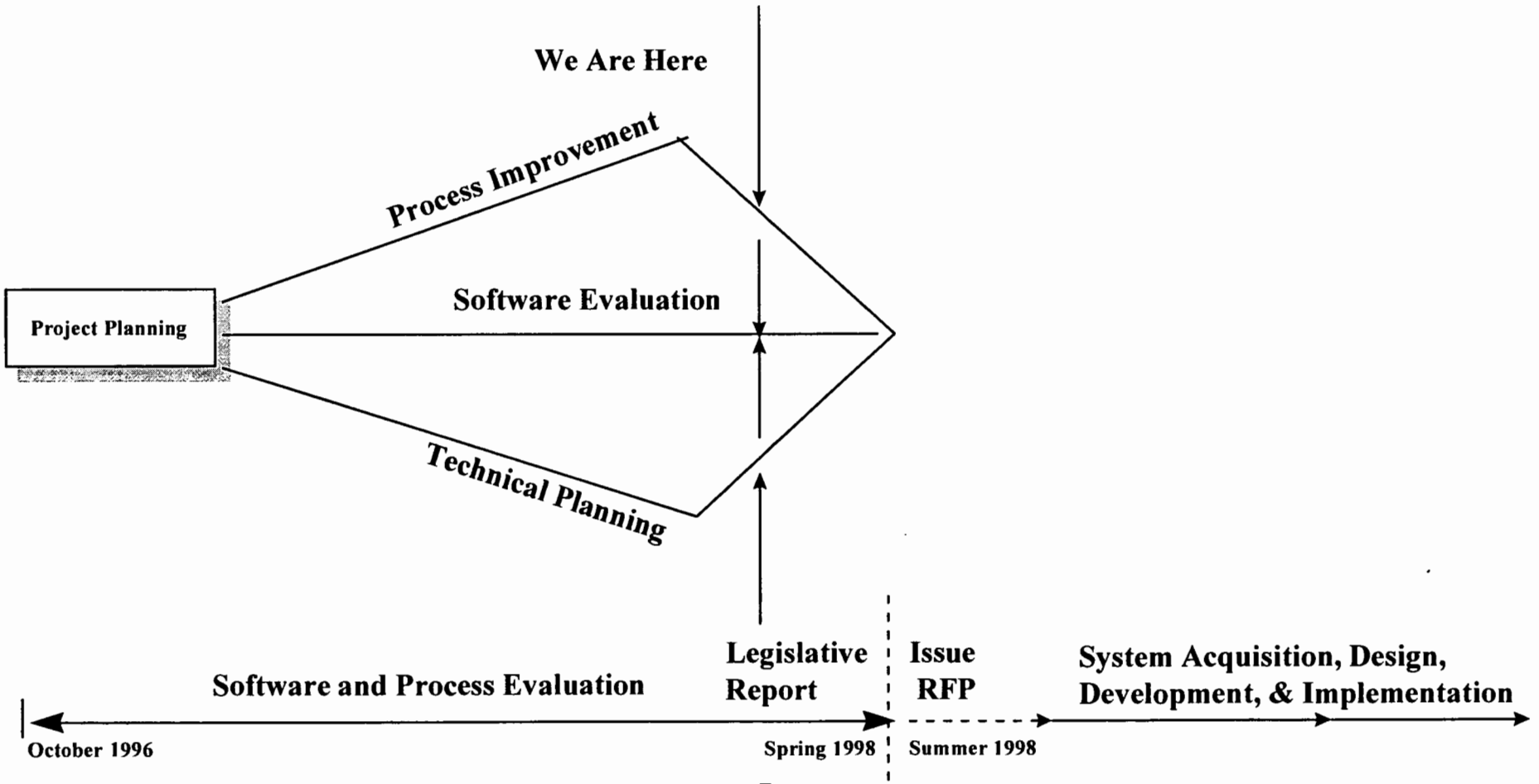
Implementation Concepts

Acquire Vendor Package for Standard Accounting Functions

Customize Vendor Package or Develop Specific Applications for Unique DOT Requirements as Necessary



Project Current Phase



III
(P3.1-3)



North Carolina Department of Transportation

CHIEF ENGINEER'S OFFICE OPERATIONS

Status of Declared Disasters

Don Goins, DOT
Chief Engineer

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
REIMBURSEMENT PROCESS FOR EMERGENCY RELIEF FUNDS
FROM FEMA FOR PRESIDENTIAL DECLARED DISASTER

- Natural or man-made disaster occurs
- Survey of damages
- Estimate of costs of damages
- Governor declares a State of Emergency.
- President issues declaration.
- Notice of Interest (N.O.I.) is filed by NCDOT to be an eligible applicant for federal funding to the Federal Emergency Management Agency (FEMA)
- Joint State and FEMA inspection teams are established and Damage Survey Reports (DSR) are prepared identifying NCDOT damages per site and estimated cost for repairs.
- DSR's go to Federal Coordinating Officer for approval and obligation of funds.
- Upon approval of DSR's, FEMA will transfer funds to Emergency Management who will authorize payments to NCDOT.
- FEMA reimbursement varies with each disaster but is generally 75% of eligible expenses.
- Should NCDOT not concur with payment of DSR claims, NCDOT files appeal with Emergency Management.
- NCDOT advises Emergency Management when all repairs have been completed.
- A final inspection is requested by Emergency Management to FEMA.
- FEMA conducts a final inspection and closes project based upon the Office of Inspector General's (OIG) audit reports.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
REIMBURSEMENT PROCESS FOR EMERGENCY RELIEF FUNDS
FROM FHWA FOR STATE OF EMERGENCY DISASTERS
DECLARED BY THE GOVERNOR

- Natural or man-made disaster occurs
- Survey of damages
- Estimate of costs of damages
- Governor declares a State of Emergency.
- Request for Emergency Relief (ER) Funds from the Federal Highway Administration (FHWA) for assistance in the cost of repairing damages on the federal-aid highway system.
- Minimum amount for eligibility of FHWA - ER Funds is $500,000 in damages on the federal-aid highway system.
- Joint State and FHWA inspection teams are established and Damage Inspection Reports (DIR) are prepared identifying NCDOT damages per site and estimated cost for repairs.
- DIR's go to FHWA Coordinating Officer for approval and obligation of funds.
- Upon approval of DIR's, FHWA will transfer funds to NCDOT.
- FHWA will reimburse 100% of eligible expenditures for costs associated with the disaster in the first 180 days of the declaration and reimburse 80% after the 180-day period.
- Should NCDOT not concur with payment of DIR claims, NCDOT files appeal with FHWA.
- NCDOT advises FHWA when all repairs have been completed and FHWA will close the project based upon this notification.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
CHIEF ENGINEER'S OFFICE

STATUS REPORT OF DECLARED DISASTERS

DESCRIPTION	EXPENDITURES	PAYMENTS RECEIVED	ANTICIPATED ADDITIONAL PAYMENTS	BALANCE	STATUS
HURRICANE HUGO SEPT. 21-22, 1989	11,761,758	4,738,106	1,000,000	6,023,652	AUDIT AND FINAL INSPECTION REPORT COMPLETED - EMERGENCY MANAGEMENT AND NCDOT REVIEWING
BLIZZARD STORM MARCH 17, 1993	9,088,891	3,680,978	1,700,000	3,707,913	AUDIT AND FINAL INSPECTION REPORT COMPLETED - EMERGENCY MANAGEMENT AND NCDOT REVIEWING
HURRICANE OPAL OCT. 3-6, 1995	2,658,612	1,185,701	250,000	1,222,911	AUDIT AND FINAL INSPECTION REPORT COMPLETED - EMERGENCY MANAGEMENT AND NCDOT REVIEWING
SNOW STORM JAN. 5-13, 1996	12,571,026	936,819	1,000,000	10,634,207	FINAL INSPECTION AND AUDIT REPORT HAVE NOT BEEN RECEIVED - EMERGENCY MANAGEMENT AND NCDOT AWAITING REPORT FOR REVIEW
ICE STORM FEB. 2-4, 1996	13,182,006	1,498,582	750,000	10,933,424	FINAL INSPECTION AND AUDIT REPORT HAVE NOT BEEN RECEIVED - EMERGENCY MANAGEMENT AND NCDOT AWAITING REPORT FOR REVIEW
HURRICANE BERTHA JULY 12-13, 1996	3,444,330	954,252	500,000	1,990,078	FINAL INSPECTION AND AUDIT PROCESS TO BEGIN FEBRUARY 2, 1998
HURRICANE FRAN SEPT. 5-6, 1996	120,685,030	86,709,940	3,720,192	30,254,898	FINAL INSPECTION AND AUDIT PROCESS TO BEGIN APRIL 6, 1998
TOTAL	**173,391,653**	**99,704,378**	**8,920,192**	**64,767,083**	

1/20/98

1/21/98
IV

DEPARTMENT OF TRANSPORTATION
SPENDING PRESSURES

($millions)

ITEM	FY 98/99	
Year 2000	$ 13.7	(NR)
New Financial System	30.0 - 40.0	(NR)
Disaster Receivables	64.8	(NR)
DMV Enforcement Equity Pay Plan	2.8	(R)
Highway Maintenance	78.2	(R)
Highway Patrol	2.8	(R)
Transit Funding	13.4	(R)
SIP's Charges	15.0	(8 NR - 7R)
DOT Wage Increase @ 4%	16.0	(R)
Total	$236.7 - 246.7	

FRD 1/21/98

1/21/98
IV(a)

MAINTENANCE BUDGET 1996-97

1996-97 MAINTENANCE NEEDS: (Millions)

Routine Maintenance(1)			$358.0	FY98/99 Budget 353.4
	Primary	$109.0		109.6
	Secondary	$211.0		207.4(5)
	Urban	$ 38.0		36.4
Contract Resurfacing (2)			$150.0	108.0
Maintenance Backlog (3)			$ 31.6	
		Total	**$539.6**	461.4

78.2

1996-97 BUDGET:

Routine Maintenance(4)			$350.2
	Primary	$108.5	
	Secondary(5)	$205.5	
	Urban	$ 36.2	
Contract Resurfacing			$100.9
Maintenance Backlog (6)			$ 11.1
		Total	**$462.2**

---

(1) Annual routine maintenance needs are dependent on level of service provided. 1994 study showed annual need of $316 million to maintain system to current level. $358 million reflects increased costs including $7.0 million for medium custody inmate labor and $42.0 million for Bridge Maintenance.

(2) Annual resurfacing needs have increased from $123.4 million to $150 million. This reflects an increase in plant mix asphalt prices as well as increased paved road mileage as a result of the highway trust fund paving of secondary roads. This figure does not include interstate needs.

(3) Identified backlog of $260 million in 1994 has been reduced to $177 million. However, we have not surveyed system to determine backlog generated in last three years. In 1996, maintenance forces were utilized for disaster response (two major snow storms and Hurricanes Bertha and Fran) which limited work time on maintenance problems. While we have identified significant backlog expenditures, actual system backlog reduction needs to be determined through a review process similar to 1993-94.

(4) Routine maintenance budget includes $39.5 million for bridge maintenance.

3/26/97

(5) Includes an additional $20.0 million from Secondary Road Construction Funds to supplement secondary road maintenance and to make spot improvements on roads and bridges.

(6) Unreserved credit balance designated by Highway Administrator to address backlog needs.

- A major concern is the amount of money chargeable to our maintenance budget from declared disasters which will not be reimbursed by FEMA. Prior to Hurricanes Bertha and Fran, the estimated amount is $30 million which includes $19 million from the January and February 1996 snow and ice storms. This does not include a portion of the cleanup from Hurricanes Fran and Bertha which the Department normally has to pay. This is expected to be an additional $25 million.

DEPARTMENT OF TRANSPORTATION
SPENDING PRESSURES

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FRD 1/21/98

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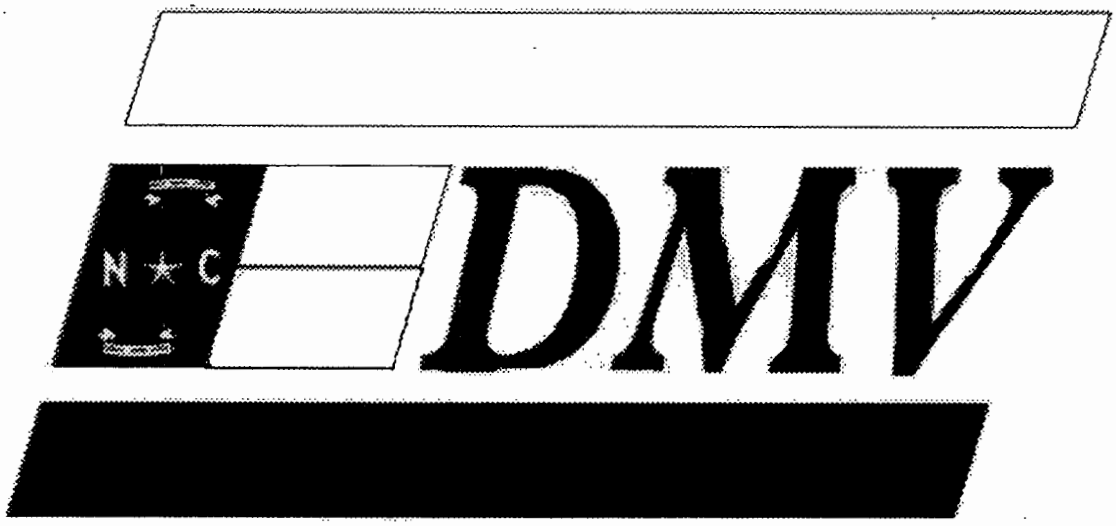
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North Carolina
Department Of Transportation

Division of Motor Vehicles

ENFORCEMENT SECTION



Proposed Pay Equity Plan

Presented to the Joint Appropriations
Subcommittee on Transportation

Wednesday, January 21, 1998
Room 1228 - Legislative Building

Division of Motor Vehicles Enforcement Section
Proposed Pay Equity Plan

TABLE OF CONTENTS

Purpose	**1**
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How the Plan Works	**8**

PURPOSE:

The men and women who serve in the various law enforcement positions of the NC Division of Motor Vehicles are requesting funding for a Pay Equity Plan for 506 enforcement positions in the Section.

HISTORY:

Past sessions of the North Carolina legislature have enacted pay equity plans for the following state law enforcement agencies:

- NCSHP
- Wildlife Resources Commission
- Marine Fisheries
- SBI
- Division of Parks and Recreation Police

Inequity in pay between individuals within each pay step has been created by external forces and changing hiring practices of the State. At times in the past, officers hired from other state agencies were given no consideration for prior state service, thus their salary was set at the minimum rate. At other times, officers hired from other state agencies have retained their state salary although it was more than the minimum of the position for which they were hired.

Similar practices were also applied to officers hired from outside state government. Credit for related experience was sometimes considered and the salary set above minimum and at other times, no credit was allowed, therefore the salary was set at minimum. This plan will, to a great extent, eliminate these inequities.

Following is an example of how the Enforcement Section is no longer in an equitable salary position with other state agencies.

Law Enforcement Officers With Eleven (11) or More Years of Service

DMV Officer (VEO-I) Pay Grade 64 Salary - $27,814	Average	SHP Trooper Pay Grade 68 Salary - $42,800
DMV SSG Pay Grade 66 Salary - $31,407	Average	SHP SGT Pay Grade 71 Salary - $49,100
DMV 1SG Pay Grade 68 Salary - $37,708	Average	SHP F/SGT Pay grade 73 Salary - $54,041
DMV Lieutenant Pay Grade 71 Salary $40,757	Average	SHP Lieutenant Pay Grade 74 Salary - $56,624
DMV Captain Pay Grade 74 Salary $49,656	Average	SHP Captain Pay Grade 76 Salary- $62,103

The DMV Enforcement Section Equity Plan is based on previous actions of the General Assembly.

- Service time is counted by actual time with the Section
- Each officer within each pay grade is treated equally
- The greatest benefit is provided to officers in the lowest pay grades
- The least benefit is provided to those in the highest pay grades

RATIONALE:

The DMV Enforcement Section Equity Plan improves equity in comparison with other state agencies and within the Section by:

- **NO AUTOMATIC PAY RAISES**
- Provides greatest percentage of increase to entry level officers
- Provides the least to senior officers
- Provides a benefit to 96% of officers - none to 4% including the Colonel
- Consistent plan with no hidden benefits to any person or group
- Considers the last upgrades by State Personnel

The DMV Enforcement Section Equity Plan will additionally:

- Define a Career Ladder for the Section by establishing a minimum amount of time required in each position before promotion
- Reduce the number of ranks
- Reduce the number of classifications
- Aid in recruitment of highly qualified applicants
- Aid in retention of better officers

In addition to creating the greatest degree of equity for the dollars spent, the Plan will provide numerous other benefits for the Section. The Plan will

- increase moral which will ultimately increase productivity.
- improve the Section's ability to hire and retain more highly qualified officers.
- increase competition for promotions.
- upgrade some pay classifications to make them more compatible with other agencies.
- adjust the equity scale by considering years of service required for promotion.
- not upgrade the most recently reclassified positions which creates additional equity within the Section.
- provide two steps between each rank and classification which will permit the Section to offer more incentive for promotion and transfer.

Pay Equity Plan Application

Guidelines used to achieve equity

Rank	OFC	SSG	1SG	2LT	INS	1LT	CPT	D/CPT	MAJ	LTC	COL
Pay Grade	64	66	68	69	70	71	73	74	75	77	80
% of Change	4.5	4.0	3.3	3.1	3.1	2.75	2.5	2.5	2.5	2.5	2.5
STEP 1	23,361	25,335	27,557	28,735	30,038	31,327	34,061	35,632	37,304	40,855	46,820
STEP 2	24,412	26,348	28,446	29,625	30,969	32,188	34,920	36,522	38,236	41,876	47,990
STEP 3	25,510	27,402	29,405	30,543	31,929	33,073	35,793	37,435	39,192	42,923	49,190
STEP 4	26,657	28,498	30,376	31,490	32,919	33,983	36,688	38,371	40,172	43,966	50,420
STEP 5	27,857	29,638	31,387	32,466	33,939	34,917	37,605	39,311	41,176	45,096	51,680
STEP 6	29,111	30,823	32,414	33,472	34,991	35,877	38,945	40,314	42,286	46,223	52,972
STEP 7	30,421	32,056	33,483	34,510	36,076	36,864	39,589	41,342	43,261	47,378	54,296
STEP 8	31,790	33,339	34,588	35,580	37,194	37,878	40,497	42,355	44,342	48,536	55,654
STEP 9	33,220	34,672	35,729	36,683	38,347	38,920	41,509	43,314	45,450	49,777	57,045
STEP 10	34,715	36,059	36,908	37,820	39,535	39,990	42,547	44,499	46,586	51,021	58,471
STEP 11	35,899	37,501	38,126	38,992	40,761	41,090	43,611	45,611	47,750	52,297	59,933
STEP 12		39,002	39,384	40,201	42,024	42,220	44,701	46,752	48,944	53,604	61,431
STEP 13		39,273	40,684	41,447	43,327	43,381	45,819	47,944	50,168	54,944	62,966
STEP 14			42,026	42,732	44,670	44,574	46,964	49,143	51,422	56,317	64,540
STEP 15			43,058	44,056	46,065	45,799	48,138	50,737	52,707	57,725	66,163
STEP 16				45058	47167	47059	49342	51630	54024	59168	67806
STEP 17						48353	50575	52921	55375	60647	69501
STEP 18						49338	51840	54244	56759	62163	71239
STEP 19							53136	55600	58178	63717	73020
STEP 20							54041	56242	59293	65039	74796

- Steps 1 through 20 represent years of service.
- Row 1 indicates the rank of each officer.
- Row 2 indicates the pay grade of each rank.
- Row 3 indicates the percent of increase between each step in the various pay classifications.
- The chart demonstrates that officers in the lower pay grades achieve maximum benefit with fewer years of service.

WORKFORCE PROFILE:

The North Carolina Division of Motor Vehicles Enforcement Section is comprised of **506 sworn law enforcement officers all certified by the North Carolina Criminal Justice Training and Standards Council with the same certification as required of all police officers, patrolmen, wildlife officers, and other law enforcement officers in North Carolina.**

The Criminal Justice Training and Standards Council has awarded:

- over 168 DMV Enforcement officers the *Advanced Law Enforcement Certificate* which is the council's highest award; and

- over 350 Section officers with the *Intermediate Award*.

The Enforcement Section places great emphasis on education and training.

- The Section has over 147 officers that have attained either a Masters, Bachelors or Associate Degree.

- The Section's officers have over 5,000 years of law enforcement experience with a combined average of 13.5 years experience per officer.

- In Fiscal Year 1996-1997 Section officers received over 49,190 hours of training.

- **The Section annually provides an average of 64 hours of in-service training for each officer, which is the *highest* among all state law enforcement agencies.**

CORE RESPONSIBILITIES:

The Officers of the Section are responsible for a number of duties which have been assigned by acts of the North Carolina General Assembly and include enforcement and administration of:

- **Size, Weight and Equipment Laws;**
- **Federal Motor Carrier Safety Regulations and Laws**
- **Emission and Safety Inspection Program and Laws**
- **Salvage and Rebuilt Vehicle Laws**
- **Rest Area Security**
- Fuel Tax Laws
- Dealers and Manufactures Licensing Law
- Laws covering sales of motor vehicles to satisfy storage or mechanic liens and judicial orders
- Registration, Lien and Financial Responsibility Laws
- Vehicle Anti-Theft Laws
- Service of Civil Orders issued by the Division
- Collection of Bad Checks issued to the Division
- Driver License Fraud Laws
- Emergency Response
- Other Provisions of Chapter 20

The Enforcement Section concentrates its enforcement activities on *commercial* vehicles.

Officers of the Enforcement Section face the same risk daily as all other state and local law enforcement officers. With every vehicle stopped, every call answered and every investigation started a law enforcement officer must be prepared for the possibility of facing a life threatening situation.

HOW THE PLAN WORKS:

With full implementation of the Equity Plan the Section would compare with other state law enforcement agencies as follows:

	DMV (present)	DMV (equity)	SHP	SBI	ALE
Officer					
New Hire	64	66	66	70	66
End of School	64	66	67	71	-
2 Years	64	**66**	**68**	**72**	**68**
Sergeant	66	**68**	**71**	-	-
F/Sergeant	68	**70**	**73**	-	-
Lieutenant	69	**70**	**74**	**74**	**71**
Captain	73	**74**	**76**	**76**	**74**
Major	75	**76**	**78**	**80**	**75**
Lt. Colonel	77	**78**	**80**	**82**	**78**
Colonel	80	**80**	**84**	**83**	**81**

DMV ENFORCEMENT EQUITY PAY PLAN

Present salary for the 506 enforcement positions	$ 15,485,869
Total cost for equity plan as detailed	$ 2,828,327
Total cost of salary additives for increase	725,787
Cost for added overtime premium	72,009
Total cost of increase	**$ 3,626,123**
The average salary increase per Officer	$ 5,589

VEO-I, Officer (Entry Level Position), Pay Grade 64, minimum 23,361 - maximum 35,899. The pay range is divided into the following eleven (11) steps. This compares to the SHP Equity Plan.

1	2	3	4	5	6	7	8	9	10	11
23361	24412	25510	26657	27857	29111	30421	31790	33220	34715	35899

- Each step increases by 4.5%.
- Each officer's time is determined by their total years of service with the Section as of June 30, 1998.
- The equity salary of each officer is determined by placing them in the step that corresponds to their years of service with the Section, with those having eleven (11) or more years being placed at the maximum of the range.
- After application of equity this position would be upgraded to Pay Grade 66 with each officer receiving an addition increase of 2.25% per step.

VEO-II, Sergeant, Pay Grade 66, minimum 23,335 - maximum 39,273. This pay range is divided into the following thirteen (13) steps which takes into consideration the Section's policy of requiring two (2) years of service before eligibility for promotion to VEO-II. The current average length of service for Sergeant is 13.7 years.

1	2	3	4	5	6	7	8	9	10	11	12	13
25335	26348	27402	28498	29638	30823	32056	33339	34672	36059	37501	39002	39273

- Each step increases by 4.0%.
- Each officer's time is determined by their total years of service with the Section as of June 30, 1998.
- The equity salary of each officer is determined by placing them in the step that corresponds to their years of service with the Section, with those having thirteen (13) or more years being placed at the maximum of the range.
- After application of equity this position would be upgraded to Pay Grade 68 with each officer receiving an addition increase of 2.25% per step.

VES-I, First Sergeant, Pay Grade 68, minimum 27,557 - maximum 43,058. This pay range is divided into the following fifteen (15) steps taking into consideration the need for an additional two years (total of four years) of experience before promotion to First Sergeant. The current average length of service for First Sergeant is 18.5 years.

1	2	3	4	5	6	7	8	9	10	11
27557	28446	29405	30376	31378	32414	33483	34588	35729	36908	38126

12	13	14	15
39384	40684	42026	43058

- Each step increases by 3.3%.
- Each officer's time is determined by their total years of service with the Section as of June 30, 1998.
- The equity salary of each officer is determined by placing them in the step that corresponds to their years of service with the Section, with those having fifteen (15) or more years being placed at the maximum of the range.
- After application of equity this position would be upgraded to Pay Grade 70 and merged with Second Lieutenant. The duties of First Sergeant and Second Lieutenant are basically the same and upon merging, the position would be known as First Sergeant. Each officer would receive an addition increase of 2.25% per step.

VES-II, Second Lieutenant, Pay Grade 69, minimum 28,735 - maximum 40,058. This pay range is divided into the following sixteen (16) steps which allows for a minimum of five (5) years experience before promotion to Second Lieutenant. The current average length of service for Second Lieutenant is 20.6 years.

1	2	3	4	5	6	7	8	9	10	11
28735	29625	30543	31490	32466	33472	34510	35580	36683	37820	38992

12	13	14	15	16
40201	41447	42732	44056	45058

- Each step increases by 3.1%.
- Each officer's time is determined by their total years of service with the Section as of June 30, 1998.
- The equity salary of each officer is determined by placing them in the step that corresponds to their years of service with the Section, with those having sixteen (16) or more years being placed at the maximum of the range.
- After application of equity this position would be upgraded to Pay Grade 70 and merged with those of First Sergeant. Each officer would receive an addition increase of 2.25%.

LEO-I, Inspector, Pay Grade 70, minimum 30,038 - maximum 47,167. This pay range is divided into the following sixteen (16) steps which allows for the Section's policy requiring a minimum of five (5) years law enforcement experience before promotion to Inspector. The average length of service for Inspector is 13.2 years.

1	2	3	4	5	6	7	8	9	10	11
30038	30969	31929	32919	33939	34991	36076	37194	38347	39535	40761

12	13	14	15	16
42024	43327	44670	46055	47167

- Each step increases by 3.1%.
- Each inspector's time is determined by their total years of service with the Section as of June 30, 1998.
- The equity salary of each officer is determined by placing them in the step that corresponds to their years of service with the Section, with those having sixteen (16) or more years being placed at the maximum of the range.
- There is no request to upgrade this position due to the fact that it was reclassified approximately two years ago by State Personnel.

LEO-II, First Lieutenant, Pay Grade 71, minimum 31,327 - maximum 49,338. This pay range is divided into the following eighteen (18) steps which allows for a minimum of seven (7) years of experience before promotion to First Lieutenant. The average length of service for First Lieutenant is 19.5 years.

1	2	3	4	5	6	7	8	9	10	11
31327	32188	33073	33983	34917	35877	36864	37878	38920	39990	41090

12	13	14	15	16	17	18
42220	43381	44574	45799	47059	48353	49338

- Each step increases by 2.75%.
- Each officers time is determined by their total years of service with the Section as of June 30, 1998.
- The equity salary of each officer is determined by placing them in the step that corresponds to their years of service with the Section, with those having eighteen (18) or more years being placed at the maximum of the range.
- After application of equity this position would be upgraded to Pay Grade 72. Each officer would receive an addition increase of 2.25%.

LEO-III, Staff Captain, minimum 34,069 - maximum 54,041. This pay range is divided into the following twenty (20) steps. This requires a minimum of nine (9) years of service before promotion to Captain. The average length of service for Staff Captain is 16.2 years.

1	2	3	4	5	6	7	8	9	10	11
34061	34920	35793	36688	37605	38545	39589	40497	41509	42547	43611

12	13	14	15	16	17	18	19	20
44701	45819	46964	48138	49342	50575	51840	53136	54041

- Each step increases by 2.5%.
- Each officer's time is determined by their total years of service with the Section as of June 30, 1998.
- The equity salary of each officer is determined by placing them in the step that corresponds to their years of service with the Section, with those having twenty (20) or more years being placed at the maximum of the range.
- After application of equity this position would be upgraded to Pay Grade 74. Each officer would receive an addition increase of 2.25%. This upgrade would place the staff captains in the same grade as the field captains.

District Law Enforcement Supervisors, Captain, minimum 35,632 - maximum 56,624. This pay range is divided into the following twenty (20) steps. This requires a minimum of nine (9) years of service before promotion to Captain. The average length of service for Captain is 22 years.

1	2	3	4	5	6	7	8	9	10	11
35632	36522	37435	38371	39331	40314	41322	42355	43414	44499	45611

12	13	14	15	16	17	18	19	20
46752	47944	49143	50737	51630	52921	54244	55600	56624

- Each step increases by 2.5%.
- Each officer's time is determined by their total years of service with the Section as of June 30, 1998.
- The equity salary of each officer is determined by placing them in the step that corresponds to their years of service with the Section, with those having twenty (20) or more years being placed at the maximum of the range.
- There is no request for upgrading this position due to the fact that it was reclassified approximately two years ago by State Personnel.

Assistant Director, Major, Pay Grade 75, minimum 37,304 - maximum 59,293. This pay range is divided into the following twenty (20) steps. This will require a minimum of nine (9) years service before promotion to Major. The average length of service for Major is 13 years.

1	2	3	4	5	6	7	8	9	10	11
37304	38236	39192	40172	41176	42286	43261	44342	45450	46586	47750

12	13	14	15	16	17	18	19	20
48944	50168	51422	52707	54024	55375	56759	58178	59293

- Each step increases by 2.5%.
- Each officer's time is determined by their total years of service with the Section as of June 30, 1998.
- The equity salary of each officer is determined by placing them in the step that corresponds to their years of service with the Section, with those having twenty (20) or more years being placed at the maximum of the range.
- After application of equity this position would be upgraded to Pay Grade 76. Each officer would receive an addition increase of 2.25%.

Deputy Director, Lieutenant Colonel, Pay Grade 77, minimum 40,855 - maximum 65,039. This pay range is divided into the following twenty (20) steps. This would require a minimum of nine (9) years service before promotion to Lieutenant Colonel.

1	2	3	4	5	6	7	8	9	10	11
40855	41876	42923	43996	45096	46223	47378	48536	49777	51021	52297

12	13	14	15	16	17	18	19	20
53604	54944	56317	57725	59168	60647	62163	63717	65039

- Each step increases by 2.5%.
- The time is determined by the total years of service with the Section as of June 30, 1998.
- The equity salary of the LTC is determined by placement in the step that corresponds to the years of service with the Section. With twenty (20) or more years of Section service placement would be at the maximum of the range.
- After application of equity this position would be upgraded to Pay Grade 78. The LTC would receive an addition increase of 2.25%.

Director, Colonel, Pay Grade 80, minimum 44,589 - maximum 74,796. This pay range is divided into the following twenty (20) steps. This would require a minimum of nine (9) years service before promotion to Colonel.

1	2	3	4	5	6	7	8	9	10	11
46820	47990	49190	50420	51680	52972	54296	55654	57045	58471	59933

12	13	14	15	16	17	18	19	20
61431	62966	64540	66153	67806	69501	71239	73020	74796

- Each step increases by 2.5%.
- The time is determined by the total years of service with the Section as of June 30, 1998.
- The equity salary of the COL is determined by placement in the step that corresponds to the years of service with the Section. With twenty (20) or more years of service placement would be at the maximum of the range.
- There is no request for upgrading this position due to the fact that it was reclassified approximately two years ago by State Personnel.

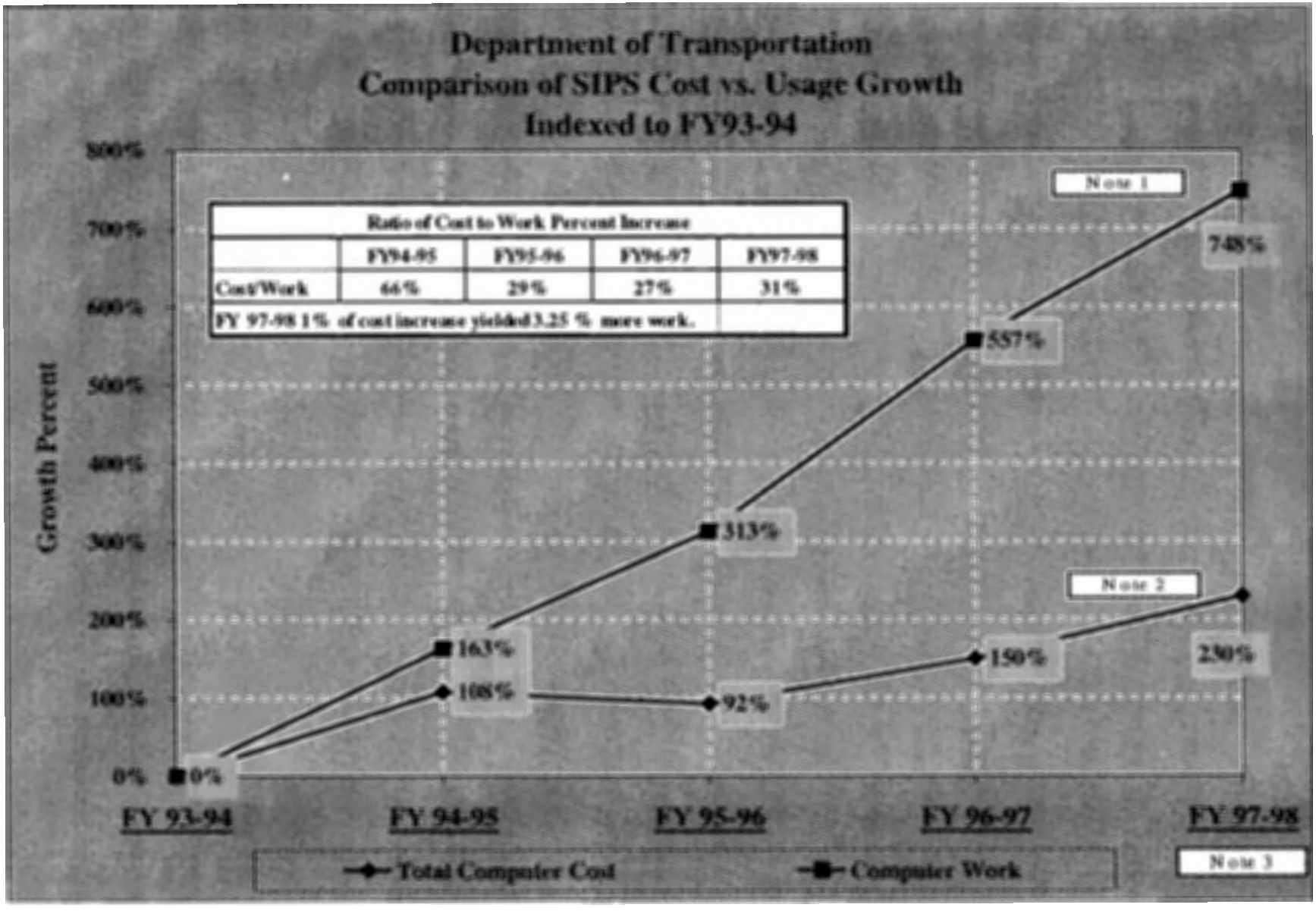
TRANSIT 2001 FUNDS

Funding Sources

	97-98	98-99
Governor		
HF Recurring Availability	$13.4	$12.6
HF Non-recurring Availability	...	...
Eliminate HF Transfer To GF	$12.6	$13.4
Federal Highway Funds	$10.0	$10.0
Total	$36.0	$36.0
General Assembly		
HF Recurring Availability	$13.4	$12.6
HF Non-recurring Availability	$12.6	...
Eliminate HF Transfer To GF	...	...
Federal Highway Funds	$10.0	$10.0
Total	$36.0	$22.6

DOT Use of Funds

Transit		
Elderly and Disabled	$2.0	$2.0
Urban Operating Assistance	$2.0	$2.0
Rural Operating Assistance	$1.8	$1.8
Regional and Intercity Transit	$0.4	$0.4
Capital Assistance	$10.4	$3.7
Technology Assistance	$1.5	$1.5
	$18.0	$11.3
Rail		
Station Improvements	$8.8	$3.4
Track Improvements and ROW	...	$2.7
Locomotives and Cars	$8.5	$4.5
Planning/Engineering	$0.8	$0.8
	$18.0	$11.3



Note 1: Usage based on CPU minutes.
Note 2: C[illegible]clude all services except telecommunications.
Note 3: [illegible] first six months of FY 97-98 doubled for annual estimate.

Prepared By: SIPS Fiscal Services
[illegible]1/21/98
[illegible]11698

Highway Trust Fund Update

Presentation to the Joint Appropriations Transportation Subommittee

Fiscal Research Division
January 1998

Highway Trust Fund Legislation

Revenue Provisions

- 25% of motor fuel tax revenues, representing the revenues from the motor fuel tax rate increase enacted as part of the Highway Trust Fund legislation.

- Revenues from the 3% Highway Use Tax on the retail value of vehicles for which titles are transferred. There is a maximum tax of $1,500 per vehicle, except for a $1,000 maximum for large trucks and a $150 maximum for vehicles moved from out-of-state. This tax was established as part of the Highway Trust Fund legislation and replaced the sales tax on vehicles.

- Title and lien recording fees.

- An transfer from Highway Fund equal to the annual revenues made available from the retirement of Highway Bonds since 1989.

- Interest on Highway Trust Fund cash balances.

Highway Trust Fund Legislation

Use of Revenues

- $170 million in Highway Use Tax revenue is transferred to the General Fund each year to hold General Fund harmless for replacement of the vehicle sales tax by the Highway Use Tax.

- A portion of title fee revenue is set aside for the paving of unpaved secondary roads.

- Of remaining revenues, 4.5% is set aside to cover the expenses of the Department of Transportation for adminsitration of the Trust Fund program.

- After deducting the administratve allowance, revenues are allocated as follows:
  - 61.95% to undertake a specified set of Intrastate System improvement projects and pay off bonds issued to fund those projects.
  - 25.05% to construction of a specified set of urban loop roads and pay off bonds issued to fund those projects.
  - 6.5% to secondary road paving and to pay off bonds issued to pay for such paving. Funds are allocated by county based on the number of unpaved miles with 50+ vehicles per day.
  - 6.5% to supplement Powell Bill funds for municipalities.

Highway Trust Fund Budget

	1997-98	1998-99
Motor Fuel Tax	$253,393,000	$259,875,000
Highway Use Tax	$437,374,305	$455,479,348
Certificates of Title	$73,334,000	$74,654,000
Miscellaneous Title Fees	$13,303,000	$13,599,000
Treasurer's Investments	$28,377,000	$29,086,000
Total Revenues	$805,781,305	$832,693,348
Transfer From Highway Fund	$38,000,000	$38,000,000
Total Highway Trust Fund Availability	**$843,781,305**	**$870,693,348**
Intrastate System Improvements	$381,880,586	$397,487,432
Secondary Road Paving	$71,497,038	$73,700,275
Urban Loop Construction	$154,416,605	$160,727,363
State Aid to Municipalities - Powell Bill	$40,068,181	$41,705,703
Program Administration	$25,918,895	$27,072,575
Transfer to General Fund	170,000,000	170,000,000
Total Highway Trust Fund Appropriation	**$843,781,305**	**$870,693,348**

Highway Trust Fund Legislation

Other Provisions

- When a Trust Fund project is undertaken for which Federal funds are available, an amount may be transferred from the Trust Fund to the Highway Fund equal to the amount of Federal aid received by the Highway Fund for the project, plus the amount of Highway Fund dollars used to match the Federal aid. Funds transferred from the Trust Fund may be used for any project listed in the Transportation Improvement Program (TIP).

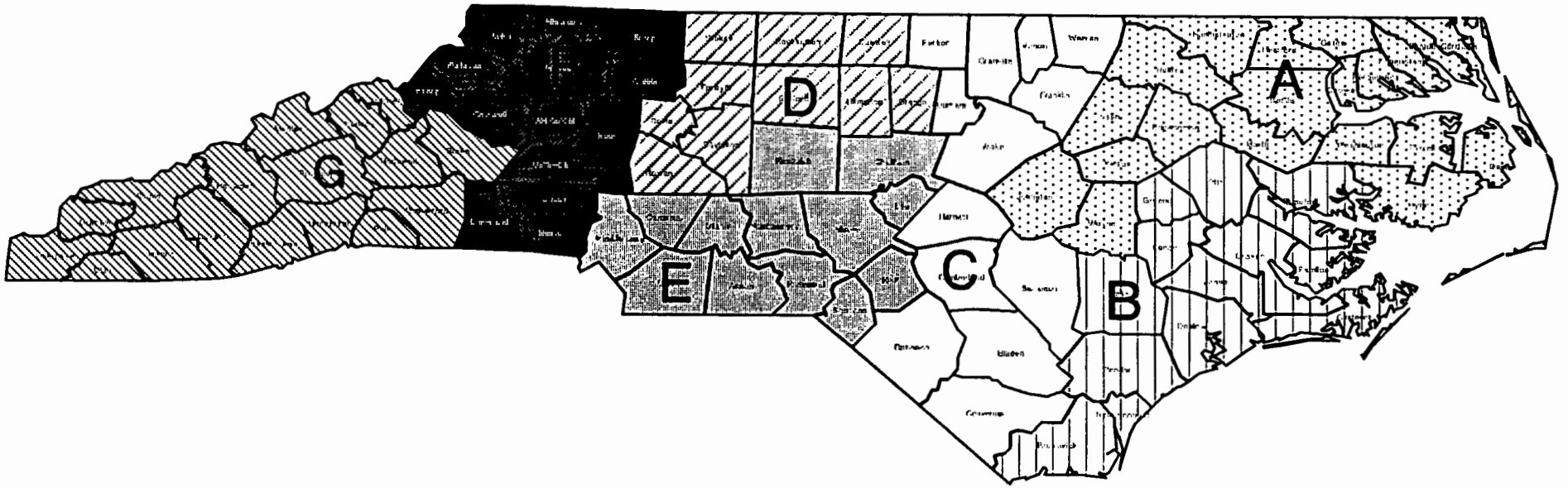
- Provides that at such time as sufficient reveune is received to cover all remaining costs of the Trust Fund projects, including the repayment of bonds, the tax and fee increases providing revenue to the Highway Trust Fund are repealed.

- Includes a equity requirement that over a seven year period funds spent on the intrastate system, as well as on non-Trust Fund projects in the TIP, must be distributed among seven regions based on a formula in the law. This formula is applied to revenues each year, based on the most recent data available, to determine each region's spending target for that year. Over a seven year period, the actual spending in each region must be within 10 percent of the sum of the targets for those years.

Equity Funding Formula

Portion of funds	Basis of Distribution
25 Percent	Intrastate project miles remaining in region as a percent of total intrastate project miles remaining.
50 Percent	Population of region as a percentage of State population.
25 Percent	Equal amount to each region.

Equity Allocation Regions

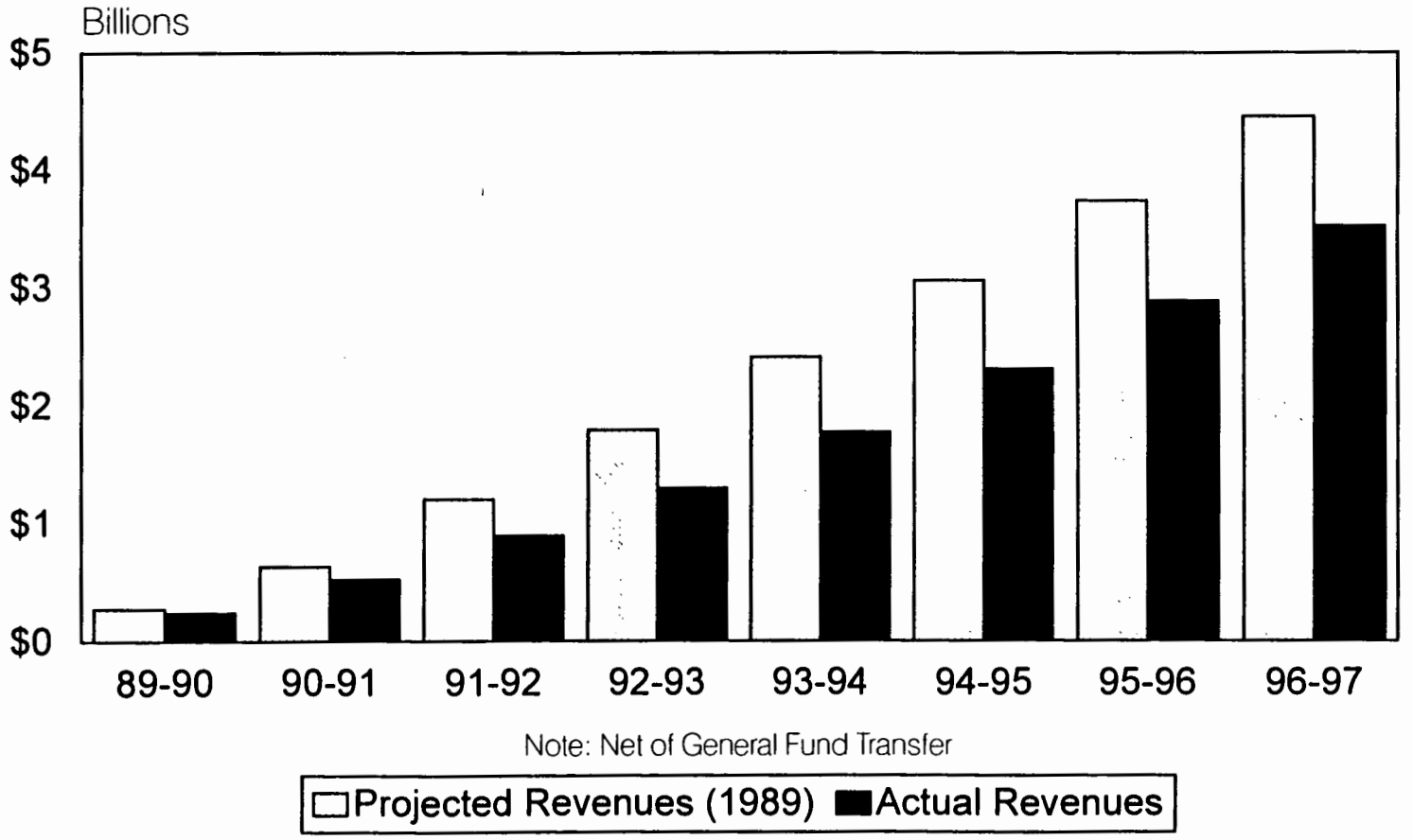


Delays in the Highway Trust Fund Building Program

- All projects were initially to be completed over a 13 year period. Completion is currently projected to take 22 years.
- Delays are due to three factors:
  - Revenues were $933 million below the original projections over the period 1989 to 1997.
  - Expenditures were $400 million below appropriations over the period 1989 to 1997.
  - The estimated cost of the urban loop and intrastate projects increased from $7.2 billion to $11.3 billion between 1989 and 1997.

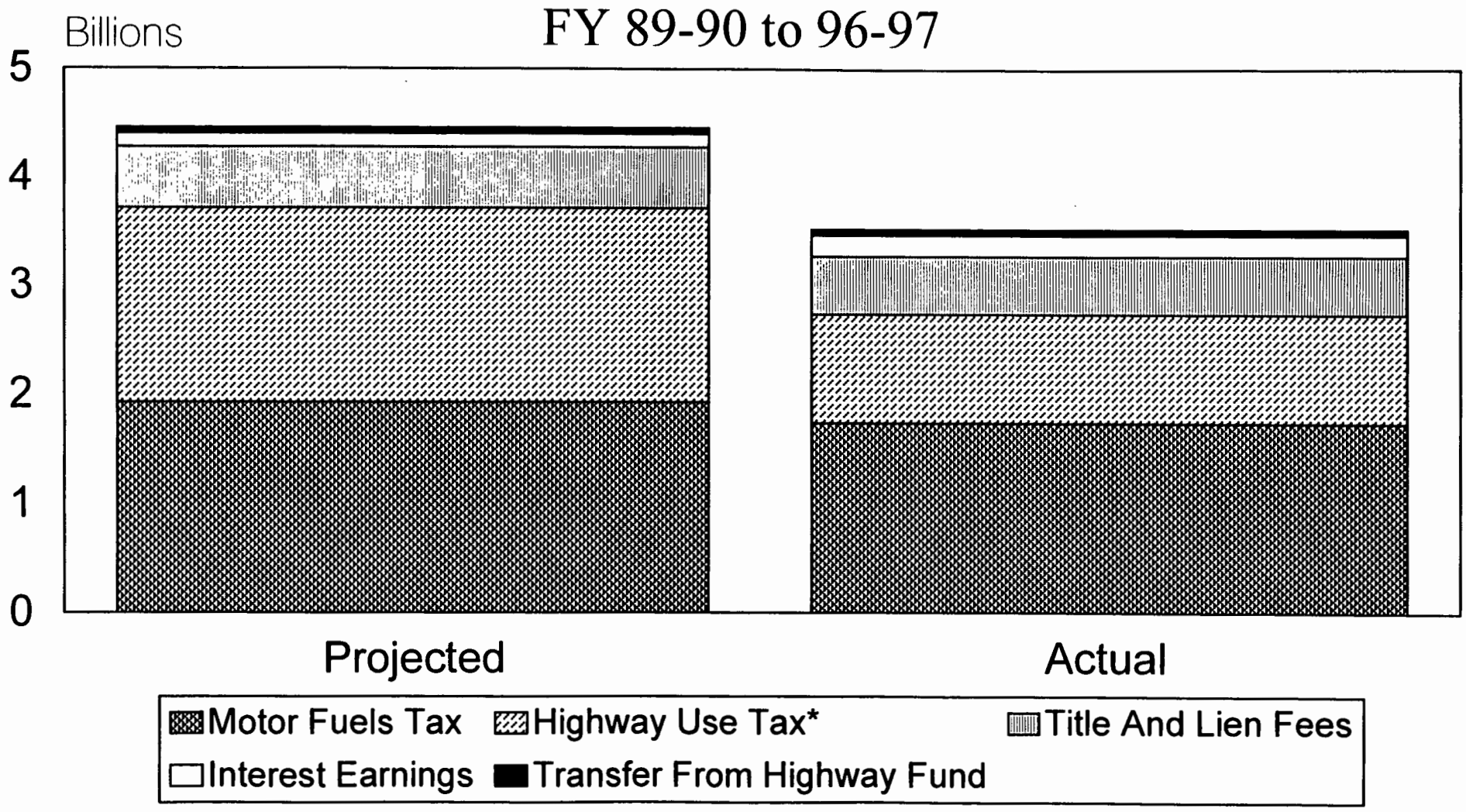
Trust Fund Revenues

Cumulative for Each Year



Source: Department of Transportation and Fiscal Research Division

Cumulative Highway Trust Fund Revenues

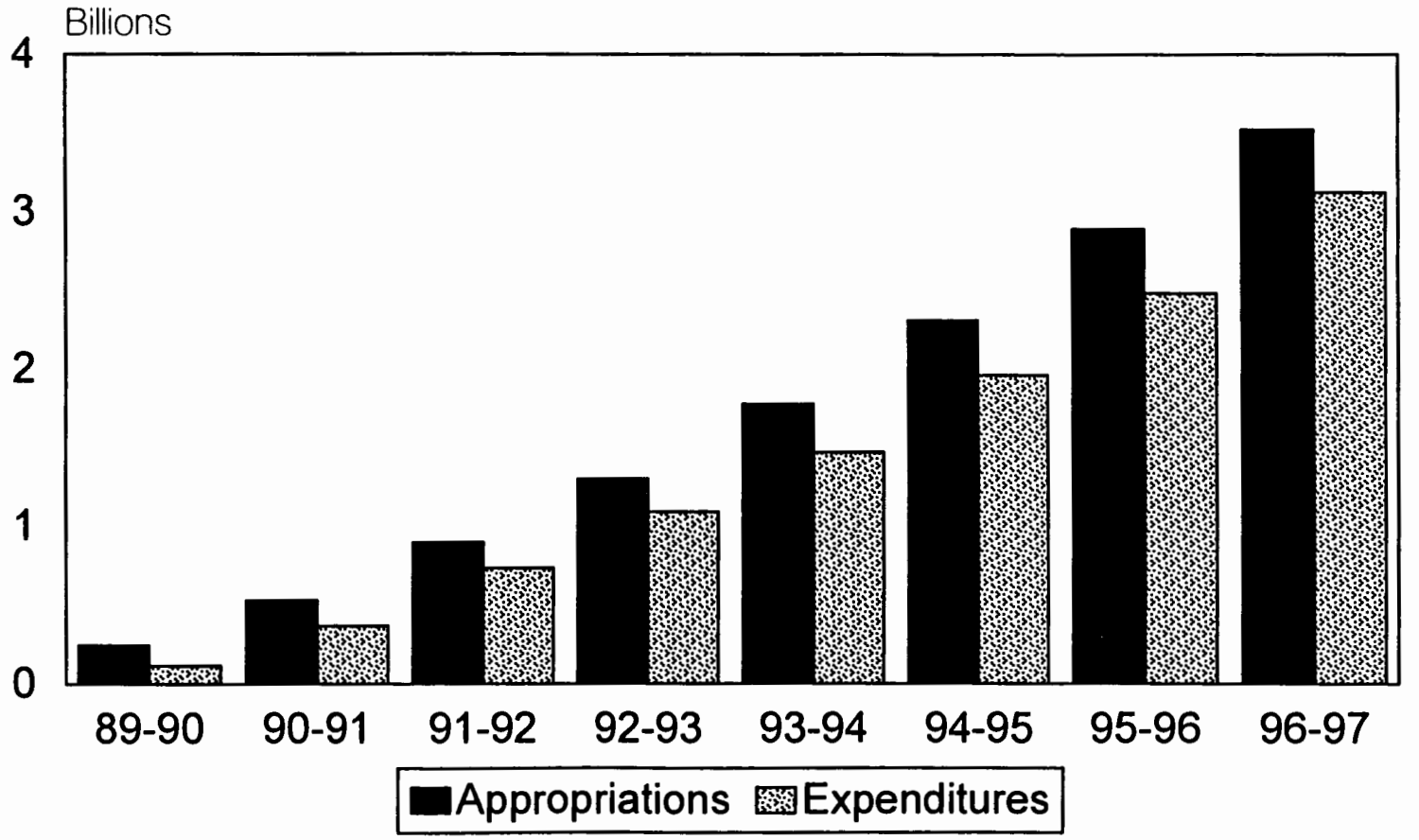


* Highway Use Tax is net of transfer to General Fund

Source: Department of Transportation and Fiscal Research Division

Highway Trust Fund Spending

Cumulative For Each Year



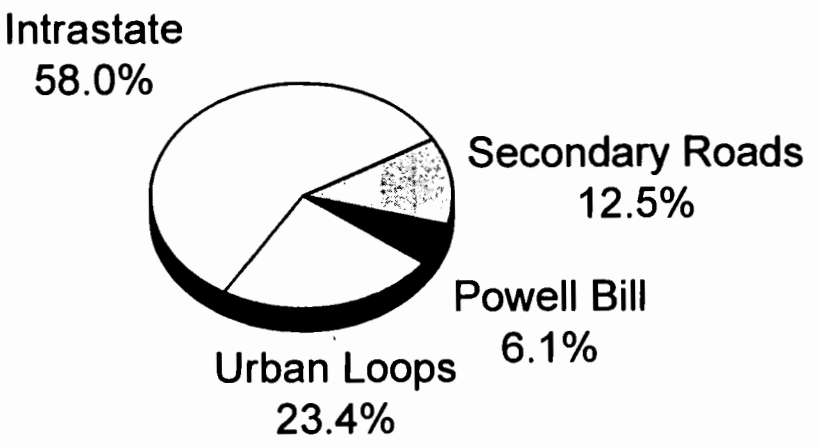
Note: Spending from bond procedes not included.

Source: Department of Transportation

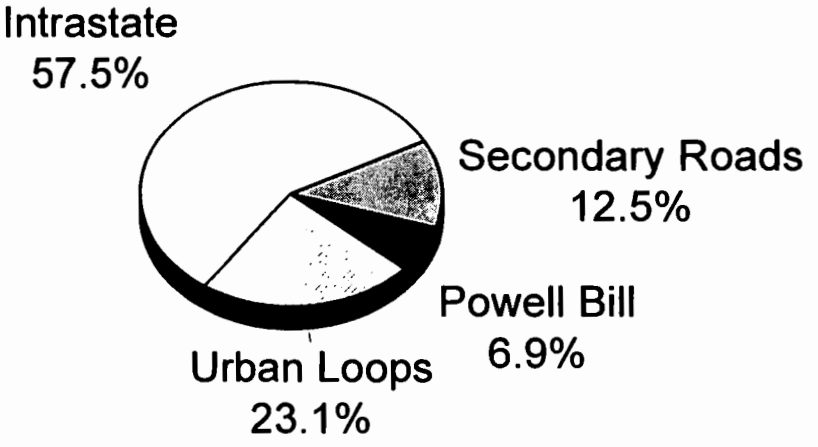
Trust Fund Appropriations and Expenditures

Cummulative Through 1996-97

Appropriations



Expenditures



Source: Department of Transportation

1996 Highway Trust Fund Bond Expenditures

Dollars in Millions

	Approved By Voters	Issued By Treasurer	Authorized By Board
Urban Loops	$500.0	$125.0	$50.1
Intrastate System	$300.0	$75.0	$10.1
Secondary Roads	$150.0	$50.0	$31.1
Total	**$950.0**	**$250.0**	**$91.3**

As of November 1997

Highway Trust Fund Project Cost Increases

- The original DOT cost estimates did not include the costs of professional engineering. This is also true of current DOT projections of future costs.

- The original estimates were based on a standard cost per mile, not on detailed project designs. As actual designs were completed, the final costs of each project often exceeded the per mile figure.

- Original costs estimates assumed that projects completed late in the program would cost as much as the 1989 estimate, thereby not accounting for cost inflation. This is also true of current DOT projections of future costs.

- Some projects increased in scope. For example, I-85/40 in Alamance County was widened to eight lanes instead of six.

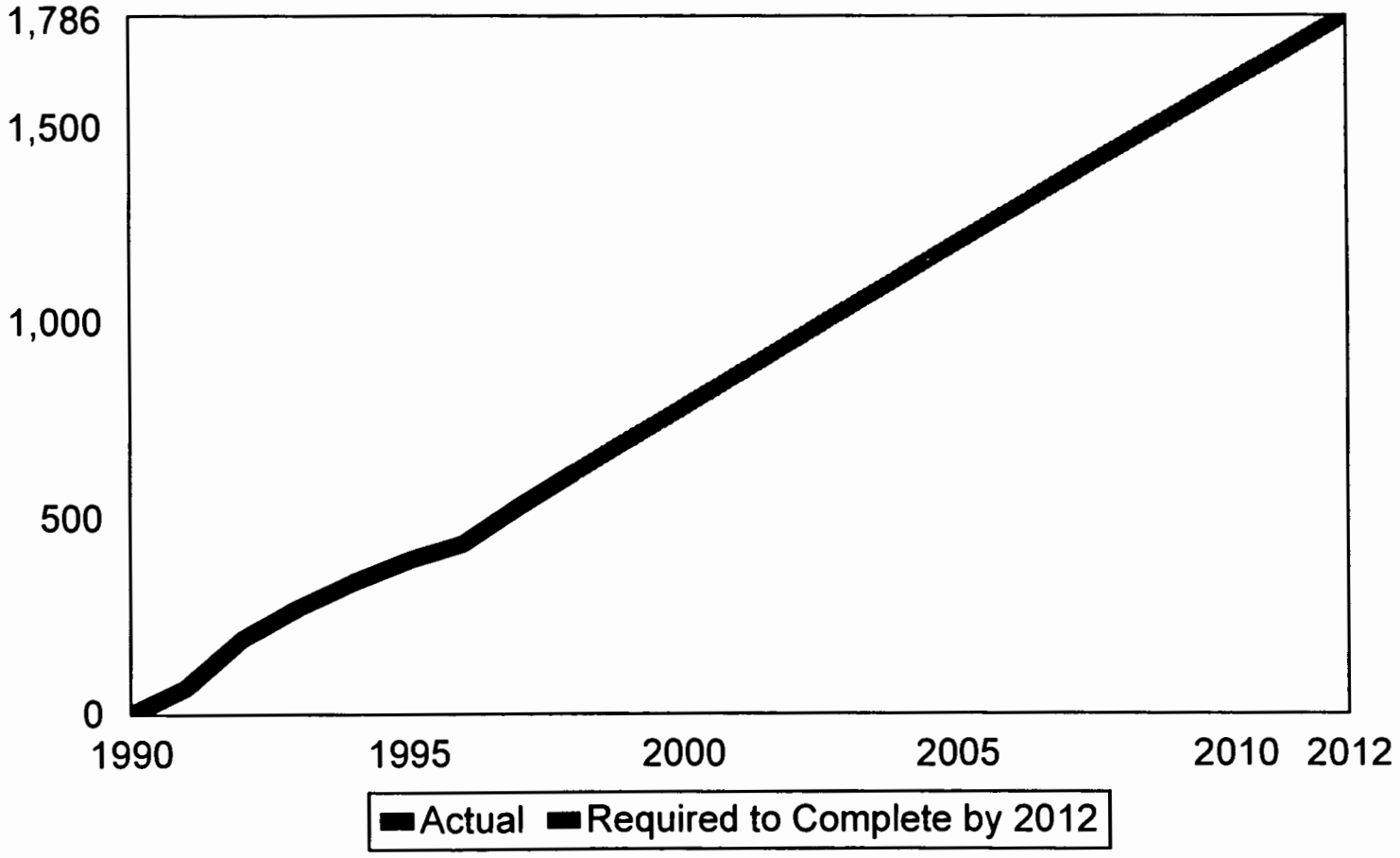
Route	Total Miles	Route Status PE	ROW	Const.	Fully Funded Construction Miles	% of Total	Remaining Costs Per 6/97 TIP (Excludes PE)	Federal Dollars Authorized As of 9/30/97	State Dollars Authorized As of 9/30/97	Bond Dollars Authorized As of 9/30/97	Total Dollars Authorized As of 9/30/97
I-40	21.4	X	X	X	1.3	6.1%	104,755,000	32,344,451	10,035,000	500,000	42,879,451
I-77	8.9	X	X	X	10.9	122.5%	0	26,125,000	35,944,798		62,069,798
I-85	68.1	X	X	X	57.0	83.7%	171,410,000	329,492,293	50,857,665		380,349,958
I-95	N/A					N/A	0				
US-1	100.1	X	X	X	57.8	57.7%	155,650,000	41,450,387	128,870,186		170,320,573
US-13	45.9	X	X			0.0%	177,700,000	971,440	1,755,000		2,726,440
US-17	188.8	X	X	X	53.0	28.1%	645,446,000	73,481,068	180,438,841	4,800,000	258,719,909
US-19/19E	29.7	X				0.0%	108,600,000		1,200,000		1,200,000
US-74 (US 19) *	28.1	X	X	X	2.3	8.3%	329,474,000	12,408,518	850,000		13,258,518
US-23	30.0	X	X	X	4.7	15.6%	192,800,000	72,828,910	11,562,291		84,391,201
US-23-441	11.4	X	X	X	11.0	96.5%	0	6,812,000	26,791,910		33,603,910
I-74-NC 752 (US 52) **	22.5	X	X	X	18.3	81.4%	10,700,000	39,480,479	80,387,594		119,868,073
US-64 (I95 to Coast)	98.5	X	X	X	36.2	36.8%	385,325,000	38,456,119	137,292,560		175,748,679
US-64 (Lex to Ral)	84.9	X	X	X	24.9	29.4%	111,984,000	80,755,427	29,214,689		109,970,116
US-70	64.9	X	X	X	9.5	14.6%	382,449,000	18,698,176	29,869,133		48,567,309
US-74	51.7	X	X	X	34.4	66.5%	288,200,000	56,791,193	162,813,744	1,330,000	220,934,937
US-74 (I26 to I85)	18.3		X	X	18.3	100.0%	0	18,738,110	28,103,217		46,841,327
US-158	240.3	X	X	X	10 6	4.4%	599,230,000	1,225,000	43,419,340		44,644,340
Bridge	9.9	X	X			0 0%	80,000,000		2,100,000		2,100,000

Route	Total Miles	Route Status PE	ROW	Const.	Fully Funded Construction Miles	% of Total	Remaining Costs Per 6/97 TIP (Excludes PE)	Federal Dollars Authorized As of 9/30/97	State Dollars Authorized As of 9/30/97	Bond Dollars Authorized As of 9/30/97	Total Dollars Authorized As of 9/30/97
US-221	70.2	X	X	X	5.7	8.1%	181,850,000	13,002,064	11,679,111		24,681,175
US-220	30.1	X	X	X	14.5	48.2%	85,800,000	47,840,063	28,879,800		76,719,863
US-220 (to VA line)	30.6	X	X	X	14.1	46.1%	91,312,000	7,688,959	51,180,000		58,868,959
US-264	27.1	X	X	X	17.8	65.7%	64,400,000	78,804,541	20,422,745	450,000	99,677,286
US-321	38.5	X	X	X	23.0	59.8%	68,100,000	70,003,471	25,551,578		95,555,049
US-421 (TN to I40)	63.3	X	X	X	9.9	15.6%	228,800,000	13,000,000	88,074,429	350,000	101,424,429
US-421 (G'boro to Sanford)	37.4	X	X	X	12.3	32.9%	157,112,000	22,078,826	1,005,410		23,084,236
NC-24 (& NC-24-27)	211.7	X	X	X	49.2	23.2%	595,911,000	36,684,914	83,157,963		119,842,877
NC-87	81.2	X	X	X	20.7	25.5%	136,324,000	42,893,469	39,339,278	2,650,000	84,882,747
NC-105	14.6					0.0%	45,200,000				
NC-168	18.5	X	X	X	11.9	64.3%	12,775,000		39,898,964		39,898,964
NC-194	10.3					0.0%	34,900,000				
TOTAL INTRASTATE	1756.9				529.3	30.1%	5,446,207,000	1,182,054,878	1,350,695,246	10,080,000	2,542,830,123

* Originally identified as US 19 in the law, but due to the new relocation will now be identified as US 74.

** Originally identified as US 52 in the law, but will be identified as I-74(NC 752) from now on.

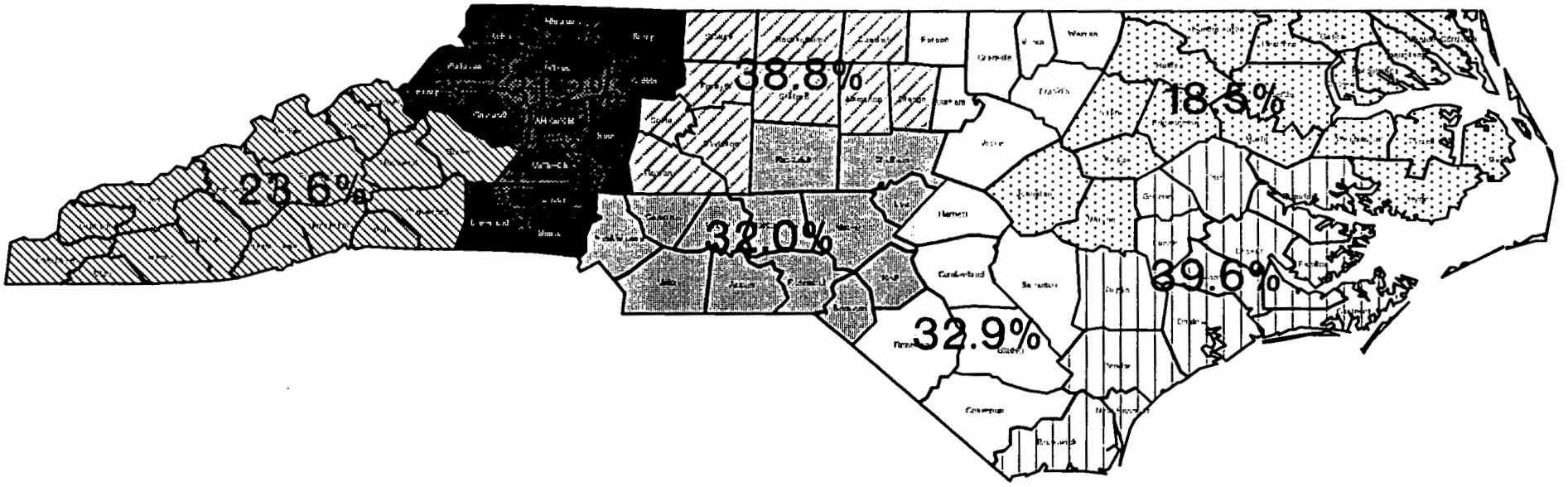
Cumulative Intrastate System Miles Funded



Source: Department of Transportation

Percent of Intrastate System Miles Funded

By Region Through September 30, 1997



Equity Funding Formula

Region	Regional Target 1990-1996	Authorized 1990-1996	Amount Different	% Difference
A	$718.3	$648.0	($70.3)	-9.8%
B	$662.2	$562.0	($100.2)	-15.1%
C	$879.3	$774.0	($105.3)	-12.0%
D	$751.4	$878.0	$126.6	16.9%
E	$833.2	$778.0	($55.2)	-6.6%
F	$616.4	$687.0	$70.6	11.5%
G	$553.3	$600.0	$46.7	8.4%
	$5,014.1	$4,927.0	($87.1)	-1.7%

Note: The large difference in Region B is due largely to project delays resulting from lengthy environmental permit processes, particularly on the Jacksonville bypass project.

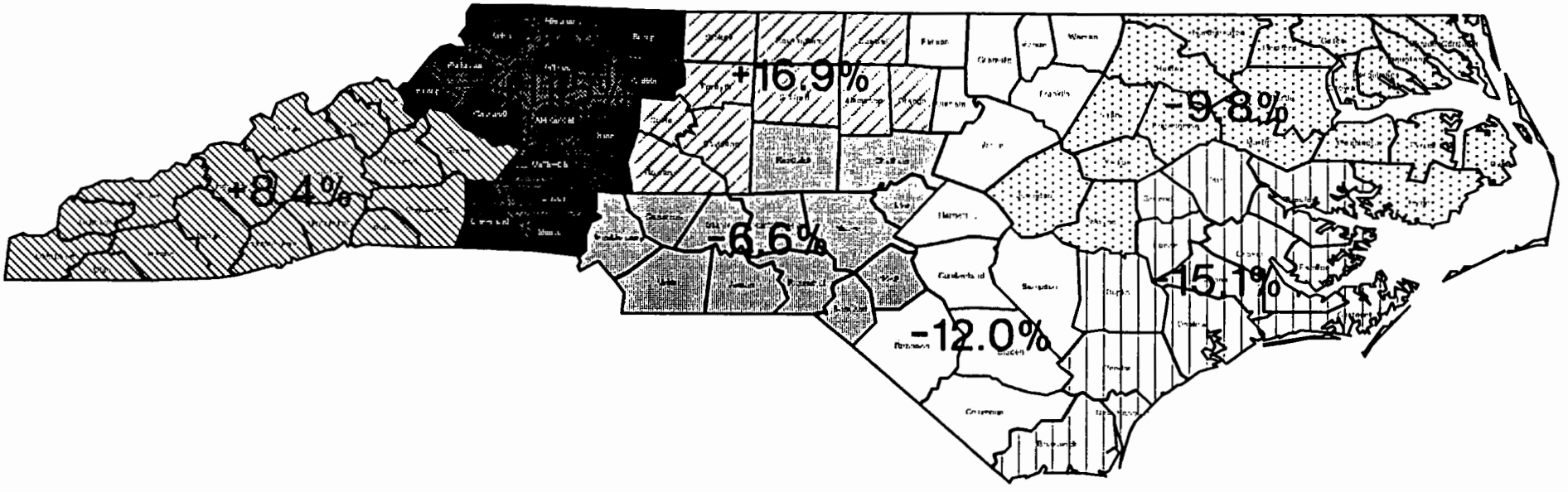
The large difference in Region C is due largely to project delays on the Fayetteville outer loop and Elizabethtown bypass projects.

The large difference in Region D is due largely to the additional funds provided to the I-85/40 widening project when it was expanded from six lanes to eight lanes.

Source: Department of Transportation

Percent Difference from Equity Allocation

By Region 1990-1996

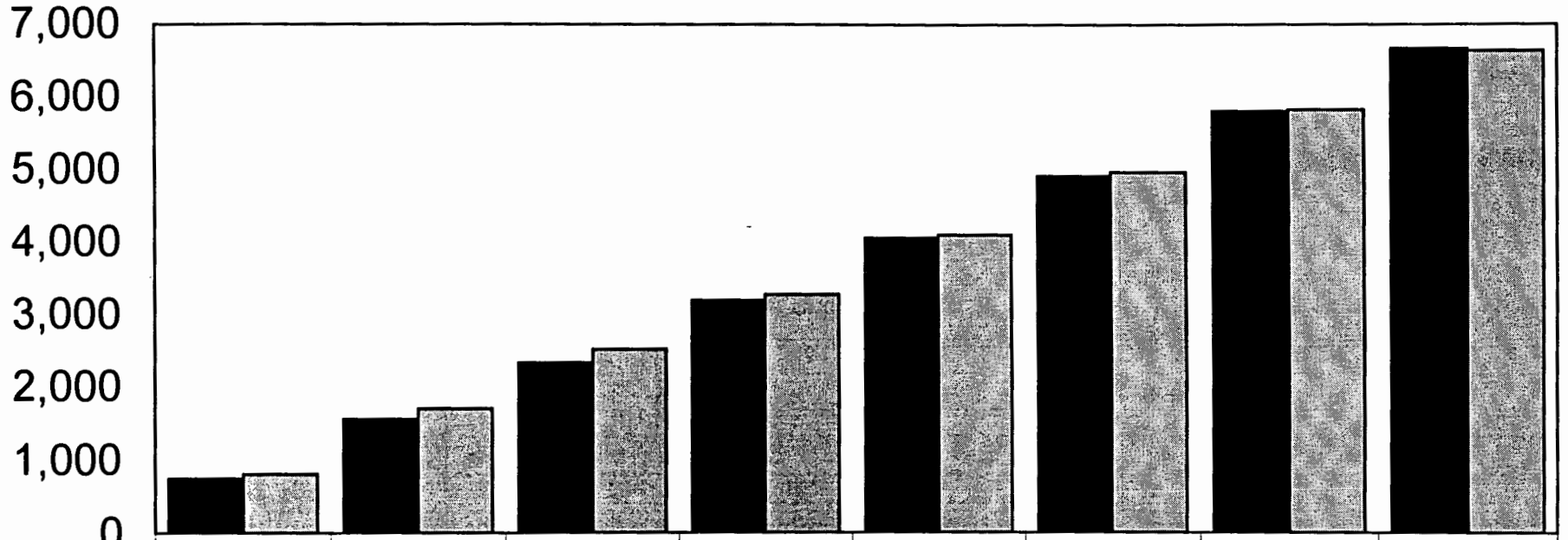


STATUS OF URBAN LOOP PROJECTS

Route	Total Miles	Route Status PE	ROW	Const.	Fully Funded Construction Miles	% of Total	Remaining Costs Per 6/97 TIP (Excludes PE)	Federal Dollars Authorized As of 9/30/97	State Dollars Authorized As of 9/30/97	Bond Dollars Authorized As of 9/30/97	Total Dollars Authorized As of 9/30/97
Asheville Western Loop	3.2					0.0%	$117,000,000	$500,000			$500,000
Charlotte Outer Loop	68.1	X	X	X	26.1	38.3%	$565,000,000	$334,746,290	$65,170,080	$2,000,000	$401,916,370
Durham Northern Loop	16.4	X				0.0%	$133,980,000		$1,500,000		$1,500,000
Greensboro Loop	41.6	X	X	X	1.7	4.1%	$591,525,000	$72,681,560	$92,187,822	$95,000	$164,964,382
Raleigh Outer Loop	38.0	X	X	X	11.2	29.4%	$389,459,000	$243,982,317	$26,966,043	$31,415,000	$302,363,360
Wilmington Bypass	20.2	X	X			0.0%	$304,100,000	$3,000,000	$6,950,000		$9,950,000
Winston-Salem N Belt	24.5	X	X			0.0%	$377,730,000	$16,500,000	$20,200,000	$185,000	$36,885,000
TOTAL LOOPS	**212.0**				**38.9**	**18.4%**	**$2,478,794,000**	**$671,410,167**	**$212,973,945**	**$33,695,000**	**$918,079,112**

Secondary Road Paving

Cumulative Miles Paved vs. Paving Goal

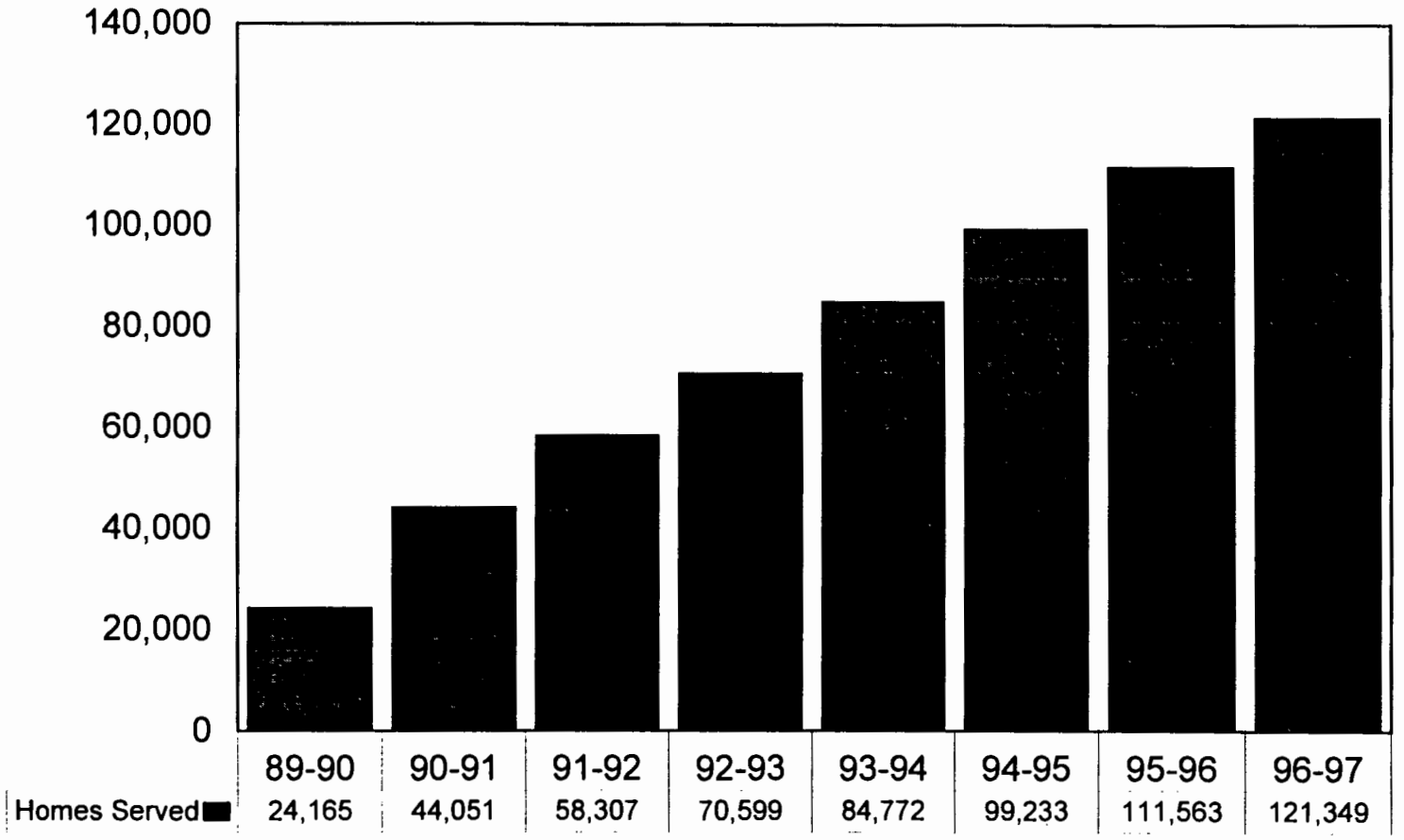


	89-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97
Paving Goal	755	1,560	2,331	3,189	4,048	4,902	5,804	6,668
Miles Paved	816	1,708	2,516	3,269	4,092	4,955	5,826	6,636

Source: Department of Transportation

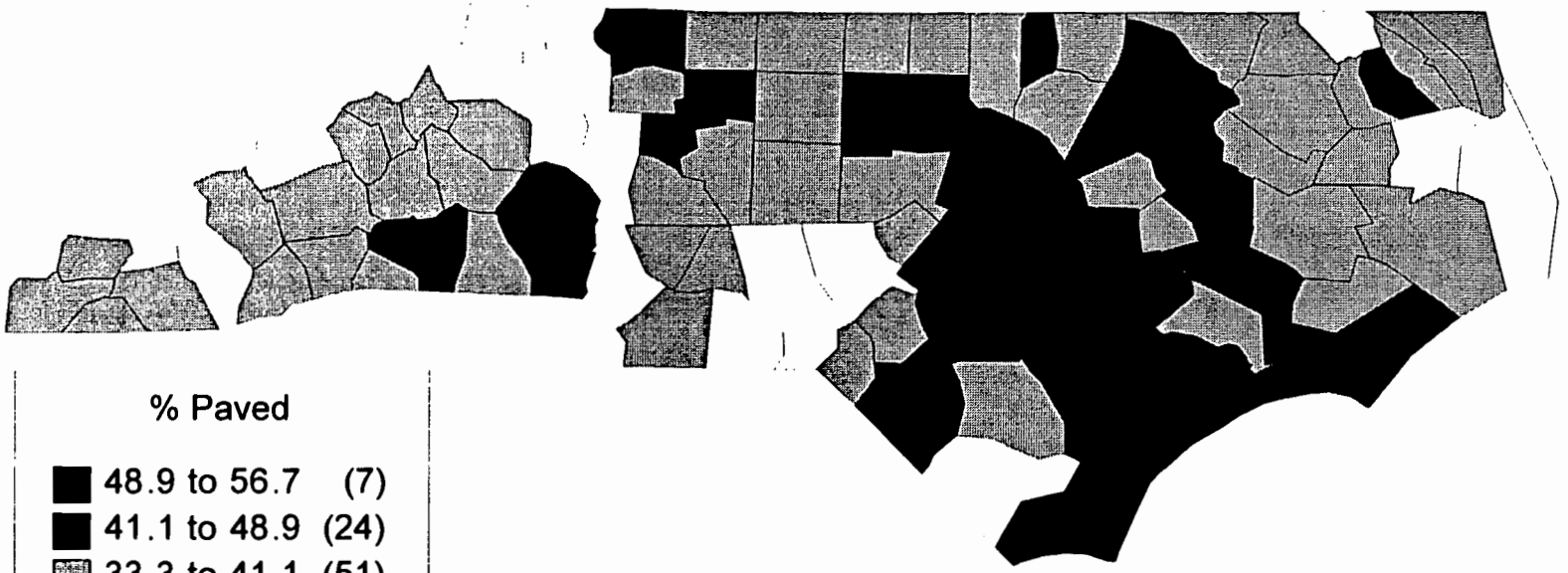
Secondary Road Paving

Cumulative Number of Homes Served

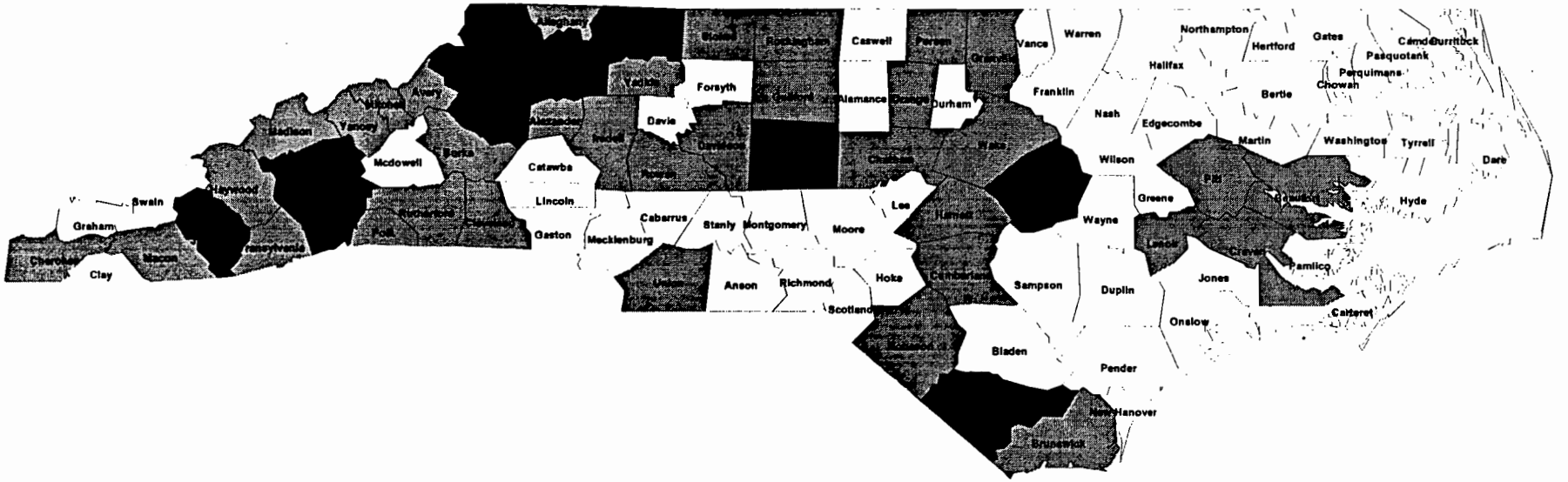


Source: Department of Transportation

Percent of Unpaved Roads Paved 1989-97



1997 Unpaved 50+ Vehicle Per Day Mileage



% of State Total

- <1%
- 1%-2%
- 2%+

Division	96-97 Paving Goal	96-97 Miles Paved	96-97 Homes Served	89-97 Paving Goals	89-97 Miles Paved	[illegible]97 [illegible]es Served	Unpaved Miles Jan ,1997	Paved 98-97 Plus Unpaved Remaining	Percentage Completed	Unpaved 50+ Miles Jan ,1997	[illegible]ntage State 50+ Miles
One											
Bertie	6.63	6.1	26	47.69	57.2	285	105.29	162.49	35.2%	31.65	0.5%
Camden	2.73	2.8	9	17.14	20.55	195	34.10	54.65	37.6%	16.42	0.3%
Chowan	1.24	1.5	61	8.92	13.36	332	22.39	35.75	37.4%	4.56	0.1%
Currituck	2.08	3.25	27	13.08	17.48	433	34.88	52.36	33.4%	17.76	0.3%
Dare	0.34	0.22	20	2.55	3.09	190	8.87	11.96	25.8%	1.48	0.0%
Gates	5.66	1.38	9	36.15	32.27	274	66.47	98.74	32.7%	44.35	0.7%
Hertford	3.81	4.1	18	26.12	34.68	321	54.78	89.46	38.8%	24.68	0.4%
Hyde	2.6	6.13	11	17.03	29.4	219	44.88	74.28	39.6%	20.84	0.3%
Martin	5.87	2.72	17	41.28	47.32	420	73.26	120.58	39.2%	35.90	0.6%
Northampton	5.57	4.5	15	40.99	43.31	782	75.22	118.53	36.5%	29.82	0.5%
Pasquotank	2.85	3.14	31	19.81	25.69	450	39.96	65.65	39.1%	24.96	0.4%
Perquimans	3.38	3.54	18	26.03	33.39	573	45.01	78.40	42.6%	22.15	0.4%
Tyrrell	1.37	2.25	16	9.27	14.89	217	35.43	50.32	29.6%	2.43	0.0%
Washington	3.61	4.4	47	25.41	29.08	412	51.55	80.63	36.1%	31.40	0.5%
Totals	**47.74**	**46.03**	**325**	**331.47**	**401.71**	**5,103**	**692.09**	**1093.80**	**36.7%**	**308.40**	**5.2%**
Two											
Beaufort	15.35	22.9	112	101.42	120.27	1,209	177.86	298.13	40.3%	96.16	1.6%
Carteret	2.39	2.4	74	15.51	20.68	818	27.94	48.62	42.5%	19.51	0.3%
Craven	10.15	10.16	47	65.67	76.03	1,090	106.49	182.52	41.7%	63.35	1.1%
Green	3.69	5.5	29	27.26	29.72	165	45.91	75.63	39.3%	22.80	0.4%
Jones	3.59	5.05	56	18.9	22.52	243	35.67	58.19	38.7%	22.96	0.4%
Lenoir	7.87	8.91	77	56.26	69.21	944	97.57	166.78	41.5%	58.90	1.0%
Pamlico	3.43	0	0	23.38	22	267	43.56	65.56	33.6%	14.44	0.2%
Pitt	12.9	12.8	57	88.33	103.8	994	147.89	251.69	41.2%	65.72	1.1%
Totals	**59.37**	**67.72**	**452**	**396.73**	**464.23**	**5,730**	**682.89**	**1147.12**	**40.5%**	**363.84**	**6.1%**
Three											
Brunswick	10.72	11.92	106	72.53	90.9	3,385	96.16	187.06	48.6%	77.07	1.3%
Duplin	8.72	14.12	67	62.13	103.05	740	101.64	204.69	50.3%	42.83	0.7%
New Hanover	0.62	1.03	73	4.8	8.4	542	6.43	14.83	56.6%	5.56	0.1%
Onslow	4.76	7.33	113	39.61	48.4	1,326	43.47	91.87	52.7%	30.41	0.5%
Pender	5.69	6.08	60	39.22	49.1	859	66.33	115.43	42.5%	37.34	0.6%
Sampson	6.52	8.8	32	67.52	100.71	721	87.88	188.59	53.4%	34.33	0.6%
Totals	**37.03**	**49.28**	**451**	**285.81**	**400.56**	**7,573**	**401.91**	**802.47**	**49.9%**	**227.54**	**3.8%**

Division	96-97 Paving Goal	96-97 Miles Paved	96-97 Homes Served	89-97 Paving Goals	89-97 Miles Paved	[illegible]97 [illegible]mes Served	Unpaved Miles Jan ,1997	Paved 98-97 Plus Unpaved Remaining	Percentage Completed	Unpaved 50+ Miles Jan ,1997	[illegible]ntage [illegible] State 50+ Miles
											0.0%
Four											0.0%
Edgecombe	2.69	2.4	11	20.73	29.59	388	26.78	56.37	52.5%	16.69	0.3%
Halifax	7.24	8.53	32	57.54	70.1	1,216	96.44	166.54	42.1%	41.46	0.7%
Johnston	17.45	17.02	171	119.1	134.73	1,807	182.16	316.89	42.5%	117.53	2.0%
Nash	5.26	5.8	40	39.23	47.14	543	63.29	110.43	42.7%	31.50	0.5%
Wayne	5.98	6.28	32	45.05	59.11	1,101	65.63	124.74	47.4%	40.40	0.7%
Wilson	4.66	4	63	33.16	32.67	377	56.18	88.85	36.8%	25.90	0.4%
Totals	**43.28**	**44.03**	**349**	**314.81**	**373.34**	**5,432**	**490.48**	**863.82**	**43.2%**	**273.48**	**4.6%**
Five											
Durham	9.13	8.12	106	63.64	67.72	1,619	91.02	158.74	42.7%	52.42	0.9%
Franklin	5.72	5.15	35	40.01	49.41	514	76.99	126.40	39.1%	39.02	0.7%
Granville	14.73	11.6	40	102.79	105.76	693	170.68	276.44	38.3%	88.55	1.5%
Person	12.9	10.83	63	88.72	98.75	906	147.74	246.49	40.1%	95.89	1.6%
Vance	3.08	2.6	24	22.66	28.31	557	39.72	68.03	41.6%	10.13	0.2%
Wake	17.56	10.68	117	118.25	122.45	2,358	157.39	279.84	43.8%	112.44	1.9%
Warren	8.74	9.95	40	57.17	80.71	1,007	129.86	210.57	38.3%	37.47	0.6%
Totals	**71.86**	**58.93**	**425**	**493.24**	**553.11**	**7,654**	**813.40**	**1366.51**	**40.5%**	**435.92**	**7.3%**
Six											
Bladen	7.26	7.8	29	51.89	62.93	529	99.23	162.16	38.8%	54.59	0.9%
Columbus	14.49	9.65	82	92.04	82.42	1,134	177.19	259.61	31.7%	120.91	2.0%
Cumberland	12.32	7.47	169	72.39	88.99	2,291	91.91	180.90	49.2%	58.29	1.0%
Harnett	13.73	9.95	141	71.53	80.97	1,311	111.33	192.30	42.1%	64.49	1.1%
Robeson	8.62	13.77	85	66.61	119.55	1,296	122.64	242.19	49.4%	62.29	1.0%
Totals	**56.42**	**48.64**	**506**	**354.46**	**434.86**	**6,561**	**602.30**	**1037.16**	**41.9%**	**360.57**	**6.1%**
Seven											
Alamance	7.29	8.8	117	51.9	61.24	1,341	86.47	147.71	41.5%	46.31	0.8%
Caswell	6.25	6.54	35	46.54	59.84	596	99.00	158.84	37.7%	35.01	0.6%
Guilford	16.36	11.76	216	118.15	115.66	2,689	194.07	309.73	37.3%	100.90	1.7%
Orange	12.66	12.49	128	86.23	95.31	1,543	120.47	215.78	44.2%	80.82	1.4%
Rockingham	15.68	15.2	180	106.61	115.91	1,792	225.07	340.98	34.0%	89.46	1.5%
Totals	**58.24**	**54.79**	**676**	**409.43**	**447.96**	**7,961**	**725.08**	**1173.04**	**38.2%**	**352.50**	**5.9%**

Division	96-97 Paving Goal	96-97 Miles Paved	96-97 Homes Served	89-97 Paving Goals	89-97 Miles Paved	[illegible]97 [illegible]es Served	Unpaved Miles Jan ,1997	Paved 98-97 Plus Unpaved Remaining	Percentage Completed	Unpaved 50+ Miles Jan ,1997	[illegible]ntage State 50+ Miles
Eight											
Chatham	15.86	0.5	13	104.22	94.31	1,010	180.40	274.71	34.3%	100.17	1.7%
Hoke	1.28	0.78	40	8.23	12.16	250	20.93	33.09	36.7%	5.49	0.1%
Lee	2.08	0.53	6	14.8	17.26	312	25.05	42.31	40.8%	11.75	0.2%
Montgomery	3.94	3.8	0	26.36	33.94	224	75.28	109.22	31.1%	24.22	0.4%
Moore	7.79	6.25	26	50.13	56.26	657	115.08	171.34	32.8%	54.50	0.9%
Randolph	22.34	3.95	89	155.33	158.17	3,609	250.75	408.92	38.7%	145.87	2.4%
Richmond	3.62	5.67	15	23.51	29.57	315	61.70	91.27	32.4%	31.58	0.5%
Scotland	2.68	3.32	3	17.77	25.24	278	40.80	66.04	38.2%	11.40	0.2%
Totals	**59.59**	**24.8**	**192**	**400.35**	**426.91**	**6,655**	**769.99**	**1196.90**	**35.7%**	**384.98**	**6.5%**
Nine											
Davidson	11.62	13.43	263	79.92	104.9	3,081	159.79	264.69	39.6%	78.45	1.3%
Davie	5.83	6.78	76	41.33	49.95	954	66.87	116.82	42.8%	35.43	0.6%
Forsyth	7.03	7.51	194	56.85	65.6	1,909	80.62	146.22	44.9%	26.04	0.4%
Rowan	10.19	10.58	220	66.82	76.74	2,265	145.89	222.63	34.5%	74.63	1.3%
Stokes	15.54	16.44	376	106.25	112.37	1,487	198.31	310.68	36.2%	78.01	1.3%
Totals	**50.21**	**54.74**	**1,129**	**351.17**	**409.56**	**9,696**	**651.48**	**1061.04**	**38.6%**	**292.56**	**4.9%**
Ten											
Anson	4.21	4.97	19	26.82	28.81	143	77.86	106.67	27.0%	12.91	0.2%
Cabarrus	4.88	4.62	81	30.62	32.86	697	59.22	92.08	35.7%	33.79	0.6%
Mecklenburg	4.42	1.12	19	28.22	20.08	772	42.91	62.99	31.9%	24.68	0.4%
Stanley	8.26	8.67	75	50.36	57.59	711	100.78	158.37	36.4%	52.13	0.9%
Union	13.99	12.49	129	95.28	103.72	1,459	148.67	252.39	41.1%	90.69	1.5%
Totals	**35.76**	**31.87**	**323**	**231.3**	**243.06**	**3,782**	**429.44**	**672.50**	**36.1%**	**214.20**	**3.6%**
Eleven											
Alleghany	8.01	5.31	67	52.79	62.31	581	139.08	201.39	30.9%	62.75	1.1%
Ashe	21.77	15.76	171	123.36	110.76	1,705	322.58	433.34	25.6%	214.91	3.6%
Avery	7.7	6.2	98	46.27	51.93	1,142	103.33	155.26	33.4%	72.27	1.2%
Caldwell	13.31	12.47	292	82.76	97.51	2,780	165.47	262.98	37.1%	116.95	2.0%
Surry	18.67	23.69	216	124.23	170.35	2,346	230.49	400.84	42.5%	148.32	2.5%
Watauga	16.16	9.62	149	95.78	93.78	2,053	206.95	300.73	31.2%	167.10	2.8%
Wilkes	25.66	13.65	39	159.44	174.58	2,654	384.31	558.89	31.2%	224.87	3.8%
Yadkin	8.56	9.92	142	59.79	85.91	1,163	124.15	210.06	40.9%	71.16	1.2%
Totals	**119.84**	**96.62**	**1,174**	**744.42**	**847.13**	**14,424**	**1676.36**	**2523.49**	**33.6%**	**1078.33**	**18.1%**

Division	96-97 Paving Goal	96-97 Miles Paved	96-97 Homes Served	89-97 Paving Goals	89-97 Miles Paved	[illegible]7 [illegible]es Served	Unpaved Miles Jan ,1997	Paved 98-97 Plus Unpaved Remaining	Percentage Completed	Unpaved 50+ Miles Jan ,1997	[illegible]ntage State 50+ Miles
Twelve											
Alexander	7.48	4.89	40	47.07	41.69	756	90.17	131.86	31.6%	57.72	1.0%
Catawba	7.27	11.86	171	51.93	71.56	1,692	87.64	159.20	44.9%	43.94	0.7%
Cleveland	8.73	8.98	79	64.47	72.4	1,637	134.39	206.79	35.0%	61.46	1.0%
Gaston	6.49	5.48	87	47.19	53.1	1,842	62.97	116.07	45.7%	32.93	0.6%
Iredell	16.03	10.36	112	104.63	96.41	1,898	197.79	294.20	32.8%	82.67	1.4%
Lincoln	6.71	11.36	118	47.33	60.81	1,476	68.80	129.61	46.9%	46.64	0.8%
Totals	**52.71**	**52.93**	**607**	**362.62**	**395.97**	**9,301**	**641.76**	**1037.73**	**38.2%**	**325.36**	**5.5%**
Thirteen											
Buncombe	15.8	15.87	425	104.57	112.8	4,556	192.44	305.24	37.0%	135.01	2.3%
Burke	11.5	13.98	320	76.81	88.55	2,361	131.64	220.19	40.2%	90.11	1.5%
Madison	13.92	11.32	150	84.81	82.2	1,194	210.10	292.30	28.1%	93.02	1.6%
McDowell	7.99	6.2	118	56.32	58.92	1,443	85.84	144.76	40.7%	53.48	0.9%
Mitchell	6.36	7.66	125	39.95	43.69	882	86.94	130.63	33.4%	57.50	1.0%
Rutherford	15.7	16.83	147	106.72	125.81	1,750	175.46	301.27	41.8%	101.67	1.7%
Yancey	7.17	5.69	84	44.5	47.25	1,053	92.78	140.03	33.7%	58.46	1.0%
Totals	**78.44**	**77.55**	**1,369**	**513.68**	**559.22**	**13,239**	**975.20**	**1534.42**	**36.4%**	**589.25**	**9.9%**
Fourteen											
Cherokee	9.02	13.91	279	63.55	92.37	1,671	147.18	239.55	38.6%	71.72	1.2%
Clay	3.49	3.46	32	23.08	34.47	738	56.89	91.36	37.7%	24.16	0.4%
Graham	2.31	3.02	30	19.02	27.06	578	44.65	71.71	37.7%	18.62	0.3%
Haywood	11.35	11.54	332	68.56	79.07	3,344	155.67	234.74	33.7%	94.86	1.6%
Henderson	18.69	21.52	465	115.7	121.6	4,298	217.82	339.42	35.8%	161.42	2.7%
Jackson	14.89	14.75	258	87.41	93.29	2,385	190.46	283.75	32.9%	118.46	2.0%
Macon	12.61	13.09	153	80.97	98.08	2,590	186.44	284.52	34.5%	97.68	1.6%
Polk	9.1	8.88	75	54.69	53.73	613	101.79	155.52	34.5%	67.64	1.1%
Swain	3.82	3.43	73	23.26	26.6	720	61.72	88.32	30.1%	29.33	0.5%
Transylvania	8.51	8.57	111	50.87	51.83	1,301	91.82	143.65	36.1%	67.47	1.1%
Totals	**93.79**	**102.17**	**1,808**	**587.11**	**678.1**	**18,238**	**1254.44**	**1932.54**	**35.1%**	**751.36**	**12.6%**
STATEWIDE TOTALS	**864.28**	**810.1**	**9,786**	**5776.6**	**6635.72**	**121,349**	**10,806.82**	**17,442.54**	**38.0%**	**5,958.29**	**100.0%**

1/21/98
IV (c)

TRANSIT 2001 FUNDS

Funding Sources

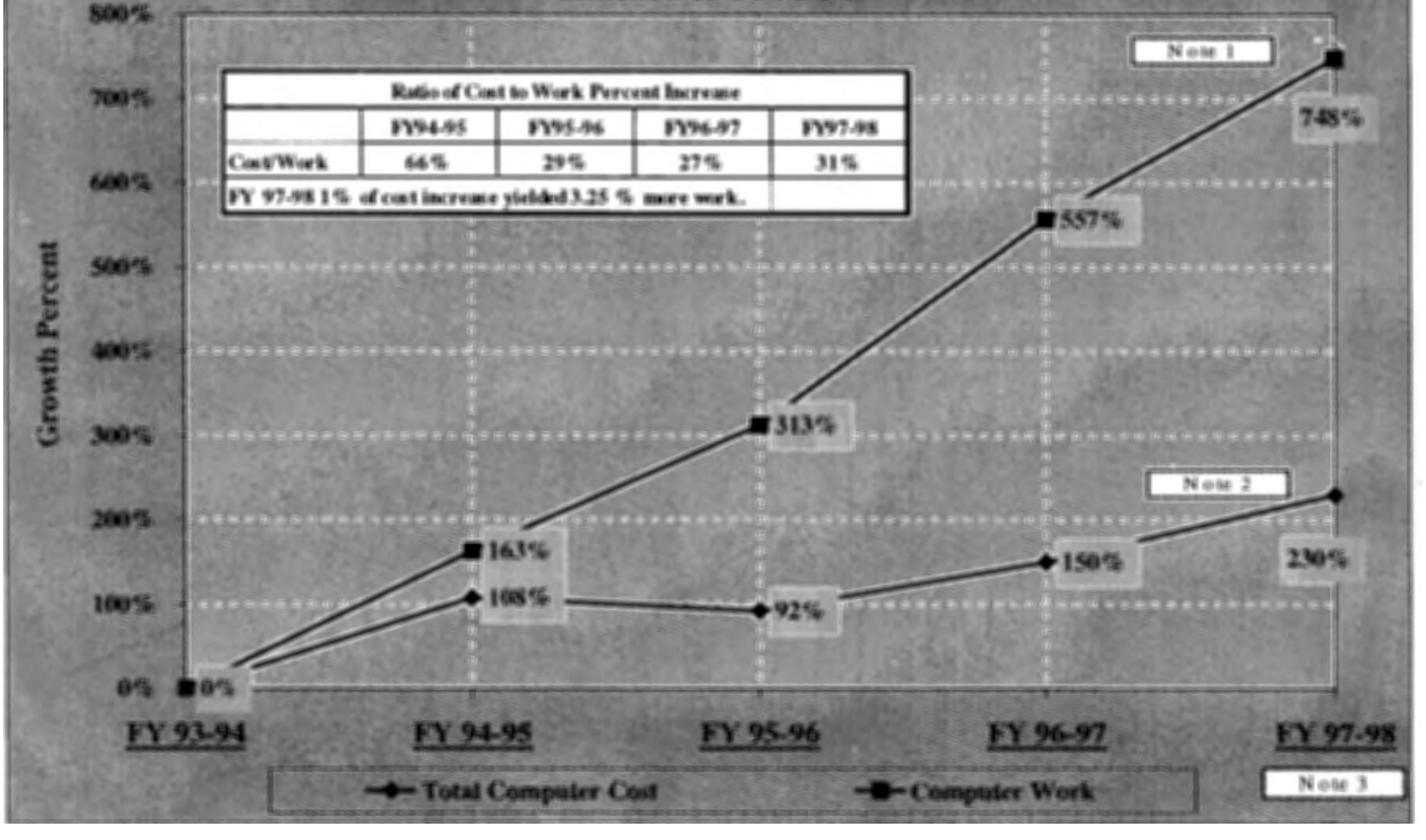
	97-98	98-99
Governor		
HF Recurring Availability	$13.4	$12.6
HF Non-recurring Availability	...	...
Eliminate HF Transfer To GF	$12.6	$13.4
Federal Highway Funds	$10.0	$10.0
Total	$36.0	$36.0
General Assembly		
HF Recurring Availability	$13.4	$12.6
HF Non-recurring Availability	$12.6	...
Eliminate HF Transfer To GF	...	...
Federal Highway Funds	$10.0	$10.0
Total	$36.0	$22.6

DOT Use of Funds

Transit		
Elderly and Disabled	$2.0	$2.0
Urban Operating Assistance	$2.0	$2.0
Rural Operating Assistance	$1.8	$1.8
Regional and Intercity Transit	$0.4	$0.4
Capital Assistance	$10.4	$3.7
Technology Assistance	$1.5	$1.5
	$18.0	$11.3
Rail		
Station Improvements	$8.8	$3.4
Track Improvements and ROW	...	$2.7
Locomotives and Cars	$8.5	$4.5
Planning/Engineering	$0.8	$0.8
	$18.0	$11.3

1/21/98 (d)

Department of Transportation
Comparison of SIPS Cost vs. Usage Growth
Indexed to FY93-94



Ratio of Cost to Work Percent Increase				
	FY94-95	FY95-96	FY96-97	FY97-98
Cost/Work	66%	29%	27%	31%
FY 97-98 1% of cost increase yielded 3.25 % more work.				

Note 1: Usage based on CPU minutes.
Note 2: Costs include all services except telecommunications.
Note 3: Costs for first six months of FY 97-98 doubled for annual estimate.

Prepared By: SIPS Fiscal Services
Date: 1/21/98
File: Dot11698

Box 5

1. 1997-98 Interim Joint Appropriations – Transportation (begin Feb. 17 & 18, 1998 – end)
2. 1998 Joint Appropriations – Transportation
3. 1997 Senate Appropriations
4. 1998 Senate Appropriations
5. 1997 Senate Appropriations – Education/Higher Ed
6. 1998 Senate Appropriations – Education
7. 1997 Senate Appropriations – General Government
8. 1998 Senate Appropriations – General Government
9. 1997 Senate Appropriations – Human Resources
10. 1998 Senate Appropriations – Human Resources
11. 1997 Senate Appropriations – Justice & Public Safety
12. 1998 Senate Appropriations – Justice & Public Safety

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

February 17 & 18, 1998

Agenda

Tuesday, February 17

1. **DOT Board Agenda Review**
   Larry Goode, State Highway Administrator
   Division of Highways

2. **Historical Budget Review**
   Karl Knapp, Staff

3. **Highway Fund Transfers**

(a) • **Highway Patrol**
Colonel E. W. Horton
Highway Patrol
Dept. of Crime Control and Public Safety

(b) • **Driver Education**
Tony Goldman, Staff

(c) (d) • **Global Transpark**
William Powell, Executive Director
Global Transpark Authority

(e) • **Gasoline Inspection Service**
David Smith, Director
Standards Division
Dept. of Agriculture

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

February 17 Agenda Continued

- **Motor Fuels Tax Collection**

(f) **Bob Beck, Director** Donna Alderman
Motor Fuels Tax Division
Dept. of Revenue

- **Chemical Testing / Medical Evaluation**

(g) **Dr. Stanley Music, Chief**
Occupational and Environmental Epidemiology Section
Dept. of Health and Human Services

(h) AL E. Eisele

(i) KAREN Sudge

MINUTES

JOINT APPROPRIATIONS

SUBCOMMITTEE ON TRANSPORTATION

February 17, 1998
10 AM
ROOM 1228

The Joint Appropriations Subcommittee On Transportation met in Room 1228 at 10 a.m. on Tuesday, February 17, 1998. Senator Luther Jordan presided. Visitor's sheet attached.

Members present: Representatives Bowie, McMahan, Dockham, McAllister, Barbee, Hardaway, Hiatt, Sutton, Saunders and Crawford. Senators Jordan, Albertson, Carpenter and Reeves.

Tony Goldman, Fiscal Research Division, introduced **Larry Goode, State Highway Administrator, Department of Transportation.** Mr. Goode reviewed a sample agenda of a Board of Transportation meeting to provide the Committee with a better understanding of what takes place at the Board meetings *(see attachment I. Agenda of NC Board of Transportation, January 9, 1998).*

- Award of highway construction contracts and award of contracts to private firms for consulting services.

  Dr. Goode indicated the award of highway contracts, in his opinion, is one of the most important functions of the Board. The senior staff meet a few days before the regular monthly meeting to review the bids; the Federal Highway Administration also participates.

Representative McMahan asked why the bid would change on a second bid for the same job? Dr. Goode indicated at the time the second bid takes place there may be more projects in progress in the same county. Also a second bid gives the contractors an opportunity to sharpen their pencils a little more.

Representative Sutton asked why DOT's estimate would change? Dr. Goode indicated 1) the second bid gives the Department the privilege of seeing the first bid numbers again, 2) allows them to re-check prices of materials which fluctuate from month to month, 3) an evaluation of the job has taken place in regard to whether any night work is necessary which would elevate the expense; this information would not have been available on the first bid. Provided with all this new knowledge on the second bid the estimate could remain the same, be lower or higher.

Senator Carpenter asked if engineer estimates are kept confidential from the bidder to avoid "sweet heart deals?" Dr. Goode indicated, yes.

Representative Saunders asked if there is a minimum number of bidders? and does the Department always accept the lowest bid? Dr. Goode indicated the Department encourages competition and acquires as many bids as possible. The lowest bid is always chosen, unless the Attorney General's Office finds irregularities.

Representative Sutton asked if the Department has any projects with no bidders? Dr. Goode indicated, yes. When this happens the Department usually re-advertises, adds other projects to the list making the project larger, thus, more attractive for bidding purposes.

Representative Hardaway asked about the disadvantage in business enterprise rules that seems to vary from contract to contract. Dr. Goode explained the Department looks at individual projects that have potential for greater participation; also it makes a difference whether the project is federally or state funded.

Senator Jordan inquired about Small Business Programs indicating in one County a bond was waived by the engineer to a minority business, but in the County next door it was not. Dr. Goode indicated the bond requirement procedures should be consistent and he would review the issue if Senator Jordan would contact him with the name of the County.

Representative Dockham inquired as to the timeliness in which the Board members receive information on lists of projects they will be voting on. Dr. Goode stated the information is sent to the board members two weeks before each meeting for review.

Discussion took place on the Award of Contracts for Private Firms For Engineering Service. RFP's are sent out for proposal. Dr. Goode indicated the Board receives 40-60 proposals for most jobs. The Department requires the bidding firms must operate in North Carolina; unless there is a need for a specific/or/ expert requirement that a NC firm cannot provide. Example; a design of a bridge over US 1 (dual bridges) in Moore County the project was awarded to a minority firm. Construction cost was 2 ½ million dollars with engineering fees for design - totaling $183,856.63. Another project of duel bridges on the same by-bass of US 1 was awarded to another contractor, thereby, allowing the project to be completed sooner. These projects are federally funded (indicated by a "T" following the project number) meaning it is trust fund eligible which is how the Department keeps tract of expenditures on the Trust Fund.

Representative Dockham inquired why there is an engineering design fee for each project? Dr. Goode indicated each bridge design is different depending on where it is being built - over a creek, river or road, the length, how many footings, etc.

Representative Hiatt asked if the design engineer makes an error who pays? Dr. Goode indicated this is a "cloudy" issue. At this time, the Department reviews and approves the plans and most always finds any errors in design.

Representative McMahan indicated most firms over-design because of safety factors, adding 20% to the cost.

- Approval of funds for secondary roads projects , access and public service roads projects, specific division wide urban construction projects, specific state construction projects, specific spot safety improvement projects, specific federal-aid projects.

Representative Hiatt inquired if a specific sub-division road is not built to the specifications of the Department, what can be done? Dr. Goode indicated an engineer from the Department will survey the division and tell them what needs to be done; conclusion could be - property-owner participation or the up-grading could place the subdivision on the Department's maintenance system.

- Additions and abandonments to state secondary road system.

Dr. Goode indicated these roads go before the County Commissioners for their support before any action is taken.

Representative McAllister inquired as to what role the Department plays in abandonment to a road. Dr. Goode stated normally someone else will request a road be abandoned, however on occasion the Department will request abandonment because a new road has been built.

- Approval of NC Trust Funds to specific intrastate and urban loop system projects.
- 1997-98 Public Transportation Program.
- Submission of thoroughfare plans mutual adoption by the BOT.
- Right of way resolutions and ordinances:
  Including; preliminary right of way plans, final right of way plans, revisions of final right of way plans, acquisition of structures partially outside the right of way, conveyance of highway right of way residues, abandonment and conveyance of surplus permanent drainage easement to PGGH partnership, union county, abandonment and conveyance of surplus right of way to A.T. Williams Oil Company, Guildord County, approval to declare surplus and convey an 11.47 acre material pit to Halifax Paper Company Inc., Halifax County, and advance acquisition of highway right of way.
- Recommended revised supplemental allocation of FY 1997-98 maintenance appropriations.
- Municipal and special agreements.
- Request to transfer monies from Highway Trust Fund to Highway to the Highway Fund.

Senator Jordan asked if a ceiling was placed on the amount that could be transferred without the approval of the General Assembly. Dr. Goode indicated the ceiling was based on federal expenditures.

- Request to cash flow and transfer funds from the Highway Trust Fund to the Highway Fund.

Representative Hardaway asked what the total amount of transfer was for this fiscal year? **Mr. Knapp** stated he believed the total amount was three hundred million dollars.

Representative Hardaway also inquired why the Department recommended an increase in the contract amount for right-of-way acquisition services by private firms? Why would the Board recommend an increase from one million to two million dollars? Dr. Goode indicated the Department had carefully evaluated the number of projects requiring acquisition by private firms before the expiration of the existing contract and felt an increase was needed. Dr.Goode indicated the services included; initial contact, appraisals, and negotiations for the acquisition of the right-of-way.

In regard to the use of discretionary funds, **Representative Bowie** suggested the Board of Transportation list the names of the persons requesting funds and also the county that will receive the funds.

Representative Sutton and Representative Bowie requested that materials to be considered and/or voted on by the Committee be submitted for their review at least two weeks before the meeting.

HIGHWAY FUND APPROPRIATIONS

Karl Knapp, Fiscal Research Division, provided a slide presentation depicting the spending trends in the Highway Fund as directed by the General Assembly.

- Highway Fund Appropriations to the DOT and other agencies outside the Department 1988 through 1998 (see attachment II. pg. 1,2).
- Growth in Highway Funds Appropriations 1988-1998 (see attachment II. pg. 3).
- Percentage Growth of Highway Fund Appropriations 1988-1998 (see attachment II. pg. 4).
- Highway Fund Appropriations to DOT 1988-1998 (see attachment II. pg. 5).
- Highway Fund Maintenance Appropriations 1988-1998 (see attachment II. pg. 6).
- Highway Fund Construction Appropriations 1988-1998 (see attachment II. pg. 7).
- Highway Fund DOT Appropriations breakdown (see attachment II. pg. 8).
- Highway DOT Appropriations Dollar Growth 1988-1998 (see attachment II. pg. 9).
- Percentage Growth of DOT Appropriations 1988-1998 (see attachment II. pg. 10).
- Non-DOT Appropriations (see attachment II. pg. 11).
- Highway Fund Non-DOT Appropriations (see attachment II. pg. 12).
- Highway Fund Non-DOT Appropriations Dollar Growth 1988-1998 (see attachment II. pg. 13).
- Highway Fund Non-DOT Appropriations Percentage Growth 1988-1998 (see attachment II. pg. 14).
- Highway Fund Appropriations Dollar Growth 1988-1998 (see attachment II. pg. 15).
- Highway Fund Appropriations Percentage Growth 1988-1998 (see attachment II. pg. 16).
- Total Highway Fund Transfers to Other State Agencies (see attachment II (a).

As requested by **Representative Sutton,** Karl Knapp provided a handout to the Committee, *Additional Funds For Contract Resurfacing (see attachment II (b).*

Mr. Knapp indicated for the past two years all the funds requested for maintenance have been directed to contract resurfacing. In prior years these funds have been directed to other maintenance areas.

STATE HIGHWAY PATROL

Colonel E. W. Horton, Highway Patrol, spoke to the Committee and presented a handout (see attachment III. pg. 1-30). Colonel Horton noted the major functions and responsibilities of the State Highway Patrol:

- Mission Statement
- Duties
- Police Authority of the Division
- Chronological overview
- Troopers killed in the line of duty
- Assaults on patrol members
- Organizational Chart
- Troop & district boundaries
- Position distribution
- Certified Budget for biennium 1997-1999
- Highway Patrol Training Summary
- Highway Patrol Activities
- Capital and Expansion Budget Requests
- Motor Vehicle Travel Statistics for North Carolina
- Special Assignments (1997)
- Hiring Process
- Promotional Process
- Criminal Justice Information Network & Mobile Data.

Discussion took place. **Representative Bowie** requested a comparison on training requirements between the Highway Patrol Officers and the DMV Officers. **Joe Stewart, Legislative Liaison, NC Department of Crime Control and Public Safety**, explained that in the State of North Carolina only 493 hours of basic training is required for an enforcement officer; the Highway Patrol requires further training *(see attachment III. pg. 12).*

Colonel Horton spoke briefly on the highway patrols excellent record in regard to citizen complaints; in 1997 only 33 documented complaints were recorded. Discussion took place in regard to the criminal interdiction team, aircraft operations and minority positions held on the force. Special motorcycle assignments were discussed. The Colonel noted there were 75 special assignment requests in 1997; utilizing 7319 man hours *(see attachment III. pg. 19, 20 & 21).* Colonel Horton indicated the Highway Patrol desires to work special assignments. They feel it is important to be visible and in control of large volumes of traffic, however, help is needed with the cost. The Colonel indicated a cost affective approach had been proposed; whereby, any event that issues 5,000 or more tickets you could add one more dollar to each ticket that would pay the extra cost of having a trooper on duty.

Representative Bowie indicated special assignments are using excessive trooper hours at great expense. She suggested the cities using the service should participate in the cost.

Representative Sutton agreed and suggested the issue needs to be looked at very carefully.

TROOPER HIRING SYSTEM

Major Ake addressed the *Trooper Hiring System*:

- Initial Screening
- Polygraph Examination
- Background Investigation
- Applicant Review Board
- Conditional Offer of Employment
- Physical & Psychological Examination
- Patrol Commander
- Basic School
- Trooper Promotional System
- Supervisor Promotional System *(see attachment III. pg. 22, 23, 24, 25, 26).*

CRIMINAL JUSTICE INFORMATION NETWORK STATEWIDE MOBILE DATE SYSTEM (CJIN)

Major Ake spoke on the mobile data computers. He indicated the goal is to develop a statewide criminal justice information network that will enable a properly authorized user to access and effectively use information regardless of its location in national, state, or local databases. Major Ake indicated the General Assembly will be asked to fund Phase III in the coming Session. Implementation of Phase III will provide a mobile computer in every trooper car in North Carolina.

Lunch break at 12:25 pm

Meeting reconvened at 1:30 pm. **Tony Goldman, Fiscal Research Division**, presented a report on *Driver Education (see attachment III (b).*

Mr. Goldman directed the Committees attention to requirements (by Statute) of the Driver Education Program:

- Instruction on the rights and privileges of the handicapped
- At least six hours of instruction on the offense of driving while impaired and related subjects
- At least six hours of actual driving experience.
- The experience may include at least one hour of instruction on the techniques of defensive driving.

(b) The State Board of Education shall adopt a salary range for driver education instructors who are public school employees and who do not hold teacher certificates.

(b1) The State Board of Education shall adopt rules to permit local boards of education to enter contracts with public or private entities to provide a program of driver education at public high schools. All driver education instructors shall meet the requirements established by the State Board of Education; however, driver education instructors shall not be required to hold teacher certificates.

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund.

(d) The Division shall prepare a driver license handbook that explains the traffic laws of the State and shall periodically revise the handbook to reflect changes in these laws.

During the 1997 Session two provisions were added:

> DRIVERS EDUCATION FUNDING - Section 32.6. From funds appropriated by this act to the Department of Transportation, the Department shall pay for the increased costs of driver education due to the projected increase in average daily membership in the ninth grade driver education program *(see attachment III (b) pg. 2).*
>
> FEASIBILITY STUDY OF DRIVERS EDUCATION TESTING - Section 32.15. The Department of Transportation and the Department of Public Instruction shall conduct a study of the feasibility of having driver education instructors, rather than Division of Motor Vehicles examiners, administer the required written and road tests before a student is issued his or her first drivers permit or license.
>
> The Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division by March 1, 1998, on the results of this feasibility study along with any enabling legislation necessary to implement any recommended changes. The Study will be completed and presented to the Committee in March for deliberation *(see attachment III. (b) pg. 3).*

Mr. Goldman also presented a Driver Training Fact Sheet for the Year 1996 - 97. The Fact Sheet summarizes the number of contracts, ninth grade allotted average daily membership in public, private, and federal schools, LEAs with no contract expense, and additional allotment information *(see attachment III (b) pg. 4).* Mr. Goldman indicated the projection of average daily membership in the year 2002 is 123,742 indicating the need for an increase in funding for the driver education program. The allotment per student for the driver education program is $211.47. This money cannot be transferred for use in any other program.

Representative Dockham suggested the reason for reversions might be because of the backlog. Students are paying for outside driver training because they cannot get into the school program in a timely manner. Representative Dockham suggested providing students with a voucher to pay for outside private driver training if the school system cannot accommodate the students in the school system.

THE NORTH CAROLINA GLOBAL TRANSPARK

Mr. William Powell, Executive Director, Global Transpark Authority, spoke on the *Funds appropriated By The General Assembly To Support The Global Transpark (see attachment III (c) pg. 1-3).*

Mr. Powell directed the Committees attention to a chronology of the Transpark from 1991 to 1997 *(see attachment III (c) pg. 4, 5).*

Mr. Powell also presented the Global Transpark Annual Budget for the Fiscal Year 1997-1998 *(see attachment III. (d).*

Representative Sutton asked, "What exactly will I see at the Global Transpark in twenty-five years?" Mr. Powell indicated he visualized a 21st century intermodal distribution and manufacturing center, similar to the Alliance Facility in Dallas Fort Worth, in full operation.

Representative Bowie indicated she is disappointed with the Global Transpark progress and expressed if the project doesn't show tremendous growth within the next year she feels State funding should be terminated. Representative Bowie also questioned whether any matching federal funds will be available in the future for this project.

Senator Albertson asked the Committee not to overlook the positive benefits he feels the Global Transpark will bring to North Carolina and the positive influence it has already brought to the Eastern part of the State.

Committee discussion took place.

GASOLINE AND OIL INSPECTION PROGRAM

Mr. David Smith, Director of Standards Division, Department of Agriculture and Consumer Services. Mr. Smith presented a report on the Gasoline and Oil Inspection Program; including a brief history of the inspection tax and the principle responsibilities of the inspection program *(see attachment III (e) pg. 1-2).* Committee discussion took place.

MOTOR FUELS TAX DIVISION

Donna Alderman, Motor Fuels Tax Division, Department of Revenue, presented a report on the Motor Fuel Tax Division; including a summary of their budget for the fiscal year 1996-97 and their principle responsibilities *(see attachment III (f) pg. 1-3).* Committee discussion took place.

CHEMICAL TESTING/MEDICAL EVALUATION

Stan Music, Chief of the Division of Epidemiology, Health Hazards Control Branch, spoke to the Committee in regard to specific duties performed by his division:

- Forensic Tests for Alcohol
- Driver Medical Evaluation *(see attachment III (h) pg. 1-5).*
  Mr. Eisele briefly explained his Branch seeks to reduce the incidence of driving while impaired by providing an effective training program to determine alcohol concentration in drivers charged with implied consent offenses. The Alcohol Branch provides:
- Training of law enforcement personnel on the Intoxilyzer 5000
- Purchase and placement of the Intoxilyxers
- Training and certification to law enforcement officers on Breath Alcohol Testing instruments
- Provide alcohol screening test device training
- Operate and maintain the Breath Alcohol Testing (BAT) Mobile Unit Program
- Intoxilyzer 5000 service and repair
- Expert testimony in DWI cases
- Training course for Alcohol Screening Test Devices.

In the past year, the Branch has operated and maintained one of the State's most visible and effective driving while impaired programs, *"The BAT Mobile Unit"* (a mobile DWI processing station contained in a 32 foot bus). The BAT Mobile is used across the State at DWI checkpoints, festivals, motor speedways, concerts, etc. The mobile unit educates the public - a billboard promoting the State's "*Booze It & Lose It*" campaign. The Unit significantly reduces the number of local man-hours spent by law enforcement officers in processing drivers, since processing is completed on site. Mr. Eisele indicated that statistics are proving the efforts of the Alcohol Branch Program is making great strides in the fight against drinking and driving in North Carolina.

Karen Judge, R.N., Public Health Nursing Consultant, Driver Medical Evaluation Branch spoke to the Committee explaining how the program works, including:

- Commission Report 1997 to the General Assembly *(see attachment III (j))*.
  Including: Committee Proceedings, Statutory Authority, Scope of Program, Identification For Entry Into the Medical Evaluation Program, Evaluations, Appealing a Decision, Removal From The Program, Special Problems of the Senior Driver, Findings and Recommendations
- Driver Medical Evaluation History *(see attachment III (k))*.
- Injury Statistics *(III (L))*.
- Cash Rates by Age group per mile driven per year *(III (m))*.
- NC Driver Medical Evaluation brochure *(III (n))*.

Representative Hiatt expressed his appreciation to Dr. Music and his Staff for a great program and a meaningful service to the State of North Carolina.

Meeting adjourned at 3:50 p.m.

Respectfully submitted:

Senator Luther H. Jordan, Jr.,
Presiding, Co-Chair

Sharon A. Gaudette
Committee Clerk

Representative Joanne W. Bowie,
Co-Chair

VISITOR REGISTRATION SHEET

JOINT APPRO/SUBCOMMITTEE TRANSPORTATION 2-17, 1998

Name of Committee — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Chuck Brownfield	DHHS - Epidemiology
LeighAnn Cobb	State Auditor's Office
AB Swindell	BFI
Mike G. Alps	OSBM
Hope Mozingo	Enforcement - DMV
Joe Stewart	CCPS
George Dale	SHP
Ellis Horton	SHP
Mike Barham	CCPS
Laura DeVane	CCPS
Ruth Sappie	DOT
Dale McKee	Scenic North Carolina, Inc.
David W Knight	NC PTA
S	SGM
Pat McBride	NBAA
Tim Kent	Am. Institute of Architects
Karen Judge	Driver Medical Evaluation DHHS
Pam Kilpatrick	DHHS - Budget & Analysis
Jim Sughrue	NCGTPA
Bill Powell	NCGTPA
STAN MUSIC	OEE - DHHS
KAREN JUDGE	"
AL EISELE	"
CHUCK BROWNFIELD	"

I.
Dr. Goode

AGENDA

NORTH CAROLINA BOARD OF TRANSPORTATION

PINEHURST, NORTH CAROLINA

JANUARY 9, 1998

9:00 A.M.

AGENDA
NORTH CAROLINA BOARD OF TRANSPORTATION
PINEHURST, NORTH CAROLINA
JANUARY 9, 1998
9:00 A.M.

A. Invocation ..... Peter Pappas

B. Approval of Minutes of Board Meeting
on December 5, 1997 ..... Secretary Garland Garrett

C. Award of Highway Construction Contracts
in the December 16, 1997 Letting ..... Larry Goode

D. Award of Contracts to Private Firms for
Consulting Services

D-1 Highway Design ..... Don Morton
D-2 Right of Way ..... Don Morton
D-3 Planning and Environmental ..... Calvin Leggett

E. Approval of Funds for Secondary Road
Improvement Projects - Highway
Fund and Highway Trust Fund ..... Don Goins

F. Approval of Funds for Access and Public
Service Road Projects ..... Don Goins

G. Additions and Abandonments to State
Secondary Road System ..... Don Goins

H. Approval of Funds for Specific Divisionwide
Urban Construction Projects ..... Don Goins

I. 1997-98 Public Transportation Program

1. Public Transportation .....Sanford Cross
2. Rail Division .....Patrick Simmons

J. Approval of Funds for Specific State Construction Projects .....Calvin Leggett

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K. Approval of North Carolina Trust Funds for Specific Intrastate and Urban Loop System Projects .....Calvin Leggett

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L. Approval of Funds for Specific Spot Safety Improvement Projects .....Calvin Leggett

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M. Approval of Funds for Specific Federal-Aid Projects .....Calvin Leggett

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N. Submission of Thoroughfare Plans for Mutual Adoption by the Board of Transportation .....Calvin Leggett

1. Capital Area Metropolitan Planning Organization for Affirmation by the Board of Transportation
2. Revision of Dunn-Erwin Thoroughfare Plan

O. Right of Way Resolutions and Ordinances .....Grayson Kelley

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P. Recommended Revised Supplemental Allocation of FY 1997-98 Maintenance Appropriations .....C. A. Gardner, Jr.

Q. Municipal and Special Agreements .....Larry Goode

R. Request to Transfer Monies from Highway Trust Fund to Highway Fund .....Larry Goode

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S. Request to Cash Flow and Transfer Funds from the Highway Trust Fund to the Highway Fund .....Larry Goode

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Additional Business

HIGHWAY LETTING
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
DIVISION OF HIGHWAYS
RALEIGH N.C.
DEC 16 1997
DIVISION 1

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PROJECT	KILOMETERS	TYPE	DESCRIPTION
8.1470701 BRSTP-62(1) ALAMANCE B-2501	0.443	GRADING, DRAINAGE, PAVING, PAVEMENT MARKINGS & STR	BRIDGE OVER BIG ALAMANCE CREEK & APPROACHES ON NC-62 NORTH OF ALAMANCE.

EST CONST PROGRESS...FY-98..40% OF BID
FY-99..60% OF BID

RPN 1 RDWY & STR 5 BIDDERS DBE GOAL 10%
DATE AVAILABLE FEB 2 1998
FINAL COMPLETION AUG 1 1999

ESTIMATE
1,384,069.24

			$ TOTALS	% DIFF
TRIANGLE GRADING & PAVIN	BURLINGTON	NC	1,527,703.87	+10.4
REA CONSTRUCTION COMPANY	CHARLOTTE	NC	1,603,010.05	+15.8
R. E. BURNS & SONS CO.,	STATESVILLE	NC	1,652,352.69	+19.4
S. T. WOOTEN CORPORATION	WILSON	NC	1,843,018.22	+33.2
THOMPSON-ARTHUR PAVING C DIV. OF APAC-CAROLINA,	GREENSBORO	NC	1,884,626.22	+36.2

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MAY 20, 1997 LETTING

8.1470701 (B-2501)
Alamance County

RPN 2 Roadway & Structure
Date Available June 30, 1997
Final Completion August 15, 1998

ESTIMATE

$ 1,273,225.24

		TOTALS	%DIFF.
Rea Construction Co.,	Charlotte, NC	$ 1,603,010.73	+ 25.9 %
Branch Highways, Inc.,	Roanoke, VA	$ 1,694,129.41	+ 33.1 %
S.T. Wooten Corporation,	Wilson, NC	$ 1,825,010.44	+ 43.3 %

DECEMBER 16, 1997 LETTING

RPN 1 Roadway & Structure
Date Available February 2, 1998
Final Completion August 1, 1999

ESTIMATE

$ 1,384,069.24

		TOTALS	%DIFF.
Triangle Grading & Paving Co.,	Burlington, NC	$ 1,527,703.87	+ 10.4 %
Rea Construction Co.,	Charlotte, NC	$ 1,603,010.05	+ 15.8 %
R.E. Burns & Sons Co.,	Statesville, NC	$ 1,652,352.69	+ 19.4 %
S.T. Wooten Corporation,	Wilson, NC	$ 1,843,018.22	+ 33.2 %
Thompson-Arthur Paving Co.,	Greensboro, NC	$ 1,884,626.22	+ 36.2 %

HIGHWAY LETTING
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
DIVISION OF HIGHWAYS
RALEIGH N.C.
DEC 16 1997
DIVISION 5

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PROJECT	KILOMETERS	TYPE	DESCRIPTION
9.8052038 WAKE U-3474	1.577	WIDENING, GRADING, DRAINAGE, PAVING, PVT MKGS & RET WALL	US-1 (CAPITAL BLVD) FROM SR-3555 (OLD WAKE FOREST RD) TO NORTH OF SR-2041 (SPRING FOREST RD).

EST CONST PROGRESS...FY-98..40% OF BID
FY-99..60% OF BID

RPN 2 ROADWAY 4 BIDDERS MBP GOAL 8% - WBP 4%
DATE AVAILABLE MAR 1 1998
FINAL COMPLETION JUL 1 1999

ESTIMATE
3,497,042.85

		$ TOTALS	% DIFF
REA CONSTRUCTION COMPANY	CHARLOTTE NC	3,844,025.12	+9.9
RIFENBURG CONSTRUCTION,	RALEIGH NC	3,949,489.57	+12.9
C. C. MANGUM, INC.	RALEIGH NC	4,205,211.43	+20.3
S. T. WOOTEN CORPORATION	WILSON NC	4,232,187.51	+21.0

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PROJECT	KILOMETERS	TYPE	DESCRIPTION
8.2370501 BRZ-1110(1) GRANVILLE B-3336	0.150	GRADING, DRAINAGE, PAVING, PAVEMENT MARKINGS & STR	BRIDGE OVER LEDGE CREEK & APPROACHES ON SR-1110 WEST OF CREEDMOOR.

EST CONST PROGRESS...FY-98..87% OF BID
FY-99..13% OF BID

RPN 4 RDWY & STR 8 BIDDERS DBE GOAL 8%
DATE AVAILABLE FEB 2 1998
FINAL COMPLETION AUG 17 1998

ESTIMATE
363,655.61

		$ TOTALS	% DIFF
D. W. LYLE CORPORATION	MCKENNEY VA	336,359.18	-7.5
C. C. MANGUM, INC.	RALEIGH NC	365,629.49	+0.5
TREDRIGHT, INC.	CLARKSVILLE VA	382,180.60	+5.1
DELLINGER, INC.	MONROE NC	413,812.32	+13.8
T. A. LOVING COMPANY	GOLDSBORO NC	419,033.60	+15.2
S. T. WOOTEN CORPORATION	WILSON NC	422,173.11	+16.1
CAROLINA BRIDGE COMPANY,	ORANGEBURG SC	432,510.63	+18.9
*TAYLOR & MURPHY CONSTRUC CO., INC.	ASHEVILLE NC	432,571.56	+19.0
*BOND EXECUTED IMPROPER	SURETY SIGN OMIT		

* DENOTES IRREGULAR BID

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ITEM

SEPTEMBER 16, 1997 LETTING

9.8052038 (U-3474)
Wake County

RPN 8 Roadway
Date Available October 27, 1997
Final Completion May 15, 1999

ESTIMATE

$ 3,500,952.85

		TOTALS	%DIFF.
Rea Construction Co.,	Charlotte, NC	$ 3,961,231.05	+ 13.1 %
S.T. Wooten Corporation,	Wilson, NC	$ 4,240,842.91	+ 21.1 %
C.C. Mangum, Inc.,	Raleigh, NC	$ 4,327,282.04	+ 23.6 %

DECEMBER 16, 1997 LETTING

RPN 2 Roadway
Date Available March 1, 1998
Final Completion July 1, 1999

ESTIMATE

$ 3,497,042.85

		TOTALS	%DIFF.
Rea Construction Co.,	Charlotte, NC	$ 3,844,025.12	+ 9.9 %
Rifenburg Const. Co.,	Raleigh, NC	$ 3,949,489.57	+ 12.9 %
C.C. Mangum, Inc.,	Raleigh, NC	$ 4,205,211.43	+ 20.3 %
S.T. Wooten Corp.,	Wilson, NC	$ 4,232,187.51	+ 21.0 %

APRIL 15, 1997 LETTING

8.2370501 (B-3336)
Granville County

RPN 3 Roadway & Structure
Date Available May 26, 1997
Final Completion November 20, 1997

ESTIMATE

$ 320,901.26

		TOTALS	%DIFF.
S.T. Wooten Corporation,	Wilson, NC	$ 431,090.21	+ 34.3 %
Dellinger, Inc.,	Monroe, NC	$ 467,627.40	+ 45.7 %

DECEMBER 16, 1997 LETTING

RPN 4 Roadway & Structure
Date Available February 2, 1998
Final Completion August 17, 1998

ESTIMATE

$ 363,655.61

		TOTALS	%DIFF.
D.W. Lyle Corporation,	McKenney, Va	$ 336,359.18	- 7.5 %
C.C. Mangum, Inc.,	Raleigh, NC	$ 365,629.49	+ 0.5 %
Tredright, Inc.,	Clarksville, Va	$ 382,180.60	+ 5.1 %
Dellinger, Inc.,	Monroe, NC	$ 413,812.32	+ 13.8 %
T.A. Loving Co.,	Goldsboro, NC	$ 419,033.60	+ 15.2 %
S.T. Wooten Corporation,	Wilson, NC	$ 422,173.11	+ 16.1 %
Carolina Bridge Co.,	Orangeburg, SC	$ 432,510.63	+ 18.9 %
Taylor & Murphy Const. Co.,	Asheville, NC	$ 432,571.56	+ 19.0 %

DIVISION OF HIGHWAYS
RALEIGH N.C.
DEC 16 1997
DIVISION 13

PROJECT	KILOMETERS	TYPE	DESCRIPTION
8.2851601 BRZ-1150(6) BURKE B-2932	0.189	GRADING, DRAINAGE, PAVING & CULVERT	CULVERT OVER SILVER CREEK AND APPROACHES ON SR-1150 WEST OF MORGANTON.
		EST CONST PROGRESS...	FY-98..87% OF BID FY-99..13% OF BID

RPN 3 RDWY & CULV 8 BIDDERS DBE GOAL 8%
DATE AVAILABLE FEB 2 1998
FINAL COMPLETION AUG 15 1998

ESTIMATE
336,755.21

			$ TOTALS	% DIFF
APPLE TUCK & ASSOCIATES,	RUTHERFORDTON	NC	247,948.83	-26.4
MILLER ENGINEERING CO.,	MARION NC		249,641.71	-25.9
DANE CONSTRUCTION, INC.	MOORESVILLE NC		268,534.41	-20.3
TAYLOR & MURPHY CONSTRUC CO., INC.	ASHEVILLE NC		280,172.31	-16.8
R. E. BURNS & SONS CO.,	STATESVILLE NC		302,024.00	-10.3
SMITH & SONS PAVING CO.,	PINEOLA NC		307,813.25	-8.6
HILL CONSTRUCTION OF MATTHEWS, INC.	MATTHEWS NC		310,806.06	-7.7
ASHEVILLE DIVISION, APAC-CAROLINA, INC.	ASHEVILLE NC		316,777.81	-5.9

PROJECT	MILES	TYPE	DESCRIPTION
8.T860704 STP-NHF-13-1(34) MADISON A-10D	2.832	GRADING, DRAINAGE, Y-LINE PAVING & STRS	US-23 FROM SR-1318 TO THE TENNESSEE LINE AT SAM'S GAP N OF MARS HILL.
		EST CONST PROGRESS...	FY-98..22% OF BID FY-99..36% OF BID FY-00..26% OF BID FY-01..16% OF BID

RPN 7 RDWY & STR 8 BIDDERS DBE GOAL 10%
DATE AVAILABLE JAN 26 1998
FINAL COMPLETION JUN 1 2001

ESTIMATE
59,396,384.95

			$ TOTALS	% DIFF
WRIGHT BROTHERS CONST. CO., INC.	CHARLESTON	TN	48,558,214.22	-18.2
VECELLIO & GROGAN, INC.	BECKLEY	WV	48,947,667.54	-17.6
JONES BROS., INC.	MT. JULIET	TN	49,576,376.95	-16.5
ELMO GREER & SONS, INC.	LONDON	KY	54,401,559.80	-8.4
GILBERT SOUTHERN CORP.	COLLEGE PARK	GA	56,297,865.90	-5.2
CHARLES BLALOCK & SONS,	SEVIERVILLE	TN	57,393,027.51	-3.4
*METRIC CONSTRUCTORS, INC	CONCORD NC		59,300,635.94	-0.2
*BOND EXECUTED IMPROPER	OMITTED DATE			
NATIONAL PROJECTS, INC.	BOISE ID		59,683,800.53	+0.5

* DENOTES IRREGULAR BID

ESTIMATE TOTAL	89,607,118.86	
LETTING TOTAL	79,761,467.14	-11%

HIGHWAY LETTING
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
DIVISION OF HIGHWAYS
RALEIGH N.C.
DEC 16 1997
DIVISION 4

PROJECT	MILES	TYPE	DESCRIPTION
8.7331009 STP-70(37) JOHNSTON W-3418	0.997	WIDENING, GRADING, DRAINAGE, PAVING & PAVEMENT MARKINGS	US-70 FROM EAST OF NC-42 TO EAST OF SR-1563 IN CLAYTON.
		EST CONST PROGRESS...FY-98..83% OF BID FY-99..17% OF BID	

RPN 8 ROADWAY 6 BIDDERS DBE GOAL 10%
DATE AVAILABLE FEB 2 1998
FINAL COMPLETION SEP 1 1998

ESTIMATE
570,859.95

			$ TOTALS	% DIFF
S. T. WOOTEN CORPORATION	WILSON	NC	558,236.99	-2.2
PLT CONSTRUCTION CO., IN	WILSON	NC	597,996.50	+4.8
RALPH HODGE CONST. CO.	WILSON	NC	764,595.70	+33.9
REA CONSTRUCTION COMPANY	CHARLOTTE	NC	800,858.00	+40.3
C. C. MANGUM, INC.	RALEIGH	NC	895,224.30	+56.8
GELDER & ASSOCIATES, INC	RALEIGH	NC	901,920.00	+58.0

HIGHWAY LETTING
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
DIVISION OF HIGHWAYS
RALEIGH N.C.
DEC 16 1997
DIVISION 3

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PROJECT	KILOMETERS	TYPE	DESCRIPTION
9.8039076 NEW HANOVER U-2571	2.690	WIDENING, GRADING, DRAINAGE, PAVING & PAVEMENT MARKINGS	US-76 FROM SR-1492 TO AVONDALE AVE & FROM SR-1424 TO EAST OF SR-1427 IN WILMINGTON.
		EST CONST PROGRESS...	FY-98..67% OF BID FY-99..33% OF BID
RPN 5 ROADWAY		1 BIDDER	MBP GOAL 12% - WBP 5%
DATE AVAILABLE FEB 2 1998			
FINAL COMPLETION NOV 15 1998			ESTIMATE 2,807,299.32
			$ TOTALS % DIFF
BARRUS CONSTRUCTION CO., DIV. OF APAC-CAROLINA,		KINSTON NC	3,248,644.26 +15.7

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PROJECT	MILES	TYPE	DESCRIPTION
6.231028 7.2321115 BRUNSWICK R-3306	22.310	WIDENING, RESURFACING, SHDR RECONST & PAVEMENT MARKINGS	NC-133 FROM S OF SR-1530 TO SR-1510 & 8 SECTIONS OF SECONDARY ROADS.
		EST CONST PROGRESS...	FY-98..83% OF BID FY-99..17% OF BID
RPN 9 ROADWAY		2 BIDDERS	MBP GOAL 5% - WBP 2%
DATE AVAILABLE FEB 9 1998			
FINAL COMPLETION SEP 30 1998			ESTIMATE 1,698,007.50
			$ TOTALS % DIFF
BARRUS CONSTRUCTION CO., DIV. OF APAC-CAROLINA,		KINSTON NC	1,742,852.85 +2.6
MAC CONSTRUCTION COMPANY		SHALLOTTE NC	1,998,500.60 +17.7

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JULY 15, 1997 LETTING

9.8039076 (U-2571)
New Hanover County

RPN 10 Roadway
Date Available August 25, 1997
Final Completion August 1, 1998

		ESTIMATE	
		$ 2,768,059.32	
		TOTALS	**%DIFF.**
Barrus Construction Co.,	Kinston, NC	$ 3,184,537.91	+ 15.0 %

DECEMBER 16, 1997 LETTING

RPN 5 Roadway
Date Available February 2, 1998
Final Completion November 15, 1998

		ESTIMATE	
		$ 2,807,299.32	
		TOTALS	**%DIFF.**
Barrus Construction Co.,	Kinston, NC	$ 3,248,644.26	+ 15.7 %

HIGHWAY LETTING
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
DIVISION OF HIGHWAYS
RALEIGH N.C.
DEC 16 1997
DIVISION 3

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PROJECT	MILES	TYPE	DESCRIPTION
6.279002T PENDER - ONSLOW R-2405C R-2405D	9.015	WIDENING, GRADING, DRAINAGE, PAVING, PVT MKGS & CULVERT	US-17 FROM NE OF SR-1675 (LONG LEAF DR) TO THE NORTHERN TOWN LIMIT OF HOLLY RIDGE.
		EST CONST PROGRESS...	FY-98..23% OF BID FY-99..45% OF BID FY-00..28% OF BID FY-01.. 4% OF BID

RPN 10 RDWY & CULV 2 BIDDERS MBP GOAL 10% - WBP 5%
DATE AVAILABLE FEB 2 1998
INTER COMPLETION OCT 1 2000 COMPLETE ALL WORK EXCEPT REFORESTATION
FINAL COMPLETION DEC 30 2000
ESTIMATE
12,002,879.48

			$ TOTALS	% DIFF
PLT CONSTRUCTION CO., IN	WILSON	NC	12,194,096.75	+1.6
BARRUS CONSTRUCTION CO., DIV. OF APAC-CAROLINA,	KINSTON	NC	12,415,783.66	+3.4

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PROJECT	MILES	TYPE	DESCRIPTION
6.804829 7.2411116 7.2421116 7.2472916 DUPLIN R-3806	35.250	WIDENING, MILLING, GRADING, DRAINAGE, RESURFAC & PVT MKGS	4 SECTIONS OF PRIMARY, 9 SECTIONS OF SECONDARY ROADS & SR-1102 FROM US-117 TO 3.3MI WEST.
		EST CONST PROGRESS...	FY-98..77% OF BID FY-99..23% OF BID

RPN 11 ROADWAY 2 BIDDERS MBP GOAL 5% - WBP 0%
DATE AVAILABLE FEB 9 1998
FINAL COMPLETION OCT 31 1998
ESTIMATE
3,009,348.20

			$ TOTALS	% DIFF
BARNHILL CONTRACTING CO. CUMBERLAND DIVISION	FAYETTEVILLE	NC	2,748,558.98	-8.7
BARRUS CONSTRUCTION CO., DIV. OF APAC-CAROLINA,	KINSTON	NC	3,112,204.30	+3.4

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HIGHWAY LETTING
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
DIVISION OF HIGHWAYS
RALEIGH N.C.
DEC 16 1997
DIVISION 3

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PROJECT	MILES	TYPE	DESCRIPTION
7.2521117 7.2573217 7.2573317 7.2621117 7.2721117 7.2770617 9.8039079 NEW HANOVER ONSLOW - PENDER U-3824	44.070	WIDENING, MILLING, GRADING, DRAINAGE, RESURFAC & PVT MKG EST CONST PROGRESS...	2 SECTIONS OF PRIMARY, 5 SECTIONS OF SECONDARY ROADS & SR-1318 FROM SR-1302 TO SOUTH OF SR-1322 & SR-1318 FROM N OF SR-1322 TO SR-1336. FY-98..70% OF BID FY-99..30% OF BID
RPN 12 ROADWAY DATE AVAILABLE FEB 9 1998 FINAL COMPLETION OCT 31 1998		1 BIDDER	MBP GOAL 5% - WBP 5% ESTIMATE 2,973,355.95
			$ TOTALS % DIFF
BARRUS CONSTRUCTION CO., DIV. OF APAC-CAROLINA,	KINSTON NC		3,138,739.10 +5.6

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PROJECT	MILES	TYPE	DESCRIPTION
7.2811118 7.2821118 7.2870918 SAMPSON	29.370	WIDENING, RESURFACING & PVMT MARKINGS EST CONST PROGRESS...	2 SECTIONS OF PRIMARY AND 10 SECTIONS OF SECONDARY ROADS. FY-98..83% OF BID FY-99..17% OF BID
RPN 13 ROADWAY DATE AVAILABLE FEB 9 1998 FINAL COMPLETION SEP 30 1998		2 BIDDERS	MBP GOAL 5% - WBP 2% ESTIMATE 1,567,460.60
			$ TOTALS % DIFF
BARNHILL CONTRACTING CO. CUMBERLAND DIVISION	FAYETTEVILLE NC		1,616,086.99 +3.1
BARRUS CONSTRUCTION CO., DIV. OF APAC-CAROLINA,	KINSTON NC		1,733,166.20 +10.6

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CONCURRENCE IN AWARD
DEPARTMENT OF ADMINISTRATION
OFFICE OF STATE CONSTRUCTION
BIDS OPENED OCTOBER 29, 1997

ROJECT NO.	DESCRIPTION	TYPE
.2404701	LANE STREET	BUILDING
TP-0520(7)	ARCHAEOLOGICAL	RENOVATION
E-3418)	RESEARCH	
VAKE	FACILITY	

ENERAL CONTRACT — **ESTIMATE** $295,926.00

BIDS	TOTAL	DIFFERENCE
parrow Construction	$285,900.00	-3.4%
V. T. Lawrence, Inc.	$299.500.00	+1.2%
AT Construction	$324,900.00	+9.8%

LUMBING CONTRACT — **ESTIMATE** $29,500.00

DS	TOTAL	DIFFERENCE
BC Plumbing	$53,000.00	+79.7%
nchor Plumbing	$72,100.00	+144%

IVAC CONTRACT — **ESTIMATE** $43,600.00

BIDS	TOTAL	DIFFERENCE
olton Corporation	$78,000.00	+78.9%
letro Air Conditioning	$82,259.00	+88.7%
arolina Air Conditioning	$84,500.00	+94.1%

LECTRICAL CONTRACT — **ESTIMATE** $62,750.00

BIDS	TOTAL	DIFFERENCE
Vatson Electrical Construction	$59,700.00	-5.9%
ones, Inc. of Wilson	$61,699.00	-1.7%
lassic Electric	$63,855.00	+1.8%

he Office of State Construction has approved the award of the contracts to the respective low idders subject to approval of the North Carolina Board of Transportation.

he following goal was established for this contract:
Disadvantaged Business Enterprises 0%

Date: 1-9-98

RECOMMENDED AWARD OF CONTRACTS TO PRIVATE FIRMS FOR ENGINEERING SERVICES

Highway Design Branch

After careful evaluation of the workload and schedules of the work that can be accomplished by our design staff, it was determined necessary to employ private firms to prepare construction plans for several projects in order for our Department to obligate available funds.

It is recommended the Board of Transportation award contracts for private firms to prepare construction plans for the projects listed below.

DIVISION 8

(1) Project 8.T560302 (R-210A) Moore County
Design of Bridge (Site No. 4) on SR 2005 (Cypress Church Road) over US 1 and Dual Bridges (Site No. 5) on US 1 over Crains Creek
Scope of Work: Structure Design
Estimated Construction Cost: $2,550,000.00
Firm: Barbara H. Mulkey Engineering, Inc., Raleigh, NC
Maximum Engineering Fee: $183,856.63
DBE Utilization: Barbara H. Mulkey Engineering, Inc. $183,856.63
100% Utilization of Total Fee

(2) Project 8.T560302 (R-210A) Moore County
Design of Dual Bridges (Site No. 1) on US 1 over the Little River, Bridge (Site No. 2) on SR 1864 (James Street) over US 1 and Bridge (Site No. 3) on SR 1805 (Main Street) over US 1
Scope of Work: Structure Design
Estimated Construction Cost: $3,300,000.00
Firm: Piedmont Olsen Hensley, Inc., Raleigh, NC
Maximum Engineering Fee: $234,085.91
DBE Utilization: 0% Utilization of Total Fee

(3) Project 8.T520802 (R-2219AC) Chatham County
Design of US 64 from West of SR 1514 West of Pittsboro to East of US 15-501
Scope of Work: Paving and Traffic Control and Pavement Marking Plans
Estimated Construction Cost: $8,900,000.00
Firm: DeLeuw, Cather and Company, Cary, NC
Maximum Engineering Fee: $49,713.60
DBE Utilization: 0% Utilization of Total Fee

The following items are supplemental contracts to previous contracts approved by the Board with the same engineering firm. These supplemental contracts were necessary due to approved additional work which was unknown at the inception and is required of the firms to complete the designs.

DIVISION 5

(4) Project 8.U401712 (R-2000EA) Wake County
Design of Raleigh Outer Loop from West of the Falls of Neuse Road to East of the CSX Railroad
Estimated Construction Cost: $26,200,000.00
Firm: RUST Environment & Infrastructure, Raleigh, NC
Current Maximum Engineering Fee: $321,251.10
Supplemental Fee: $14,777.46
Supplemental Work: Roadway and Hydraulic Design and Traffic Control Plans
DBE Utilization: Kubilins Traffic Consulting $2,483.66
17% Utilization of Total Fee

(5) Project 8.U401712 (R-2000EB) Wake County
Design of Bridge (Site No. 4) at Flyover CA over Capital Boulevard and Bridge (Site No. 5) on Flyover CA over the Raleigh Outer Loop and Ramp A
Estimated Construction Cost: $4,550,000.00
Firm: Ralph Whitehead Associates, Charlotte, NC
Original Maximum Engineering Fee: $128,485.60
Supplemental Fee: $133,330.95
Supplemental Work: Final Bridge Design
DBE Utilization: 0% Utilization of Total Fee

DIVISION 9

(6) Project 8.2603601 (U-3335) Davidson County
Design of a Railroad/Highway Grade Separation on Unity Street (SR 2051) over the Norfolk Southern Railroad in Thomasville
Estimated Construction Cost: $1,950,000.00
Firm: TranSystem Corporation Consultants, Raleigh, NC
Original Maximum Engineering Fee: $96,492.56
Supplemental Fee: $69,274.61
Supplemental Work: Location Surveys and Final Bridge Design
DBE Utilization: 0% Utilization of Total Fee

DIVISION 10

(7) Project 8.U671619/8.U671613 (R-2123AC/AD) Mecklenburg County
Design of Charlotte Outer Loop from South of NC 218 to North of NC 51
Estimated Construction Cost: $27,000,000.00
Firm: Barbara H. Mulkey Engineering, Inc., Raleigh, NC
Current Maximum Engineering Fee: $578,835.50
Supplemental Fee: $98,104.37
Supplemental Work: Roadway and Hydraulic Design and Location Surveys
DBE Utilization: Barbara H. Mulkey Engineering, Inc. $98,104.37
100% Utilization of Total Fee

DIVISION 11

(8) Project 8.1761301 (R-2604B) Wilkes-Surry Counties
Design of NC 268 Bypass from West of SR 2026 to West of SR 1152
Estimated Construction Cost: $14,400,000.00
Firm: Wetherill Associates, Inc., Raleigh, NC
Original Maximum Engineering Fee: $204,512.79
Supplemental Fee: $208,598.49
Supplemental Work: Roadway and Hydraulic Design, Traffic Control and Pavement Marking Plans
DBE Utilization: Wetherill Associates, Inc. $208,598.49
100% Utilization of Supplemental Fee

It is recommended that the Board of Transportation award contracts to the private engineering/surveying firms listed below to perform Subsurface Utility Engineering services for various projects across the state on an as needed basis.

STATEWIDE

(9) Project: Limited Location & Surveys Services
County: Statewide
Scope of Work: As noted above
Maximum Engineering Fee: $1,700,000.00
Firm: So-Deep US, P.C., Raleigh, NC
Duration of Agreement: One (1) year from the date of approval by the Board of Transportation or depletion of the maximum fee.

(10) Project: Limited Location & Surveys Services
County: Statewide
Scope of Work: As noted above
Maximum Engineering Fee: $300,000.00
Firm: Taylor Wiseman & Taylor, Raleigh, NC
Duration of Agreement: One (1) year from the date of approval by the Board of Transportation or depletion of the maximum fee.

(11) Project: Limited Location & Surveys Services
County: Statewide
Scope of Work: As noted above
Maximum Engineering Fee: $700,000.00
Firm: MA Engineering Consultants, Inc., Raleigh, NC
Duration of Agreement: One (1) year from the date of approval by the Board of Transportation or depletion of the maximum fee.

(12) Project: Limited Location & Surveys Services
County: Statewide
Scope of Work: As noted above
Maximum Engineering Fee: $500,000.00
Firm: Accurate Locating, P.S., P.C., Cary, NC
Duration of Agreement: One (1) year from the date of approval by the Board of Transportation or depletion of the maximum fee.

RECCOMMENDED INCREASE IN CONTRACT AMOUNT FOR RIGHT OF WAY ACQUISITION SERVICES BY PRIVATE FIRMS

On April 4, 1997 and June 6, 1997, the Board of Transportation approved open ended agreements with the following private firms to perform right of way acquisition services in amounts not to exceed $1,000,000.00 each.

(1) Firm: O. R. Colon Associates, Inc. - South Charleston, WV
Scope of Work: Appraisals, Negotiations, and Relocation Assistance
Duration: 1 yr. from approval by BOT or depletion of maximum fee
Open Ended Contract Amount: $ 1,000,000
DBE Utilization: 0% Utilization of Total Fee

(2) Firm: E. Lindsey Dean, Inc. - Trinity, NC
Scope of Work: Appraisals, Negotiations, and Relocation Assistance
Duration: 1 yr. from approval by BOT or depletion of maximum fee
Open Ended Contract Amount: $ 1,000,000
DBE Utilization: 0% Utilization of Total Fee

(3) Firm: Moonshower's Right of Way Services - Marietta, GA
Scope of Work: Appraisals, Negotiations, and Relocation Assistance
Duration: 1 yr. from approval by BOT or depletion of maximum fee
Open Ended Contract Amount: $ 1,000,000
DBE Utilization: 100% Utilization of Total Fee

(4) Firm: Post, Buckley, Schuh, & Jernigan, Inc. - Miami, FL
Scope of Work: Appraisals, Negotiations, and Relocation Assistance
Duration: 1 yr. from approval by BOT or depletion of maximum fee
Open Ended Contract Amount: $ 1,000,000
DBE Utilization: 0% Utilization of Total Fee

(5) Firm: Presnell Associates, Inc. - Louisville, KY
Scope of Work: Appraisals, Negotiations, and Relocation Assistance
Duration: 1 yr. from approval by BOT or depletion of maximum fee
Open Ended Contract Amount: $ 1,000,000
DBE Utilization: 0% Utilization of Total Fee

(6) Firm: Property Acquisitions & Negotiations, Inc. - Columbia, SC
Scope of Work: Appraisals, Negotiations, and Relocation Assistance
Duration: 1 yr. from approval by BOT or depletion of maximum fee
Open Ended Contract Amount: $ 1,000,000
DBE Utilization: 0% Utilization of Total Fee

(7) Firm: R/W Acquisition Associates - Brandywine, MD
Scope of Work: Appraisals, Negotiations, and Relocation Assistance
Duration: 1 yr. from approval by BOT or depletion of maximum fee
Open Ended Contract Amount: $ 1,000,000
DBE Utilization: 0% Utilization of Total Fee

(8) Firm: Universal Field Services, Inc.- Tulsa, OK
Scope of Work: Appraisals, Negotiations, and Relocation Assistance
Duration: 1 yr. from approval by BOT or depletion of maximum fee
Open Ended Contract Amount: $ 1,000,000
DBE Utilization: 0% Utilization of Total Fee

(9) Firm: David Volkert & Associates - Mobile, AL
Scope of Work: Appraisals, Negotiations, and Relocation Assistance
Duration: 1 yr. from approval by BOT or depletion of maximum fee
Open Ended Contract Amount: $ 1,000,000
DBE Utilization: 0% Utilization of Total Fee

(10) Firm: Louis Allen, Inc.- Southport, NC
Scope of Work: Appraisals, Negotiations, and Relocation Assistance
Duration: 1 yr. from approval by BOT or depletion of maximum fee
Open Ended Contract Amount: $ 1,000,000
DBE Utilization: 0% Utilization of Total Fee

(11) Firm: Relo Services, Inc. - Raleigh, NC
Scope of Work: Relocation Assistance
Duration: 1 yr. from approval by BOT or depletion of maximum fee
Open Ended Contract Amount: $ 1,000,000
DBE Utilization: 0% Utilization of Total Fee

After careful evaluation of the number projects requiring acquisition by private firms before the expiration of the existing contracts, it is recommended that the Board of Transportation approve an increase in the maximum amount of the existing contracts for Right of Way Consultant Services on an "as needed" basis from $1,000,000.00 each to $2,000,000.00 each.

RECOMMENDED AWARD OF CONTRACTS TO PRIVATE FIRMS FOR ENGINEERING SERVICES

Planning and Environmental Branch

After careful evaluation of the workload and schedules of the work that can be accomplished by the NCDOT staff, it was determined necessary to employ private firms to accomplish work necessary for our Department to obligate available funds. Thus, staff was authorized to proceed with the actions required to employ private firms in accordance with the rules and regulations adopted by the Board of Transportation on October 4, 1996.

The following item is supplemental contract to a previous contract approved by the Board with the same engineering firm. The supplemental contract exceeds 10% of the original contract; therefore, the contract is being presented to the Board for approval. It is recommended the Board of Transportation award the following supplemental contract to the Private Engineering Firm:

1. Supplemental Agreement No. 2 for Preparation of Planning and Environmental Studies for Highway Construction Projects:

   Division 8

   State Project No. 8.T580501, TIP R-2501, Improvements to US 1 from SR 1971 to SR 1479 including the Rockingham Bypass, Richmond County.

Estimated Construction Cost:	$63,300,000.00
Firm: Presnell Associates Charlotte, North Carolina	
Original Maximum Engineering Fee:	$165,183.76
Previous Supplemental Agreement Fees:	$569,203.61
Current Maximum Engineering Fee:	$734,387.37
Supplemental Agreement Fee:	$ 37,164.36
Revised Maximum Engineering Fee:	$771,551.73
Percentage of Supplemental Fee to Original Maximum Engineering Fee:	367.1%
DBE Utilization:	100%
Source of Funds:	Federal 80% State 20%

   This supplemental agreement is necessary to complete the wetland delineations for the project.

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Hertford Div. 1	1154	1.50	Grade, drain, base, pave From SR 1152 to SR 1155 Companion W. O. 6.072025T and W. O. 6.072003B W. O. 6.072224	$ 20,000.00
Northampton Div. 1	1517	1.80	Grade, drain, base, pave From SR 1501 to SR 1516 Companion W. O. 6.102031T and 6.102004B W. O. 6.102232	$ 90,000.00
Greene Div. 2	1251	0.30	Grade, drain, base, pave Increase funds (Supp. W. O. 6.182187)	$ 11,500.00
Greene Div. 2	1301	2.30	Grade, drain, base, pave Increase funds (Supp. W. O. 6.182188)	$ 16,700.00
Jones Div. 2	1318	1.00	Grade, drain, base, pave Increase funds (Supp. W. O. 6.192134)	$ 15,000.00
Jones Div. 2	1159A	1.10	Grade, drain, base, pave Increase funds (Supp. W. O. 6.192139)	$ 41,500.00
Lenoir Div. 2	1159	0.70	Grade, drain, base, pave Increase funds (Supp. W. O. 6.202297)	$ 19,900.00
Lenoir Div. 2	1713	0.70	Grade, drain, base, pave Increase funds (Supp. W. O. 6.202298)	$ 33,000.00
Lenoir Div. 2	1126	0.80	Grade, drain, base, pave Increase funds (Supp. W. O. 6.202299)	$ 19,500.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Lenoir Div. 2	1150	0.80	Grade, drain, base, pave Reduce funds - $95,000.00 (W. O. 6.202303)	
Lenoir Div. 2	1153		Grade, drain, base, pave Increase funds (Supp. W. O. 6.202305)	$100,000.00
Pitt Div. 2	Gresham Lane	0.16	Upgrade to acceptable maintenance condition From SR 1567 to dead end W. O. 6.222358	$ 6,500.00
Brunswick Div. 3			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.232134)	$ 30,000.00
Duplin Div. 3	James Andrews Lane	0.45	Upgrade to acceptable maintenance condition From SR 1149 to dead end W. O. 6.242381	$ 30,000.00
Onslow Div. 3	1519	1.03	Grade, drain, base, pave Increase funds (Supp. W. O. 6.262326)	$ 59,000.00
Onslow Div. 3	Granview Drive	1.16	Upgrade to acceptable maintenance condition Increase funds (Supp. W. O. 6.262327)	$ 7,500.00
Sampson Div. 3	Willie Lane	0.31	Upgrade to acceptable maintenance condition From SR 1932 to dead end W. O. 6.282460	$ 25,000.00
Durham Div. 5	1625	1.40	Grade, drain, base, pave Reduce funds - $207,600.00 (W. O. 6.352588)	

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Durham Div. 5			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.352246)	$ 30,000.00
Granville Div. 5			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.372152)	$ 50,000.00
Person Div. 5			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.382150)	$ 60,000.00
Person Div. 5	1102	2.80	Grade, drain, base, pave Reduce funds - $45,000.00 (W. O. 6.382346)	
Wake Div. 5			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.402152)	$ 20,000.00
Wake Div. 5	1604	0.80	Grade, drain, base, pave Increase funds (Supp. W. O. 6.402520)	$ 5,100.00
Wake Div. 5	2260	0.88	Grade, drain, base, pave Increase funds (Supp. W. O. 6.402522)	$ 50,000.00
Wake Div. 5	2409	0.50	Grade, drain, base, pave Increase funds (Supp. W. O. 6.402524)	$ 24,000.00
Wake Div. 5	1116	2.10	Grade, drain, base, pave Increase funds (Supp. W. O. 6.402525)	$ 67,700.00
Wake Div. 5	1304	0.66	Grade, drain, base, pave Increase funds (Supp. W. O. 6.402526)	$ 48,700.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Wake Div. 5	2579	0.22	Grade, drain, base, pave Increase funds (Supp. W. O. 6.402527)	$ 13,000.00
Wake Div. 5	2340	0.77	Grade, drain, base, pave Increase funds (Supp. W. O. 6.402530)	$ 40,000.00
Wake Div. 5	1153	0.50	Grade, drain, base, pave Increase funds (Supp. W. O. 6.402533)	$ 26,100.00
Wake Div. 5	1912		Base and pave Increase funds Companion W. O. 6.400006 (Supp. W. O. 6.402534)	$ 56,766.00
Columbus Div. 6	1179	0.70	Grade, drain, base, pave Increase funds (Supp. W. O. 6.432386)	$ 25,000.00
Columbus Div. 6	1845	1.50	Grade, drain, base, pave Increase funds (Supp. W. O. 6.432389)	$ 25,000.00
Columbus Div. 6	1907	1.30	Grade, drain, base, pave Increase funds (Supp. W. O. 6.432390)	$ 30,000.00
Chatham Div. 8	2337	0.20	Grade, drain, base, pave Increase funds (Supp. W. O. 6.522418)	$ 23,000.00
Chatham Div. 8			Pave entrance apron to Bennett Fire Department Increase funds (Supp. W. O. 6.522419)	$ 18,000.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Lee Div. 8	1500B	2.40	Grade, drain, base, pave Reduce funds - $100,000.00 (W. O. 6.542278)	
Lee Div. 8	1539	1.00	Grade, drain, base, pave Increase funds (Supp. W. O. 6.542275)	$100,000.00
Lee Div. 8	1450	0.50	Grade, drain, base, pave Increase funds (Supp. W. O. 6.542277)	$ 27,000.00
Lee Div. 8	1549	0.40	Grade, drain, base, pave Increase funds (Supp. W. O. 6.542280)	$ 3,700.00
Randolph Div. 8			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.572760)	$ 30,000.00
Randolph Div. 8	1932	0.48	Grade, drain, base, pave Increase funds (Supp. W. O. 6.572908)	$ 50,000.00
Randolph Div. 8	1925	0.46	Grade, drain, base, pave Increase funds (Supp. W. O. 6.572909)	$ 23,000.00
Mecklenburg Div. 10			Pave entrance apron to Robinson Volunteer and Rescue, Inc. W. O. 6.672508	$ 7,000.00
Union Div. 10			Pave entrance apron to Griffith Road Volunteer Fire Department-To add Prop. Owners' Participation (Supp. W. O. 6.692390)	$ 2,100.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Alleghany Div. 11			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.702267)	$ 20,000.00
Ashe Div. 11	1371	1.70	Grade, drain, base, pave Increase funds (Supp. W. O. 6.712370)	$ 5,000.00
Ashe Div. 11	1627	0.90	Grade, drain, base, pave Increase funds (Supp. W. O. 6.712372)	$ 15,000.00
Ashe Div. 11			Countywide maintenance of volunteer fire departments and rescue squads Increase funds (Supp. W. O. 6.712306)	$ 5,000.00
Ashe Div. 11			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.712336)	$ 15,000.00
Ashe Div. 11	1332	1.40	Grade, drain, base, pave Increase funds (Supp. W. O. 6.712361)	$ 25,000.00
Ashe Div. 11	1324	1.40	Grade, drain, base, pave Increase funds (Supp. W. O. 6.712362)	$ 35,000.00
Ashe Div. 11	Russell Combs Road	0.19	Upgrade to acceptable maintenance condition W. O. 6.712400	$ 10,000.00
Ashe Div. 11	Riverside Drive/ Skyline Road	0.54	Upgrade to acceptable maintenance condition Off SR 1196 W. O. 6.712401	$ 15,000.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Wilkes Div. 11	2449	0.20	Grade, drain, base, pave Increase funds (Supp. W. O. 6.762629)	$ 35,000.00
Wilkes Div. 11	Greenwood Lane	0.06	Upgrade to acceptable maintenance condition Increase funds (Supp. W. O. 6.762630)	$ 5,000.00
Wilkes Div. 11			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.762541)	$ 15,000.00
Wilkes Div. 11	1569	1.00	Grade, drain, base, pave Increase funds (Supp. W. O. 6.762604)	$ 15,000.00
Yadkin Div. 11	1605	2.71	Widen existing pavement Reduce funds - $16,000.00 (W. O. 6.772312)	
Yadkin Div. 11			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.772295)	$ 20,000.00
Catawba Div. 12	6th Street Court	0.29	Upgrade to acceptable maintenance condition W. O. 6.792594	$ 2,000.00
Cleveland Div. 12	1836	0.26	Grade, base, pave From SR 1337 to SR 1832 Prop. Owners' Participation W. O. 6.802567	$ 15,000.00 (State Funds - $ 15,000.00)
Buncombe Div. 13	3426	0.50	Grade, drain, base, pave Increase funds (Supp. W. O. 6.842649)	$ 9,403.00
Burke Div. 13	1937	0.18	Grade, drain, base, pave Increase funds (Supp. W. O. 6.852533)	$ 6,000.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Burke Div. 13	1158	0.62	Grade, drain, base, pave Increase funds (Supp. W. O. 6.852538)	$ 12,000.00
Burke Div. 13	2015	0.46	Grade, drain, base, pave Increase funds (Supp. W. O. 6.852539)	$ 12,000.00
Rutherford Div. 13	2158	0.14	Grade, drain, base, pave Increase funds (Supp. W. O. 6.892555)	$ 5,000.00
Clay Div. 14			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.922072)	$ 30,000.00
Clay Div. 14	1109M	2.20	Grade, drain, base, pave Increase funds (Supp. W. O. 6.922191)	$ 46,000.00
Clay Div. 14	1179	0.90	Grade, drain, base, pave Reduce funds - $50,000.00 (W. O. 6.922192)	
Haywood Div. 14			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.942144)	$ 50,000.00
Haywood Div. 14	1316	0.90	Grade, drain, base, pave Increase funds (Supp. W. O. 6.942351)	$150,000.00
Haywood Div. 14	1114	0.25	Grade, drain, base, pave Increase funds (Supp. W. O. 6.942352)	$ 40,000.00
Henderson Div. 14	1741	0.70	Grade, drain, base, pave From SR 1734 to dead end W. O. 6.952555	$105,000.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Henderson Div. 14	1334	1.10	Grade, drain, base, pave From SR 1333 to SR 1333 W. O. 6.952556	$165,000.00
Jackson Div. 14	1400	1.00	Grade, drain, base, pave Reduce funds - $100,000.00 (W. O. 6.962377)	
Jackson Div. 14	1388	1.22	Grade, drain, base, pave Reduce funds - $100,000.00 (W. O. 6.962385)	
Jackson Div. 14			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.962139)	$ 75,000.00
Jackson Div. 14	1713	0.50	Grade, drain, base, pave Increase funds (Supp. W. O. 6.962343)	$ 85,000.00
Jackson div. 14	1105	0.80	Grade, drain, base, pave Increase funds (Supp. W. O. 6.962366)	$ 60,000.00
Jackson Div. 14	1157	2.80	Grade, drain, base, pave Increase funds (Supp. W. O. 6.962370)	$200,000.00
Jackson Div. 14	1533	0.30	Grade, drain, base, pave Increase funds (Supp. W. O. 6.962372)	$ 65,000.00
Macon Div. 14			Countywide right-of-way signatures - Increase funds (Supp. W. O. 6.972122)	$ 50,000.00
Swain Div. 14	1314	0.41	Grade, drain, base, pave Increase funds (Supp. W. O. 6.992185)	$ 40,000.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Swain Div. 14	1306	0.47	Grade, drain, base, pave Increase funds (Supp. W. O. 6.992189)	$ 40,000.00
Swain Div. 14	1190	0.33	Grade, drain, base, pave Increase funds (Supp. W. O. 6.992191)	$ 60,000.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY TRUST FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Hertford Div. 1	1154	1.50	Grade, drain, base, pave From SR 1152 to SR 1155 Companion W. O. 6.072224 and W. O. 6.072003B W. O. 6.072025T	$100,000.00
Martin Div. 1	1154	2.00	Grade, drain, base, pave From SR 1155 to SR 1113 W. O. 6.092036T	$300,000.00
Northampton Div. 1	1517	1.80	Grade, drain, base, pave From SR 1501 to SR 1516 Companion W. O. 6.102232 and W. O. 6.102031T	$ 25,000.00
Greene Div. 2	1224	1.30	Grade, drain, base, pave Increase funds (Supp. W. O. 6.182014T)	$ 10,500.00
Greene Div. 2	1341	1.60	Grade, drain, base, pave Increase funds (Supp. W. O. 6.182018T)	$ 33,900.00
Jones Div. 2	1118	0.70	Grade, drain, base, pave Increase funds (Supp. W. O. 6.192019T)	$ 14,200.00
Lenoir Div. 2	1142	1.20	Grade, drain, base, pave Increase funds (Supp. W. O. 6.202063T)	$ 54,500.00
Lenoir Div. 2	NW Subdivision	0.72	Upgrade to acceptable maintenance condition Increase funds (Supp. W. O. 6.202066T)	$ 6,500.00
Lenoir Div. 2	1313	0.60	Grade, drain, base, pave From NC 903 to Wayne CL W. O. 6.202072T	$ 80,000.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY TRUST FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Onslow Div. 3	1519	1.03	Grade, drain, base, pave Increase funds (Supp. W. O. 6.262033T)	$ 60,000.00
Pender Div. 3	1535	0.80	Grade, drain, base, pave Increase funds (Supp. W. O. 6.272027T)	$ 5,000.00
Durham Div. 5	1625	1.40	Grade, drain, base, pave From SR 1615 to end of maintenance Companion W. O. 6.352588 W. O. 6.352071T	$225,000.00
Granville Div. 5	1447	1.60	Grade, drain, base, pave Increase funds (Supp. W. O. 6.372033T)	$125,000.00
Granville Div. 5	1517	1.30	Grade, drain, base, pave Increase funds (Supp. W. O. 6.372035T)	$ 80,000.00
Granville Div. 5	1505	3.90	Grade, drain, base, pave Reduce funds - $205,000.00 (W. O. 6.372038T)	
Person Div. 5	1567	3.00	Grade, drain, base, pave From SR 1571 to SR 1568 Companion W. O. 6.382345 W. O. 6.382068T	$320,000.00
Wake Div. 5	1612	0.55	Grade, drain, base, pave Increase funds (Supp. W. O. 6.402098T)	$ 33,000.00
Wake Div. 5	1145	1.70	Grade, drain, base, pave Increase funds (Supp. W. O. 6.402100T)	$ 16,000.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY TRUST FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Wake Div. 5	2739	1.74	Grade, drain, base, pave From NC 42 to SR 2736 Companion W. O. 6.402003B W. O. 6.402115T	$ 48,877.00
Bladen Div. 6	1543	1.50	Grade, drain, base, pave Increase funds (Supp. W. O. 6.422024T)	$ 70,000.00
Columbus Div. 6	1912	2.10	Grade, drain, base, pave Increase funds (Supp. W. O. 6.432042T)	$200,000.00
Lee Div. 8	Pheasant Circle	0.10	Upgrade to acceptable maintenance condition Increase funds (Supp. W. O. 6.542016T)	$ 15,000.00
Lee Div. 8	Kingfisher Road	0.23	Upgrade to acceptable maintenance condition Increase funds (Supp. W. O. 6.542017T)	$ 28,000.00
Davidson Div. 9	1653	0.15	Grade, drain, base, pave Increase funds (Supp. W. O. 6.602110T)	$ 6,005.30
Davidson Div. 9	2993	0.22	Grade, drain, base, pave Increase funds (Supp. W. O. 6.602109T)	$ 4,033.41
Davidson Div. 9	1996	0.18	Grade, drain, base, pave Increase funds (Supp. W. O. 6.602106T)	$ 5,823.70
Davidson Div. 9	1305	0.26	Grade, drain, base, pave Increase funds (Supp. W. O. 6.602105T)	$ 9,118.69

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY TRUST FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Davidson Div. 9	1442	1.01	Grade, drain, base, pave Increase funds (Supp. W. O. 6.602100T)	$ 6,692.25
Rowan Div. 9	2549	0.90	Grade, drain, base, pave Increase funds (Supp. W. O. 6.632072T)	$ 11,031.01
Rowan Div. 9	2384	1.40	Grade, drain, base, pave Increase funds (Supp. W. O. 6.6342078T)	$ 8,286.27
Alleghany Div. 11	1100	2.26	Grade, drain, base, pave Increase funds (Supp. W. O. 6.702020T)	$ 70,000.00
Alleghany Div. 11	1514	0.08	Grade, drain, base, pave Reduce funds - $12,000.00 (W. O. 6.702024T)	
Alleghany Div. 11	1199	0.14	Grade, drain, base, pave Reduce funds - $16,000.00 (W. O. 6.702025T)	
Alleghany Div. 11	1204	0.12	Grade, drain, base, pave Reduce funds - $12,000.00 (W. O. 6.702026T)	
Alleghany Div. 11	1303	1.10	Grade, drain, base, pave Reduce funds - $20,000.00 (W. O. 6.702029T)	
Catawba Div. 12	1842	0.20	Grade, base, pave From end of pavement to dead end W. O. 6.792086T	$ 33,280.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY TRUST FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Gaston Div. 12	2083	0.28	Grade, drain, base, pave To increase length of project with no change in funds (W. O. 6.812057T)	
Lincoln Div. 12	1193	1.28	Grade, base, pave From SR 1113 to dead end W. O. 6.832073T	$200,000.00
Lincoln Div. 12	1277	0.85	Grade, base, pave From SR 1276 to beginning of pavement W. O. 6.832074T	$125,000.00
Madison Div. 13	1366	0.30	Grade, drain, base, pave Increase funds (Supp. W. O. 6.862051T)	$ 26,000.00
Madison Div. 13	1382	0.50	Grade, drain, base, pave Increase funds (Supp. W. O. 6.862052T)	$ 20,000.00
Mitchell Div. 13	1163	0.50	Grade, drain, base, pave Increase funds (Supp. W. O. 6.882037T)	$ 70,000.00
Rutherford Div. 13	1180	1.69	Grade, drain, base, pave Change description to from SR 1178 to SR 1181 and increase length Increase funds (Supp. W. O. 6.892058T)	$ 85,000.00
Rutherford Div. 13	1785	2.23	Grade, drain, base, pave Increase funds (Supp. W. O. 6.892059T)	$ 5,000.00
Clay Div. 14	1327	0.27	Grade, drain, base, pave Increase funds (Supp. W. O. 6.922021T)	$ 10,000.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY TRUST FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Clay Div. 14	1128	1.88	Grade, drain, base, pave From end of pavement Companion W. O. 6.92 W. O. 6.922024T	$190,000.00
Graham Div. 14	1134	2.70	Grade, drain, base, pave From SR 1127 W. O. 6.932023T	$160,000.00
Haywood Div. 14	1821	0.50	Grade, drain, base, pave Increase funds (Supp. W. O. 6.942082T)	$ 5,000.00
Haywood Div. 14	1866	0.20	Grade, drain, base, pave Increase funds (Supp. W. O. 6.942085T)	$ 10,000.00
Haywood Div. 14	1917	0.20	Grade, drain, base, pave Increase funds (Supp. W. O. 6.942086T)	$ 15,000.00
Haywood Div. 14	1512	2.10	Grade, drain, base, pave Increase funds (Supp. W. O. 6.942094T)	$150,000.00
Haywood Div. 14	1545	0.54	Grade, drain, base, pave Increase funds (Supp. W. O. 6.942099T)	$ 85,000.00
Henderson Div. 14	1715	2.50	Grade, drain, base, pave From SR 1602 to SR 1713 W. O. 6.952107T	$375,000.00
Jackson Div. 14	1372	0.35	Grade, drain, base, pave Increase funds (Supp. W. O. 6.962064T)	$ 15,000.00
Macon Div. 14	1365	0.67	Grade, drain, base, pave Increase funds (Supp. W. O. 6.972049T)	$ 47,000.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY TRUST FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Macon Div. 14	1421	0.50	Grade, drain, base, pave Increase funds (Supp. W. O. 6.972065T)	$112,000.00
Swain Div. 14	1193	0.27	Grade, drain, base, pave Increase funds (Supp. W. O. 6.992029T)	$ 25,000.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY BOND FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Hertford Div. 1	1154	1.50	Grade, drain, base, pave From SR 1152 to SR 1155 Companion W. O. 6.072224 and W. O. 6.072025T W. O. 6.072003B	$ 30,000.00
Northampton Div. 1	1517	1.80	Grade, drain, base, pave From SR 1501 to SR 1516 Companion W. O. 6.10 and W. O. 6.10 W. O. 6.102004B	$ 25,000.00
Washington Div. 1	1305	0.40	Grade, drain, base, pave From SR 1303 to private road W. O. 6.142005B	$ 60,000.00
Granville Div. 5	1505	3.90	Grade, drain, base, pave From US 15 to SR 1445 Companion W. O. 6.372038T W. O. 6.372004B	$150,000.00
Wake Div. 5	2739	1.74	Grade, drain, base, pave Reduce funds - $48,877.00 (W. O. 6.402003B)	
Buncombe Div. 13	1759	0.23	Grade, base, pave Increase funds (Supp. W. O. 6.842005B)	$ 13,000.00
Clay Div. 14	1128	1.88	Grade, drain, base, pave From end of pavement Companion W. O. 6.922024T W. O. 6.922001B	$195,000.00
Macon Div. 14	1308	0.28	Grade, drain, base, pave From SR 1306 W. O. 6.972001B	$ 43,000.00
Macon Div. 14	1123A	0.40	Grade, drain, base, pave From SR 1121 to SR 1121 W. O. 6.972002B	$ 60,000.00

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

HIGHWAY BOND FUND

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	ESTIMATED COST
Macon Div. 14	1680	0.15	Grade, drain, base, pave From SR 1678 to end of maintenance W. O. 6.972003B	$ 28,000.00
Macon Div. 14	1397	1.40	Grade, drain, base, pave From SR 1475 to end of maintenance W. O. 6.972004B	$210,000.00

CORRECTION:
(Meeting of December 5, 1997)
Page E-5 - Buncombe County (Supp. W. O. 6.842653) - On project to Grade, drain, base, pave SR 1147. SHOULD BE: SR 1149.

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

CLOSINGS

DIV	COUNTY	W. O.	ROAD	AMOUNT
1	Tyrrell	6.132129	1119 Ext.	$5,000.00
1	Washington	6.142160	Anfie Drive	$1,500.00
2	Beaufort	6.152042T	1419	$1,424.96
4	Nash	6.322234	1517	$1,905.00
4	Nash	6.322227	1526	$1,787.00
5	Wake	6.402093T	1843	$2,007.00
9	Davidson	6.602856	1708	$1,692.00
9	Davidson	6.602844	2451	$1,798.00
9	Stokes	6.642053T	1624	$3,081.00

DELETIONS

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	REASON
Durham Div. 5	2233	0.19	Grade, drain, base, pave From SR 1106 to SR 1100 W. O. 6.352067T	Annexed by City of Durham
Person Div. 5	1724	0.90	Grade, drain, base, pave From US 158 to end of maintenance W. O. 6.382063T	Unable to obtain right-of-way
Buncombe Div. 13	1317	0.20	Grade, drain, base, pave From SR 1255 to end of maintenance W. O. 6.842135T	Unable to obtain right-of-way
Mitchell Div. 13	1326	2.90	Grade, drain, base, pave From NC 226 to end of maintenance W. O. 6.882196	Unable to obtain right-of-way

SECONDARY ROAD IMPROVEMENT PROJECTS
HIGHWAY FUND - HIGHWAY TRUST FUND - HIGHWAY BOND FUND

DELETIONS

COUNTY	SR NO	LENGTH (Miles)	DESCRIPTION	REASON
Macon Div. 14	1623	0.20	Steep Grade Pave From SR 1622 W. O. 6.972059T	Funded from other sources

REQUEST FOR APPROVAL OF PROJECTS FROM
ACCESS AND PUBLIC SERVICE ROAD FUND

PUBLIC SCHOOL

DIVISION 7 - RICHMOND COUNTY

This is to request the Board of Transportation to approve an allocation of $6,966 to construct a school bus drive to serve the Early Childhood Center which will be located in the old District Engineer's Office in Rockingham, NC. This school service center is for Grades K - 3 and is for children who have not fully adjusted to the regular classroom setting. This work is to be accomplished by the Richmond County Schools with the Department of Transportation reimbursing them upon satisfactory completion.

W. O. 6.905018

BOARD OF TRANSPORTATION
ROAD ADDITIONS

COUNTY	PET. NO.	LENGTH	DESCRIPTION	DATE OF REPORT
Division 2				
Craven	42627		Deer Run Subdivision	10/23/97
		0.02 mile	Winchester Court	
		0.02 mile	Widgeon Circle	
		0.37 mile	Deer Run Road	
Craven	42628		The Home Place Subd.	11/04/97
		0.46 mile	Wildflower Way	
		0.30 mile	Columbine Crossing	
		0.15 mile	Day Lilly Lane	
Pitt	42629	0.16 mile	Gresham Lane	07/14/97
Division 3				
Brunswick	42630	1,901.97 feet	Lyn-Marie Drive, Extension SR 1730	12/17/97
Brunswick	42631	975.87 feet	Henry Drive, NE	12/11/97
Duplin	42632	0.45 mile	James Andrew Lane	11/05/97
Onslow	42633	645.76 feet	Firethorn Lane	12/08/97
Division 4				
Johnston	42634		Brogden Woods Subd.	06/09/97
		0.60 mile	Bonnie Avenue	
		0.15 mile	Lake Vista Drive	
		0.17 mile	Partridge Lane	
		0.07 mile	Deer Drive	
Division 6				
Cumberland	42635	0.90 mile	Corporation Drive	10/28/97
		0.58 mile	Production Drive	10/28/97
Cumberland	42636		Windsong Subdivision	10/30/97
		0.54 mile	Grenedine Drive	
		0.06 mile	Tabago Place	
		0.08 mile	Tortola Drive	
		0.03 mile	Jarmon Court	
		0.45 mile	Cayman Drive	
		0.09 mile	Merganser Place	

BOARD OF TRANSPORTATION
ROAD ADDITIONS

COUNTY	PET. NO.	LENGTH	DESCRIPTION	DATE OF REPORT
Division 6				
Harnett	42637		Overhills Creek Subd.	11/05/97
		0.18 mile	Eileen Drive	
		0.08 mile	B. J. Palmer Drive	
Division 7				
Caswell	42638	0.23 mile	Jeffress Road Extension	10/21/97
Guilford	42639	0.04 mile	Gumwood Road, SR 3999 Extension	09/19/97
Guilford	42640		Abingdon Subdivision	10/09/97
		0.08 mile	West Belgrave Terrace	
		0.06 mile	East Belgrave Terrace	
		0.49 mile	Wescott Drive	
Guilford	42641	0.22 mile	Blackberry Ridge Drive	10/17/97
Guilford	42642		Stonehenge Subdivision	10/16/97
		0.48 mile	Currieton Drive	
		0.06 mile	Danbers Court	
		0.23 mile	Colton Drive	
		0.11 mile	Currieton Court	
		0.15 mile	Lockland Drive	
		0.16 mile	Norwell Court	
Guilford	42643		Briarwood Subdivision	09/19/97
		0.16 mile	Landerwood Drive Ext.	
		0.07 mile	Landerwood Court	
		0.08 mile	Sunbury Drive	
Guilford	42644		Trotter Ridge Subdivision	10/16/97
		0.31 mile	Morganshire Drive	
		0.07 mile	Morganshire Court	
		0.27 mile	Lomond Drive	
Rockingham	42645	0.14 mile	Henry Road, SR 2193 Extension	08/14/97
Rockingham	42646		Ranchette Acres	05/19/97
		0.10 mile	Matt Dillon Drive	
		0.30 mile	Cartwright Drive	
Rockingham	42647	0.57 mile	Gem-Stone Loop	11/21/97

BOARD OF TRANSPORTATION
ROAD ADDITIONS

COUNTY	PET. NO.	LENGTH	DESCRIPTION	DATE OF REPORT
Division 8				
Chatham	42648		Daniel Ridge Subdivision	12/03/97
		0.16 mile	Margaret Daniel Lane	
		0.04 mile	Diana Del Silva Court	
		0.23 mile	Danning Drive	
Randolph	42649	0.13 mile	Old Forest Court	12/08/97
Randolph	42650		Knywood Subdivision	12/08/97
		0.16 mile	Beech Circle	
		0.20 mile	Jill Drive	
		0.45 mile	Tallwood Drive	
Randolph	42651		Country Place Subd.	12/03/997
		0.30 mile	Country Place Road Ext., SR 2325	
		0.21 mile	Valley Dale Lane	
		0.13 mile	Beech Tree Court	
Division 9				
Davidson	42652		Welcome Business Center	12/08/97
		0.63 mile	Welcome Center Blvd.	
		0.16 mile	Welcome Center Court	
Division 10				
Cabarrus	42653	0.01 mile	Diablo Court	01/13/97
Mecklenburg	42654		Winding Creek Subd.	09/23/97
		0.15 mile	Coreopsis Road	
		0.14 mile	Yarrow Road	
		0.03 mile	Purslane Court	
Mecklenburg	42655	0.07 mile	Woodrose Court	08/19/97
Mecklenburg	42656		Back Creek Forest Subd.	08/21/97
		0.18 mile	Rosemallow Road	
		0.16 mile	Pimpernel Road	

BOARD OF TRANSPORTATION
ROAD ADDITIONS

COUNTY	PET. NO.	LENGTH	DESCRIPTION	DATE OF REPORT
Division 10				
Mecklenburg	42657	0.30 mile	Greyfriars Road	08/14/97
Mecklenburg	42658		Winding Creek Subd.	09/22/97
		0.05 mile	Valerian Court	
		0.10 mile	Liatris Lane	
		0.13 mile	Celandine Court	
Union	42659		Walden Pond Subd.	05/23/97
		0.53 mile	White Pond Lane	
		0.4 mile	Yellow Pine Court	
Union	42660		Weddington Downs	10/16/97
		0.45 mile	Weddington Downs Drive	
		0.06 mile	Eagle Pass Court	
		0.05 mile	Tall Oaks Court	
Division 11				
Ashe	42661	0.19 mile	Russell Combs Road	12/16/97
Ashe	42662	0.30 mile	Vannoy Drive	09/24/97
Caldwell	42663	0.34 mile	Lovette Lane	09/29/97
Surry	42664		Crosswinds Subdivision	11/20/97
		0.09 mile	Crosswinds Place	
		0.13 mile	Crosswinds Circle	
		0.12 mile	West Crosswinds Court	
		0.07 mile	East Crosswinds Court	
Surry	42665	0.61 mile	Knollcrest Drive	11/19/97
Wilkes	42666	0.24 mile	Industrial Drive	10/21/97
Yadkin	42667	0.12 mile	Cedar Hill Drive	10/08/97
		0.09 mile	Emerald Drive	10/08/97
Yadkin	42668	2,450 feet	Stone Ridge Drive	10/10/97
Division 12				
Alexander	42669	0.33 mile	Little Round Top Drive	10/22/97
Alexander	42670	0.31 mile	Dogwood Acres	10/03/97
Catawba	42671	0.33 mile	Krestrel Valley Lane	11/14/97
Catawba	42672	0.29 mile	6th Street, Ct. SE	11/05/97

BOARD OF TRANSPORTATION
ROAD ADDITIONS

COUNTY	PET. NO.	LENGTH	DESCRIPTION	DATE OF REPORT
Division 12				
Catawba	42673		PalmTree Heights	11/07/97
		0.06 mile	Palm Tree Drive	
		0.03 mile	Kiwi Lane	
Lincoln	42674	0.56 mile	Palm Tree Drive	
		0.07 mile	Coconut Drive	
		0.24 mile	Kiwi Lane	
Gaston	42675		Winningfield Subdivision	11/14/97
		0.22 mile	Ace Avenue	
		0.11 mile	Royal Lane	
Gaston	42676		Catawba Winds Subd.	11/18/97
		0.48 mile	Catawba Winds Drive	
		0.11 mile	Catawba Woods Court	
Iredell	42677		Sagefield Subdivision	11/04/97
		0.21 mile	Peppertree Drive	
		0.18 mile	Nettlebrook Lane	
Lincoln	42678	0.06 mile	Sand Wedge Court	11/10/97
Lincoln	42679	0.27 mile	Normandy Road	11/26/97
Division 13				
Burke	42473	0.21 mile	Owens Mountain	12/01/97
McDowell	42680	0.50 mile	Rockwell Road	10/29/97

BOARD OF TRANSPORTATION

CORRECTIONS
(Meeting 11/07/97)
Johnston County, Pet. No. 42484, 0.23 mile, portion of SR 1549 - Austin Pond Road
SHOULD NOT HAVE APPEARED
Item appeared under Pet. No. 42429 (October 3, 1997 agenda)

ABANDONMENTS

COUNTY	PET. NO.	LENGTH	DESCRIPTION	DATE OF REPORT
Division 1				
Northampton	42681	0.13 mile	Woodland-Onley School Drive, SR 1528	11/04/97
Division 7				
Rockingham	42682	0.32 mile	Hamlin Ford Road, SR 1349	10/08/97
Division 9				
Forsyth	42683	792 feet	A portion of SR 1980, Stoney Point Road	11/17/97
Division 11				
Ashe	42684	0.20 mile	Portion of SR 1121, Peak Road	11/10/97
Wilkes	42685	0.06 mile	SR 1705, John McGrady Road	11/10/97

APPROVAL OF FUNDS FOR SPECIFIC DIVISIONWIDE URBAN CONSTRUCTION PROJECTS

Town/County	Description	Est. Cost
Elizabeth City/ Pasquotank Div. 1 U-2651W	W. O. 9.8011175 has been approved to widen and relocate SR 1382-1383 to provide revised access to the College of Albemarle. This is to request additional funds.	$ 35,000.00
Winfall/ Perquimans Div. 1	Widen, curb and gutter, and improve drainage on NC 37 from White Street west 400 ft. W. O. 9.8014222	$ 50,000.00
Columbia/ Tyrrell Div. 1	W. O. 9.8010722 has been approved to construct a connector road from US 64 to SR 1300 at Tyrrell Elementary School. This is to request additional funds.	$ 25,000.00
New Bern/ Craven Div. 2	Construct connector road from SR 1167 to Craven Regional Airport terminal W. O. 9.8022961	$150,000.00
Farmville/ Pitt Div. 2	Revise signal and construct turn lane on US 264A at Field Street. Additional $41,500 to be provided by City. W. O. 9.8021720	$ 41,500.00
Wrightsville Beach/ New Hanover Div. 3	Widen, curb and gutter, and drainage improvements on US 76 (S. Lumina Avenue) from Sunset Avenue to dead end, 0.50 mile. An additional $50,000 will be provided by Town. W. O. 9.8033323	$100,000.00
Clayton/ Johnston Div. 4	Install a fully actuated traffic signal on NC 42 at SR 1902 (Glen Laurel Road) W. O. 9.8040625	$ 40,000.00
Tarboro/ Edgecombe Div. 4	Extend curb and gutter and widen pavement on north side of SR 1213 from Austin Street west 0.30 mile W. O. 9.8044157	$ 90,000.00
Clayton/ Johnston Div. 4 U-1854T	W. O. 9.8040621 has been approved to widen NC 42 from SR 1551 to SR 1555. This is to request additional funds.	$ 3,771.84

January 9, 1998

APPROVAL OF FUNDS FOR SPECIFIC DIVISIONWIDE URBAN CONSTRUCTION PROJECTS

Town/County	Description	Est. Cost
Clayton/ Johnston Div. 4	W. O. 9.8040622 has been approved to construct left-turn lanes and install signal at intersection of SR 1551 and SR 1552. This is to request additional funds.	$ 13,795.33
Eureka/ Wayne Div. 4 U-1854F	W. O. 9.8041105 has been approved for survey and design of NC 222 from SR 1520 to north city limits. This is to request additional funds to close project.	$ 2,531.62
Raleigh/ Wake Div. 5	Install five-phase traffic signal at intersection of SR 1829 (Strickland Road) and Six Forks Station Shopping Center and interconnect to the City's computerized signal system. W. O. 9.8052053	$ 50,000.00
Elizabethtown/ Bladen Div. 6	Widen SR 1150 (Peanut Road) from 150 ft. north of Swanzy Street to SR 1148 W. O. 9.8061521	$110,000.00
Bladenboro/ Bladen Div. 6	Install curb and gutter and storm sewer on NC 211 Business from end of curb and gutter toward Spaulding Monroe Middle School W. O. 9.8060320	$ 75,000.00
Chadbourn/ Columbus Div. 6 U-2056P	W. O. 9.8060817 has been approved to base and pave SR 1578. This is to request funds be reduced in the amount of $5,000.	
Tabor City/ Columbus Div. 6	Widen, curb and gutter, and storm drainage on NC 904 (Burns Street). Companion to W. O. 6.430007 to complete construction from end of existing curb and gutter to Floyd Street W. O. 9.8064122	$ 75,000.00
Bolton/ Columbus Div. 6	Drainage improvements on NC 214 W. O. 9.8060410	$ 20,000.00

APPROVAL OF FUNDS FOR SPECIFIC DIVISIONWIDE URBAN CONSTRUCTION PROJECTS

Town/County	Description	Est. Cost
Lake Waccamaw/ Columbus Div. 6 U-2056Q	W. O. 9.8062306 has been approved to install guardrail at three locations on SR 1757. This is to request the description be changed to: Extend crossline pipes in three locations on SR 1757 with no change in funds.	
Fayetteville/ Cumberland Div. 6 U-1856D	W. O. 9.8069767 has been approved for preliminary engineering, survey, design and plan preparation to widen US 401 Business. This is to request additional funds to complete construction on SR 1168 (Whitfield Street) at US 401 Business (Robeson Street).	$ 35,000.00
Hope Mills/ Cumberland Div. 6	Construct left-turn lane on SR 2252 (Chicken Foot Road) at SR 2238 (Sand Hill Road) to serve new Wal-Mart Distribution facility. W. O. 9.8062226	$ 75,000.00
Fayetteville/ Cumberland Div. 6	Preliminary engineering to widen US 401 Business (Robeson Street) at NC 87 (CBD Loop) ramp for dual left turns W. O. 9.8062005	$ 10,000.00
Fayetteville/ Cumberland Div. 6	Widen ramps and upgrade signal on US 401 Business (Martin L. King Freeway) for triple left turns at Ramsey Street W. O. 9.8062006	$ 30,000.00
Spring Lake/ Cumberland Div. 6	Remove island and widen pavement at NC 24/87/210 to improve intersection W. O. 9.8064321	$ 40,000.00
Fayetteville/ Cumberland Div. 6	Construct barrier wall on SR 1007 (All American Expressway) along controlled access fence line in conjunction with Cliffdale Road interchange project. City to participate in 50% of cost of project. W. O. 9.8062007	$ 50,000.00
Fayetteville/ Cumberland Div. 6	Widen SR 1141 (Bingham Drive) at US 401 for turn lanes, revise signal and improve drainage. Companion to Spot Safety Projects. W. O. 9.8062008	$ 95,000.00

APPROVAL OF FUNDS FOR SPECIFIC DIVISIONWIDE URBAN CONSTRUCTION PROJECTS

Town/County	Description	Est. Cost
Fayetteville/ Cumberland Div. 6 U-2156B	W. O. 9.8069796 has been approved to install guardrail on SR 1838 and SR 1006 at Locks Creek. This is to request funds be reduced in the amount of $20,000.	
Fayetteville/ Cumberland Div. 6 U-2056S	W. O. 9.8069791 has been approved to widen SR 1141 for turn laneat SR 1003. This is to request funds be reduced in the amount of $10,000.	
Fayetteville/ Cumberland Div. 6 U-1956Z	W. O. 9.8069784 has been approved to provide intersection revision and signalization on US 401 at Methodist College. This is to request funds be reduced in the amount of $20,000.	
Fayetteville/ Cumberland Div. 6 U-1956X	W. O. 9.8069782 has been approved to install signal at intersection of SR 3259 and SR 1404. This is to request funds be reduced in the amount of $30,000.	
Fayetteville/ Cumberland Div. 6 U-1756M	W. O. 9.8069754 has been approved to widen US 401 Business for turn lane onto McPherson Church Road. This is to request funds be reduced in the amount of $25,000.	
Spring Lake/ Cumberland Div. 6 U-1956C	W. O. 9.8064319 has been approved to curb and gutter and widen NC 87/210 at new Federal School Site #2. This is to request funds be reduced in the amount of $10,000.	
Hope Mills/ Cumberland Div. 6 U-2056X	W. O. 9.8062224 has been approved to provide turn lanes on SR 1363 and SR 1132. This is to request funds be reduced in the amount of $20,000.	
Coats/ Harnett Div. 6	Construct right-turn lane on NC 27 at NC 55 at Coats School and modify traffic signal. Companion to W. O. 6.450006 approved to widen NC 55 for left-turn lane. W. O. 9.8061013	$ 65,000.00

APPROVAL OF FUNDS FOR SPECIFIC DIVISIONWIDE URBAN CONSTRUCTION PROJECTS

Town/County	Description	Est. Cost
Lillington/ Harnett Div. 6 U-1956H	W. O. 9.8062420 has been approved for preliminary engineering for turn lanes on US 401. This is to request additional funds to complete construction of center left-turn lanes on US 401 to serve Harnett County Governmental Complex.	$ 75,000.00
Lillington/ Harnett Div. 6 U-2156K	W. O. 9.8062422 has been approved to install wheelchair ramps at various locations. This is to request funds be reduced in the amount of $10,000.	
St. Pauls/ Robeson Div. 6	Preliminary engineering for radius improvements on US 301/NC 20 to accommodate trucks and make signal modifications W. O. 9.8063917	$ 10,000.00
Lumberton/ Robeson Div. 6	Widen SR 1791 from I-95 project limits on NC 211 to I-95 project limits at US 301 W. O. 9.8062777	$ 75,000.00
Lumberton/ Robeson Div. 6	Widen SR 2413 for left-turn lane to serve Quickie Manufacturing. Companion to Industrial Access Project funded with State Construction Funds. W. O. 9.8062778	$ 50,000.00
Pembroke/ Robeson Div. 6 U-2056Y	W. O. 9.8063524 has been approved to install signal on NC 711 at Colony Plaza Shopping Center. This is to request funds be reduced in the amount of $50,000.	
Lumberton/ Robeson Div. 6 U-1956S	W. O. 9.8062775 has been approved to install signal system on NC 211 at Walnut Street. This is to request funds be reduced in the amount of $25,000.	
Burlington/ Alamance Div. 7 U-1667R	W. O. 9.8070188 has been approved to widen US 70 for turn lane. This is to request additional funds.	$ 4,000.00
Burlington/ Alamance Div. 7 U1667W	W. O. 9.8070189 has been approved to improve drainage on SR 1158 south of SR 1306. This is to request funds be reduced in the amount of $10,000.	

APPROVAL OF FUNDS FOR SPECIFIC DIVISIONWIDE URBAN CONSTRUCTION PROJECTS

Town/County	Description	Est. Cost
Stokesdale/ Guilford Div. 7 U-1667U	W. O. 9.8072606 has been approved to pave SR 2039. This is to request additional funds.	$ 6,000.00
Aberdeen/ Moore Div. 8	Replace curb and gutter on SR 2055 between Knight and Maple Streets. Work to be done in a contract by the Town with DOT reimbursement upon satisfactory completion. W. O. 9.8080126	$ 15,000.00
Randleman/ Randolph Div. 8	Grade, drain, base, pave SR 1958 (Little Fox Road) from SR 1989 northerly for 0.20 mile to truck entrance to Ekni Leather Company W. O. 9.8083319	$ 15,000.00
Huntersville/ Mecklenburg Div. 10 U-2060Q	W. O. 9.8100716 has been approved to realign intersection of SR 2136 and SR 2138 and add turn lanes. This is to request additional funds.	$ 28,998.20
Mooresville/ Iredell Div. 12	Relocate SR 1474 (Bluefield Road) to align with NC 150-SR 1109 intersection , 0.20 mile W. O.9.8122624	$125,000.00
Robbinsville/ Graham Div. 14	Widen US 129 from SR 1275 to SR 1260, 1.00 mile W. O. 9.8141724	$150,000.00
Franklin/ Macon Div. 14	Replace traffic islands, driveway turnouts, improve drainage, and resurface Depot Street. W. O. 9.8141043	$ 75,000.00

SPECIFIC STATEWIDE DISCRETIONARY PROJECTS

COUNTY	DESCRIPTION	EST COST
Tyrrell Div. 1	Supplement W. O. 6.806641 to complete road to Tyrrell County Elementary School	$ 25,000
Craven Div. 2	Supplement W. O. 6.170010 to construct service road from SR 1162 to SR 1772 to serve Havelock Middle School	$140,000
Ayden/ Pitt Div. 2	Curb and gutter on SR 1149 (North Lee Street) W. O. 6.220008	$ 45,000
Durham Div. 5	Widen University Drive for left and right turn lanes between Cornwallis Road and Hope Valley Road W. O. 6.350008	$ 70,000
Columbus Div. 6	Grade, drain, base, pave SR 1815 (Gus Bryant Road) from NC 87 to SR 1740 W. O. 6.430008	$125,000
Harnett Div. 6	Supplement W. O. 6.450005 to pave SR 1716	$ 4,000 (Participation Funds)
Surry Div. 11	Grade, drain, base, pave SR 1835A from SR 1836 to Stokes County Line, 1.00 mile W. O. 6.7400013	$160,000
Iredell Div. 12	Supplement W. O. 6.820006 to pave Airport Road	$ 25,000 (Participation Funds)
Rutherford Div. 13	Provide left and right turn lanes on SR 2210 a new middle school W. O. 6.890010	$ 50,000

SPECIFIC STATEWIDE DISCRETIONARY PROJECTS

WORK ORDER ADJUSTMENTS:

Division 7

Work Order	Increase Funds	Decrease Funds
6.470004	$ 27,000	
6.490009	$ 12,000	
6.470008		$39,000

1997-98 Public Transportation Program

Transit 2001

Urban Maintenance Assistance Program

In 1997, Governor Hunt recommended, and the North Carolina General Assembly approved, an additional $18 million for public transportation. Included in this appropriation was $2 million for urban maintenance assistance. These funds will be used to expand and provide more efficient, effective and convenient transportation services.

The Public Transportation Division (PTD) has met with the urban transit operators to solicit their comments and has provided a program outline and allocation table for their review. The PTD proposes to allocate $2 million in urban maintenance assistance to urban transit systems by formula, with each system receiving a minimum of $50,000. Funds will be allocated based on 1990 urbanized area population (50%) and SFY96 total fixed route operating expenses (50%). Funding will be awarded for specific new projects, ensuring that the division can readily identify how the funds are used while also measuring achievement of the service goals. A wide variety of services are eligible, such as additional runs to cut headways, expansion of ADA/paratransit services citywide and additional service at times or on days not currently served. Only operating expenses are eligible. New services started after July 1, 1997, are eligible and the funds must be expended by June 30, 1999. Unexpended funds may be reallocated to systems where their project needs exceed their allocation.

Urban Maintenance Assistance

System Name	Allocation
AppalCART	$50,000
Asheville	$68,017
Chapel Hill	$92,409
Charlotte	$494,643
Durham	$124,819
Fayetteville	$121,982
Gastonia	$54,293
Greensboro	$135,185
Greenville	$50,000
Hickory	$50,000
High Point	$57,154
Raleigh	$210,554
Rocky Mount	$50,000
Salisbury	$50,000
Wilmington	$58,611
Wilson	$50,000
Winston-Salem	$144,559
Subtotal Urban and Small Urban	$1,862,226
Triangle Transit Authority	$137,774
Total	$2,000,000

Requested Action of the Board of Transportation:
Authorize the Secretary of Transportation to disburse funds to urbanized area transit systems according to the above allocation table.

1997-98 Public Transportation Program

Transit 2001

Rural Maintenance Assistance Program

In 1997, Governor Hunt recommended, and the North Carolina General Assembly approved, an additional $18 million for public transportation. Included in this appropriation was $1.75 million for rural maintenance assistance. These funds will be used to increase the level of service provided, with an emphasis on Work First and employment transportation.

The Public Transportation Division (PTD) has met with the rural transit operators to solicit their comments and has provided a program outline and allocation table for their review. The PTD proposes to allocate $1 million in rural maintenance assistance to enhance Work First and employment transportation services across the state. The $1 million will be allocated according to the following formula: $100,000 (10%) equally divided among all counties; $450,000 (45%) based upon the rural population of each county compared to the total state rural population; and, $450,000 (45%) based on the number of Work First cases in each county compared to the total state Work First caseload as of November 1, 1997. Unexpended funds may be reallocated to counties needing additional maintenance assistance. An additional $750,000 will be available for local, regional and statewide demonstration projects to provide Work First and employment transportation services.

Counties are encouraged to use these funds to support transitional transportation needs of Work First participants after eligibility for cash assistance has ended and to meet other community employment transportation needs. Funds can be used to support operating expenses, vanpools, volunteer reimbursements and other costs associated with employment transportation. Transportation services provided during the period January 1, 1998 – September 30, 1998 are eligible under this program.

Rural Maintenance Assistance

County	Allocation	County	Allocation
Alamance	$15,194	Johnston	$14,163
Alexander	$4,900	Jones	$2,156
Alleghany	$1,966	Lee	$7,548
Anson	$5,070	Lenoir	$14,466
Ashe	$4,001	Lincoln	$8,161
Avery	$2,802	Macon	$4,063
Beaufort	$8,215	Madison	$3,818
Bertie	$5,237	Martin	$5,977
Bladen	$6,893	McDowell	$5,896
Brunswick	$9,238	Mecklenburg	$51,557
Buncombe	$17,268	Mitchell	$2,569
Burke	$12,323	Montgomery	$4,793
Cabarrus	$14,000	Moore	$10,324
Caldwell	$10,234	Nash	$11,794
Camden	$1,984	New Hanover	$12,407
Carteret	$8,283	Northampton	$5,432
Caswell	$4,416	Onslow	$21,418
Catawba	$11,904	Orange	$7,845
Chatham	$6,673	Pamlico	$2,974
Cherokee	$4,066	Pasquotank	$7,547
Chowan	$4,173	Pender	$6,241
Clay	$1,935	Perquimans	$3,323
Cleveland	$15,388	Person	$5,009
Columbus	$10,156	Pitt	$18,209
Craven	$13,926	Polk	$2,738
Cumberland	$29,967	Randolph	$13,938
Currituck	$2,979	Richmond	$10,410
Dare	$3,710	Robeson	$23,771
Davidson	$17,710	Rockingham	$14,366
Davie	$4,444	Rowan	$15,124
Duplin	$8,287	Rutherford	$10,080
Durham	$23,086	Sampson	$9,072
Edgecombe	$14,349	Scotland	$8,423
Forsyth	$30,039	Stanly	$7,774
Franklin	$6,611	Stokes	$5,832
Gaston	$21,244	Surry	$7,869
Gates	$2,526	Swain	$3,131
Graham	$1,889	Transylvania	$4,420
Granville	$7,252	Tyrrell	$1,541
Greene	$3,700	Union	$13,414
Guilford	$33,030	Vance	$9,779
Halifax	$16,152	Wake	$41,344
Harnett	$14,040	Warren	$5,007
Haywood	$8,306	Washington	$4,196
Henderson	$11,065	Watauga	$4,229
Hertford	$5,662	Wayne	$21,017
Hoke	$7,024	Wilkes	$10,574
Hyde	$1,929	Wilson	$11,619
Iredell	$14,226	Yadkin	$4,889
Jackson	$5,107	Yancey	$3,174
		Total	$1,000,000

Requested Action of the Board of Transportation:
Authorize the Secretary of Transportation to disburse funds for transportation projects in counties for an amount not to exceed the above allocation table.
January 9, 1998

1997-98 Public Transportation Program

Transit 2001

Technology Support Program

In 1997, Governor Hunt recommended, and the North Carolina General Assembly approved, an additional $18 million for public transportation. Included in this appropriation was $1.5 million for technology assistance. These funds will be used to provide the computer hardware and software that systems need to carry out the day to day operations.

The Public Transportation Division (PTD) has worked with rural and urban transit operators to determine their computer needs. The PTD proposes to allocate $529,045 to purchase computer hardware and software for rural and urban transit systems. Currently, the division is in the process of determining where there are opportunities and interests in purchasing advanced public transportation technologies. Once these needs are identified, a recommendation will be made for the allocation of the remaining technology funds.

Urban System Grantee	State 90%	Local 10%	Total 100%
AppalCART software	**$1,890**	**$210**	**$2,100**
City of Asheville 3 computer upgrades 2 printers software	**$13,928**	**$1,547**	**$15,475**
Town of Chapel Hill 4 computer upgrades software printer	**$13,455**	**$1,495**	**$14,950**
City of Charlotte 8 computer upgrades	**$25,200**	**$2,800**	**$28,000**
City of Durham 7 computer upgrades telephone system file server	**$40,050**	**$4,450**	**$44,500**
City of Fayetteville 4 computer upgrades software	**$13,230**	**$1,470**	**$14,700**

City of Greensboro 4 computer upgrades file server printer software	**$30,510**	**$3,390**	**$33,900**
City of Hickory 1 computer upgrade	**$3,150**	**$350**	**$3,500**
City of Raleigh file server cabling software	**$34,200**	**$3,800**	**$38,000**
Research Triangle Regional Public Transportation Authority 6 computer upgrades Novell Network telephone system upgrade	**$66,600**	**$7,400**	**$74,000**
City of Wilmington 2 computer upgrades software 1 printer printer upgrade	**$9,450**	**$1,050**	**$10,500**
City of Wilson printer telephone system	**$5,850**	**$650**	**$6,500**
Subtotal - urban systems	**$257,513**	**$28,612**	**286,125**

Rural System Grantee	State 90%	Local 10%	Total 100%
Alexander County Transportation Authority, Inc. 1 expansion computer printer software	**$5,157**	**$573**	**$5,730**
Anson County 1 computer upgrade software	**$5,947**	**$661**	**$6,608**
Ashe County Transportation Authority, Inc. 1 expansion computer 1 printer software cabling	**$5,832**	**$648**	**$6,480**
Avery County Transportation Authority 2 computer upgrades software cabling	**$7,405**	**$823**	**$8,228**
Beaufort County Developmental Center, Inc. 1 computer upgrade software cabling	**$3,807**	**$423**	**$4,230**

Bladen County 1 printer	**$1,800**	**$200**	**$2,000**
Brunswick Interagency Transportation System, Inc. software	**$457**	**$51**	**508**
Burke County Transit Administration, Inc. 1 computer upgrade 1 expansion computer	**$9,477**	**$1,053**	**$10,530**
Cabarrus County 1 expansion computer printer software	**$5,157**	**$573**	**$5,730**
Chatham Transit Network 1 computer upgrade 2 expansion computers software cabling	**$12,312**	**$1,368**	**$13,680**
Clay County 1 expansion computer 1 printer software	**$5,157**	**$573**	**$5,730**
Dare County 1 expansion computer printer software	**$5,157**	**$573**	**$5,730**

Davidson County 3 computer upgrades	**$9,450**	**$1,050**	**$10,500**
Duplin County 1 computer upgrade software	**$3,240**	**$360**	**$3,600**
Gaston County software	**$1,431**	**$159**	**$1,590**
Gates County Agricultural Extension Service 1 expansion computer printer software	**$5,157**	**$573**	**$5,730**
Harnett County 1 computer upgrade 1 expansion computer printer software cabling	**$15,984**	**$1,776**	**$17,760**
Western Carolina Community Action, Inc. (Henderson) 2 computer upgrades printer software cabling	**$16,074**	**$1,786**	**$17,860**

Hyde County Nonprofit Private. Transportation Corporation, Inc 1 computer upgrade software	**$3,357**	**$373**	**$3,730**
Jackson County 3 computer upgrades 1 printer software cabling	**$19,269**	**$2,141**	**$21,410**
Coordinated Transportation System, Inc. (Johnston Co.) 2 computer upgrades printer software	**$8,397**	**$933**	**$9,330**
Lenoir County 1 computer upgrade 1 printer software	**$5,157**	**$573**	**$5,730**
Macon County 1 computer upgrade 1 printer software	**$5,157**	**$573**	**$5,730**

Madison County Transportation Authority 1 computer upgrade 2 expansion computers printer software cabling	**$12,312**	**$1,368**	**$13,680**
Martin County 1 computer upgrade software	**$3,357**	**$373**	**$3,730**
Mecklenburg County 1 computer upgrade printer software telephone system upgrade	**$10,440**	**$1,160**	**$11,600**
Mitchell County Transportation Authority software cabling	**$700**	**$78**	**$778**
Polk County Transportation Authority 1 computer upgrade 2 expansion computers printer software cabling	**$12,312**	**$1,368**	**$13,680**

Randolph County Senior Adults Association, Inc. 1 computer upgrade 2 expansion computers printer software cabling	**$12,312**	**$1,368**	**$13,680**
Richmond Interagency Transportation, Inc. 1 expansion computer software cabling	**$3,465**	**$385**	**$3,850**
Lumber River Council of Governments (Robeson County) 2 expansion computers printer software	**$8,397**	**$933**	**$9,330**
Rutherford County 1 computer upgrade printer software	**$5,040**	**$560**	**$5,600**
Sampson County Transportation Advisory Board, Inc. 1 computer upgrade printer software	**$5,157**	**$573**	**$5,730**
Scotland County 1 computer upgrade printer software	**$5,157**	**$573**	**$5,730**

Stanly County 2 computer upgrades software	**$6,480**	**$720**	**$7,200**
Transylvania County 1 computer upgrade software	**$3,357**	**$373**	**$3,730**
Wake County telephone system	**$7,200**	**$800**	**$8,000**
Wayne Interagency Transportation, Inc. 1 computer upgrade software	**$3,240**	**$360**	**$3,600**
Wilkes County Transportation Authority, Inc. 1 expansion computer software	**$3,240**	**$360**	**$3,600**
Yancey County Transportation Authority 2 computer upgrades printer software cabling	**$9,027**	**$1,003**	**$10,030**
Subtotal - rural systems	**$271,532**	**$30,170**	**$301,702**
Total	**$529,045**	**$58,782**	**$587,827**

Requested Action of the Board of Transportation:

Authorize the Secretary of Transportation to reimburse urban and rural transportation systems for the acquisition of items identified in the above table.

1997-98 PUBLIC TRANSPORTATION PROGRAM

AMENDMENT TO PREVIOUS BOARD OF TRANSPORTATION ACTION

On January 6, 1995 and January 10, 1997, the Board of Transportation authorized the submittal of applications to the Federal Transit Administration for Section 5309 Capital Program grants in the amount of $16,000,000 and $3,970,000, respectively. The grants provided funding for urbanized area transit systems for a range of projects. The department has received a request for funding from the City of Wilmington. The request is being recommended for funding from unexpended reserve funds from earlier grants.

This is to request Board of Transportation approval of additional federal and state funds to allow the City of Wilmington to purchase two (2) medium duty transit buses to provide service to UNC – Wilmington and nearby areas of the city.

Project Sponsor:	City of Wilmington			
Project Costs:	Federal (80%)	State (10%)	Local (10%)	Total (100%)
	$302,000	$37,750	$37,750	$377,500

Requested Action of the Board of Transportation:
Authorize the Secretary of Transportation to notify the Federal Transit Administration of revisions to grants NC-03-0033 and NC-03-0036; amend work order 9.9063007 by reallocating $151,000 in federal funds; establish work order 9.9063026 in the amount of $151,000 in federal funds; and authorize the use of $37,750 in state funds support this request.

1997-98 PUBLIC TRANSPORTATION PROGRAM

Transportation Development Grant Program

The Transportation Development Grant (TDG) Program was created by the North Carolina Department of Transportation (NCDOT) to provide state assistance in administrative costs associated with human service transportation systems that have not achieved the level of coordination to be eligible for Community Transportation Program (CTP) administrative funds but are striving to reach that level. The objective of the TDG is to provide staff support, through Transportation Coordinators, to assist transportation systems that have demonstrated the need and desire to further coordinate and consolidate transportation services. Coordinators would be responsible for the overall coordination of the human service transportation program and services, and would manage the day to day operations under the guidance of a locally appointed Transportation Advisory Board.

Human service transportation systems that are committed to and anticipate reaching a higher level of coordination within their county or counties are eligible to receive TDG funds through the lead human service transportation agency as specified in each county's Transportation Development Plan (TDP). Lead agencies may be county governments, private non-profit agencies or transportation authorities.

TDG Program funds may be used for up to fifty-percent (50%) of the salary/fringe, not to exceed $12,500 per year, of either a full-time transportation coordinator position or $6,250 per year for a part-time coordination position where the size of the system and number of potential participating human service agencies does not require a full-time coordinator. The transportation coordinator can be an employee of the system or an employee of the private transportation provider who is under contract to coordinate services and operate the system. TDG Program funds can only be used for one position and cannot be used for any other administrative expenses.

The period of performance for the TDG will be for six (6) months. At the end of this 6-month period, the Public Transportation Division will determine the system's eligibility for continued Community Transportation Program administrative funding. Only one TDG will be awarded per system.

Caldwell County Area Transit System, Inc. (CCATS) provides subscription and dial-a-ride transportation services in Caldwell County. Human Service agencies to be served include the Department of Social Services, Health Department, School System, and Caldwell Opportunities (Sheltered Workshop and Mental Health). CCATS is currently hiring a transportation coordinator to consolidate and help provide transportation services more efficiently and effectively. The system utilizes sixteen (16) vehicles from 6:00 a.m. to 6:00 p.m., Monday through Friday. The system is expected to provide 36,000 passenger trips in FY98.

Project Sponsor	State (50%)	Local (50%)	Total (100%)
98-TC-004 Caldwell County Area Transit System, Inc.	$6,213	$6,213	$12,426

Requested Action of the Board of Transportation:
Authorize the Secretary of Transportation to establish work 9.9051545 in the amount of $6,213 in state funds to support this project. The effective date for reimbursement of eligible project expenses is Janaury 1, 1998.

RESOLUTION

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

A RESOLUTION TO FACILITATE THE PROTECTION OF RAIL CORRIDORS PRESERVED BY THE DEPARTMENT OF TRANSPORTATION AND OTHER PUBLIC BODIES IN NORTH CAROLINA.

WHEREAS, the North Carolina Department of Transportation recognizes the importance of preserving rail corridors for future transportation use to the economic and social well being of the residents of North Carolina; and

WHEREAS, preservation of rail corridors for interim trail and future transportation use involves the expenditure of Federal, State and local funds; and

WHEREAS, preservation of railroad corridors for interim trail use and future transit use requires that the integrity of the rights of way be maintained; and

WHEREAS, safety and integrity would be diminished with each additional at-grade crossing limiting the ability of the corridor to serve these useful purposes for present and future users; and

WHEREAS, the use of rail corridors for safe bicycle, pedestrian and transit facilities will provide alternatives to dependence on automobile transportation.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The North Carolina Department of Transportation will include and designate existing and proposed publicly-owned preserved rail corridors in Transportation Plans and on Thoroughfare Plan maps as part of the transportation planning process.

2. The Department will discourage new at-grade street and driveway crossings of State-owned preserved rail corridors and request that local governments along these corridors discourage new crossings in adopted plans, zoning changes, site plan approvals, and building construction approvals.

3. The Department also encourages local governments and transit authorities to discourage new at-grade street and driveway crossings of publicly-owned preserved rail corridors and asks that local governments along these corridors discourage new crossings in adopted plans, zoning changes, site plan approvals, and building construction approvals.

4. Applicants for agreements will be responsible for all administrative, appraisal and any Federal enhancement fees associated with the review of potential new at-grade crossings, leases, licenses or utility encroachments of State-owned rail corridors.

5. The Department will work with local governments to reduce the existing number of at-grade crossings to the minimum number possible and revoke conflicting leases, licenses and encroachments when a State-owned corridor is leased for interim trail use or returned to active rail or other transportation use.

6. The Department will encourage local governments to provide for land development which is harmonious with the development of these preserved rail corridors and future transit options.

7. Before any new at-grade crossings are considered on State-owned preserved corridors being leased for interim trail use by a local government, a public involvement process will be conducted by said local government.

8. This resolution shall apply to the publicly-owned preserved rail corridors and any future inactive rail rights of way acquired by the Department of Transportation, the State of North Carolina, or other public body to be protected for future transportation use.

THIS, THE 9th DAY OF JANUARY, 1998.

Garland B. Garrett, Jr.
Secretary of Transportation

1997-98 RAIL PROGRAM

This is to request the Board of Transportation to approve an allocation of $80,000 from FY 1998 rail industrial access funds to partially finance the cost of constructing a rail spur track to serve 'Project Red'. The company proposes to locate a new metal working and manufacturing facility in Harrisburg. They will employ 332, invest $55 million, and handle about 50 carloads of finished product per year. The total estimated cost of constructing the rail spur is $324,000; the remaining $244,000 would come from local sources.

Project Number:	98-IN-006
Project Sponsor:	Cabarrus County EDC
Project Costs:	$ 80,000 North Carolina DOT 244,000 Local Sources $324,000 Total

Requested Action of the Board of Transportation:
Authorize the Secretary of Transportation to establish work order 9.9080165 in the amount of $80,000 in state rail industrial access funds to support this project. This authority will be subject to the commitment of the remainder of the project costs from local sources.

1997-98 RAIL PROGRAM

This is to request the Board of Transportation to approve an allocation of $124,000 from FY 1998 rail industrial access funds to partially finance the cost of constructing a rail spur track to serve Stockhausen Inc., a manufacturer of specialty chemical products. The company proposes to expand its Absorbent Polymer manufacturing facilities in Greensboro. They would employ 12, invest $36 million, and handle about 580 carloads of chemicals per year. The total estimated cost of constructing the rail spur is $1,080,000; the remaining $956,000 would come from local sources. Funding authority will be effective October 1, 1997.

Project Number:	98-IN-005
Project Sponsor:	Stockhausen, Inc.
Project Costs:	$ 124,000 North Carolina DOT 956,000 Local Sources $1,080,000 Total

Requested Action of the Board of Transportation:
Authorize the Secretary of Transportation to establish work order 9.9080163 in the amount of $124,000 in state rail industrial access funds to support this project. This authority will be subject to the commitment of the remainder of the project costs from local sources.

January 9, 1998

1997-98 RAIL PROGRAM

This is to request the Board of Transportation approve the expenditure of $250,000 through the Transit 2001 program to fund marketing and operating costs that will be incurred during the tour of the Flexliner passenger train.

Project Number: P-2918A

Project Sponsor: North Carolina Department of Transportation

Project Costs: $250,000

Requested Action of the Board of Transportation:
Authorize the Secretary of Transportation to establish work order 9.908007P in the amount of $250,000 in Transit 2001 funds to support this project.

APPROVAL OF SPECIFIC STATE FUNDS FOR CONSTRUCTION PROJECTS

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Hertford Co. Div. 1 B-2838	Project 6.503345 has previously been approved for preliminary engineering to replace Bridge #49 over Chinkapin Creek on SR 1432. $50,000.00 has been approved. This is to request funds for construction.	$380,000.00
Brunswick Co. Div. 3 R-3313	Project 6.231026 has previously been approved for preliminary engineering on NC 904 from US 17 at Grissettown to SR 1321 north of Longwood and SR 1321 from NC 904 to NC 130, 8.80 miles. $100,000.00 has been approved. This is to request right of way funds for acquisition of permanent drainage easements and construction easements.	$10,000.00
Wilson Co. Div. 4 B-3086	Project 6.503350 has previously been approved for preliminary engineering to replace Bridge #125 over Black Creek on SR 1619. $45,000.00 has been approved. This is to request funds for construction.	$520,000.00
Rockingham Co. Div. 7 B-2864	Project 6.503349 has previously been approved for preliminary engineering to replace Bridge #94 over Hogans Creek on SR 2572. $45,000.00 has been approved. This is to request funds for construction.	$510,000.00
Wilkes Co. Div. 11 R-2101 BB	Project 6.761015 has previously been approved for construction on NC 18 from 0.13 mile southwest of SR 1116 to NC 16 in Moravian Falls, 6.259 miles. $9,213,514.00 has been approved. The project is complete. This is to request approval to correct erosion deficiencies by maintenance forces. No additional funds are necessary.	

APPROVAL OF SPECIFIC NORTH CAROLINA TRUST FUNDS - INTRASTATE SYSTEM

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Cumberland Co. Div. 6 X-2 DB	Project 6.449007T. NC 24 Extension from SR 1714 (River Road) to east of I-95, 4.910 miles. This is to request funds for acquisition of Specific Parcel #904 (Property of Mr. & Mrs. Gerald W. Williams).	$50,000.00
Montgomery Co. Div. 8 R-2527	Project 6.559003T. NC 24-27 from east end of the Pee Dee River Bridge to Troy Bypass, 11.0 miles. This is to request funds for preliminary engineering.	$500,000.00
Richmond Co. Div. 8 R-512 B	Project 6.589002T has previously been approved for right of way, utilities and construction on US 74 (Rockingham-Hamlet Bypass) from 0.03 mile east of SR 1121 to 0.8 mile west of SR 1103, 2.387 miles. $18,400,000.00 has been approved. This is to request funds be reduced $2,932,552.00 to reflect the low bid received November 18, 1997.	
Richmond Co. Div. 8 R-512 WM	Project 6.589008T has previously been approved for right of way funds to purchase the Gibson Pond and Long Swamp Wetland Mitigation Sites for US 74 (Rockingham - Hamlet Bypass). $845,000.00 has been approved. This is to request approval to purchase the Hendrix Property adjacent to the Long Swamp Wetland Mitigation Site. No additional funds are necessary.	
Richmond Co. Div. 8 R-2502	Project 6.589009T. US 1 from SR 1001 to existing four lanes at the Moore County Line, 9.40 miles. This is to request funds for preliminary engineering.	$500,000.00
Cabarrus Co. Div. 10 I-2303	Project 6.669005T. I-85 at SR 2126 (Earnhardt Road) east of Kannapolis, 1.177 miles. The interchange project was completed in 1992 as part of project 6.669001T. This is to request funds for construction of an access road to a property landlocked by the project.	$20,000.00

APPROVAL OF SPECIFIC NORTH CAROLINA TRUST FUNDS - URBAN LOOPS

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Raleigh/ Wake Co. Div. 5 R-2000 WM	Project 6.408014T has previously been approved for acquisition and construction of Dutchman's Creek and Underhill Wetland Mitigation Sites for Northern Wake Expressway. $550,000.00 has been approved. This is to request additional funds for construction.	$55,000.00
Raleigh/ Wake Co. Div. 5 R-2635	Project 6.408006T has previously been approved for preliminary engineering and acquisition of specific parcels on Western Wake Expressway from US 1 South to NC 55, 10.30 miles. $3,900,000.00 has been approved. This is to request additional funds for acquisition of Specific Parcel #910 (Property of Fred G. Cash, et al).	$640,000.00
Greensboro/ Guilford Co. Div. 7 U-2524 AC	Project 6.498014T has previously been approved for acquisition of specific parcels on Western Loop from north of High Point Road to north of SR 1541 (Wendover Avenue), 2.750 miles. $1,855,000.00 has been approved. This is to request additional funds for acquisition of Specific Parcel #823 (Property of Joseph M. Padgett).	$150,000.00
Greensboro/ Guilford Co. Div. 7 U-2524 C	Project 6.498018T. Western Loop from Bryan Boulevard to Old Battleground Road, 3.70 miles. This is to request funds for acquisition of Specific Parcel #824 & #826 (Property of Jean L. Berry & N. Ray Rumsey).	$230,000.00
Greensboro/ Guilford Co. Div. 7 U-2524 D	Project 6.498007T has previously been approved for acquisition of specific parcels on Western Loop from SR 2340 (Old Battleground Road) to SR 2303 (Lawndale Drive), 0.805 mile. $6,550,000.00 has been approved. This is to request additional funds for acquisition of Specific Parcel #821 (Property of John F. Murray).	$110,000.00
Greensboro/ Guilford Co. Div. 7 U-2525 B	Project 6.498011T has previously been approved for acquisition of specific parcels on Eastern Loop from US 70 Relocation to US 29 north of Greensboro, 4.120 miles. $1,315,000.00 has been approved. This is to request additional funds for acquisition of Specific Parcels #929 & #930 (Property of Carrie J. Mills & Clinton Anderson).	$275,000.00

APPROVAL OF SPECIFIC NORTH CAROLINA BOND FUNDS - URBAN LOOPS

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Greensboro/ Guilford Co. Div. 7 U-2524 AB	Project 6.498002B has previously been approved for acquisition of specific parcels on Western Loop from north of I-85 near Groometown to north of High Point Road, 2.270 miles. $180,000.00 has been approved. This is to request additional funds for acquisition of Specific Parcels #820 & #825 (Property of Hazel L. Horner & BTS Properties).	$370,000.00
Greensboro/ Guilford Co. Div. 7 U-2524 AD	Project 6.498003B has previously been approved for acquisition of a specific parcel on Western Loop from north of SR 1541 (Wendover Avenue) to I-40, 1.230 miles. $3,000,000.00 has been approved. This is to request additional funds for acquisition of Specific Parcel #822 (Property of Anne Martin).	$705,000.00
Winston-Salem/ Forsyth Co. Div. 9 R-2247 D	Project 6.628001B has previously been approved for acquisition of specific parcels on Northern Beltway from SR 1348 to NC 67, 4.60 miles. $450,000.00 has been approved. This is to request additional funds for acquisition of Specific Parcel #945 (Property of Carolyn C. Shelton).	$35,000.00

APPROVAL OF FUNDS FOR SPECIFIC SPOT SAFETY IMPROVEMENT PROJECTS

TOWN/COUNTY DIVISION	DESCRIPTION	ESTIMATED COST
Manteo/ Dare Co. Div. 1 US-3579	US 64-264 from SR 1118 (Harriott Street) to NC 345. Refine existing traffic signal system. Install pedestrian signals with the existing traffic signals at SR 1128 and SR 1129 File 1-97-270. Project 6.057048.	$12,000.00
Greenville/ Pitt Co. Div. 2 US-3296	Project 6.227047 has previously been approved to upgrade the existing signal heads to current standards and remark the dual left turn lanes on northbound US 264 Alternate (Greenville Boulevard) for longer tapers at its intersection with NC 33 (Tenth Street) and SR 1598 (Tenth Street). $25,000.00 has been approved. This is to request the description be revised to interconnect the traffic signal with signals at the intersections of Greenville Boulevard at Moseley Drive and Greenville Boulevard at Eastbrook Drive. No additional funds are requested. File 2-94-20.	
Edgecombe Co. Div. 4 PS-3121	Intersection of NC 33 and NC 42 at Scott's Crossroads. Install a two circuit flasher. Install "STOP AHEAD" thermoplastic pavement markings on both approaches of NC 33. File 4-97-273. Project 6.297028.	$15,000.00
Harnett Co. Div. 6 PS-3127	Intersection of NC 55 and SR 1532 (Oak Grove Church Road) south of Angier. Install a two circuit flasher. File 6-97-203. Project 6.457020.	$5,000.00
Harnett Co. Div. 6 PS-3128	Intersection of NC 210 and SR 1006 (Old Stage Road). Install a two circuit flasher. File 6-97-204. Project 6.457021.	$8,000.00
Davie Co. Div. 9 PS-3129	Intersection of US 158 and NC 801 at Hillsdale. Modify the existing traffic signal to provide a left turn phase for US 158 eastbound traffic and for NC 801 southbound traffic. File 9-97-220. Project 6.617011.	$15,000.00
Rowan Co. Div. 9 PS-3130	Intersection of US 29 and SR 1243 (North Beaver Street/ Daughtery Road) near Landis. Install a two circuit flasher. File 9-97-207. Project 6.637029.	$6,000.00

APPROVAL OF FUNDS FOR SPECIFIC SPOT SAFETY IMPROVEMENT PROJECTS

TOWN/COUNTY DIVISION	DESCRIPTION	ESTIMATED COST
Ashe Co. Div. 11 PS-3131	US 221 at Fleetwood Elementary School approximately 0.20 mile south of SR 1106 south of West Jefferson. Install school speed zone flashers. File 11-97-14. Project 6.717006.	$5,000.00
Hendersonville/ Henderson Co. Div. 14 US-3586	Intersection of US 64 and SR 1307. Construct a left turn lane with proper tapers on US 64. File 14-95-16. Project 6.957053.	$27,500.00

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 2

Bridge

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Beaufort Co. B-2805	8.1150801, BRSTP-99(1) $687,659.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #70 over Smith Creek on NC 99. This is to request that funds be reduced $30,335.00 to reflect the low bid received September 16, 1997. Federal $24,268.00 State 6,067.00	$

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 3

Surface Transportation

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Shallotte/ Brunswick Co. U-3462	8.2231601, STP-1357(2) This is to request funds for preliminary engineering on SR 1357 (Smith Avenue) from US 17 Bypass to US 17 Business, 1.10 miles.	$50,000.00 40,000.00 Fed. 10,000.00 State

Urban

Wilmington/ New Hanover Co. U-92B	8.2250102, M-5855(1) $500,000.00 has previously been approved for preliminary engineering on Smith Creek Parkway from proposed US 117 Connector to 0.85 kilometer east of 23rd Street, 1.361 miles. This is to request additional funds.	50,000.00 37,500.00 Fed. 12,500.00 State

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 4

Interstate Maintenance

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Johnston Co. I-2812	8.1311801, STPIMF-95-2(86)79 $300,000.00 has previously been approved for preliminary engineering on I-95 at NC 50 (Exit 79), 1.20 miles. This is to request additional funds.	$50,000.00 45,000.00 Fed. 5,000.00 State

Surface Transportation

Goldsboro/ Wayne Co. U-2715	8.1331101, MA-STP-111(1) This is to request funds for construction on NC 111 from SR 1710 to US 70, 2.648 miles. This project will be resubmitted next month.	

Bridge

Johnston Co. B-2840	8.2311301, BRSTP-1007(2) This is to request funds for construction on Bridge #14 over Raccoon Swamp and Bridge #16 over Moccasin Creek on SR 1007. This project will be resubmitted next month.	
Nash- Halifax Cos. B-2594	8.1321301, BRSTP-43(1) $120,000.00 has previously been approved for preliminary engineering on Bridge #152 over Fishing Creek on NC 43. This is to request funds for right of way and utilities.	32,000.00 25,600.00 Fed. 6,400.00 State

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 4 (continued)

Safety

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Clayton/ Johnston Co. W-3418	8.7331009, STP-70(37) This is to request funds for construction on US 70 from NC 42-SR 1756 to SR 1590, 1.60 miles.	$620,790.00 558,711.00 Fed. 62,079.00 State

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 5

Interstate Maintenance

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Granville Co. I-2508BB	8.1370304, IMF-85-4(90)191 This is to request funds for construction on I-85 Southbound Lane from north of NC 56 Interchange to north of the Rest Area, 7.784 miles. This project will be resubmitted next month.	$

Surface Transportation

Wake Co. R-2809B	8.1402503, STP-98(3) This is to request funds for acquisition of Specific Parcel #903 on NC 98 (Wake Forest Bypass) from US 1 to US 1A, 1.429 miles.	150,000.00 120,000.00 Fed. 30,000.00 State
Raleigh/ Wake Co. U-2919A	8.2402702, MASTP-1827(2) $4,656,225.00 has previously been approved for construction on SR 1827 (Lynn Road) from SR 1826 (Ray Road) to SR 1820 (Leadmine Road), 1.556 miles. This is to request additional funds.	300,000.00 240,000.00 Fed. 60,000.00 State

Enhancement

Divisionwide E-2971E	8.1990105, STP-000S(107) $207,871.70 has previously been approved for preliminary engineering and construction for Pedestrian Program Projects. This is to request additional construction funds.	100,000.00 80,000.00 Fed. 20,000.00 State

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 5 (continued)

Bridge

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Durham/ Durham Co. B-2875	8.2351201, BRZ-0505(5) This is to request funds for construction on Bridge #235 over Ellerbee Creek on Broad Street. This project will be resubmitted next month.	$
Wake Co. B-2870	8.1402801, BRSTP-50(1) $2,212,423.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #25 over Swift Creek on NC 50. This is to request additional construction funds to reflect the low bid received August 19, 1997.	335,626.00 221,123.00 Fed. 114,503.00 State
Raleigh/ Wake Co. B-3059	8.2402901, BRSTP-3007(1) $4,557,693.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridges #529 and #530 over CSX Transportation and Norfolk Southern Corporation on SR 3007 (Morgan Street). This is to request additional construction funds to reflect the low bid received September 16, 1997.	126,798.00 197,298.00 Fed. (70,500.00) State

Safety

Durham/ Durham Co. Z-2835D	8.7635020, STP-FY92(4) $75,500.00 has previously been approved for construction on SR 1632 at Southern Railroad Crossing 734 914C. This is to request additional funds.	40,000.00 36,000.00 Fed. 4,000.00 City

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 6

Interstate Maintenance

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Robeson Co. K-3306	8.1462501, IMS-95-1(52)5 $70,000.00 has previously been approved for preliminary engineering on I-95 Welcome Center. This is to request funds for construction.	$499,840.00 449,856.00 Fed. 49,984.00 State

Bridge

Cumberland- Sampson Cos. B-2819	8.1442301, BRSTP-13(3) $1,299,440.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #37 over South River on US 13. This is to request additional construction funds to reflect the low bid received August 19, 1997.	88,693.00 70,954.00 Fed. 17,739.00 State
Robeson Co. B-2860	8.1461901, BRSTP-211(1) $1,342,376.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #45 over Raft Swamp on NC 211. This is to request additional construction funds to reflect the low bid received August 19, 1997.	139,882.00 111,906.00 Fed. 27,976.00 State
Robeson Co. B-2863	8.2461101, BRZ-1935(1) $633,414.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #61 over Ten Mile Swamp on SR 1935. This is to request that funds be reduced $26,819.00 to reflect the low bid received August 19, 1997. Federal $21,455.00 State $5,364.00	

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 7

National Highway

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Greensboro/ Guilford Co. I-2402D	8.U492302, STPNHF-85-3(153) $33,420,560.00 has previously been approved for construction on I-85 (Greensboro Bypass) from south of SR 3000 (McConnell Road) east of Greensboro to 0.4 mile south of SR 3041 (Clapp Farms Road), 1.695 miles. This is to request additional funds to reflect the low bid received September 16, 1997.	$459,560.00 366,324.00 Fed. 93,236.00 State

Bridge

Alamance Co. B-2801	8.2471601, BRZ-1529(2) $931,896.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #2 over prong of Haw River on SR 1529. This is to request that funds be reduced $92,265.00 to reflect the low bid received August 19, 1997. Federal $73,812.00 State $18,453.00	
Guilford Co. B-2833	8.2493001, BRSTP-1556(2) $1,216,157.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #78 over East Prong Deep River on SR 1556. This is to request that funds be reduced $140,928.00 to reflect the low bid received September 16, 1997. Federal $113,756.00 State $27,172.00	

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 8

Enhancement

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Divisionwide E-2971H	8.1990108, STP-000S(110) $305,000.00 has previously been approved for preliminary engineering and construction for Pedestrian Program Projects. This is to request additional construction funds.	$100,000.00 80,000.00 Fed. 20,000.00 State
Divisionwide E-2973H	8.1999914, STP-000S(16) $1,492,855.00 has previously been approved for preliminary engineering and construction on Roadside Beautification Projects. This is to request additional construction funds.	242,857.00 194,285.00 Fed. 48,572.00 State

Secondary

Moore- Montgomery Cos. R-2591	8.1560501, RS-6496(1) $100,000.00 has previously been approved for preliminary engineering on NC 211 from US 15-501 in Aberdeen in Moore County to US 220 in Montgomery County, 25.10 miles. This is to request that funds be reduced $60,770.65 to delete the project. A new project number will be set up at a future date. Federal ($75,000.00) State $14,229.35	

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 8 (continued)

Bridge

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Moore Co. B-2849	8.2561001, MA-BRZ-1456(3) $1,780,139.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #82 over Deep River on SR 1456 (North Howard Mill Road) north of Robbins. This is to request additional construction funds to reflect the low bid received September 16, 1997.	$79,968.00 63,974.00 Fed. 15,994.00 State
Randolph Co. B-2858	8.2571001, MA-BRZ-2830(1) $1,090,275.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #404 over Richland Creek on SR 2830. This is to request additional construction funds to reflect the low bid received August 19, 1997.	33,945.00 27,156.00 Fed. 6,789.00 State

Safety

Wagram/ Scotland Co. Z-3159D	8.7659016, STP-FY95(2) $149,000.00 has previously been approved for construction on US 401 (Main Street) at Laurinburg and Southern Railroad Crossing 852 673P. This is to request additional funds.	17,000.00 15,300.00 Fed. 1,700.00 State

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 9

National Highway

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Forsyth Co. R-2247A	8.2624301, NHF-0918(12) This is to request funds for acquisition of Specific Parcel #941 on Winston-Salem Western Loop from US 158 to south of I-40, 1.90 miles.	$145,000.00 116,000.00 Fed. 29,000.00 State

Surface Transportation

Davidson Co. R-2568B	8.1600902, STP-109(5) This is to request funds for acquisition of Specific Parcel #901 on NC 109 from south of SR 1800 to north of SR 1798 (Old Greensboro Road) north of Ledford Junior High School, 3.70 miles.	400,000.00 320,000.00 Fed. 80,000.00 State
Winston-Salem/ Forsyth Co. U-2729	8.2624701, STP-1672(2) This is to request funds for preliminary engineering on SR 1672 (Hanes Mills Road) from Museum Drive to SR 4000 (University Parkway), 0.30 mile.	100,000.00 80,000.00 Fed. 20,000.00 State

Bridge

Rowan Co. B-2621	8.2632801, BRZ-1973(1) $100,000.00 has previously been approved for preliminary engineering on Bridge #30 over Southern Railway on SR 1973. This is to request funds for right of way and utilities and additional funds for preliminary engineering.	100,000.,00 80,000.00 Fed. 20,000.00 State

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 10

Surface Transportation

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Charlotte/ Mecklenburg Co. U-2510BA	8.1672805, STP-16(13) This is to request funds for construction on NC 16 (Old Providence Road) from north of SR 3626 and SR 3445 north of Charlotte Outer Loop (R-211) to south of NC 51, 2.198 miles. This project will be resubmitted next month.	$

Bridge

Anson Co. B-2507	8.2651401, BRZ-1654(1) $80,000.00 has previously been approved for preliminary engineering on Bridge #217 over Lanes Creek on SR 1654 (Morton Road). This is to request funds be reduced $62,729.54 to delete the project. Project is not in the TIP since the existing facility was closed. Federal ($64,000.00) State $1,270.46	
Stanly Co. B-2867	8.2681001, BRZ-1917(2) $860,308.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #101 over Norfolk Southern Corporation on SR 1917. This is to request funds be reduced $115,782.00 to reflect the low bid received August 19, 1997. Federal $92,626.00 State $23,156.00	

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 10 (continued)

Bridge

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Union Co. B-2647	8.2692001, MA-BRZ-1547(1) This is to request funds for construction on Bridge #3 over Goose Creek on SR 1547. This project will be resubmitted next month.	$
Union Co. B-2650	8.2691801, BRZ-1963(1) $506,473.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #361 over Rays Fork Creek on SR 1963. This is to request funds be reduced $71,509.00 to reflect the low bid received August 19, 1997. Federal $57,207.00 State $14,302.00	

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 11

Bridge

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Wilkes Co. B-2874	8.2760201, MA-BRZ-1122(2) $813,027.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #54 over Warrior Creek on SR 1122. This is to request funds be reduced $104,121.00 to reflect the low bid received August 19, 1997. Federal $83,297.00 State $20,824.00	$

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 12

Surface Transportation

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Hickory/ Catawba Co. U-2832	8.1792001, STP-MA-000S(7) $4,200,000.00 has previously been approved for preliminary engineering and construction for a computerized signal system. This is to request additional preliminary engineering funds.	$150,000.00 92,000.00 Fed. 58,000.00 State
Statesville/ Iredell Co. U-2421	8.1822402, STP-70(38) This is to request funds for preliminary engineering on US 70 from SR 2352 (Barkley Road) to SR 2318 (Fanjoy Road), 1.616 miles.	250,000.00 200,000.00 Fed. 50,000.00 State

Enhancement

Lincolnton/ Lincoln Co. E-3305	8.2831501, STP-1221(5) $225,000.00 has previously been approved for construction to convert the Norfolk Southern Railway Corridor to a paved multi-use trail, 0.40 mile. This is to request additional funds. This will increase Department of Transportation participation to $263,550.00.	38,550.00 30,840.00 Fed. 7,710.00 State

Urban

Hickory/ Catawba Co. U-2307	8.2790901, M-5621(1) $1,970,000.00 has previously been approved for preliminary engineering on East Side Thoroughfare from US 70-321 to NC 127 at US 70, 6.720 miles. This is to request additional funds.	100,000.00 75,000.00 Fed. 25,000.00 State

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 12 (continued)

Bridge

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Iredell Co. B-2147	8.2821601, BRZ-1813(2) This is to request funds for construction on Bridge #269 over Hunting Creek on SR 1813 (Eagle Mill Road) north of Harmony. This project will be resubmitted next month.	$
Iredell Co. B-2577	8.2821101, BRZ-1907(1) $1,141,722.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #366 over South Yadkin River on SR 1907. This is to request funds be reduced $169,548.00 to reflect the low bid received September 16, 1997. Federal $135,638.00 State $33,910.00	

Safety

Catawba Co. W-3612	8.1792701, IMS-40-2(105)131 $1,077,301.00 has previously been approved for preliminary engineering and construction on I-40 from NC 16 (Exit 131) to Iredell County Line, 7.50 miles. This is to request that funds be reduced $328,609.00 to reflect the low bid received August 19, 1997. Federal $295,748.00 State $32,861.00	

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 12 (continued)

Safety

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Gastonia/ Gaston Co. Z-2881D	8.7681042, RRP-RRS-FY92(2) $45,000.00 has previously been approved for preliminary engineering and construction on East Park Avenue at NCDOT - P & N Railway Crossing 631 904K. This is to request funds be reduced $45,000.00 to delete the project since the tracks are no longer in use. Federal $40,500.00 State $4,500.00	$
Gastonia/ Gaston Co. Z-2881E	8.7681043, RRP-RRS-FY92(2) $77,000.00 has previously been approved for preliminary engineering and construction on South Avon Street at NCDOT - P & N Railway Crossing 631 908M. This is to request funds be reduced $77,000.00 to delete the project since the tracks are no longer in use. Federal $69,300.00 State $7,700.00	

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 13

National Highway

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Madison Co. A-10D	8.T860704, STP-NHF-13-1(34) This is to request funds for construction on US 23 from SR 1318 at Laurel Creek to the Tennessee State Line at Sams Gap, 2.980 miles. This is a cash flow project. FY98 $16,945,133.00 FY99 $16,945,133.00 FY00 $16,945,133.00 FY01 $16,945,134.00	$67,780,533.00 54,224,426.00 Fed. 13,556,107.00 State
Asheville/ Buncombe Co. I-40AJ	8.1909317, NHF-40-1(129)51 This is to request funds for construction on I-40 at US 25A (Sweeten Creek Road), 1.095 miles. This project will be resubmitted next month.	

Primary

Burke- Caldwell Cos. R-2549	8.1851101, F-15-3(5) $150,000.00 has previously been approved for preliminary engineering on US 64-NC 18 from multi-lanes north of Morganton to multi-lanes north of Gamewell, 8.0 miles. This is to request funds be reduced $42,238.20 to delete the project. A new project number to be set up at a future date. Federal ($112,500.00) State $70,261.80	

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 13 (continued)

Surface Transportation

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Buncombe Co. R-2306A	8.1841703, STP-74(16) This is to request funds for construction on US 74 from I-40 southeast of Asheville to SR 2775 (Includes Minehole Gap), 3.673 miles. This project will be resubmitted next month.	$
Asheville/ Buncombe Co. U-2904	8.1843501, MA-STP-70(21) This is to request funds for construction on intersection of US 70-74 (Tunnel Road) and SR 2863 (Haw Creek Lane), 0.241 mile. This project will be resubmitted next month.	
Morganton/ Burke Co. U-2550A	8.1851003, STP-18(6) This is to request funds for construction on NC 18 (Sterling Street) from US 70 Bypass (Fleming Drive) to I-40 Interchange, 1.819 miles. This project will be resubmitted next month.	

Enhancement

Divisionwide E-2973M	8.1999919, STP-000S(21) $1,492,855.00 has previously been approved for preliminary engineering and construction on Roadside Beautification Projects. This is to request additional construction funds.	242,857.00 194,285.00 Fed. 48,572.00 State

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 13 (continued)

Bridge

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Burke Co. B-2932	8.2851601, BRZ-1150(6) This is to request funds for construction on Bridge #348 over Little Silver Creek on SR 1150.	$387,670.00 310,136.00 Fed. 77,534.00 State
McDowell Co. B-2586	8.2870401, BRZ-1150(5) $491,967.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #175 over Second Broad River on SR 1150. This is to request additional construction funds to reflect the low bid received August 19, 1997.	25,238.00 20,191.00 Fed. 5,047.00 State
McDowell Co. B-2587	8.2870501, MA-BRZ-1552(5) $1,514,147.00 has previously been approved for preliminary engineering, right of way, utilities and construction on Bridge #70 over North Fork Catawba River on SR 1552. This is to request funds be reduced $318,191.00 to reflect the low bid received September 16, 1997. Federal $254,553.00 State $63,638.00	
Rutherford Co. B-3041	8.2890501, BRZ-1106(2) $175,000.00 has previously been approved for preliminary engineering on Bridge #273 over Broad River in SR 1106. This is to request funds for right of way and utilities.	25,000.00 20,000.00 Fed. 5,000.00 State

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 14

Interstate Maintenance

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Haywood Co. I-2803B	8.1942802, IMS-40-19122)4 $13,251,984.00 has previously been approved for construction on I-40 from Tunnels near Tennessee State Line to SR 1338, 11.087 miles. This is to request additional funds.	$148,016.00 92,985.00 Fed. 55,031.00 State

Surface Transportation

Henderson Co. I-2001	8.1950602, STP-25(2) This is to request funds for construction on Park Ridge Hospital Access from US 25 to SR 1534 (Naples Road), 0.480 mile. This project will be resubmitted next month.	

Urban

Hendersonville/ Henderson Co. U-2425	8.2950701, M-7215(1) RS-4971(1) $300,000.00 has previously been approved for preliminary engineering on SR 1503 (Clear Creek Road) from NC 191 to 0.4 kilometer north of SR 1513, 4.401 kilometers. This is to request additional funds.	100,000.00 75,000.00 Fed. 25,000.00 State

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Division 14 (continued)

Bridge

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Haywood Co. B-2985	8.1942201, BRNHF-23(1) $9,120,288.00 has previously been approved for preliminary engineering, right of way, utilities and construction on US 23-74 - Bridges #85 and #86 over SR 1164 - Bridges #106 and #109 over SR 1173 and Plott Creek - Bridges #120 and #123 over SR 1177 and Eagle Nest Creek - Bridges #129 and #130 over SR 1251 - Bridge #138 and #141 over US 276. This is to request funds be reduced $15,193.00 to reflect the low bid received September 16, 1997. Federal $12,202.00 State $2,991.00	$

APPROVAL OF FUNDS FOR SPECIFIC FEDERAL-AID PROJECTS

Statewide

Bridge

TOWN/COUNTY DIVISION	PROJECT DESCRIPTION	ESTIMATED COST
Statewide B-200	8.1888843, BRS-000S(21) $52,800,000.00 has previously been approved for preliminary engineering for inspection of Bridges on Federal-Aid and State System Roads by State Forces. This is to request additional funds.	$3,000,000.00 2,400,000.00 Fed. 600,000.00 State

Agenda Item N-1

December 10, 1997

Memorandum To: Board of Transportation

From: Statewide Planning Branch

Subject: Submission of Capital Area Metropolitan Planning Organization Thoroughfare Plan for Affirmation by the Board of Transportation

This is to advise that we have worked cooperatively with the Capital Area Metropolitan Planning Organization (CAMPO) and the member jurisdictions to consolidate the separate thoroughfare plans in Wake County into a single plan. The Statewide Planning Branch has on file certified copies of resolutions by each jurisdiction affirming that the Thoroughfare Plan Map for CAMPO is consistent with individual mutually adopted thoroughfare plans. These resolutions were passed on the following dates:

Town of Apex, April 15, 1997,
Town of Cary, May 8, 1997,
Town of Fuquay-Varina, April 7, 1997,
Town of Garner, April 22, 1997,
Town of Holly Springs, May 6, 1997,
Town of Knightdale, April 16, 1997,
Town of Morrisville, August 11, 1997,
City of Raleigh, August 5, 1997,
Town of Rolesville, July 7, 1997,
County of Wake, May 19,1997,
Town of Wake Forest, June 17, 1997,
Town of Wendell, May 12, 1997, and
Town of Zebulon, June 2, 1997.

The Thoroughfare Plan Map for CAMPO has been affirmed by the Technical Coordinating Committee and the Transportation Advisory Committee for the Capital Area Metropolitan Planning Organization on November 19, 1997.

The Statewide Planning Branch requests that the Board of Transportation affirm that the Thoroughfare Plan map for CAMPO dated March 10, 1997 is now recognized as the thoroughfare plan for the Capital Area MPO and the local governments contained therein.

Dan Thomas

Dan Thomas, P.E.
Senior Transportation Engineer

Marvin R. Poole

M. R. Poole, Ph.D., P.E.
Manager, Statewide Planning Branch

Attachment

January 9, 1997

December 15, 1997

MEMORANDUM TO: Board of Transportation

FROM: Statewide Planning Branch

SUBJECT: Submission of a Revision to the Dunn-Erwin Thoroughfare Plan for Mutual Adoption by the Board of Transportation.

This is to advise that we have worked cooperatively with the City of Dunn on the revision of their thoroughfare plan. The City of Dunn, the Town of Erwin and the North Carolina Department of Transportation mutually adopted the November 28, 1977, Thoroughfare Plan; and Dunn requested assistance from the Department of Transportation to revise the Dunn-Erwin Thoroughfare Plan with the following change:

1. That the proposed alignment of the loop thoroughfare which presently consists of:

   - the extension of Powell Avenue (SR 1719) northeastward to intersect Friendly Road (SR 1716) approximately 3100 feet northwest of Maple Avenue (SR 1717) and continues northeastward approximately 1700 feet.

   To be revised as follows:

   - an alignment generally southeast of the current alignment from an extension of Powell Avenue (SR 1719) northeastward to intersect Friendly Road (SR 1716) approximately 2700 feet northwest of Maple Avenue (SR 1717) and continues northeastward to generally follow an unpaved road to intersect Meadowlark Road (SR 1715) approximately 4000 feet north of its intersection with Old Fairground Road (SR 1705).

The revision to the plan has been approved by the Town of Dunn and we have on file a certified copy of their resolution of approval dated November 6, 1997.

It is requested that the Board of Transportation mutually adopt the revised Dunn-Erwin Thoroughfare Plan as shown on the attached map dated November 28, 1977.

Wesley O. Stafford, P.E.
Small Urban Studies Engineer

Marion R. Poole, Ph.D., P.E.
Manager, Statewide Planning Branch

Attachment

12/01/97

No.		Enacted Page No.
1	PRELIMINARY RIGHT OF WAY PLANS	O-1 thru O-3
2	FINAL RIGHT OF WAY PLANS	O-4 thru O-6
3	REVISIONS OF FINAL RIGHT OF WAY PLANS	O-7 thru O-8
4	ACQUISITION OF STRUCTURES PARTIALLY OUTSIDE THE RIGHT OF WAY	O-9 thru O-12
5	CONVEYANCE OF HIGHWAY RIGHT OF WAY RESIDUES	O-13
6	ABANDONMENT AND CONVEYANCE OF SURPLUS PERMANENT DRAINAGE EASEMENT TO PGGH PARTNERSHIP, UNION COUNTY	O-14
7	ABANDONMENT AND CONVEYANCE OF SURPLUS RIGHT OF WAY TO A. T. WILLIAMS OIL COMPANY, GUILFORD COUNTY	O-15
8	APPROVAL TO DECLARE SURPLUS AND CONVEY AN 11.47 ACRE MATERIAL PIT TO HALIFAX PAPER COMPANY INC., HALIFAX COUNTY	O-16
9	ADVANCE ACQUISITION OF HIGHWAY RIGHT OF WAY	O-17 thru O-18

PRELIMINARY RIGHT OF WAY PLANS

The following resolution was unanimously approved upon a motion by Board Member _____, which was seconded by Board Member _____ _____:

"WHEREAS, the preliminary right of way plans for the following projects provide for the construction of the sections of highways embraced in said projects within the right of way widths as shown on the respective plans, plus such additional widths and flared and enlarged areas to provide for the sight distance, connection radii or grade separations and traffic-interchange ramps at intersections, and to provide for additional widths necessary for construction and drainage easements; and

"WHEREAS, based upon the recommendations of the Manager of Highway Design Branch and the Manager of the Right of Way Branch, the Board finds that such rights of way as shown on the preliminary plans for the projects hereinafter set out are for a public use and are necessary for the construction of said projects.

"NOW, THEREFORE, IT IS HEREBY ORDAINED that the rights of way for the location, construction, relocation and reconstruction of the sections of highways embraced in the following projects and the right of the abutting property owners to access to or from the main-traveled lanes and ramps of said highways or the areas within the control of access lines as shown on the preliminary right of way plans for said projects to be controlled and limited solely to those points at which access may be permitted, and there will be no access from property abutting said highways to, from or across the main-traveled lane or lanes or ramps or to the areas within the control of access lines except by public road connections and, in such instances at such points as may be designated by the Board, shall be as shown in detail on the preliminary right of way plans

for said projects on file in the Right of Way Branch in the Department of Transportation in Raleigh, and such additional widths as are necessary for grade separation, intersections, ramps, sight distance, construction and drainage, said projects being as follows:

Bladen County, I.D. No. B-3410: Bridge No. 46 over Bryan Mill Pond on NC 131.

Cabarrus County, I.D. No. B-2934: Bridge No. 149 on SR 1132 over Irish Buffalo Creek.

Chatham and Randolph Counties, I.D. No. R-2217 B: US 64 from SR 2469 and SR 2628 to Glenn Avenue in Siler City.

Cleveland County, I.D. No. B-2815: Bridge No. 35 over Muddy Fork Creek on SR 1001 (Stony Point Road).

Cleveland County, I.D. No. B-3140: Replacement of Bridge No. 13 on NC 198 over Buffalo Creek at the NC/SC State line.

Cumberland County, I.D. No. B-2533: Replace Bridge No. 100 over Rockfish Creek on SR 1115.

Davidson County, I.D. No. B-2952: Bridge No. 94 on SR 1822 over the Winston-Salem Southbound Railway.

Gaston County, Project 6.904978: Condemnation of James Byers property on Beaty Road (SR 2439), Parcel 001.

Greene County, I.D. No. R-0525 D: Proposed interchange at the intersection of US 264 and SR 1311, Dildy Road.

Guilford County, I.D. No. I-2402 AA: I-85 Greensboro Bypass from I-85 South of Greensboro to West of SR 1392 (Drummond Road).

Moore County, I.D. No. R-0210 A: US 1 from South of SR 1853 North of Lakeview to SR 2005.

New Hanover County, I.D. No. U-2725: Wilmington, SR 2048 (Gordon Road) extension, from US 17 (Market Street) to SR 1409 (Military Cutoff).

Robeson County, I.D. No. B-3274: Bridge and culvert over Little Marsh Swamp and approaches on US 301.

"IT IS FURTHER RESOLVED that the Right of Way Branch is directed to acquire the right of way for the hereinabove described projects, either in fee simple or by easement, in accordance with the preliminary right of way plans, together with such control of access as has been hereinabove authorized and the Attorney General is requested to institute on behalf of the Department proceedings to acquire said rights of way, and access control where authorized upon determination by the Manager of Right of Way and the Attorney General that it is necessary that such proceedings be instituted to carry forward the right of way acquisition for said projects.

"IT IS FURTHER RESOLVED, based upon recommendations of the Manager of the Right of Way Branch and the State Secondary Roads Officer, and the Board finds, that on those projects listed in the Agenda Items for Secondary Roads Construction Projects and Industrial Access Road Construction Projects on which additional right of way is required, that rights of way as shown on Secondary Roads drawings on file in the Raleigh office of the Department of Transportation, are for a public use and are necessary for the construction of said Secondary Roads and Industrial Access Roads Projects, and the said rights of way shall be as shown on said Secondary Roads drawings together with additional areas to provide for construction and drainage.

"IT IS FURTHER RESOLVED that the Right of Way Branch is directed to acquire in conformance with the existing Secondary Road Policy of the Board, the hereinabove referred to rights of way, and the Attorney General is requested to institute on behalf of the Department proceedings to acquire said rights of way upon determination by the Manager of Right of Way and the Attorney General that such proceedings are in conformance with the existing Secondary Road Policy of the Department and that such proceedings are necessary to carry forward the right of way acquisition for said projects".

FINAL RIGHT OF WAY PLANS

The following resolution was unanimously approved upon a motion by Board Member _____, which was seconded by Board Member _____:

"WHEREAS, right of way acquisition in accordance with the preliminary right of way plans on file in the Right of Way Branch has heretofore been determined to be for a public use and necessary and was authorized by the Board; and

"WHEREAS, certain changes in the right of way have necessitated alteration of the preliminary right of way plans in the following projects; and

"WHEREAS, the final plans for the following projects have been prepared and provide for the construction of the sections of highways embraced in said projects within the right of way widths as shown on the respective plans, plus such additional widths and flared or enlarged areas to provide for the sight distance, connecting radii or grade separations and traffic-interchange ramps at intersection, and to provide for additional widths necessary for construction and drainage; and

"WHEREAS, based upon the recommendations of the Manager of the Highway Design Branch and the Manager of the Right of Way Branch, the Board finds that such rights of way, other areas and control of access as shown on the final plans and hereinafter set out are for a public use and are necessary for construction of said projects.

"NOW, THEREFORE, IT IS HEREBY ORDAINED that the rights of way for the location, construction, relocation and reconstruction of the sections of highways embraced in the following projects shall be as shown in detail on the final plans for said projects, as hereafter identified, including such additional widths and flared or enlarged areas to provide for sight

distance, connecting radii or grade separations and traffic-interchange ramps at intersections, and to provide additional widths for construction, as follows:

Project 8.2851601, Burke County, I.D. No. B-2932: Grading, drainage, paving, and culvert and approaches on SR 1150 over Silver Creek, West of Morganton, with the right of way as indicated upon the final plans for said project, the same being identified as Addendum 1 of the minutes of the January 9, 1998 Board of Transportation meeting and incorporated herein by reference.

Project 6.279002T, Pender County, I.D. No. R-2405 C: Widening, grading, drainage, paving, signing, signals, thermoplastic pavement markings, pavement markers and culverts on US 17 from northeast of SR 1675 (Long Leaf Drive) to North of SR 1561, with the right of way as indicated upon the final plans for said project, the same being identified as Addendum 2 of the minutes of the January 9, 1998 Board of Transportation meeting and incorporated herein by reference.

Project 6.589007T, Richmond County, I.D. No. R-512 A: Grading, drainage, paving, thermoplastic pavement markings and pavement markers, culverts and structures on US 74 (Rockingham-Hamlet Bypass) from East of the Pee Dee River to East of SR 1121, with the right of way and control of access as indicated upon the final plans for said project, the same being identified as Addendum 3 of the minutes of the January 9, 1998 Board of Transportation meeting and incorporated herein by reference.

"WHEREAS, the Board finds and determines that the control of access is for a public purpose and is necessary for construction of the following projects:

Project 6.589007T, Richmond County, I.D. No. R-512 A: Grading, drainage, paving, thermoplastic pavement markings and pavement markers, culverts and structures on US 74 (Rockingham-Hamlet Bypass) from East of the Pee Dee River to East of SR 1121, with the right of way and control of access as indicated upon the final plans for said project, the same being identified as Addendum 3 of the minutes of the January 9, 1998 Board of Transportation meeting and incorporated herein by reference.

"IT IS HEREBY FURTHER RESOLVED that the rights of way for the foregoing listed projects shall be acquired with the right of the abutting property owners to access to or from the main-traveled lanes and ramps of said highways or the areas within the control of access lines as

shown on the final plans for said projects to be controlled and limited solely to those points at which access may be permitted, and there will be no access from property abutting said highways to, from or across the main-traveled lane or lanes or ramps or to the areas within the control of access lines as shown on the final plans for said projects, except by public road connection and in such instances, at such points as may be later designated by the Board.

"IT IS FURTHER RESOLVED that the Right of Way Branch is directed to acquire the hereinabove described rights of way, either in fee simple or easement, construction easements and control of access and such rights of way, construction easement and control of access as heretofore acquired by the Right of Way Branch in conformance with said final plans is hereby ratified, and the Attorney General is requested to institute on behalf of the Department proceedings to acquire rights of way, construction easements and control of access upon determination by the Manager of Right of Way and the Attorney General that it is necessary that such proceedings be instituted to carry forward the right of way acquisition for said projects.

"IT IS FURTHER RESOLVED that the sections of roads which are shown on the plans for the foregoing projects as sections of roads to be abandoned be and the same are hereby abandoned and removed from the State Highway System for maintenance upon the completion and acceptance of the project."

REVISIONS OF FINAL RIGHT OF WAY PLANS

The following resolution was unanimously approved upon a motion by Board Member_____, which was seconded by Board Member _____:

"WHEREAS, right of way acquisition in accordance with the final right of way plans for the following projects has heretofore been determined to be necessary and authorized by the Board and said plans are on file at the office of the Secretary to the Board of Transportation as an addendum to the minutes of the meetings hereinafter indicated; and

"WHEREAS, certain changes in said right of way, construction and drainage easements and control of access have been necessitated by alterations in the construction plans in the following projects; and

"WHEREAS, amended plan sheets for the following projects have been prepared which provide for changes of certain right of way areas, construction and drainage easements and/or control of access heretofore determined to be necessary; and

"WHEREAS, based upon the recommendation of the Manager of the Highway Design Branch and the Manager of the Right of Way Branch, the Board finds that said revised areas of right of way, construction and drainage easements and control of access, as shown on the amended plan sheets hereinafter set out, are for a public purpose and is necessary for the construction of said projects.

"NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDAINED that the right of way, construction and drainage easements and control of access is hereby revised as shown on the plan sheets incorporated herein as an addendum, said projects, date of original final approval, and revised right of way, easements and access being as follows:

Project 8.U401719; I.D. No. R-2000 CA; Wake County: Final right of way plans approved as Addendum 20 to the minutes of the October 4, 1996 Board of Transportation meeting. Revised additional right of way, easements or control of access shown on Addendum 4 to the minutes of the January 9, 1998 Board of Transportation meeting and incorporated herein by reference.

Project 9.8052038; I.D. No. U-3474; Wake County: Final right of way plans approved as Addendum 6 to the minutes of the October 13, 1997 Board of Transportation meeting. Revised additional right of way, easements or control of access shown on Addendum 5 to the minutes of the January 9, 1998 Board of Transportation meeting and incorporated herein by reference.

Project 8.1402105; I.D. No. R-2425 A; Wake County: Final right of way plans approved as Addendum 15 to the minutes of the April 4, 1997 Board of Transportation meeting. Revised additional right of way, easements or control of access shown on Addendum 6 to the minutes of the January 9, 1998 Board of Transportation meeting and incorporated herein by reference.

Projects 8.2250106 and 8.2250103; I.D. No. U-92C; New Hanover: Final right of way plans approved as Addendum 12 to the minutes of the September 6, 1996 Board of Transportation meeting. Revised additional right of way, easements or control of access shown on Addendum 7 to the minutes of the January 9, 1998 Board of Transportation meeting and incorporated herein by reference.

Projects 6.498006T and 8.1492902; I.D. Nos. U-2525A and U-2581A; Guilford County: Final right of way plans approved as Addendum 4 to the minutes of the November 7, 1997 Board of Transportation meeting. Revised additional right of way, easements or control of access shown on Addendum 8 to the minutes of the January 9, 1998 Board of Transportation meeting and incorporated herein by reference."

ACQUISITION OF STRUCTURES PARTIALLY OUTSIDE THE RIGHT OF WAY

The following resolution was unanimously approved upon a motion by Board Member _____, which was seconded by Board Member _____:

"WHEREAS, the preliminary right of way plans for the following highway projects necessitate the acquisition of a part of certain buildings or structures located within the right of way of said projects; and

"WHEREAS, based upon the recommendation of the Manager of the Right of Way Branch and affidavits of independent real estate appraisers, the Board finds that the partial taking of the buildings or structures will substantially destroy the economic value or utility of the buildings or structures and (1) that an economy in the expenditure of public funds will be promoted by the acquisition of the entire building; (2) that it is not feasible to cut off a portion of the buildings or structures without destroying the entire buildings or structures; and (3) that the convenience, safety or improvement of the highway will be promoted by the acquisition of the entire building; and

"WHEREAS, the Board finds that such acquisition of the structure or parts thereof outside the right of way are for a public use and are necessary for the construction of said projects.

"NOW, THEREFORE, IT IS HEREBY RESOLVED that it is necessary to acquire the hereinafter described buildings or structures in their entirety, together with the right to enter upon the surrounding lands for the purpose of removing said buildings or structures:

> Project 6.498008T, Guilford County, I.D. No. I-2402AA: Parcel 104, B. B. Johnson, one-story brick business located right of Survey Station 13+40, Survey Line C SLIP; Parcel 128, John Oliver Heirs, one story abandoned building located right of Survey Station 11+40, Survey Line L1 Ramp BS; Parcel 138, Shilo Farms, one story brick business located right of Survey Station 10+80, Survey Line L1 Ramp A; and Parcel 139, Southern Hosts,

Inc., motel lobby located right of Survey Station 10+40, Survey Line L1 Ramp A.

Project 8.1710904, Ashe County, I.D. No. R-2100C: Parcel 2, Joe P. Hamby, 1 story frame shed located right of Survey Station 24+90, Survey Line L; Parcel 17, Dean Barnes, one story brick garage located left of Survey Station 75+50, Survey Line L; Parcel 18, Emma Burchette and Laura McKenzie, one story frame dwelling located right of Survey Station 87+50, Survey Line L; Parcel 21, Bobby James Miller, 1 ½ story frame dwelling located right of Survey Station 104+80, Survey Line L; Parcel 38-A, Ronnie Barnes, one story frame garage located right of Survey Station 161+15, Survey Line L; Parcel 43, Howard Barnes, one story block business located left of Survey Station 169+20, Survey Line L; Parcel 54, Russell H. Hanes, one story frame dwelling located right of Survey Station 177+60, Survey Line L; Parcel 56, Russell H. Hanes, one story frame dwelling located right of Survey Station 178+35, Survey Line L; Parcel 62, Allen Bernard Miller, one story frame potato shed located right of Survey Station 186+00, Survey Line L; and Parcel 95-A, Phyllis Miller Barnes, one story frame dwelling located right of Survey Station 245+05, Survey Line L.

Project 6.679007T, Mecklenburg County, I.D. No. R-0615A: Parcel 007, WDG Family Limited Partnership, two story frame dwelling located left of Survey Station 10+30, Survey Line Y-2, Revised; Parcel 05A, Charles G. Allen, Jr., one story metal business located right of Survey Station 18+00, Survey Line L; Parcel 023, Dale Tucker, one story frame dwelling located left of Survey Station 33+50, Survey Line L; and Parcel 042, Donald E. Misenheimer, one story frame dwelling located left of Survey Station 10+40, Survey Line Y-7.

Project 6.921002, Clay County, I.D. No. R-2703: Parcel 7, Mary Zell Brickley Auberry, one story frame business located right of Survey Station 17+50, Survey Line L.

Project 8.2770801, Yadkin County, I.D. No. R-2923C: Parcel 006, William J. Shelton and wife, Mary H. Shelton, one story brick dwelling located right of Survey Station 24+80, Survey Line Service Road 1.

Project 8.1661005, Cabarrus County, I.D. No. R-2533 A: Parcel 2, Samuel J. Borsuk, one story block building located left of Survey Station 7+245, Survey Line L1; Parcel 6, First Charter Bank, one two story brick business building located right of Survey Station 7+290, Survey Line L1; Parcel 24, James Davis (Creative Signs), four-pole billboard located left of Survey Station 1+912, Survey Line L Rev.; Parcel 44-A, John J. McGuirt, Fiberglass and metal pole sign located left of Survey Station 3+065, Survey Line L Rev.; Parcel 73, Donald L. Summer, one-story frame dwelling located right

of Survey Station 7+515, Survey Line L Rev.; Parcel 90, Geroge Couchell (Creative Signs), billboard located left of Survey Station 8+397, Survey Line L Rev.; Parcel 91, James A. Jones, shed located left of Survey Station 8+473, Survey Line L Rev.; Parcel 94, William E. Fisher, one story metal business building located right of Survey Station 8+360, Survey Line L Rev.; Parcel 111, Bobby G. Lemmon, one story brick dwelling located left of Survey Station 1+040, Survey Line L; Parcel 117, Donald E. Freeze, wooden and tin shed located right of Survey Station 9+510, Survey Line L; Parcel 131, Bruce M. Lube, one story frame business building (abandoned) located left of Survey Station 1+035, Survey Line Y19; and Parcel 137, Larry G. Carter, one story brick dwelling located left of Survey Station 1+436, Survey Line Y27.

Project 6.579003T, Randolph County, I.D. No. R-2217A: Parcel 30, A. & B Investment, two story brick business (with concrete attachment) located right of Survey Station 16+67, Survey Line L-1; Parcel 31, M. C. Hayes, one story brick business located right of Survey Station 16+80, Survey Line L-1; Parcel 55, Vernie Welch, one story frame dwelling (with garage) located right of Survey Station 23+57, Survey Line L-1; Parcel 107, Major Properties, Inc., house trailer located right of Survey Station 50+85, Survey Line L-1; Parcel 137, Louella B. Langley, shed located right of Survey Station 88+30, Survey Line L-2; Parcel 137, Louella B. Langley, shed located right of Survey Station 88+58, Survey Line L-2; Parcel 137, Louella B. Langley, one story frame business located right of Survey Station 88+80, Survey Line L-2; Parcel 140, Boyd H. Burgess, shed located left of Survey Station 10+41, Survey Line Y-29; Parcel 140, Boyd H. Burgess, one story frame dwelling located right of Survey Station 89+50, Survey Line L-2; and Parcel 141, Randolph Eastern Grange, one story frame business located right of Survey Station 10+47, Survey Line Y-30.

Project 6.499008T, Guilford and Rockingham Counties, I.D. R-2413-C: Parcel 26, Raleigh W. Ellison, one mobile home located left of Survey Station 20+20, Survey Line Y20; Parcel 26, Raleigh W. Ellison, one mobile home located left of Survey Station 20+50, Survey Line Y20; Parcel 33, Oakburn & Associates, one story frame barn located right of Survey Station 10+30, Survey Line Y24; Parcel 35, Mary Blackwell Heirs, one story frame barn located left of Survey Station 10+40, Survey Line Ramp D (US 158); Parcel 35, Mary Blackwell Heirs, one story frame dwelling located right of Survey Station 50+80, Survey Line L Revised; Parcel 35, Mary Blackwell Heirs, one story frame barn located right of Survey Station 51+10, Survey Line L Revised; Parcel 50, E. Austin Friddle, one mobile home located left of Survey Station 13+60, Survey Line Ramp B (NC 68); Parcel 50, E. Austin Friddle, one mobile home located left of Survey Station 13+70, Survey Line Ramp B (NC 68); Parcel 50, E. Austin Friddle, one mobile home located left of Survey Station 13+90, Survey Line Ramp B (NC 68); Parcel 50, E. Austin

Friddle, one mobile home located right of Survey Station 7+40, Survey Line Y10 Revised; Parcel 50, E. Austin Friddle, one mobile home located right of Survey Station 7+60, Survey Line Y10 Revised; and Parcel 70, Robert G. Yates, one-story metal business located right of Survey Station 11+60, Survey Line Ramp C (NC 65).

"IT IS FURTHER RESOLVED that the Right of Way Branch is directed to acquire the above-described buildings or structures in their entirety for the construction of the hereinabove listed projects, and the Attorney General is requested to institute on behalf of the Board proceedings to acquire said buildings or structures in their entirety, together with the right to enter upon the surrounding lands for the purpose of removing said buildings or structures upon a determination by the Manager of Right of Way and the Attorney General that it is necessary that such proceedings be instituted to carry forward the right of way acquisition for said projects."

CONVEYANCE OF HIGHWAY RIGHT OF WAY RESIDUES

The following resolution was unanimously approved upon a motion by Board Member_____, which was seconded by Board Member _____:

"IT IS HEREBY RESOLVED, based upon the recommendation of the Manager of the Right of Way Branch, that the following right of way residue conveyances are approved:

Project 6.498009T, Guilford County: Conveyance of Coalhouse Ruled, Inc. residue having an area of approximately 0.12 acre and an appraised value of $500.00 to Oscar J. Threatt, III., in settlement of his right of way claim with the Department.

Project 6.498012T, Guilford County: Conveyance of John C. Kearns and Harold Bowman residues having a combined area of approximately 1.11 acre and an appraised value of $600.00 to Bobby Williams and wife, Vivian Williams, in settlement of their right of way claim with the Department.

Project 8.2731702, Caldwell County: Conveyance of Larry Boone, Allan R. Crotts, Jerdy Passmore and wife, Violet C. Passmore, and James Courtner residues having a combined area of 0.73 acre and a combined appraised value of $4,600.00 to Benjamin D. Griffin and wife, Jackie P. Griffin, in settlement of their right of way claim with the Department.

Project 8.T791704, Catawba County: Conveyance of Ola C. Newton residue having an area of approximately 0.687 acre and an appraised value of $50,875.00 to Wayne Louis Sharpe and Larry William Sharpe, as stipulated in a Consent Judgment dated January 4, 1993.

Project 8.U671607, Mecklenburg County: Conveyance of Ronda Lynn Cline residue, plus a one story frame dwelling, and having an area of approximately 0.24 acre and an appraised value of $83,000.00 to Larry P. Thompson, the last and highest bidder after public advertisement for the bid sum of $65,101.00.

Project 8.1780103, Alexander County: Conveyance of Alva E. Williamson residue having an area of approximately 35.68 acres and an appraised value of $17,000.00 to Sipe Wholesale Company, the last and highest bidder after public advertisement for the bid sum of $49,150.00."

ABANDONMENT AND CONVEYANCE OF SURPLUS PERMANENT DRAINAGE EASEMENT TO PGGH PARTNERSHIP, UNION COUNTY

The following resolution was unanimously approved upon a motion by Board Member _____ which was seconded by Board Member _____.

"WHEREAS, the Department acquired a permanent drainage easement from PGGH PARTNERSHIP for State Highway Project 9.8101579 dated March 10, 1995 and being recorded in Deed Book 785 at Page 436 in Union County; and

"WHEREAS, PGGH PARTNERSHIP has requested the Department to abandon the above mentioned permanent drainage easement acquired for construction of State Highway Project 9.8101579 in Union County; and

"WHEREAS, the Department has reviewed the matter and recommends that the permanent drainage easement could be considered surplus and no longer needed by the Department; and

"WHEREAS, the Department has determined the current appraised value of the permanent drainage easement to be nominal; and

"NOW THEREFORE, IT IS RESOLVED, that the Board approves the abandonment and conveyance of this permanent drainage easement to PGGH PARTNERSHIP, for no consideration, and authorizes the Manager of Right of Way to execute the appropriate instrument."

ABANDONMENT AND CONVEYANCE OF SURPLUS RIGHT OF WAY TO A. T. WILLIAMS OIL COMPANY, GUILFORD COUNTY

The following resolution was unanimously approved upon a motion by Board Member _____ which was seconded by Board Member _____.

"WHEREAS, the Department acquired highway right of way for State Highway Project 8.U492303 by consent judgment in 1995 in Guilford County; and

"WHEREAS, A. T. Williams Oil Company has requested the Department abandon 1.44 acre of the above mentioned highway right of way acquired for construction of State Highway Project 8.U492303 in Guilford County; and

"WHEREAS, the Department has reviewed the matter and recommends that the approximately 1.44 acre of the above mentioned highway right of way could be considered surplus and no longer needed by the Department; and

"WHEREAS, the Department has determined the current appraised value of the 1.44 acre area to be $18,800.00; and

WHEREAS, A. T. Williams Oil Company has agreed to pay the Department the current appraised value of $18,800.00.

"NOW THEREFORE, IT IS RESOLVED, that the Board approves the abandonment and conveyance of this approximately 1.44 acre area of surplus highway right of way to A. T. Williams Oil Company for $18,800.00 to be collected upon delivery of deed."

APPROVAL TO DECLARE SURPLUS AND CONVEY AN 11.47 ACRE MATERIAL PIT TO HALIFAX PAPER COMPANY INC., HALIFAX COUNTY

The following resolution was unanimously approved upon a motion by Board Member _____, which was seconded by Board Member _____:

"WHEREAS, in November 1959, The North Carolina Department of Transportation purchased a 11.47 acre material pit from Halifax Paper Company, Inc. in Halifax County; and

"WHEREAS, Thomas B. Coleman, Jr. and Richard T. Coleman have requested the Department to sell the 11.47 acre material pit; and

"WHEREAS, the Department has determined the 11.47 acre area is no longer needed for a Material Pit and recommends the area be declared surplus and sold; and

"WHEREAS, on June 27, 1997, the Planning and Environmental Branch determined that the 11.47 acre area is not suitable for Wetland Mitigation; and

"WHEREAS, the Department has determined the current value of the 11.47 acre Material Pit is $8,600.00, which amount the Grantees have agreed to pay.

"NOW, THEREFORE, IT IS RESOLVED that the Board declares the subject 11.47 acre Material Pit surplus and authorizes the Department to convey the 11.47 acre Material Pit to Thomas B. Coleman, Jr. and Richard T. Coleman, the high bidders after public advertisement, for the bid sum of $8,660.00."

ADVANCE ACQUISITION OF HIGHWAY RIGHT OF WAY

The following resolution was unanimously approved upon a motion by Board Member,_____, which was seconded by Board Member,_____ :

"WHEREAS, the Department Of Transportation is undertaking certain highway projects and it proposes to acquire certain parcels which lie within the right of way in advance of regular project approval in order to prevent undue hardship on the property owners, or in order to protect the right of way from development, and

"WHEREAS, the property owners of certain properties which lie within the right of way of highway projects have requested the Department to acquire their property at this time by reason of hardship on the property owners, and the Board, based upon staff review and recommendation, now determines the acquisition of the following described properties are necessary for the construction of the project and acquisition at a later date would be a hardship on the property owners and the acquisition at this time is in the best public interest

Property of BERNARD WILLIAMS AND TIM E. GORE
(THE HAIR DOCTORS AND THE PICNIC)
Parcel 905 Project 8.2250110
F.A. Project MANHF-0332(8) County of NEW HANOVER
I.D. No. U-0092 A.

Property of ANGELA C. WEISKOPF
Parcel 903 Project 8.1402503
F.A. Project STP-98(3) County of WAKE
I.D. No. R-2809 B.

Property of ERNEST E. ASBILL
Parcel 902 Project 6.401078
F.A. Project N/A County of WAKE
I.D. No. R-2721.

Property of EARLIE RAY HONEYCUTT, JR.
Parcel 819 Project 6.498002B
F.A. Project N/A County of GUILFORD
I.D. No. U-2524 AB.

Property of HAROLD GUTHRIE
Parcel 941 Project 8.2624301
F.A. Project NHF-0918(12) County of FORSYTH
I.D. No. R-2247 A.

Property of ROBERT R. SPRINKLE
Parcel 943 Project 6.628001B
F.A. Project N/A County of FORSYTH
I.D. No. R-2247 D.

Property of THOMAS E. STOLTZ AND MARY S. HAWKS
Parcel 942 Project 6.628002B
F.A. Project N/A County of FORSYTH
I.D. No. R-2247 E.

Property of HAROLD G. PEGRAM, JR.
Parcel 944 Project 6.628002B
F.A. Project N/A County of FORSYTH
I.D. No. R-2247 E.

"NOW THEREFORE, upon the recommendation of the Manager of Right of Way, the Board finds and determines that said properties are necessary for highway construction, and the Right of Way Branch is instructed to acquire said property lying within the right of way, and the Attorney General is requested to institute condemnation proceedings to acquire said properties upon determination by the Attorney General and the Right of Way Branch that condemnation is necessary for the acquisition of the property."

NORTH CAROLINA BOARD OF TRANSPORTATION

RECOMMENDED REVISED SUPPLEMENTAL ALLOCATION OF
FY 1997-98 MAINTENANCE APPROPRIATIONS

On October 3, 1997, the Board of Transportation allocated $19,792,000 in Contract Resurfacing funds. The allocation to Division 14 ($1,256,572) was made to their Primary system as recommended by Division Engineer Martin. He now finds that this allocation needs to be revised to allocate a portion of funds to the Primary, Secondary, and Urban systems.

The staff now recommends the allocation be revised as follows:

Division 14	Primary System	$ 73,609
	Secondary System	990,302
	Urban System	192,661
		$1,256,572

The revisions are shown on the following pages.

NORTH CAROLINA BOARD OF TRANSPORTATION
STATE MAINTENANCE - CONTRACT RESURFACING

1997-98

DIVISION TOTALS ALL SYSTEMS

DIVISION	JULY 11, 1997 ALLOCATION	OCT. 3, 1997 SUPPLEMENTAL ALLOCATION	TOTAL ALLOCATION
1	$5,089,188	$1,256,573	$6,345,761
2	5,150,718	1,256,573	6,407,291
3	7,166,930	1,256,573	8,423,503
4	8,284,504	1,256,573	9,541,077
5	7,132,738	1,456,573	8,589,311
6	6,785,322	1,256,573	8,041,895
7	7,649,665	1,256,573	8,906,238
8	7,093,560	1,256,573	8,350,133
9	8,181,346	1,256,573	9,437,919
10	7,721,363	1,256,573	8,977,936
11	7,373,842	1,256,573	8,630,415
12	8,602,304	3,256,573	11,858,877
13	7,323,485	1,256,572	8,580,057
14	6,445,035	1,256,572	7,701,607
TOTAL	$100,000,000	$19,792,020	$119,792,020

SUMMARY

	JULY 11, 1997 ALLOCATION	REVISED SUPPLEMENTAL ALLOCATION	TOTAL ALLOCATION
PRIMARY SYSTEM	$31,150,890	$9,892,546	$41,043,436
SECONDARY SYSTEM	$49,845,801	$5,566,321	$55,412,122
URBAN SYSTEM	$19,003,309	$4,333,153	$23,336,462
TOTAL =	$100,000,000	$19,792,020	$119,792,020

JANUARY 9, 1998

NORTH CAROLINA BOARD OF TRANSPORTATION
STATE MAINTENANCE - CONTRACT RESURFACING

PRIMARY SYSTEM 1997-98

DIVISION	JULY 11, 1997 ALLOCATION	REVISED SUPPLEMENTAL ALLOCATION	TOTAL ALLOCATION
1	$2,541,988	$976,500	$3,518,488
2	1,480,888	0	1,480,888
3	2,606,791	0	2,606,791
4	4,169,309	684,573	4,853,882
5	1,470,622	300,000	1,770,622
6	2,060,721	1,006,573	3,067,294
7	1,440,898	1,256,573	2,697,471
8	2,340,723	0	2,340,723
9	1,722,142	506,573	2,228,715
10	1,248,908	500,000	1,748,908
11	2,589,391	750,000	3,339,391
12	1,992,567	3,256,573	5,249,140
13	2,853,024	581,572	3,434,596
14	2,632,918	73,609	2,706,527
TOTAL	$31,150,890	$9,892,546	$41,043,436

NORTH CAROLINA BOARD OF TRANSPORTATION
STATE MAINTENANCE - CONTRACT RESURFACING

SECONDARY SYSTEM 1997-98

DIVISION	JULY 11, 1997 ALLOCATION	REVISED SUPPLEMENTAL ALLOCATION	TOTAL ALLOCATION
1	$2,184,275	$187,500	$2,371,775
2	2,910,126	539,973	3,450,099
3	3,231,323	1,000,000	4,231,323
4	2,573,674	185,400	2,759,074
5	4,192,995	900,000	5,092,995
6	3,435,882	0	3,435,882
7	3,790,051	0	3,790,051
8	3,695,777	1,256,573	4,952,350
9	4,702,322	150,000	4,852,322
10	4,356,710	256,573	4,613,283
11	3,793,918	0	3,793,918
12	4,767,343	0	4,767,343
13	3,020,141	100,000	3,120,141
14	3,191,264	990,302	4,181,566
TOTAL	$49,845,801	$5,566,321	$55,412,122

NORTH CAROLINA BOARD OF TRANSPORTATION
STATE MAINTENANCE - CONTRACT RESURFACING

SECONDARY SYSTEM 1997-98

DIVISION 14 COUNTY	JULY 11, 1997 ALLOCATION	REVISED SUPPLEMENTAL ALLOCATION	TOTAL ALLOCATION
CHEROKEE	$329,571	$102,271	$431,842
CLAY	115,350	35,795	151,145
GRAHAM	140,862	43,712	184,574
HAYWOOD	342,675	106,338	449,013
HENDERSON	869,715	269,887	1,139,602
JACKSON	393,151	122,001	515,152
MACON	335,165	104,007	439,172
POLK	199,885	62,028	261,913
SWAIN	195,186	60,569	255,755
TRANSYLVANIA	269,704	83,694	353,398
TOTAL	$3,191,264	$990,302	$4,181,566
GRAND TOTAL =	$49,845,801	$5,566,321	$55,412,122

JANUARY 9, 1998

NORTH CAROLINA BOARD OF TRANSPORTATION
STATE MAINTENANCE - CONTRACT RESURFACING

URBAN SYSTEM 1997-98

DIVISION	JULY 11, 1997 ALLOCATION	REVISED SUPPLEMENTAL ALLOCATION	TOTAL ALLOCATION
1	$362,925	$92,573	$455,498
2	759,704	716,600	1,476,304
3	1,328,816	256,573	1,585,389
4	1,541,521	386,600	1,928,121
5	1,469,121	256,573	1,725,694
6	1,288,719	250,000	1,538,719
7	2,418,716	0	2,418,716
8	1,057,060	0	1,057,060
9	1,756,882	600,000	2,356,882
10	2,115,745	500,000	2,615,745
11	990,533	506,573	1,497,106
12	1,842,394	0	1,842,394
13	1,450,320	575,000	2,025,320
14	620,853	192,661	813,514
TOTAL	$19,003,309	$4,333,153	$23,336,462

MUNICIPAL AND SPECIAL AGREEMENTS

SUMMARY: There are a total of 15 agreements for approval by the Board of Transportation. The agreements are as follows: 8 TIP; 2 UTILITY; 4 TRAFFIC; 1 SPECIAL.

DIVISION 1

City of Elizabeth City
Pasquotank County
B-3929

This project consists of the replacement of Bridge #28 on Riverside Avenue over Charles Creek. The Municipality will be responsible for the project plans, acquisition of right of way, relocation and adjustment of utilities, and construction of the project. The Department will reimburse the Municipality 80% of the total allowable project costs. The Municipality will fund 20% of the project costs and bear all costs not reimbursed by the Federal Highway Administration.

DIVISION 2

Cape Carteret Volunteer Fire and Rescue
Carteret County
4.6020056

This project consists of the installation of a new traffic signal at the intersection of NC 24 and SR 1113 in Cedar Point. The Department will design the signal, prepare the project plans, furnish the equipment, inspect the equipment, install the equipment, and revise pavement markings and signing. Cape Carteret VFR will reimburse the Department one lump-sum amount of $5,865.00 toward the cost of the work upon execution of the agreement and maintain the signal upon completion of the project.

City of Greenville
Pitt County
U-3316

This project consists of the construction of College Hill Drive Extension to Fourteenth Street and Berkley Road Intersection. The Department will be responsible for the project plans, acquisition of right of way, relocation and adjustment of utilities, and construction of the project. The Municipality will be responsible for municipally-owned utilities and those under franchise agreement.

MUNICIPAL AND SPECIAL AGREEMENTS

DIVISION 3

The Pantry, Inc.
New Hanover County
4.6030050

This project consists of upgrading the traffic signal at the intersection of US 117–NC 133 and SR 1002. The Developer will prepare the project plans, purchase and install the equipment, and reimburse the Department 100% of the actual cost of plan review and inspection costs. (Estimated cost to the Developer is $2,000.00.)

DIVISION 5

City of Raleigh
Wake County
4.6050149

This agreement covers the design of two box culverts. At the request of the Municipality, the Department will design the Glendower Road Culvert and the Winthrop Drive Culvert being constructed by the Municipality. The Municipality will reimburse the Department 100% of the actual cost of the work performed by the Department. (Estimated cost to the Municipality is $700.00.)

Town of Morrisville
Wake County
P-3305

This project consists of the installation of certain landscape plantings in the vicinity of Hartness House, Oak Street, and Ashe Street. The Department will prepare the plans and purchase and install the plantings. After a one-year warranty period, the Municipality will assume all responsibility for maintenance and replacement of plantings, at no expense to the Department.

DIVISION 7

City of High Point
Guilford County
B-3931

This project consists of the replacement of Bridge #386 on Lindsay Street over Norfolk Southern Railway. The Municipality will design the project, prepare the project plans, relocate and adjust the utilities, acquire the right of way, and construct the project. The Department will reimburse the Municipality 80% of the total allowable project costs. The Municipality will fund 20% of the project costs and bear all costs not reimbursed by the Federal Highway Administration.

MUNICIPAL AND SPECIAL AGREEMENTS

Division 7 (continued)

City of Greensboro Guilford County US-3584	This project consists of the installation of a new traffic signal at the intersection of SR 1398 (Freeman Mill Road) at Glenwood Avenue and Garrett Street. The Municipality will be responsible for designing the signal, preparing the project plans, purchasing all equipment, and installing the signal. The Department will reimburse the Municipality one lump-sum amount of $22,435.53 toward the cost of the work and will own, maintain, and control the equipment upon completion of the project.
City of Greensboro Guilford County US-3572	This project consists of the installation of a new traffic signal at the intersection of SR 2526 (Summit Avenue) and SR 2601 (Rankin Road). The Municipality will be responsible for designing the signal, preparing the project plans, purchasing all equipment, and installing the signal. The Department will reimburse the Municipality one lump-sum amount of $18,955.45 toward the cost of the work and will own, maintain, and control the equipment upon completion of the project.
Town of Milton Caswell County R-3103	This project consists of the improvement of NC 62 from US 158-NC 86 in Yanceyville to NC 57 in Milton. The Department will be responsible for the project plans, acquisition of right of way, relocation and adjustment of utilities, and construction of the project. The Municipality will be responsible for municipally-owned utilities and those under franchise agreement.
Town of Yanceyville Caswell County R-3103	This project consists of the improvement of NC 62 from US 158-NC 86 in Yanceyville to NC 57 in Milton. The Department will be responsible for the project plans, acquisition of right of way, relocation and adjustment of utilities, and construction of the project. The Municipality will be responsible for municipally-owned utilities and those under franchise agreement.

MUNICIPAL AND SPECIAL AGREEMENTS

Division 7 (continued)

North State Telephone Company Guilford County B-2565	This project consists of the replacement of Bridge #170 over US 29-70 and I-85 Business Loop on Brentwood Street. At the request of North State Telephone, the Department will include provisions in its construction contract for the attachment of seven (7) telephone conduits to the proposed bridge. North State Telephone will reimburse the Department the entire cost of said utility work in one lump-sum amount upon completion of the work. (Estimated cost to North State Telephone is $26,500.00.)
North State Telephone Company Guilford County R-0609 EB and FA	This project consists of the construction of US 311 - High Point East Belt - from NC 68 (Eastchester Drive) to 1000 feet east of US 29A-70A (Greensboro Road). At the request of North State Telephone, the Department will include provisions in its construction contract for the attachment of six telephone conduits to the proposed bridge. North State Telephone will reimburse the Department the entire cost of said utility work in one lump-sum amount upon completion of the work. (Estimated cost to North State Telephone is $25,000.00.)
City of High Point Guilford County B-3931	This project consists of the replacement of Bridge #386 on Lindsay Street over Norfolk Southern Railway. The Municipality will design the project, prepare the project plans, relocate and adjust the utilities, acquire the right of way, and construct the project. The Department will reimburse the Municipality 80% of the total allowable project costs. The Municipality will fund 20% of the project costs and bear all costs not reimbursed by the Federal Highway Administration.

MUNICIPAL AND SPECIAL AGREEMENTS

DIVISION 10

Town of Cornelius
Mecklenburg County
I-3007

This project consists of the construction of I-77 from south of NC 73 (Exit 28) to the Iredell County Line. The Department will be responsible for the project plans, acquisition of right of way, relocation and adjustment of utilities, and construction of the project. The Municipality will be responsible for municipally-owned utilities and those under franchise agreement.

ITEM R

REQUEST TO TRANSFER MONIES FROM HIGHWAY TRUST FUND TO HIGHWAY FUND

Pursuant to the provisions of G.S. 136-176(c), it is requested that the Board of Transportation approve the transfer of $10,000,000 from the Highway Trust Fund to the Highway Fund for State Construction Projects in the Transportation Improvement Program.

January 9, 1997

REQUEST TO CASH FLOW AND TRANSFER FUNDS FROM THE HIGHWAY TRUST FUND TO THE HIGHWAY FUND

Pursuant to the provisions of G.S. 136-176(c), it is requested that the Board of Transportation approve the transfer of $14,000,000 from the Highway Trust Fund to the Highway Fund specifically to match designated federal funds which have been obligated under partial conversion procedures. The transfer will be cash flowed as follows:

SFY 1998	$3,500,000
SFY 1999	$3,500,000
SFY 2000	$3,500,000
SFY 2001	$3,500,000

January 9, 1997

II

K. KNAPP

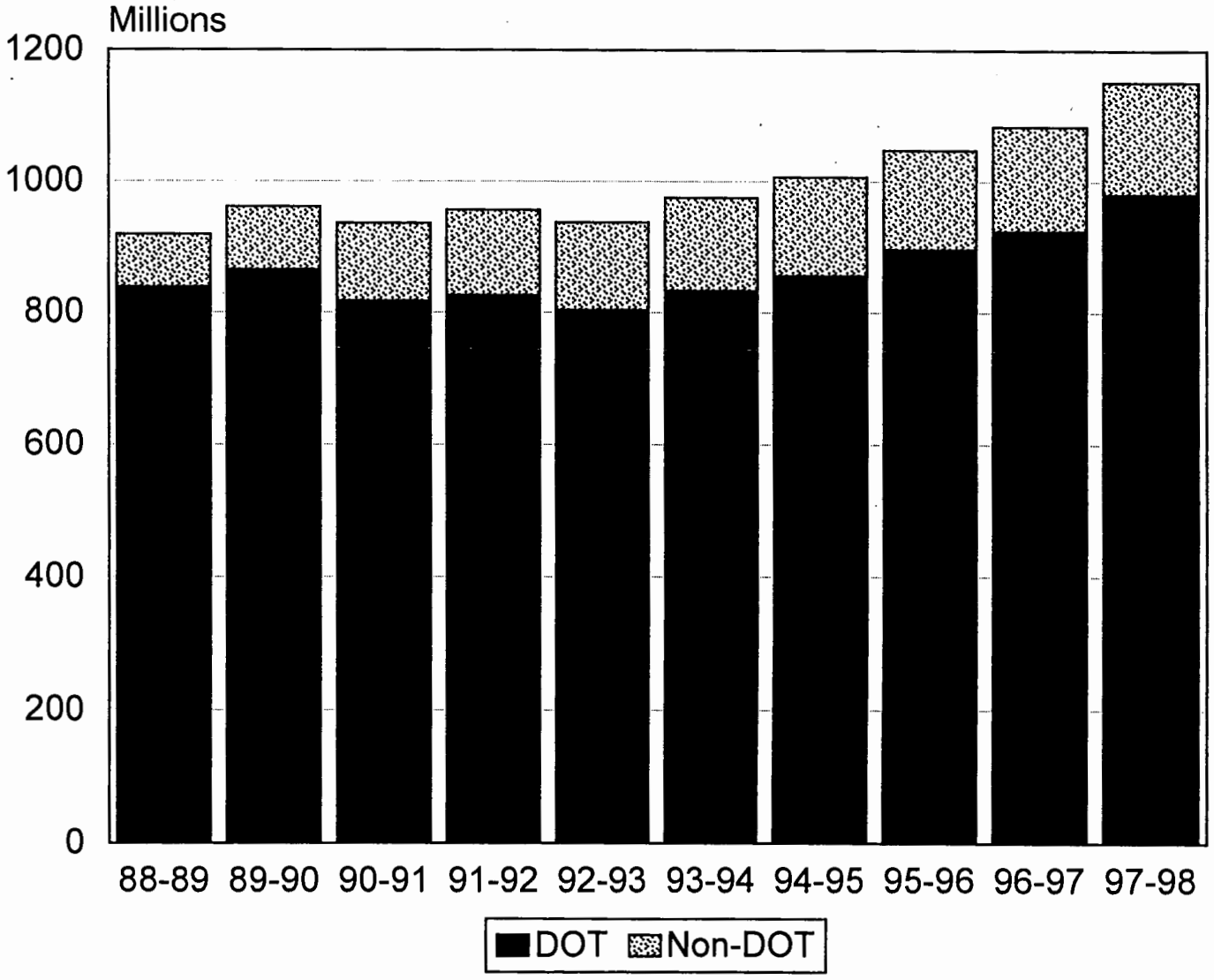
Highway Fund Appropriations

FY 1989-90 to FY 1997-98

Fiscal Research Division
February 1998

Highway Fund Appropriations

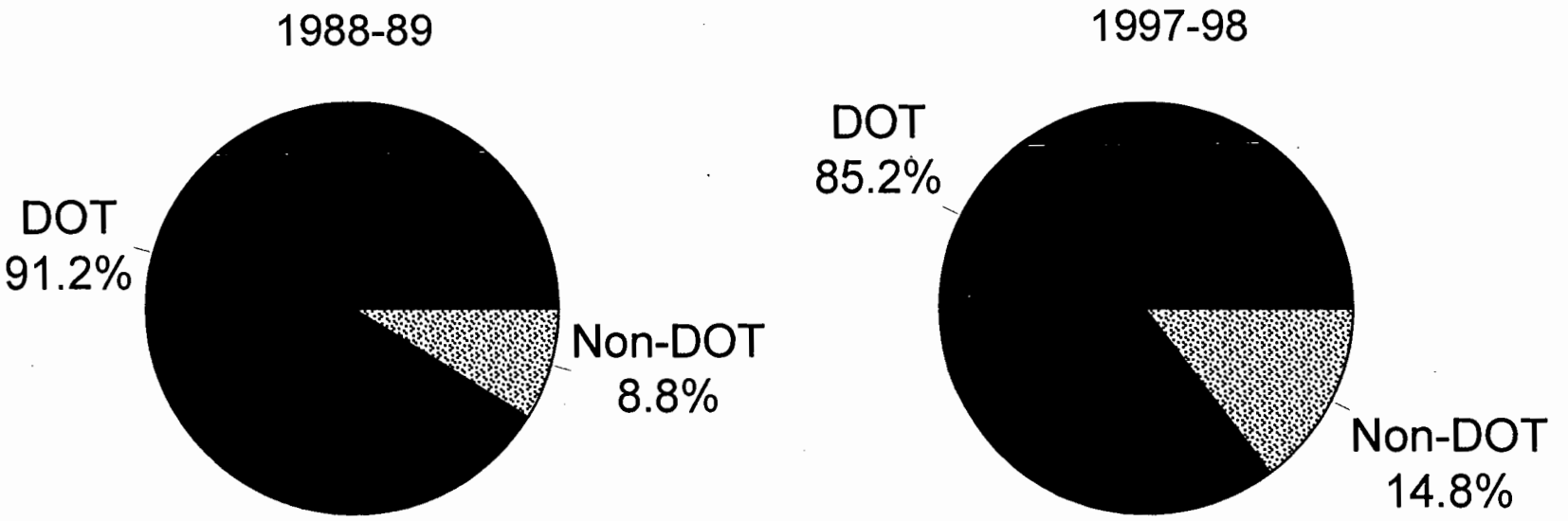
DOT and Non-DOT



Source: DOT

Highway Fund Appropriations

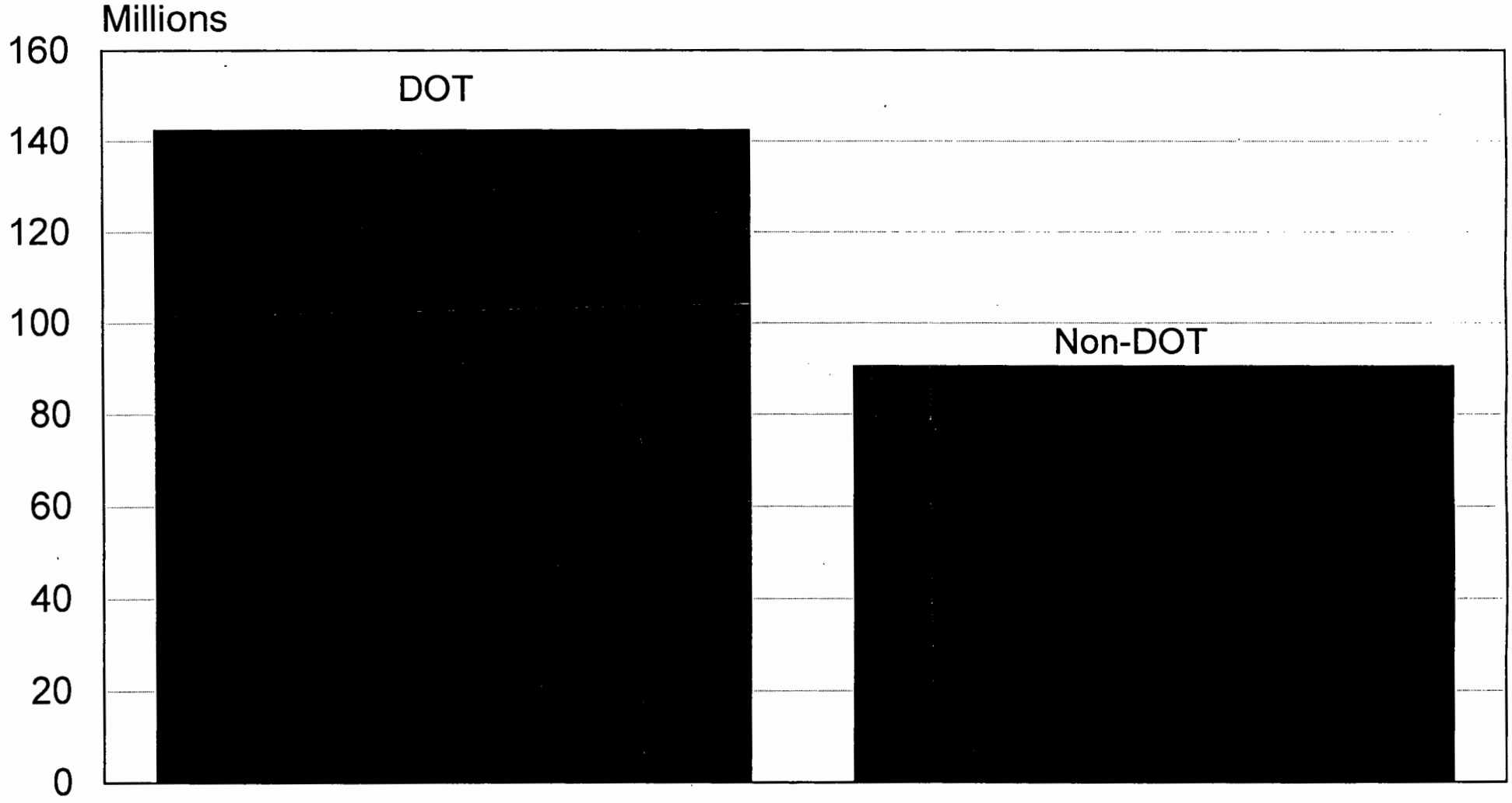
DOT and Non-DOT



Source: DOT and OSBM

Highway Fund Appropriations

Dollar Growth 1988-89 to 1997-98

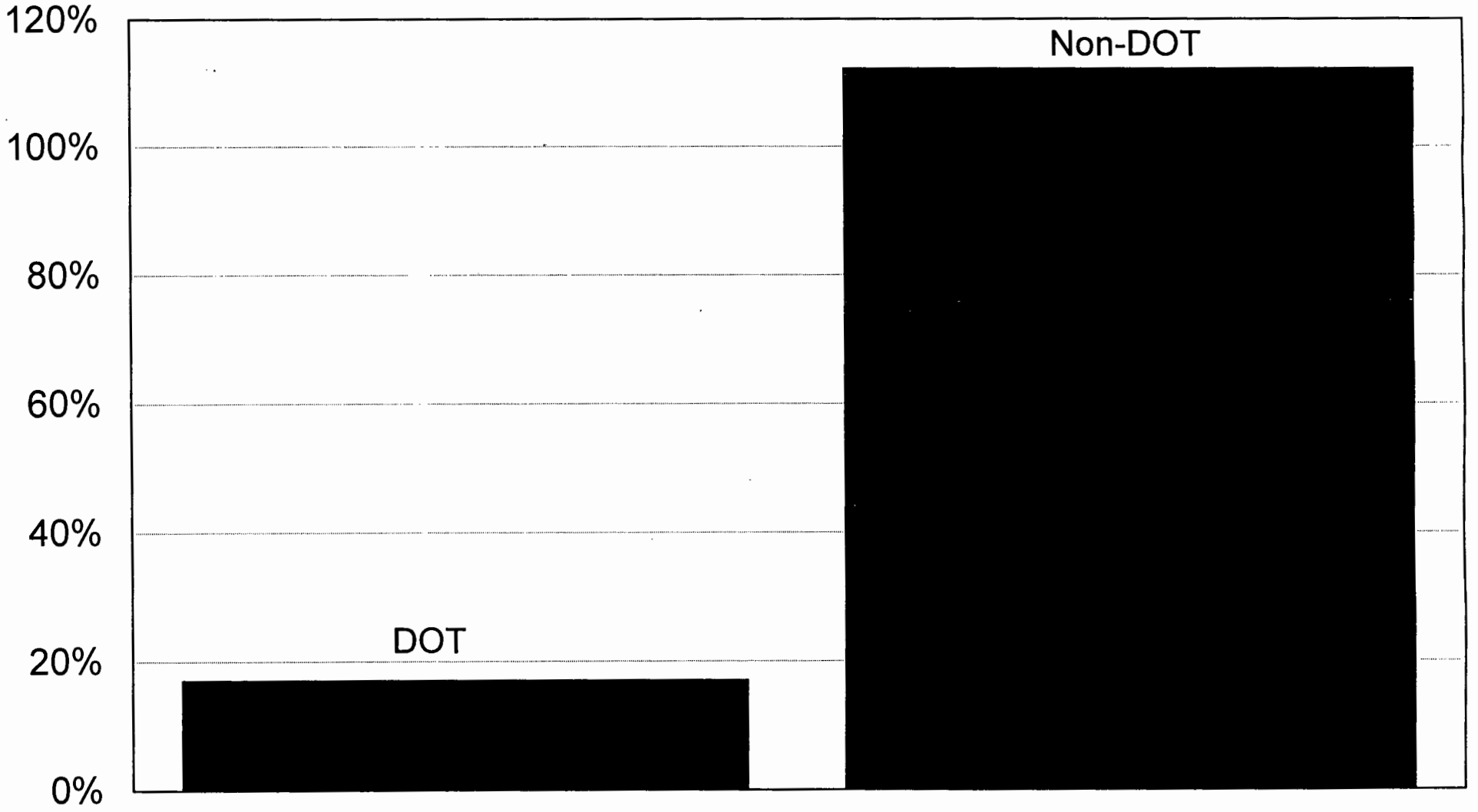


Source: DOT and OSBM

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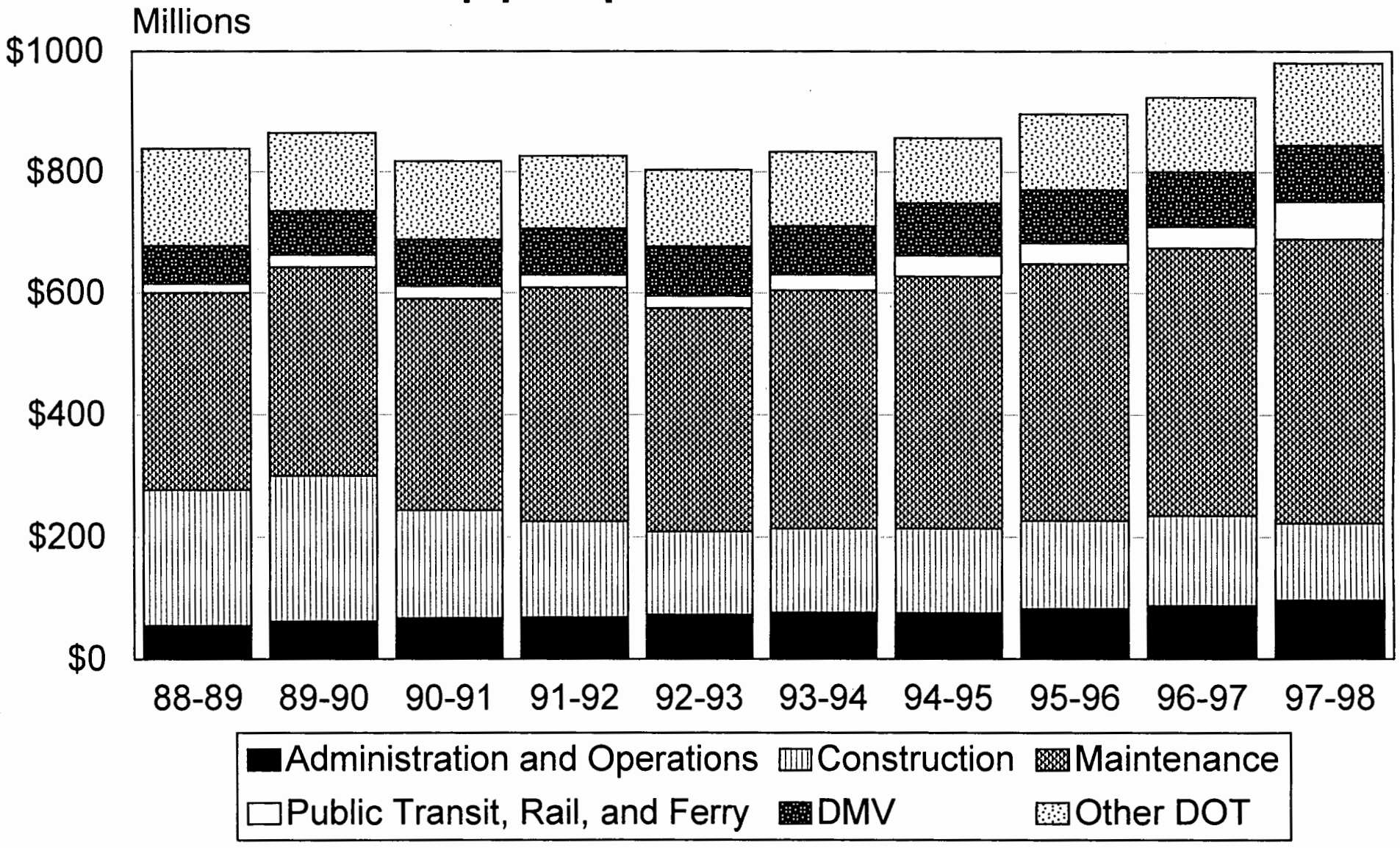
Highway Fund Appropriations

Percentage Growth 1988-89 to 1997-98



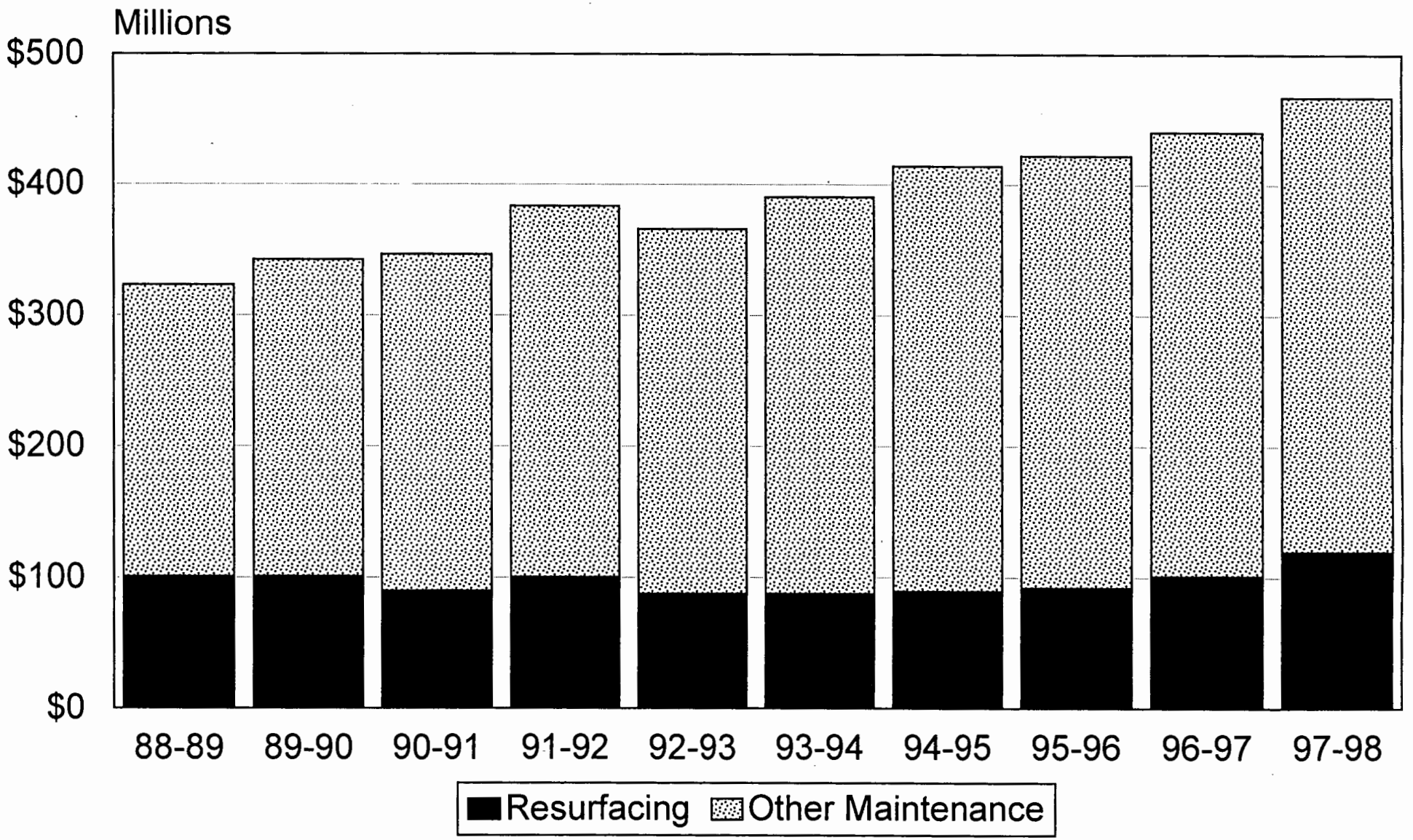
Source: DOT and OSBM

HF Appropriations to DOT



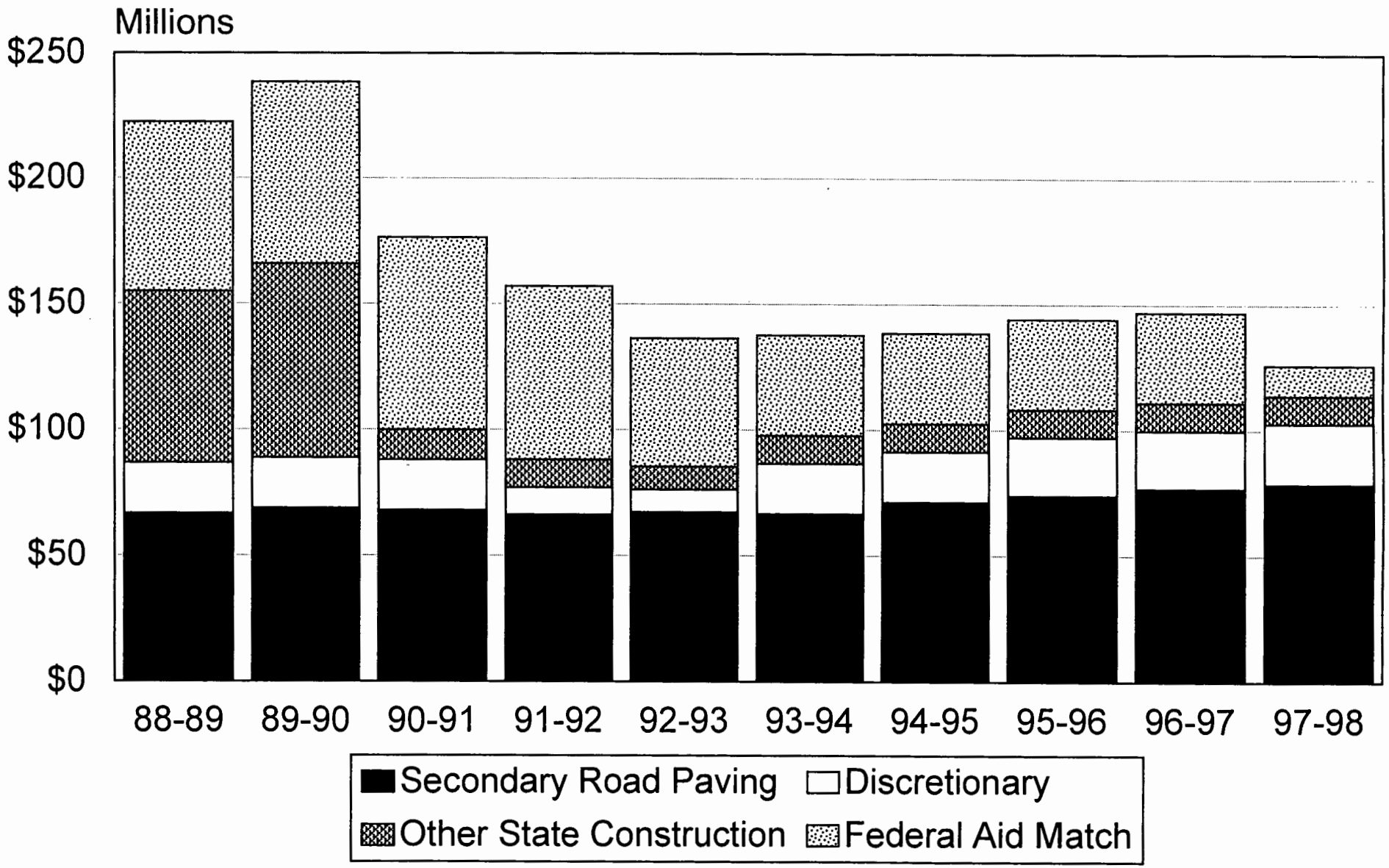
Source: DOT

HF Maintenance Appropriations



Source: DOT

HF Construction Appropriations

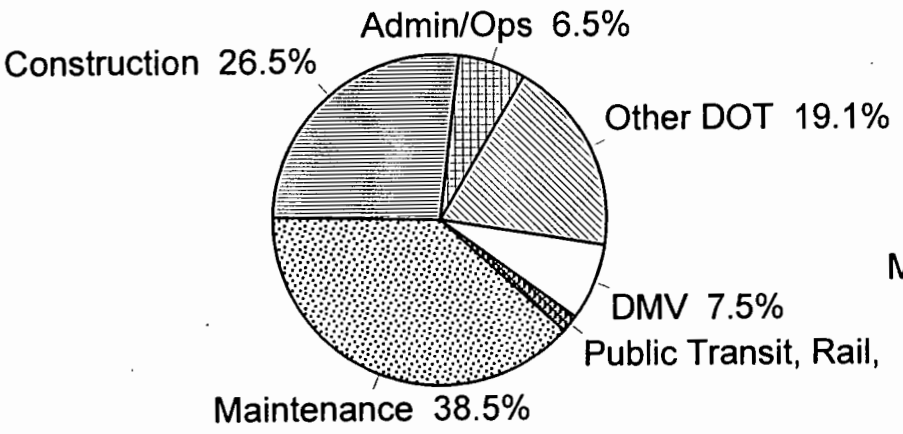


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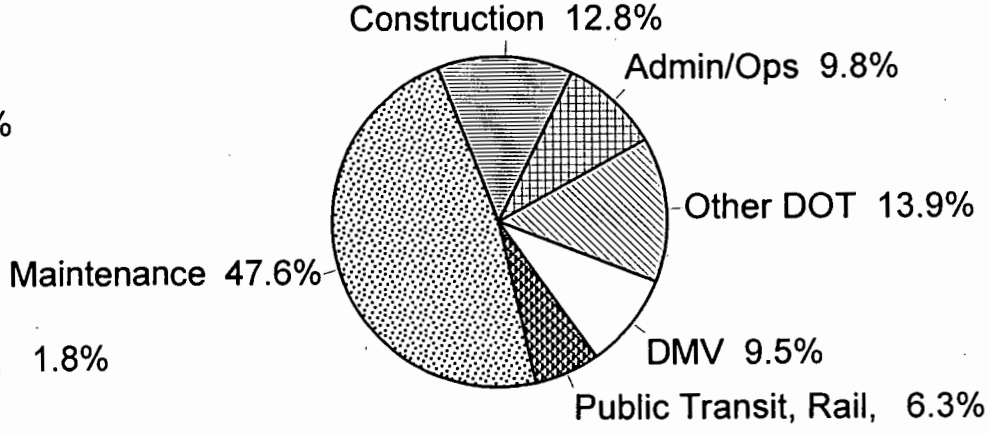
HF DOT Appropriations

1988-89 and 1997-98

1988-89



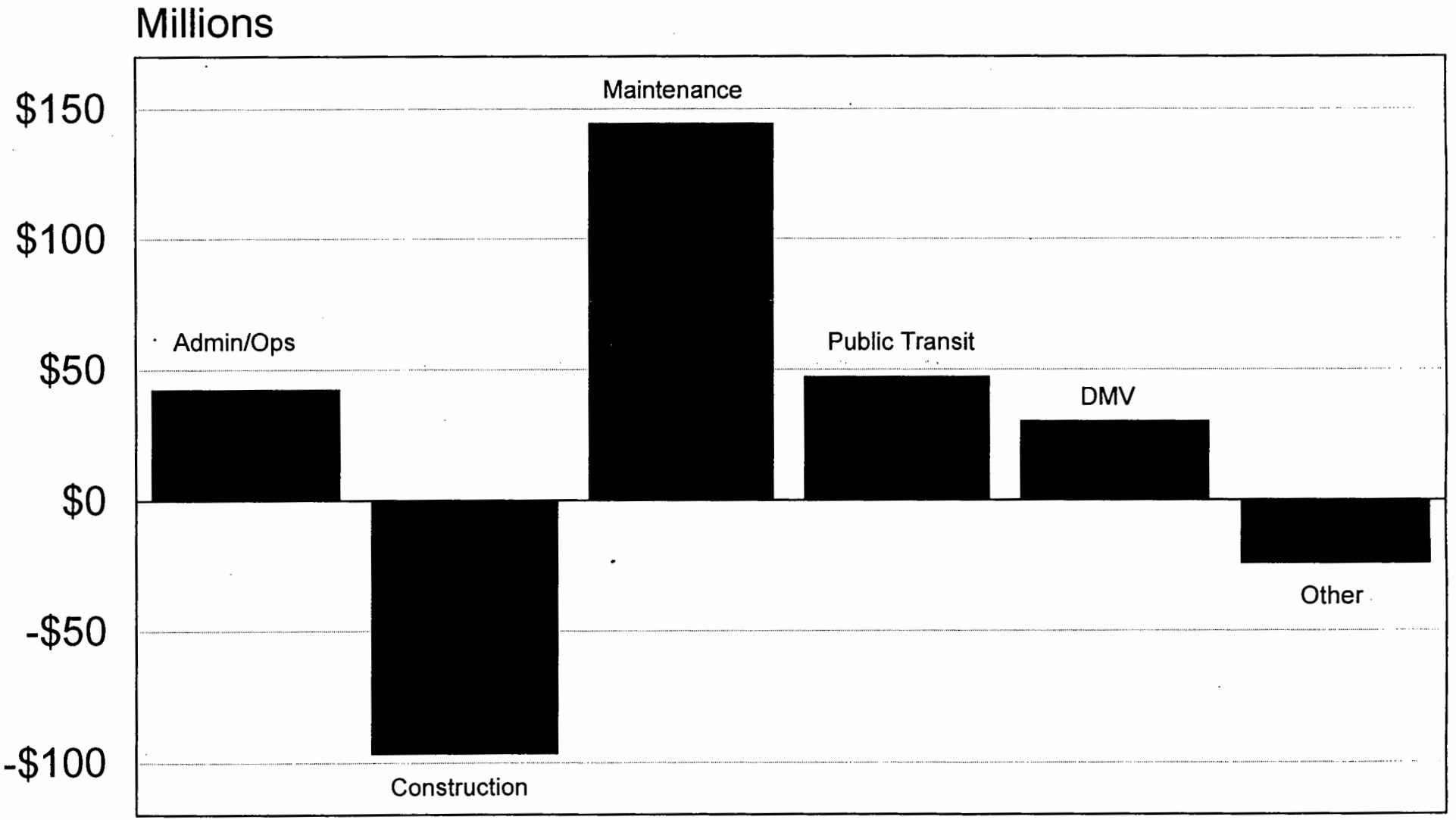
1997-98



Source: DOT

HF DOT Appropriations

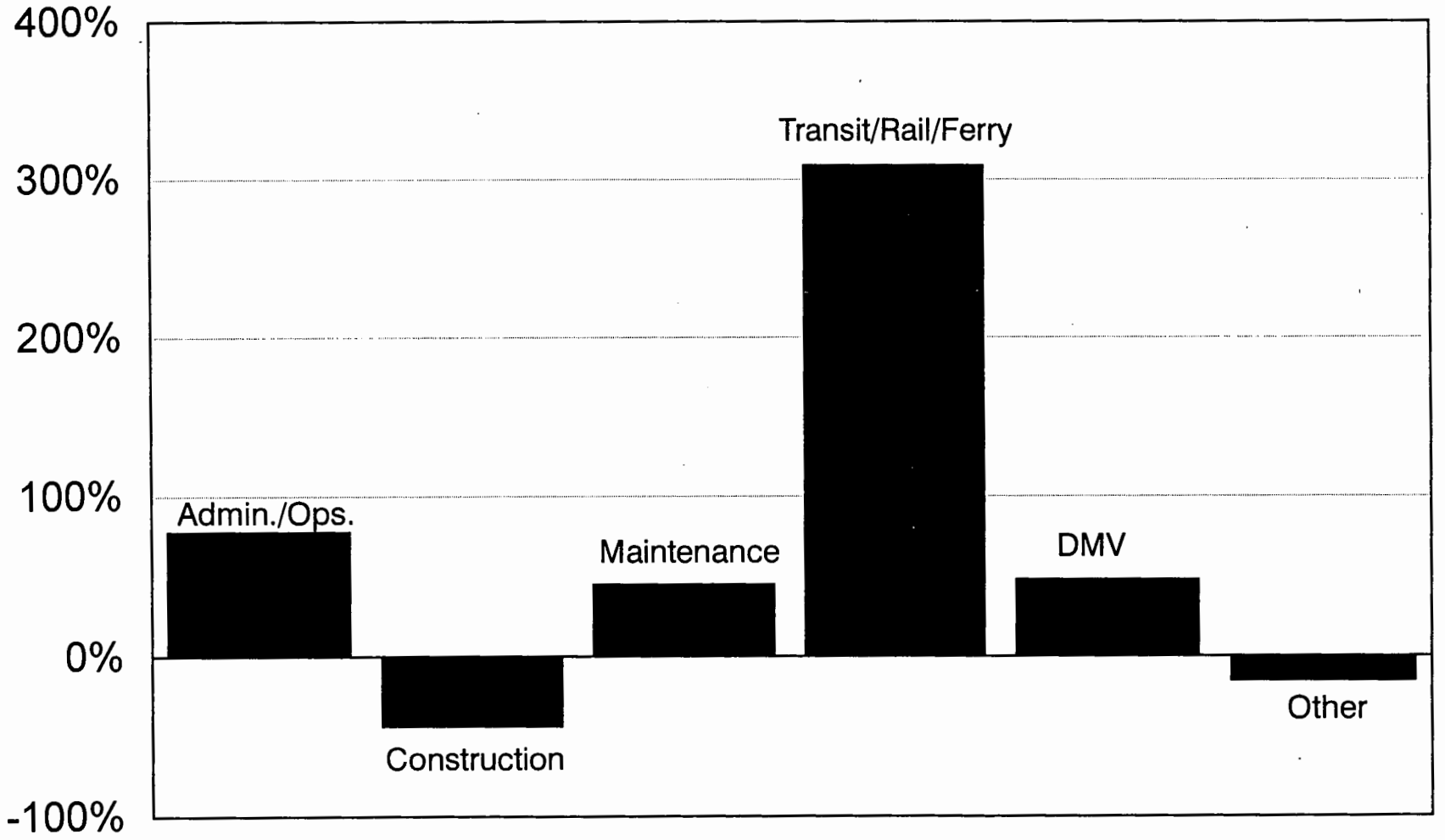
Dollar Growth FY 1988-89 to 1997-98



Source: DOT

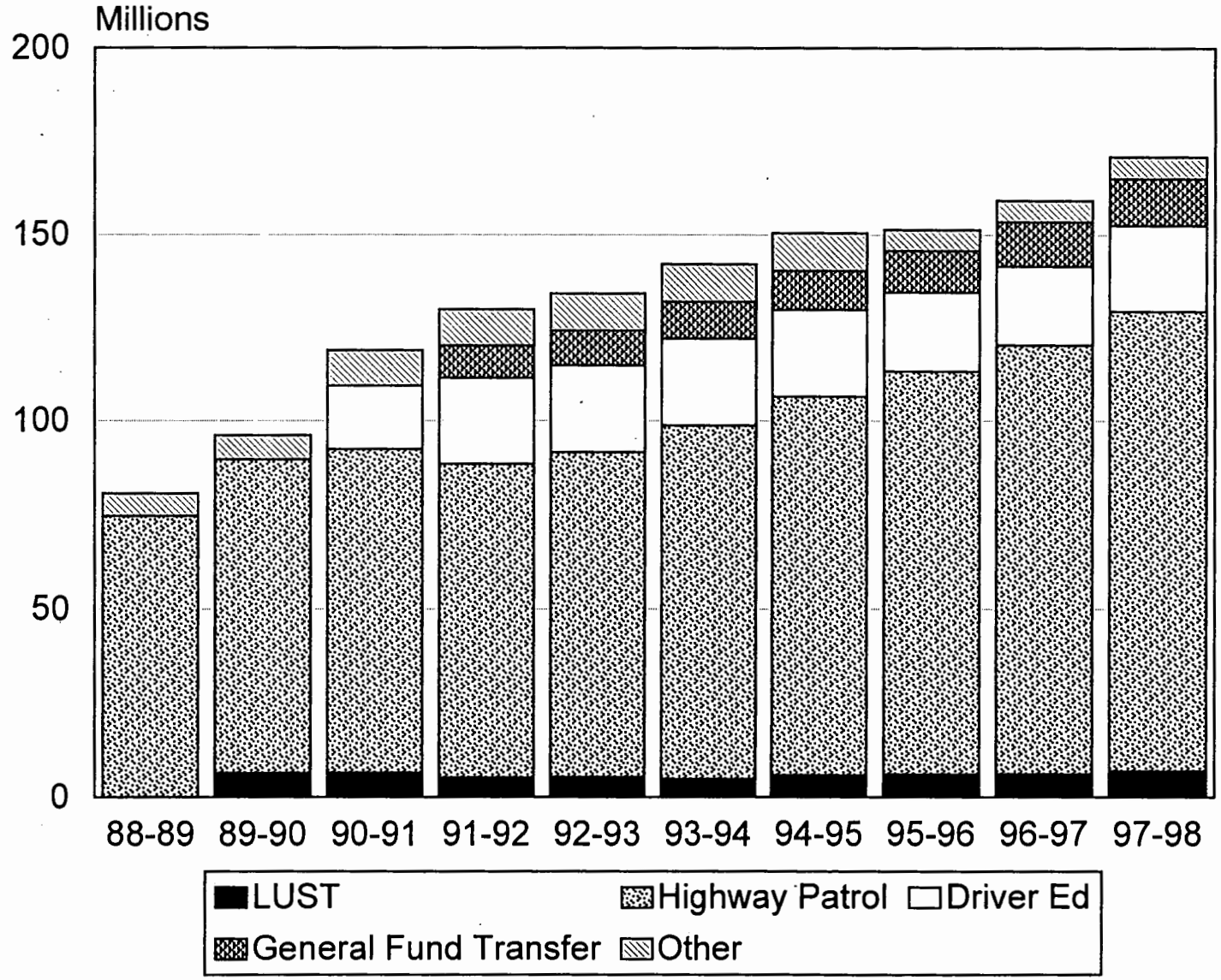
DOT Appropriations

Percentage Growth FY 1988-89 to 1997-98



Source: DOT

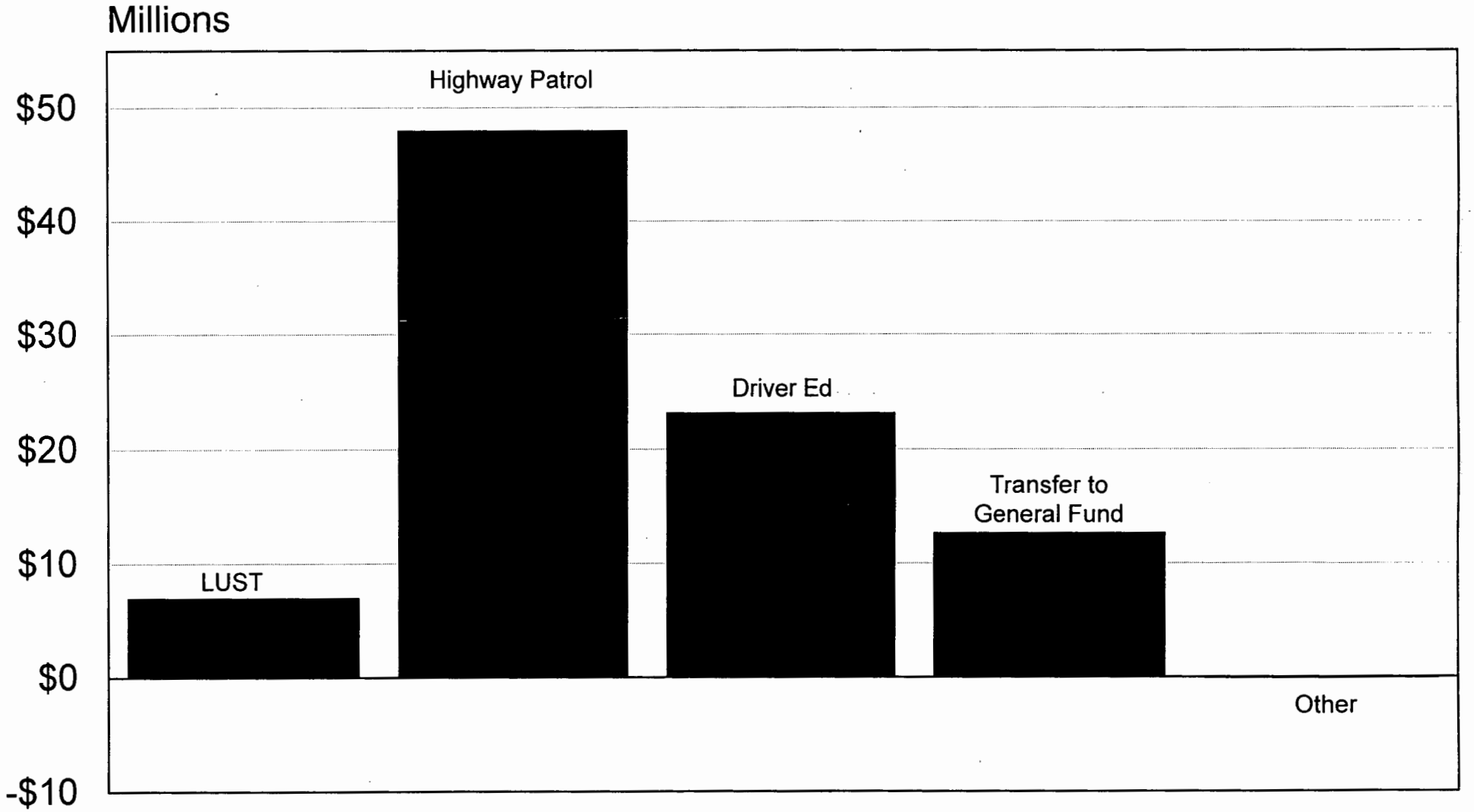
Non-DOT Appropriations



Source: DOT and OSBM

HF Non-DOT Appropriations

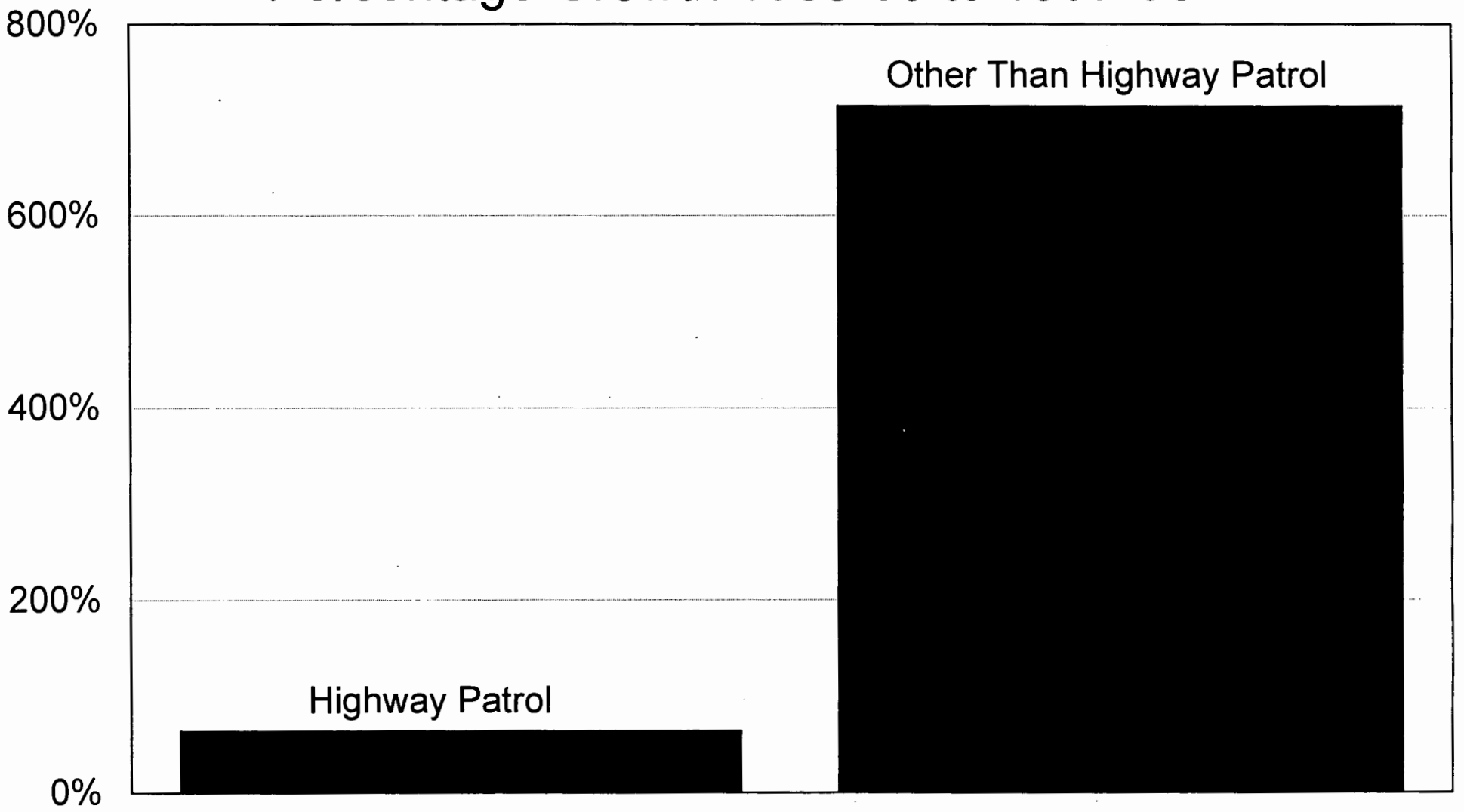
Dollar Growth 1988-89 to 1997-98



Source: DOT and OSBM

HF Non-DOT Appropriations

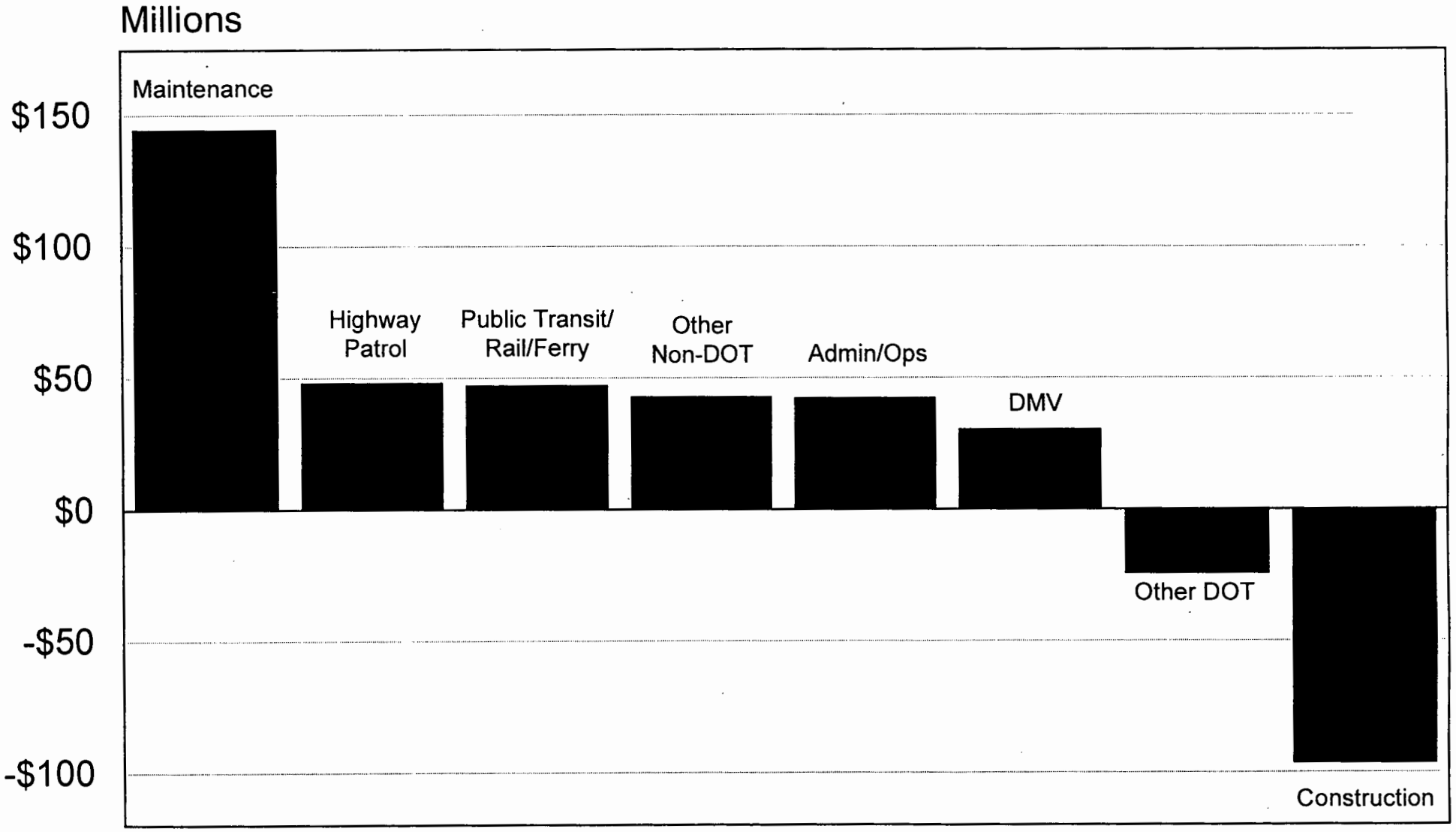
Percentage Growth 1988-89 to 1997-98



Source: DOT and OSBM

Highway Fund Appropriations

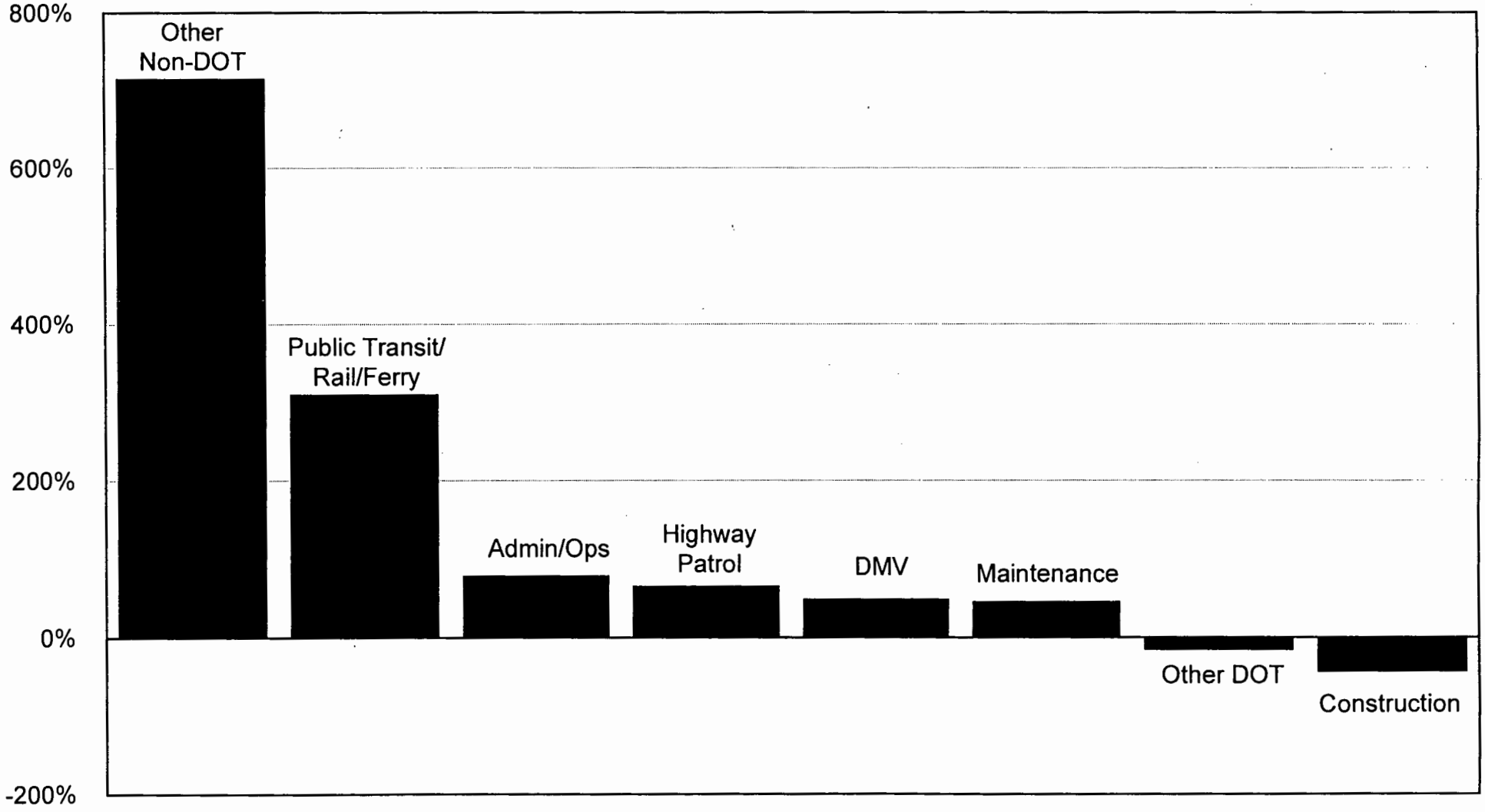
Dollar Growth 1988-89 to 1997-98



Source: DOT and OSBM

Highway Fund Appropriations

Percentage Growth 1988-89 to 1997-98



Source: DOT and OSBM

	1988-89	1989-90	1990-91	1[illegible]	1992-93	1993-94	1994-95	1995-96	1996-9[illegible]	1997-98
DOT Adm[illegible]ation and Operations	$54,379,265	$61,694,678	$67,140,352	$68,13[illegible]	$72,382,151	$75,949,356	$75,010,309	$82,052,558	$87,422,96[illegible]	[illegible]6,450,390
Construction	222,393,670	238,409,299	176,192,492	156,984,305	136,248,406	137,566,898	138,397,441	144,112,802	146,879,743	125,878,086
Maintenance	322,990,049	342,247,494	346,403,621	383,497,614	365,708,105	390,341,753	413,851,378	421,905,145	440,244,220	467,083,144
Public Transit, Rail, and Ferry	15,187,458	20,704,362	21,278,126	21,586,662	20,786,541	26,375,935	35,074,571	34,967,695	35,596,196	62,061,351
Division of Motor Vehicles	63,032,516	72,336,958	77,296,935	76,311,791	82,048,365	80,628,638	86,379,718	87,295,382	89,836,245	93,090,181
Powell Bill Funds for Municipalities	66,656,370	68,672,240	67,942,014	66,121,926	67,163,425	66,486,917	71,184,639	73,900,000	76,666,941	78,620,024
Transfer to Highway Trust Fund	0	0	0	0	0	0	0	12,100,000	32,300,000	38,000,000
Other DOT	93,504,428	60,629,563	60,715,562	53,489,676	58,731,625	55,531,949	36,238,151	39,839,872	15,072,817	19,275,956
DOT	838,143,756	864,694,594	816,969,102	826,125,619	803,068,618	832,881,446	856,136,207	896,173,454	924,019,124	980,459,132
Dept. of Agriculture - Gasoline Inspect.	2,188,706	2,482,232	2,581,256	2,892,001	2,959,819	3,057,180	3,030,245	3,025,401	3,162,344	3,151,316
Dept. of Revenue - Tax Collection	1,397,608	1,833,232	1,867,937	1,921,279	2,010,909	2,063,522	2,137,380	2,268,383	2,270,054	2,329,577
LUST Trust Fund	0	6,433,000	6,533,000	5,186,720	5,329,272	4,809,298	5,832,375	6,119,216	6,162,602	6,921,107
Highway Patrol	74,618,882	83,181,088	85,823,308	83,263,687	86,209,710	93,848,212	100,606,435	107,107,443	114,133,615	122,482,166
Driver Education	0	0	17,000,000	22,930,662	23,188,826	23,334,536	23,334,536	21,251,726	21,251,726	23,070,027
Transfer to General Fund	0	0	0	8,700,000	9,400,000	9,900,000	10,500,000	11,130,000	11,853,450	12,600,000
Other Non-DOT	2,368,972	2,106,024	5,007,079	4,968,032	4,996,316	4,986,000	5,002,822	396,643	406,085	407,974
Non-DOT	80,574,168	96,035,576	118,812,580	129,862,381	134,094,852	141,998,748	150,443,793	151,298,812	159,239,876	170,962,167
HIGHWAY FUND	918,717,924	960,730,170	935,781,682	955,988,000	937,163,470	974,880,194	1,006,580,000	1,047,472,266	1,083,259,000	1,151,421,299

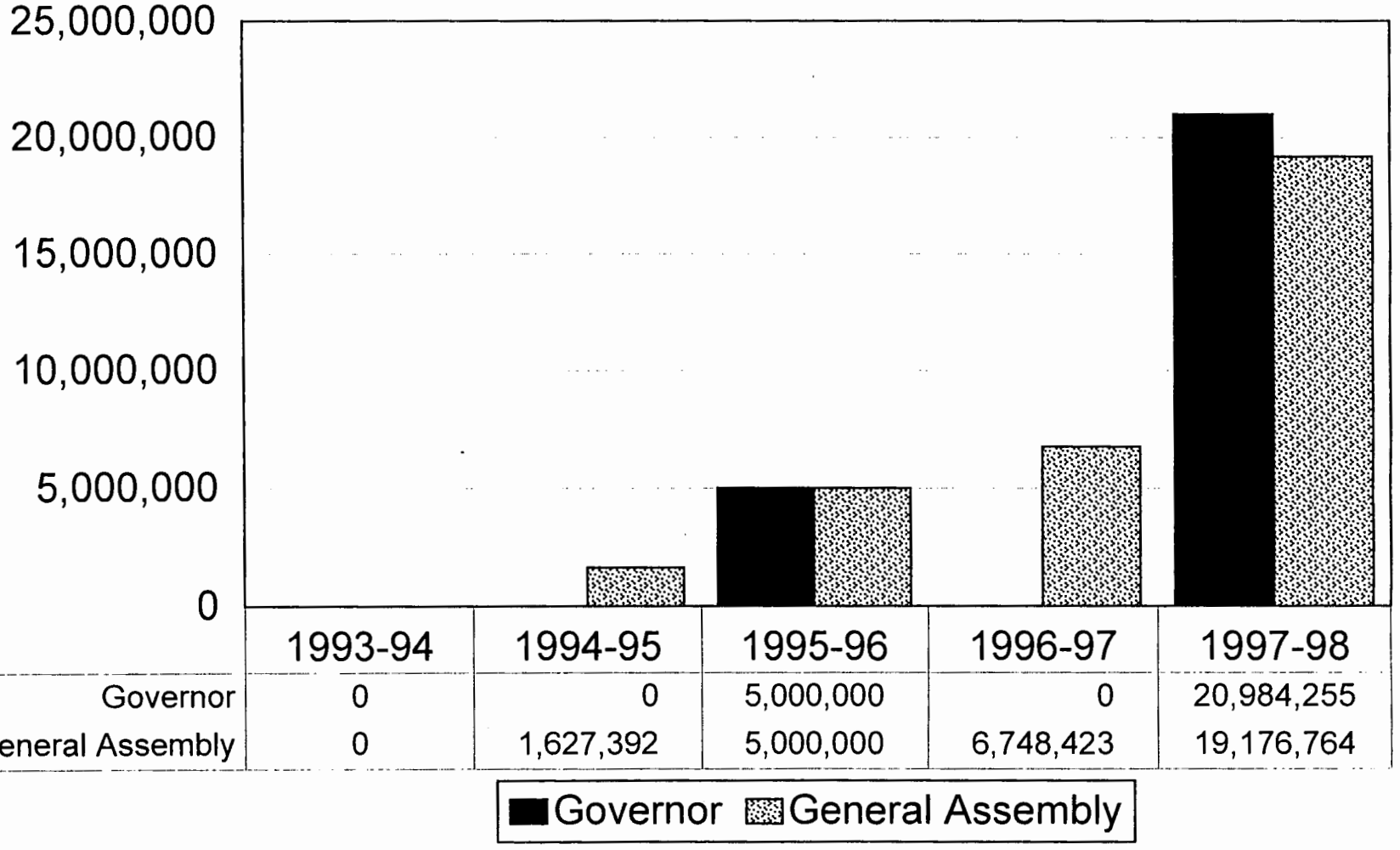
II (a)

Highway Fund Transfers to Other State Agencies

Agency	Certified Budget		General Statute Reference
	FY 97/98	FY 98/99	
Dept. of Crime Control and Public Safety (H/P)	$116,792,706	$112,031,483	G.S. 20-194
Dept. of Public Instruction (Drivers Education)	22,374,875	22,573,141	G.S. 20-88.1
Dept. of State Treasurer (In Lieu of Sales Tax)	12,600,000	13,400,000	G.S.105-164.44D
Dept. of Environment & Natural Resources (LUST)	6,921,107	7,298,214	G.S. 119-4 to 119-22
Dept. of Agriculture (Motor Fuels Inspection)	3,151,316	3,069,026	
Dept. of Revenue (Motor Fuels Tax Collection)	2,329,577	2,331,760	
Dept. of Environment & Natural Resources (Chemical Test & Medical Evaluation)	854,090	854,090	
Global Transpark	750,000	750,000	
Total	$165,773,671	$162,307,714	

Additional Funds For Contract Resurfacing

Governor's Request And General Assembly Appropriation



	1993-94	1994-95	1995-96	1996-97	1997-98
Governor	0	0	5,000,000	0	20,984,255
General Assembly	0	1,627,392	5,000,000	6,748,423	19,176,764

Source: FRD and OSBM

State Highway Patrol



Crime Control and Public Safety
Joint Transportation Subcommittee Meeting
17 February 1998

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NORTH CAROLINA
STATE HIGHWAY PATROL
MAJOR FUNCTIONS and RESPONSIBILITIES

MISSION STATEMENT

The mission of the North Carolina Highway Patrol is to ensure safe, efficient transportation on our streets and highways, respond to natural and man-made disasters and, to reduce crime throughout our state. This mission will be accomplished, in partnership with the citizens of North Carolina, through reasonable and prudent law enforcement and quality service based upon high ethical, professional and legal standards.

The State Highway Patrol:

- ensures the normal flow of vehicular traffic over the streets and highways of this state, making the Patrol the ***first line of defense*** in North Carolina;
- is the first responder to natural and man-made disasters as well as civil disturbances;
- plays a critical role in providing medical transportation for hospitals of vital human organs, serum and medications in time of need to the various hospitals across this state.
- Assists local, county, and other state and federal agencies in arrests and other law enforcement functions such as searches, manhunts, escapees and other criminal investigations;
- provides vehicular and pedestrian control at major spectator events such as the State Fair, races, ball games, etc.;
- is ever mindful of the drug problems and regularly initiates felony drug arrests while conducting routine traffic collision investigations or citing violations of the motor vehicle laws.
- is well educated and receives diverse training. Training of officers from local, county state and federal agencies is conducted in conjunction with the training of Patrol personnel;
- operates a statewide telecommunication network that is fully staffed 24 hours per day and is designated as the central warning point for the state of North Carolina;
- provides aerial support for other law enforcement agencies is available with helicopters assigned to Raleigh, Salisbury, and Asheville;
- continues to make our communities and roadways a safer place for the citizens and motoring public of North Carolina.

State Highway Patrol's statutory authority for law enforcement

G. S. 20 - 188 Duties of the Highway Patrol

...authorized to arrest without warrant any person who, in the presence of said officers, is engaged in the violation of any of the laws of the State regulating travel and the use of vehicles upon the highways, or of the laws with respect to the protection of the highways, and they shall have jurisdiction anywhere within the State, irrespective of county lines. The State Highway Patrol shall enforce the provisions of G. S. 14-399.

The State Highway Patrol shall have full power and authority to perform such additionl duties as peace officers as may from time to time be directed by the Governor, and such officers may at any time and without special authority, either upon their own motion or at the request of any sheriff or local police authority, arrest persons accused of highway robbery, bank robbery, murder, or other crimes of violence.

...shall have the authority throughout the State of North Carolina of any police officer in respect to making arrests for any crimes committed in their presence and shall have the authority to make arrests for any crime committed on any highway.

G. S. 20 - 49 Police authority of the Division

...all members of the Highway Patrol shall have the power:

(1) Of peace officers for the purpose of enforcing the provisions of this Article and of any other law regulating the operation vehicles or the use of the highways.

(2) To make arrests upon view and without warrant for any violation committed in their presence of any of the provisions of this Article or other law regulating the operation of vehicles or the use of the highways.

Additional duties in Articles 3 & 4 of the General Statutes

20-184. Patrol under supervision of Department of Crime Control and Public Safety.

20-185. Personnel; appointment; salaries.

20-186. Oath of office.

20-187. Orders and rules for organization and conduct.

20-187.1 Awards.

20-187.2 Badges and service side arms of deceased or retiring members of State, city and county law-enforcement agencies; weapons of active members.

20-187.3 Quotas prohibited.

20-188. Duties of Highway Patrol.

20-189. Patrolmen assigned to the Governor's office.

20-190. Uniforms; motor vehicles and arms; expense incurred; color of vehicle.

20-190.1 Patrol vehicles to have sirens; sounding sirens.

20-190.2 Signs showing highways patrolled by unmarked vehicles.

20-190.3 Assignment of new highway patrol cars.

20-191. Use of facilities.

20-192. Shifting of patrolmen from one district to another.

20-193. Fees for service of process by patrolmen to revert to county.

20-194. Expense of administration; defense of members and other State law-enforcement officers in civil actions; payment of judgements.

20-195. Cooperation between Patrol and local officers.

20-196. Statewide radio system authorized; use of telephone lines in emergencies.

20-196.1 Use of airplanes to discover persons violating certain motor vehicle laws.

20-196.2 Use of airplanes to discover violations of 20-138 to 20-171; testimony of pilots and observers; declaration of policy.

20-196.3 Who may hold supervisory positions over uniform personnel.

20-49. Police authority of Division.

20-166.1 Reports and investigations required in event of collision.

20-183. Duties and powers of law-enforcement officers; warning by local officers before stopping another vehicle on highway; warning tickets.

CHRONOLOGICAL OVERVIEW OF THE STATE HIGHWAY PATROL

- General Assembly in 1929 passed an act authorizing the establishment of the Highway Patrol

- Thirty-seven (37) members received the Oath of Office and initiated their duties at a rate of $150 a month

- 1930 - 1940 : Patrol's compliment increased to one-hundred twenty-one (121) members. A statewide radio system was authorized and individual patrol cars were issued

- Since 1940, the Patrol continues to meet the growing responsibilities of an increasingly mobile population upon an amplifying highway system

- Today, the Patrol's compliment of 1,380 men and women are dedicated to the concepts of professional law enforcement

- Technological advances in communications and equipment as well as progressive measures in management and training are pursued and utilized to accomplish organizational objectives and public demands

- Traditions of the past coupled with the Patrol's continuing vision for efficient and effective operation catapults our mission into the new millennium

- Troopers continue to exercise their successful duties through their loyalty, intelligence, and personal integrity while undertaking a mission requiring courage and patience in the application of rules and regulations governing human conduct

TROOPERS KILLED IN THE LINE OF DUTY

	MEMBER	DATE EXPIRED	CAUSE OF DEATH
1	Patrolman G. I. Thompson	7/2/29	Traffic Fatality
2	Patrolman A. J. Hedgpath	10/23/31	Traffic Fatality
3	Patrolman A. S. Boney	11/15/31	Traffic Fatality
4	Patrolman C. L. Fidler	3/20/36	Traffic Fatality
5	Patrolman R. W. Arnold	9/17/36	Traffic Fatality
6	Patrolman I. T. Moore	6/18/37	Fatal Assault
7	Patrolman G. C. Penn	8/22/37	Fatal Assault
8	Patrolman A. B. Smart	3/2/39	Traffic Fatality
9	Patrolman H. T. Timberlake	12/1/39	Traffic Fatality
10	Patrolman T. B. Whatley	12/28/47	Fatal Assault
11	Patrolman W. H. Hogan	3/1/48	Traffic Fatality
12	Patrolman J. R. Davis	5/3/48	Aircraft Crash
13	Patrolman C. E. Galloway	5/3/48	Aircraft Crash
14	Patrolman P. W. Smith	5/27/48	Traffic Fatality
15	Patrolman R. W. Jackson	9/3/49	Traffic Fatality
16	Patrolman C. B. Avent	12/12/49	Traffic Fatality
17	Patrolman W. L. Reese	11/5/57	Fatal Assault
18	Patrolman J. T. Brown	11/5/57	Fatal Assault
19	Patrolman H. T. Long	12/18/59	Traffic Fatality
20	Patrolman D. B. Searcy	10/15/60	Traffic Fatality
21	Patrolman H. T. Hight	5/31/62	Traffic Fatality
22	Patrolman L. E. Pace	1/24/63	Traffic Fatality
23	Patrolman W. T. Herbin	8/31/64	Fatal Assault
24	Patrolman J. H. Marshburn	9/19/64	Fatal Assault
25	Patrolman J. W. Wallin	4/1/66	Traffic Fatality
26	Patrolman C. H. Hoffman	3/15/68	Traffic Fatality
27	Patrolman P. J. Williams	11/8/70	Traffic Fatality
28	Patrolman C. S. Perry	7/2/72	Traffic Fatality
29	Patrolman J. G. Wright	9/27/72	Fatal Assault
30	Patrolman L. T. Walton	12/2/72	Fatal Assault
31	Patrolman R. R. East	12/21/72	Traffic Fatality
32	Patrolman L. Meeks Jr.	12/25/72	Traffic Fatality
33	Patrolman W. J. Smith Jr.	1/11/74	Traffic Fatality
34	Sergeant J. S. Hackett	6/19/74	Aircraft Crash
35	Patrolman J. A. Parker	6/19/74	Aircraft Crash
36	Patrolman J. D. Templeton	9/30/74	Traffic Fatality
37	Sergeant W. D. Arledge	10/5/74	Fatal Assault
38	Patrolman L. Canipe Jr.	10/5/74	Fatal Assault
39	Patrolman G. T. Davis Jr.	9/2/75	Fatal Assault
40	Patrolman H. R. Griffin	9/14/75	Fatal Assault
41	Trooper R. L. Peterson	5/31/79	Fatal Assault
42	Trooper G. A. Harmon	4/9/85	Fatal Assault
43	Trooper R. E. Worley	5/14/85	Fatal Assault
44	Trooper B. L. Coggins	9/14/85	Fatal Assault
45	Cadet W. E. Bayless III	2/5/88	Defensive Tactics
46	Trooper M. L. Martin	7/22/88	Traffic Fatality
47	Trooper D. C. Roberts	8/7/96	Traffic Fatality
48	Sergeant L. E. Lowry	9/23/97	Fatal Assault

ASSAULTS ON PATROL MEMBERS
FOURTH QUARTER - 1997
OCTOBER-NOVEMBER-DECEMBER

29 TOTAL ASSAULTS THIS QUARTER

23 ASSAULTS BY PERSONS WITH NO WEAPONS (BODY ONLY)

2 ASSAULTS BY MOTOR VEHICLES

1 ASSAULT BY GUN

1 ASSAULT WITH DOG

1 ASSAULT WITH INK PEN

1 ASSAULT WITH SALVIA

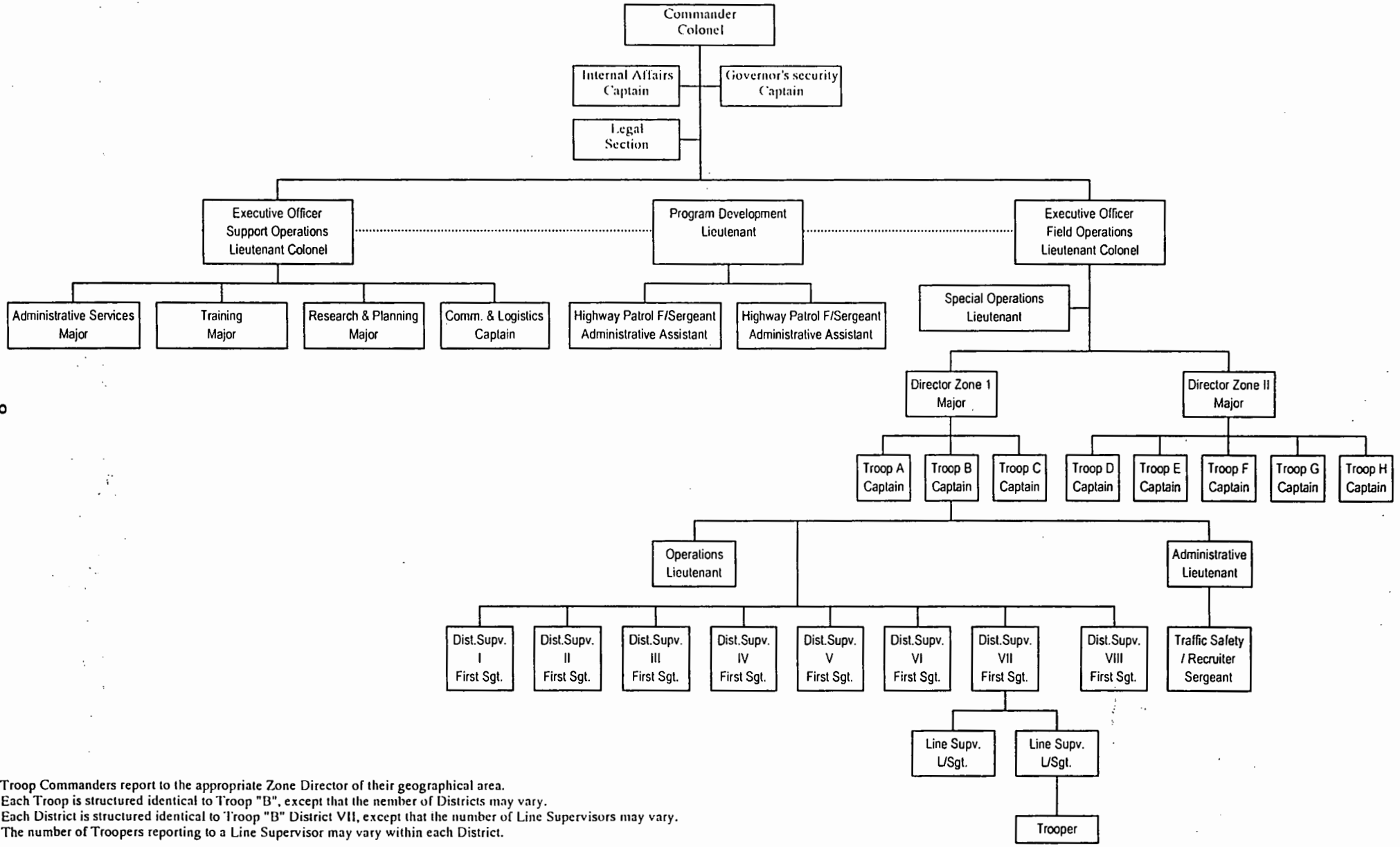
ASSAULTS ON PATROL MEMBERS SINCE 1992

1992-111 ASSAULTS	1994-189 ASSAULTS	1996-149 ASSAULTS
1993-137 ASSAULTS	1995-189 ASSAULTS	1997-156 ASSUALTS

****

1992 1ST QUARTER	22 ASSAULTS	1993 1ST QUARTER	39 ASSAULTS
1992 2ND QUARTER	26 ASSAULTS	1993 2ND QUARTER	26 ASSAULTS
1992 3RD QUARTER	37 ASSAULTS	1993 3RD QUARTER	32 ASSAULTS
1992 4TH QUARTER	26 ASSAULTS	1993 4TH QUARTER	40 ASSAULTS
1994 1ST QUARTER	25 ASSAULTS	1995 1ST QUARTER	46 ASSAULTS
1994 2ND QUARTER	54 ASSAULTS	1995 2ND QUARTER	53 ASSAULTS
1994 3RD QUARTER	53 ASSAULTS	1995 3RD QUARTER	50 ASSAULTS
1994 4TH QUARTER	57 ASSAULTS	1995 4TH QUARTER	40 ASSAULTS
1996 1ST QUARTER	43 ASSAULTS	1997 1ST QUARTER	47 ASSAULTS
1996 2ND QUARTER	41 ASSAULTS	1997 2ND QUARTER	40 ASSAULTS
1996 3RD QUARTER	30 ASSAULTS	1997 3RD QUARTER	40 ASSAULTS
1996 4TH QUARTER	35 ASSAULTS	1997 4TH QUARTER	29 ASSAULTS

North Carolina Highway Patrol



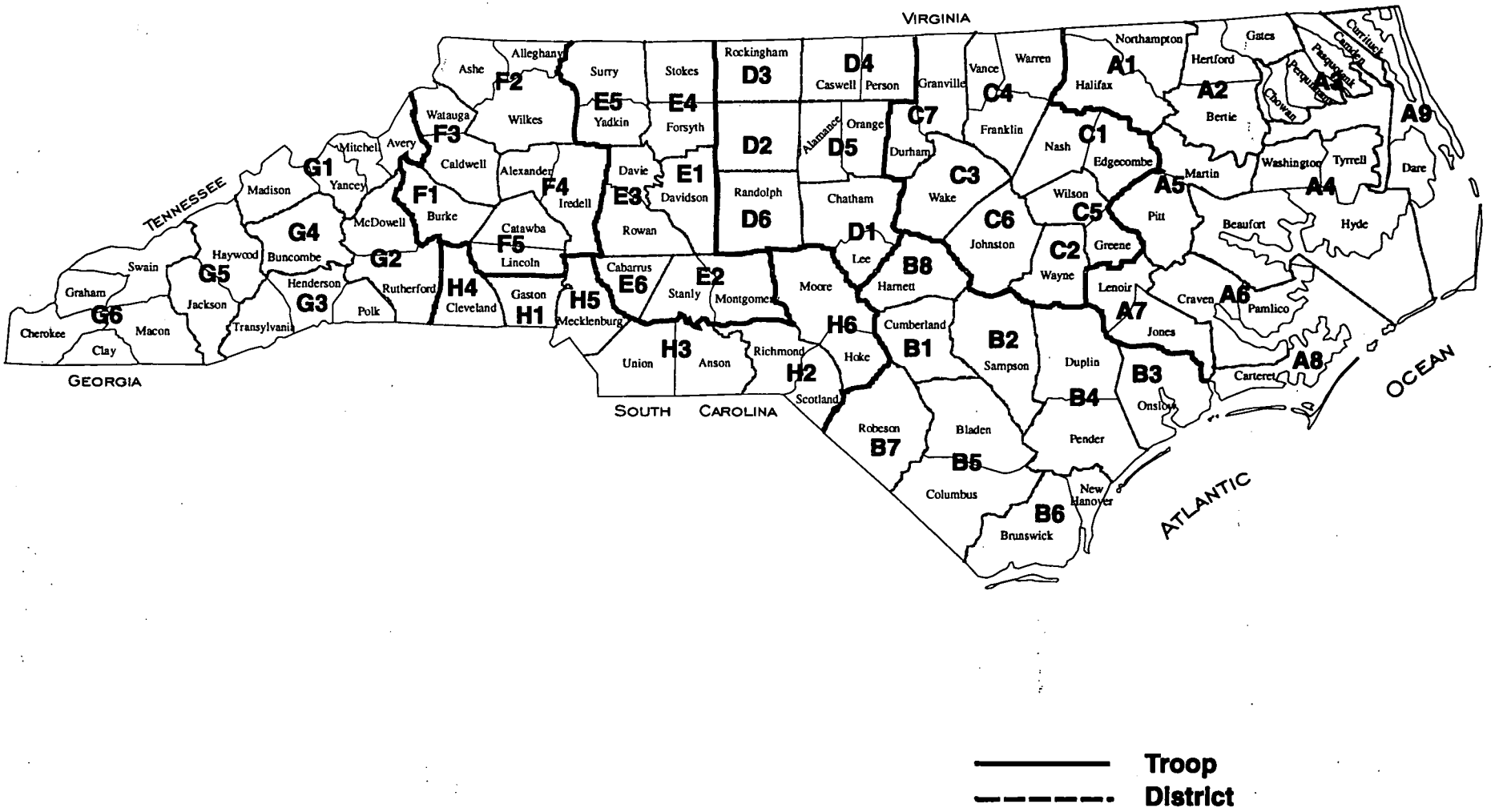
Troop Commanders report to the appropriate Zone Director of their geographical area.

* Each Troop is structured identical to Troop "B", except that the nember of Districts may vary.

** Each District is structured identical to Troop "B" District VII, except that the number of Line Supervisors may vary.

** The number of Troopers reporting to a Line Supervisor may vary within each District.

North Carolina State Highway Patrol
Troop and District Boundaries



NORTH CAROLINA STATE HIGHWAY PATROL
POSITION DISTRIBUTION

17 February 1998

RANK	Head-quarters	Training	Gov's Security	Special Operations	Troop "A"	Troop "B"	Troop "C"	Troop "D"	Troop "E"	Troop "F"	Troop "G"	Troop "H"	TOTALS
Colonel	1												1
Lieutenant Colonel	2												2
Major	4	1											5
Captain	3	2			1	1	1	1	1	1	1	1	13
Lieutenant	7	2	1	1	2	2	2	2	2	2	2	2	27
First Sergeant	11	5		1	9	8	7	6	6	5	6	6	70
Sergeant	5	6	2	4	22	21	19	17	16	15	18	16	161
Trooper	6	9	14	29	138	163	162	119	119	100	122	120	1101
TOTALS	39	25	17	35	172	195	191	145	144	123	149	145	1380

Note: Criminal Interdiction Team, Helicopter Operations and Motorcycle Unit are assigned to Special Operations.

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY
STATE HIGHWAY PATROL
ANALYSIS OF CERTIFIED BUDGET FOR BIENNIUM 1997-1999
FEBRUARY 16, 1998

CLASSIFICATION	FY1997-98	FY1998-99
REQUIREMENTS		
PERSONAL SERVICES	87,382,978	87,662,966
PURCHASED SERVICES	4,264,647	4,264,904
SUPPLIES	5,934,502	5,934,502
PROPERTY, PLANT AND EQUIPMENT	18,683,738	15,222,738
OTHER EXPENSES AND ADJUSTMENTS	3,797,882	-3,889,114
INTRA-GOVERNMENTAL TRANSFERS	838,542	838,542
TOTAL REQUIREMENTS	**120,902,289**	**117,812,766**
REVENUES		
TRANSFER FROM DOT	116,792,706	112,031,483
TRANSFER FROM GOVERNOR'S OFFICE	89,322	89,322
SALE OF SURPLUS EQUIPMENT	1,975,600	3,647,300
OTHER REVENUES	2,044,661	2,044,661
TOTAL REVENUES	**120,902,289**	**117,812,766**

NORTH CAROLINA STATE HIGHWAY PATROL
TRAINING SUMMARY

NEW EMPLOYEE TRAINING	TRAINING DURATION
BASIC PATROL SCHOOL	
(BLET REQUIRED TRAINING)	493 HOURS
BASIC PATROL SCHOOL	
(NON-BLET TRAINING)	612 HOURS
BASIC PATROL SCHOOL	
(TOTAL TRAINING)	1104 HOURS

TRAINING FOLLOWING BASIC SCHOOL	TRAINING DURATION
FIELD TRAINING OFFICER PROGRAM	480 HOURS
INTOXILYZER OPERATORS SCHOOL	35 HOURS
(WITHIN TWO YEARS OF EMPLOYMENT)	
(INITIAL CERTIFICATION : TWO YEARS)	
(RECERTIFICATION : THREE YEARS)	8 HOURS
RADAR OPERATORS SCHOOL	39 HOURS
(INITIAL CERTIFICATION : TWO YEARS)	
(RECERTIFICATION : THREE YEARS)	8 HOURS
RADAR/TIME-DISTANCE SCHOOL	40 HOURS
(INITIAL CERTIFICATION : TWO YEARS)	
(RECERTIFICATION : THREE YEARS)	13 HOURS

ANNUAL IN-SERVICE TRAINING	TRAINING DURATION
FIREARMS TRAINING	8 HOURS
HAZARDOUS MATERIALS	2 HOURS
BLOODBORNE PATHOGENS	1 HOUR
ADDITIONAL IN-SERVICE TRAINING HOURS VARY AND MAY BE REQUIRED BASED UPON LEGAL UPDATES AND/OR IDENTIFIABLE TRAINING NEEDS	

ADDITIONAL TRAINING AVAILABLE	TRAINING DURATION
ACCIDENT RECONSTRUCTION (BASIC)	240 HOURS

STATE HIGHWAY PATROL

1997 STATEWIDE ACTIVITIES

- Charges 853,355
- Warning Tickets 303,271
- Traffic Collisions 120,253
- Seat Belt Citations 122,020
- Child Restraint Violations 11,825
- DWI 43,461
- Provisional Licensee 1,468
- Other Implied Consent Offenses 2,248
- Drug Charges 4,092
- Speeding 368,673
- License Revocation 37,008
- Driver's License Violations 56,534
- Miles Driven 35,186,898
- Preventative Patrol Hours 1,084,363

TRAINING CENTER ACTIVITIES

- Total number of students trained on campus . 5,398
- Total number of students excluding Patrol members trained on campus 727
- Total number of Patrol members receiving driver training 367
- Total number of students excluding Patrol members receiving driver training 479

INTERNAL AFFAIRS ACTIVITIES

- Total complaints 1995 218
- Total complaints 1996 214
- Total complaints 1997 211
- Substantiated citizen's complaints 1997 33
- **One** (1) substantiated citizen's complaint for every **35,049** contacts involving all enforcement actions
- **One** (1) substantiated citizen's complaint for every **38,693** contacts involving all enforcement actions and collisions investigated

SPECIAL OPERATIONS

Criminal Interdiction Team

- Interdiction Team Members 15
- Cocaine seized . . . . . 112.71 pounds
- Marijuana seized . . . . . 905.85 pounds
- Currency seized $2,464,601

Aircraft Operations

- Total missions . . . . . 653 covering 87 counties
- Total flight hours 1,705
- Average missions per day 1.79
- Average number of hours per mission 4.67
- Drug related flight hours 50%
- Plants seized (marijuana) 14,262
- Pounds (marijuana) 5

- Seizure value $75,223,020
- Drug arrests 66
- Missing persons located 9
- Escapees/Criminals located 3
- Kidnapped victims located 2

Motorcycle Operations

SPECIAL ASSIGNMENTS 1997

	Number	*Man-hours*
• Panther Ball Games	9	360
• Auto Races	9	820
• College Ball games	10	296
• Western Fair	1	304
• N.C. State Fair	1	445
• Traffic Safety Presentations	23	300
• Charity Events	3	156
• Executive Security Details	1	254
• Executive Security Transportation	4	415
• Haywood County Rock Slide	1	782
• Special Emphasis Patrols (Outside Wake)	4	211
• Training Given	-	1312
• Training Received	-	1264
• Funeral/Honor Guard	3	184
• Other Assignments	6	216
Totals	75	7319

1997 CALLS FOR SERVICE AND TIME EXPENDITURES

REPORTED ACTIVITY	NUMBER OF CALLS	HOURS EXPENDED
Traffic Collisions	150,945	147,427.1
Pursuits	1,274	903.1
Reports of Impaired Driver	20,935	10,375.6
Traffic Direction (Other than Special Assignments)	1,851	1,919.6
Requests for an Escort	1,131	1,272.2
Relays	855	890.9
Fights in Progress	257	103.2
Riots	6	6.9
Bomb Threats	19	9.1
Bank Alarms	1	0.9
Reports of Drag Racing	1,731	1,029.2
Reports of Roadway Blocked	540	293.8
Hit and Run Collisions	8,386	7,408.8
Reports of Intoxicated Pedestrian	1,350	604.8
Requests for a Chemical Test	49	15.1
Reports of Suspicious Vehicle	216	96.7
Reports of Burglary/Breaking and Entering	49	22.5
Reports of Suspicious/Unlawful Activity	17,456	8,383.0
Crimes in Progress	4	0.8
Reports of an Armed Robbery	165	116.7
Reports of Livestock on Highway	5,001	2,655.6
Improperly Parked Vehicles	1,613	950.1
Prison/Jail Breaks	5	6.2
Reports of a Prowler	4	1.1
Assisting Fire Departments with Traffic	191	172.4
Reports of Abandoned Vehicle	8,284	5,002.2
Reports of Vehicle Fire	2,183	1,597.6
Reports of Careless and Reckless Driving	14,669	7,265.4
Reports of High Speed Driving	4,450	2,026.3
Reports of Disabled Motorist	52,372	23,405.7
Reports of Improper Registration	570	355.5
Reports of Operator's License Violations	1,159	714.1
Reports of Go Cart/Mini Bike on Highway	5,571	3,304.8
TOTALS	**303,292**	**228,337.0**

STATE HIGHWAY PATROL

BUDGET REQUESTS

Fiscal Year 1998 - 1999

Priority Order

CAPITAL BUDGET REQUESTS

1. Communications and Logistics Facility $10,012,857

2. Troop Complexes:

   a. Troop "E" Salisbury $3,225,808

   b. Troop "A" Greenville $3,302,835

   c. Troop "G" Asheville $3,302,835

   d. Troop "B" Fayetteville $3,122,557

EXPANSION BUDGET REQUESTS

1. Forty (40) Trooper Positions $3,494,920

2. Criminal Justice Information Network (CJIN) Phase Three
   $2,906,611 less 500,000 grant (GCC) = . . $2,406,611

3. Mobile Data Computers $6,748,846

4. Sixteen (16) Telecommunication Equipment
   Technician II Positions $906,505

STATE HIGHWAY PATROL

MOTOR VEHICLE TRAVEL STATISTICS

Year	Road Mileage	% Change	Registered Vehicles	% Change	Licensed Drivers	% Change	Miles Driven (IN BILLIONS)	% Change	Rural Reportable Accidents	% Change	Authorized SHP Complement	% Change
1974	74,914		4,145,821		3,161,146		36.01		65,851		1,164	
1984	76,453	2.05%	5,397,870	30.20%	4,490,269	42.05%	48.05	33.44%	63,515	-3.55%	1,137	-2.32%
1992	77,258	1.05%	5,800,608	7.46%	4,684,874	4.33%	66.79	39.00%	82,769	30.31%	1,260	10.82%
1994	77,540	0.37%	6,175,964	6.47%	5,099,809	8.86%	71.90	7.65%	92,629	11.91%	1,355	7.54%
1995	77,699	0.21%	6,314,599	2.24%	5,138,594	0.76%	74.44	3.53%	96,916	4.63%	1,380	1.85%
1996	77,758	0.08%	6,420,033	1.67%	5,173,891	0.69%	78.61	5.60%	99,158	2.31%	1,380	0.00%
22-year Trend 1974-1996		**3.80%**		**54.86%**		**63.67%**		**118.30%**		**50.58%**		**18.56%**

Revised 10-13-97

Designated County Population

County	Population 1974	Population 1994	Rate of Increase
Brunswick	32,227	58,518	81.6%
Currituck	9,629	15,402	60.0%
Dare	8,814	24,804	181.4%
Durham	139,636	191,148	36.9%
Johnston	64,070	91,552	42.9%
Wake	258,326	496,578	92.2%
Guilford	297,626	365,572	22.8%
Mecklenburg	373,497	561,223	50.3%
Buncombe	150,203	185,810	23.7%
Henderson	46,985	75,096	59.8%

North Carolina Population

Year	Population	Rate of Increase (from 1974)	Rate of Increase (from 1994)
1974	5,375,495		
1994	7,064,470	31.42%	
1996	7,323,085	36.23%	3.66%

Estimated Costs - 1997 Special Assignments

TROOP	YEAR	EVENT	Captain		Lieutenant		First Sergeant		Line Sergeant		Trooper		Civilian		Calculated Man Hours	Miles Driven	Costs			Total 1997 Cost (Personnel
			#	Hrs	#	Hrs	#	Hrs	#	Hrs	#	Hrs	#	Hrs			Mileage	Meals	Lodging	Costs)
A	1997	Eighteenth Beach Music Festival	1	10			1	10	2	17	18	142			179	1,742	435.50			4,722.66
A	1997	ECU vs Wake Forest					1	12	1	11	12	127			150	1,840	460.00			3,875.94
A	1997	ECU vs South Carolina	1	8			1	13	2	18	12	115			154	1,408	352.00			4,096.83
A	1997	ECU vs Southern Mississipps University					1	12	1	10	12	133			155	1,978	494.50			3,997.58
A	1997	ECU vs Memphis					1	10	2	19	12	132			161	1,700	425.00			4,168.10
A	1997	ECU vs Cincinnatti					1	10	1	9	13	124			143	1,754	438.50			3,680.42
B	1997	Kelly Spring Day Parade							1	2	2	6			8	70	17.50			207.80
B	1997	Chadbourn Strawberry Festival Parade					1	2			2	4			6	30	7.50			163.14
B	1997	Fair Bluff Watermelon Festival							1	3	1	0			3	60	15.00			86.16
B	1997	Columbus Co. Fair							2	40	4	80			120	120	30.00			3,153.60
B	1997	Pow-Wow Parade, Buckhead, NC							1	2	1	2			4	80	20.00			107.56
C	1997	NC Truck Driving Championship			1	16	2	32				0			48	420	105.00			1,533.76
C	1997	Steeple Chase							1	10	8	64			74	520	130.00			1,891.04
C	1997	1997 RDU Air Show			2	27	1	13	1	13	12	156			209	1,195	298.75			5,581.49
C	1997	1997 July 4th Celebration	1	8	2	16	1	8	2	16	24	120	2	20	188	1,070	267.50			4,926.20
C	1997	NCCU vs NC A&T Football Game	1	11	1	11	4	40			40	480	2	20	562	3,280	820.00			14,438.30
C	1997	Duke vs NC State			1	11	3	36	1	12	22	264			323	1,865	466.25			8,455.24
C	1997	NCCU vs Gardner-Webb							1	4	3	12			16	80	20.00			415.60
C	1997	NCSU vs Clemson Football Game	1	11	1	11	4	40			40	480	2	20	562	3,280	820.00			14,438.30
C	1997	NCSU vs Illinois Football Game	1	11	1	11	4	40			40	500	2	0	562	3,280	820.00			14,548.10
C	1997	Duke vs Army Football Game			1	11	3	36	1	12	22	264			323	1,865	466.25			8,455.24
C	1997	Mule Days			1	8	1	16	2	32	17	136			192	1,674	418.50			5,094.08
C	1997	Duke vs Navy Football Game			1	11	3	36	1	12	22	264			323	1,865	466.25			8,455.24
C	1997	NCCU vs Elizabeth City Football Game							1	4	3	12			16	80	20.00			415.60
C	1997	NCCU vs Fayetteville State							1	4	3	12			16	80	20.00			415.60
C	1997	NCSU vs UNC Football Game	1	14	1	14	4	42			31	269			339	2,605	651.25			9,029.44
C	1997	NCSU vs ECU	1	10	1	10	3	34	2	24	40	545	4	40	663	7,620	1,905.00			16,890.08
C	1997	NCSU vs Virginia Football	1	10	1	10	3	34	2	22	43	558	2	18	652	10,975	2,743.75			16,727.88
C	1997	NCCU vs Livingstone					1	2	1	4	3	12			18	220	55.00			478.50
C	1997	Duke vs Wake Forest			1	12	3	33	1	9	22	281			335	6,455	1,613.75			8,733.71
C	1997	State Fair	1	90	2	128			4	352	78	6864	21	168	7,602	53,157	13,289.25			192,880.52
C	1997	NCSU vs Maryland Football Game	1	10			4	22			40	469	2	18	519	10,180	2,545.00			13,158.70
D	1997	Greater Greensboro Chry. Classic							2	123	26	1309			1432	11,970	2,992.50	1,693.00	3,870.00	36,336.10
D	1997	UNC vs Indiana	1	10	1	10	5	47			37	347			414	8,245	2,061.25			10,864.97
D	1997	UNC vs Stanford	1	10			4	45	2	21	37	421			497	7,837	1,959.25			12,930.03
D	1997	UNC vs Virginina	1	10	1	5	4	41	2	21	37	420			497	9,262	2,315.50			12,943.97
D	1997	UNC vs Wake Forest	1	10	1	10	5	50			39	363			433	8,405	2,101.25			11,360.28
D	1997	UNC vs Duke	1	10	1	10	3	32	3	29	39	391			472	8,455	2,113.75			12,328.74
D	1997	UNC vs Florida State	1	10	1	10	5	50	1	9	39	401			480	8,455	2,113.75			12,571.04
E	1997	Food Lion Auto Fair	1	21			1	35	3	108	20	643	2	120	927	8,663	2,165.75			23,423.43
E	1997	AMC Supercross Motorcycle Race			1	6	1	11	3	29	20	220	2	24	290	3,419	854.75			7,359.47
E	1997	The Winston & IROC	1	33	1	33	1	34	17	529	106	3050	7	129	3808	41,835	10,458.75	566.00	7,308.00	97,500.01
E	1997	Crosby Celebrity Golf Tournament					1	35	1	38	9	248	2	51	372	3,346	836.50			9,405.06
E	1997	Goody's Pole Night	1	12	1	12	1	15	19	236	69	948	4	41	1264	19,230	4,807.50	426.00	450.00	32,638.12
E	1997	Carquest 300 & Coca Cola 600 Race	1	38	1	34	1	36	18	660	107	3218	6	82	4068	41,373	10,343.25	456.00	9,171.00	104,829.18
E	1997	U. S. Truck Fest			1	4	1	15	3	56	20	247	2	30	352	6,860	1,715.00			8,988.83

Estimated Costs - 1997 Special Assignments

TROOP	YEAR	EVENT	Captain		Lieutenant		First Sergeant		Line Sergeant		Trooper		Civilian		Calculated Man Hours	Miles Driven	Costs			Total 1997 Cost (Personnel
			#	Hrs	#	Hrs	#	Hrs	#	Hrs	#	Hrs	#	Hrs			Mileage	Meals	Lodging	Cost)
E	1997	IRL Pole Night	1	10			1	8	1	10	6	84			112	1,170	292.50			3,005.24
E	1997	IRL Race	1	21	1	18	1	25	15	244	87	1586	3	48	1942	30,231	7,557.75	552.00	4,848.00	49,830.67
E	1997	Food Lion Auto Fair	1	22	1	4	1	28	2	63	15	274	2	120	511	4,637	1,159.25			12,831.72
E	1997	Pole Night, Charlotte Motor Speedway	1	15	2	24	1	14	10	125	61	745	2	21	944	11,708	2,927.00			24,444.11
E	1997	All Pro Auto Parts 300/UAW-GM 500 Races	1	28	2	56	1	31	16	430	105	3040	6	60	3645	46,977	11,744.25	1,825.00	7,234.00	93,538.83
E	1997	Vantage Golf Tournament					1	33			5	121	3	40	194	957	239.25			4,852.91
F	1997	Gospel Singing, 8-7-97							1	6	2	17			23	164	41.00			598.34
F	1997	Gospel Singing, 8-8-97							1	8	2	18			26	164	41.00			680.84
F	1997	Gospel Singing, 8-9-97							1	8	2	17			25	164	41.00			655.78
F	1997	WFMX Country Homecoming					1	12	2	10	12	96			118	290	72.50			3,070.36
F	1997	Valle Crucis Fair							1	11	7	72			83	917	229.25			2,120.24
F	1997	Statesville Balloon Rally, 9-20-97					1	8	2	10	10	50			68	300	75.00			1,791.80
F	1997	Statesville Balloon Rally, 9-21-97					1	8	2	10	10	50			68	300	75.00			1,791.80
G	1997	Highland Games, 7-11-97									10	10			10	1,013	253.25	84.00	90.00	250.60
G	1997	Highland Games, 7-12-97									10	100			100	135	33.75	114.00	90.00	2,506.00
G	1997	Highland Games, 7-13-97									10	66			66	919	229.75	30.00		1,653.96
G	1997	NC Mountain State Fair	1	40	2	96	1	32	6	512	40	1232	4	140	2052	14,350	3,587.50	1,568.00	2,021.00	53,934.52
H	1997	Carolina Panthers vs Dallas Cowboys	2	30	2	30	7	95	19	276	75	1040	3	36	1507	23,025	5,756.25	2,244.00	1,349.00	39,754.39
H	1997	"Goodwrench 200 & 400"	1	24	1	24	1	32	6	150	42	1044	5	116	1390	13,763	3,440.75		2,811.00	35,405.56
H	1997	Tour DeMoore Bicycle Race			1	9	1	6	1	6	11	94			115	1,800	450.00			3,013.30
H	1997	IROC Race	1	10	2	20	1	10	3	30	21	189	2	18	277	2,008	502.00			7,285.30
H	1997	Winston Select	1	13	2	26	1	13	3	39	54	674	2	26	791	14,427	3,606.75		3,333.00	20,254.97
H	1997	Pole Night, 5-21-97	1	10	2	20	1	10	2	20	9	90	1	10	160	835	208.75			4,360.60
H	1997	Carolina Panthers vs Denver Broncos	1	14	3	36	4	54	12	318	71	985	3	31	1438	20,379	5,094.75	2,435.00	1,589.00	37,814.55
H	1997	Carolina Panthers vs Pittsburgh Steelers	1	14	2	24	6	81	6	159	81	1122	2	24	1424	21,650	5,412.50	2,539.00	1,830.00	36,997.93
H	1997	Carolina Panthers vs Washington Redskins	1	14	1	12	4	54	5	133	84	1163	2	24	1400	21,829	5,457.25	2,513.00	1,493.00	36,034.00
H	1997	Carolina Panthers vs San Francisco 49'ers	1	14	1	14	4	54	5	133	84	1165	2	24	1404	21,870	5,467.50	2,513.00	1,686.00	36,150.04
H	1997	Carolina Panthers vs Kansas City Chiefs	1	12	2	24	6	81	5	133	81	1122	2	24	1396	21,471	5,367.75	2,521.00	1,541.12	36,178.93
H	1997	Pole Night, Charlotte Motor Speedway			1	11	1	11	1	11	20	150			183	1,815	453.75			4,783.43
H	1997	Cleveland Co. Fair (Sept 25-Oct 4, 1997)					1	40	2	91	98	858			989	9,108	2,277.00			25,373.00
H	1997	All Pro 300 & UAW-GM 500	1	25	2	50	1	24	3	72	54	1457	1	22	1650	16,856	4,214.00	920.00	2,215.36	42,317.10
H	1997	Panthers vs Atlanta Falcons			1	14	4	54	2	53	84	1165			1286	21,129	5,282.25	2,357.00	1,830.00	32,876.80
H	1997	Panthers Oakland Raiders	1	14	1	14	5	68	2	28	84	1165	2	24	1313	20,462	5,115.50	2,409.00	2,078.00	33,574.74
H	1997	NC AT&T vs SC State	1	9			2	18			11	111			138	1,095	273.75			3,673.02
H	1997	Panthers vs New Orleans	1	14			3	41	4	106	84	1165	2	24	1350	21,476	5,369.00	2,435.00	1,830.00	34,504.31
H	1997	AC Delco 200 & AC Delco 400	1	38	2	76	1	42	6	252	45	1628	4	12	2048	21,244	5,311.00	3,686.00	4,206.00	53,469.14
M	1997	Carolina Panthers vs Cowboys									6	72			72	1,800	450.00	336.00	289.00	1,804.32
M	1997	Goodwrench 200 & 400 Race									4	108			108	1,150	287.50	280.00	344.00	2,706.48
M	1997	Reidsville Mall									2	16			16	200	50.00			400.96
M	1997	Asheville MS Walk									4	84			84	2,000	500.00	200.00	119.92	2,105.04
M	1997	Moss School Career Day									2	16			16	300	75.00	28.00	43.00	400.96
M	1997	Tabernacle FD Open House									2	16			16	300	75.00	16.00		400.96
M	1997	Air Show							1	8	4	32			40	500	125.00	280.00	344.00	1,031.68
M	1997	Lincoln Co. Adopt-A-Cop									2	16			16	300	75.00	56.00	43.00	400.96
M	1997	Brush Creek Church									2	8			8	140	35.00	16.00		200.48
M	1997	Mud Creek Baptist Church									2	20			20	620	155.00	44.00	60.00	501.20

Estimated Costs - 1997 Special Assignments

TROOP	YEAR	EVENT	Captain		Lieutenant		First Sergeant		Line Sergeant		Trooper		Civilian		Calculated Man Hours	Miles Driven	Costs			Total 1997 Cost (Personnel
			#	Hrs	#	Hrs	#	Hrs	#	Hrs	#	Hrs	#	Hrs			Mileage	Meals	Lodging	Cost)
M	1997	Randleman Adopt-A-Cop									2	8			8	150	37.50			200.48
M	1997	Winston Select							1	14	5	125			139	600	150.00	84.00	288.00	3,534.58
M	1997	Race Festival							1	8	5	40			48	600	150.00	84.00	288.00	1,232.16
M	1997	Goodies Pole Night							1	10	5	50			60	500	125.00	84.00	288.00	1,540.20
M	1997	Coca Cola 600							1	14	5	125			139	600	150.00	288.00	576.00	3,534.58
M	1997	Winton Elks Parade							1	8		0			8	120	30.00			229.76
M	1997	4th of July in Eden									2	18			18	250	62.50			451.08
M	1997	4th of July Celbration-Raleigh							1	8	4	32			40	500	125.00			1,031.68
M	1997	Charlotte March of Dimes Ride							1	8	5	40			48	1,800	450.00	168.00	258.00	1,232.16
M	1997	Indy Race							1	12	3	36			48	1,200	300.00	104.00	192.00	1,246.80
M	1997	Haywood Co. Rock Slide, Traffic Direction							1	40	2	742			782	17,450	4,362.50	2,452.00	2,375.00	19,743.32
M	1997	T.S.I. Winston Salem									2	8			8	300	75.00	40.00	86.00	200.48
M	1997	Night Out Against Crime, Lexington									1	8			8	300	75.00	20.00	43.00	200.48
M	1997	Night Out Against Crime, Lenoir									1	8			8	300	75.00	20.00	43.00	200.48
M	1997	Night Out Against Crime, Pikeville									1	8			8	100	25.00			200.48
M	1997	Carolina Panthers vs Denver							1	13	3	39			52	1,280	320.00	112.00	192.64	1,350.70
M	1997	Carolina Panthers vs Steelers									2	30			30	260	65.00	40.00	96.32	751.80
M	1997	Central vs A & T							1	8	4	32			40	500	125.00			1,031.68
M	1997	Carolina Panthers vs Washington									3	42			42	600	150.00	84.00	144.48	1,052.52
M	1997	Mountain Western Fair							1	40	3	264			304	2,700	675.00	1,120.00	430.00	7,764.64
M	1997	NCSU vs Clemson							1	8	5	40			48	600	150.00			1,232.16
M	1997	Raeford Parade									2	16			16	200	50.00			400.96
M	1997	NCSU vs Illinois							1	8	4	32			40	250	62.50			1,031.68
M	1997	Leah Rabin, Katzir visit, Raleigh							1	90	4	200			290	2,000	500.00	140.00		7,596.80
M	1997	Carolina Panthers vs Chiefs									4	32			32	600	150.00	112.00	182.00	801.92
M	1997	Carolina Panthers vs 49'ers									4	52			52	600	150.00	112.00	182.00	1,303.12
M	1997	Spring Hope Parade									1	8			8	200	50.00			200.48
M	1997	Garland Parade									2	16			16	300	75.00			400.96
M	1997	Charlotte Race							1	30	4	120			150	3,000	750.00	280.00	430.00	3,868.80
M	1997	Lincolnton Fire Safety Day									2	16			16	450	112.50	56.00	86.00	400.96
M	1997	Hickory T.S.I.									1	8			8	300	75.00			200.48
M	1997	NC State Fair							1	80	4	360			440	4,050	1,012.50			11,319.20
M	1997	Festival of Lights					6	41	12	149	58	2647			2837	13,275	3,318.75			71,902.55
H	1997	Panthers vs St Louis Rams	1	12	1	12	5	68	2	29	86	1192	2	24	1337	21,983	5,495.75	2,185.00	2,119.00	34,141.88
H	1997	Panthers vs. Green Bay Packers	1	12			4	54	2	29	86	1192	2	24	1311	21,782	5,445.50	2,163.00	1,685.00	33,306.06
Total				**772**		**1055**		**2,129**		**6,591**		**56,792**		**1,673**	**69,012**	**807,551**	**$201,887.75**	**$44,890.00**	**$74,100.84**	**$1,774,871.58**

Note: Meals and Lodging provided at the Training Center during the State Fair
Salary at top pay plus benefits (7-1-97)

Estimated number of personnel for full time Special Events
Total Uniformed member hours divided by 2,000 (per year) = **34**

Information obtained from HP-335B, Zone Operations (Update 2-14-98)

	1997	Estimated 1998
Mileage Cost	$201,887.75	$201,887.75
Meals	$44,890.00	$44,890.00
Lodging	$74,100.84	$74,100.84
Personnel cost	$1,774,871.58	$2,662,307.37
Total	$2,095,750.17	$2,983,185.96

TROOPER HIRING SYSTEM

TARGETED RECRUITING

- ★ Overseen by Director of Administrative Services
- ★ Targeted Recruiting
- ★ All Troopers with Application Pamphlets
- ★ Statewide Training
- ★ Recruiting Tools

DISTRICT OFFICE

- ★ Prospective Applicants Meet with a Designated Officer at the Scheduled Time

- ★ A Recruiter or District Supervisor Accomplishes the Following:

  - ▸ Checks for a Valid Driver's License
  - ▸ Shows the Applicant Video
  - ▸ Conducts a Preliminary Background Check
  - ▸ Provides an Application Packet
  - ▸ Reviews all Forms and Required Supporting Documents
  - ▸ Emphasizes Accuracy and Comprehensiveness
  - ▸ Instructs the Prospective Applicant to:
    - Complete the Application Packet
    - Obtain All Necessary Documents
    - Schedule a Meeting with the Troop Lieutenant
  - ▸ Signs Standardized Checklist

TROOPER HIRING SYSTEM

TROOP LIEUTENANT

★ Applicant Brings Completed Application Packet to the Troop Lieuenant

★ Troop Lieutenant Accomplishes the Following:
- ► Reviews Trooper Duties and Responsibilities; Salary and Benefits; Personnel Policies; Basic School Requirements; and Probationary Period
- ► Verifies Citizenship, Criminal History, and Age Requirements
- ► Reviews Completed Application and Supporting Documents
- ► Reviews the Personal History Questionnaire Form F-3 with Applicant, Emphasizing the Importance of Accuracy/ Comprehensiveness
- ► Signs the Standardized Checklist

★ Troop Lieutenant Forwards Completed Application with Findings to Administrative Services.

INITIAL SCREENING

★ Body Fat Test for Applicants Who Do Not Meet Weight Requirement
★ Initial Screening Conducted 1 Time / Year
★ Applicants Must Score At Least 40th Percentile on Cooper Test
★ Applicants Complete the Law Enforcement Candidate Record (LECR)
★ Final Applicant Score = Cooper Test Score + LECR Score
★ Applicants Ranked Based on Final Applicant Score; List Valid for 1 Year

POLYGRAPH EXAMINATION

TROOPER HIRING SYSTEM

BACKGROUND INVESTIGATION

- ★ Investigator Completes Background Investigation; Sends Final Report to Troop Commander
- ★ Troop Commander Reviews Investigation and Consults with the Background Investigator
- ★ The Troop Commander Forwards the Completed Investigation and Recommendation to Administrative Services

APPLICANT REVIEW BOARD

CONDITIONAL OFFER OF EMPLOYMENT

PHYSICAL & PHYCHOLOGICAL EXAMINATIONS

PATROL COMMANDER

BASIC SCHOOL

TROOPER PROMOTIONAL SYSTEM

Written Test

(Minimum score of 70%)

- Highway Patrol Policy and Procedure
- Criminal Law
- Motor Vehicle Law

Supervisor's Evaluation

(Supervisors received training from NCSU)

- Citizenship
- Community Relations
- Special Duties
- Communication
- Forms and Reports

Pre-Supervisor Course

(Video Course with Workbook and Final test - Minimum score of 70%)

- Evaluation of Personnel/ Programs
- Training Subordinates
- Motivation Techniques
- Goal Setting / Planning
- Ethical Behavior in Public Service
- Management Systems
- Effective Feedback Techniques/ Development
- Documentation
- Observation
- Administrative Law
- Organizational Behavior
- Delegation / Accountability
- Leadership Methods

Certification Board

Consists of 3 Line Sergeants who received specialized training and are not in the same chain-of-command as Trooper being evaluated (i.e. Zone 1 Trooper evaluated by Line Sergeants from Zone 2, Zone 2 Trooper evaluated by Line Sergeants from Zone 1)

- Written Exercise
- Situational Exercise

Interview Board

- Secretary of Crime Control & Public Safety
- Commanding Officer of State Highway Patrol

Additional Credits

- Experience
  4 points per year (up to 25 years)
- Education
  ½ point for every undergraduate semester hour (max. 120 hours)
  1 point for each graduate semester hour after receiving undergraduate degree (max 30 hours)
  5 points for receiving undergraduate degree
  5 points for receiving graduate degree

  Must be accredited courses as determined by N.C. State University - NOT trade school or life experience credit hours

SAMPLE SCORES
(TROOPER)

PERFECT SCORE

	Raw Score			Weight	Score
Performance Rating (Excellent)	100	points	X	4.0 =	400
Certification Board (Excellent)	100	points	X	3.0 =	300
Pre-Supervisor Course	100	points	X	2.0 =	200
Job Knowledge Test	100	points	X	1.0 =	100
Interview	100	points	X	1.0 =	100
Experience (Max. 25 years)	100	points	X	0.5 =	50
Education (Max. Masters Degree)	100	points	X	0.5 =	50
TOTAL SCORE.....					1,200

SAMPLE

	Raw Score			Weight	Score
Performance Rating	85	points	X	4.0 =	340
Certification Board	85	points	X	3.0 =	255
Pre-Supervisor Course	85	points	X	2.0 =	170
Job Knowledge Test	85	points	X	1.0 =	85
Interview	85	points	X	1.0 =	85
Experience (10.5 years @ 4 per yr)	42	points	X	0.5 =	21
Education (30 undergraduate semester hrs. X .5 =)	15	points	X	0.5 =	7.5
TOTAL SCORE.....					963.5

SUPERVISOR PROMOTIONAL SYSTEM

Written Test

(Minimum score of 70%)

- Highway Patrol Policy and Procedure
- Criminal Law
- Motor Vehicle Law

Supervisor's Evaluation

(Supervisors received training from NCSU)

- Citizenship
- Supervision & Evaluation
- Administrative Activities
- Communication
- Knowledge & Application of Policies and Procedures
- Community Relations
- Forms and Reports
- Personnel Actions
- Special Duties & Critical Incident Activities
- Critical Incident & Special Duty Management
- Selection & Training

Certification Board

Consists of 3 Supervisors who received specialized training and are not in the same chain-of-command as member being evaluated

- In-Basket
- Written Exercise
- Situational Exercise

Interview Board

- Secretary of Crime Control & Public Safety
- Commanding Officer of State Highway Patrol

Additional Credits

- Experience
  4 points per year (up to 25 years)
- Education
  ½ point for each undergraduate semester hour (max. 120 hours)
  1 point for each graduate semester hour after receiving undergraduate degree (max. 30 hours)
  5 points for receiving undergraduate degree
  5 points for receiving graduate degree

  Must be accredited courses as determined by N.C. State University - NOT trade school or life experience credit hours

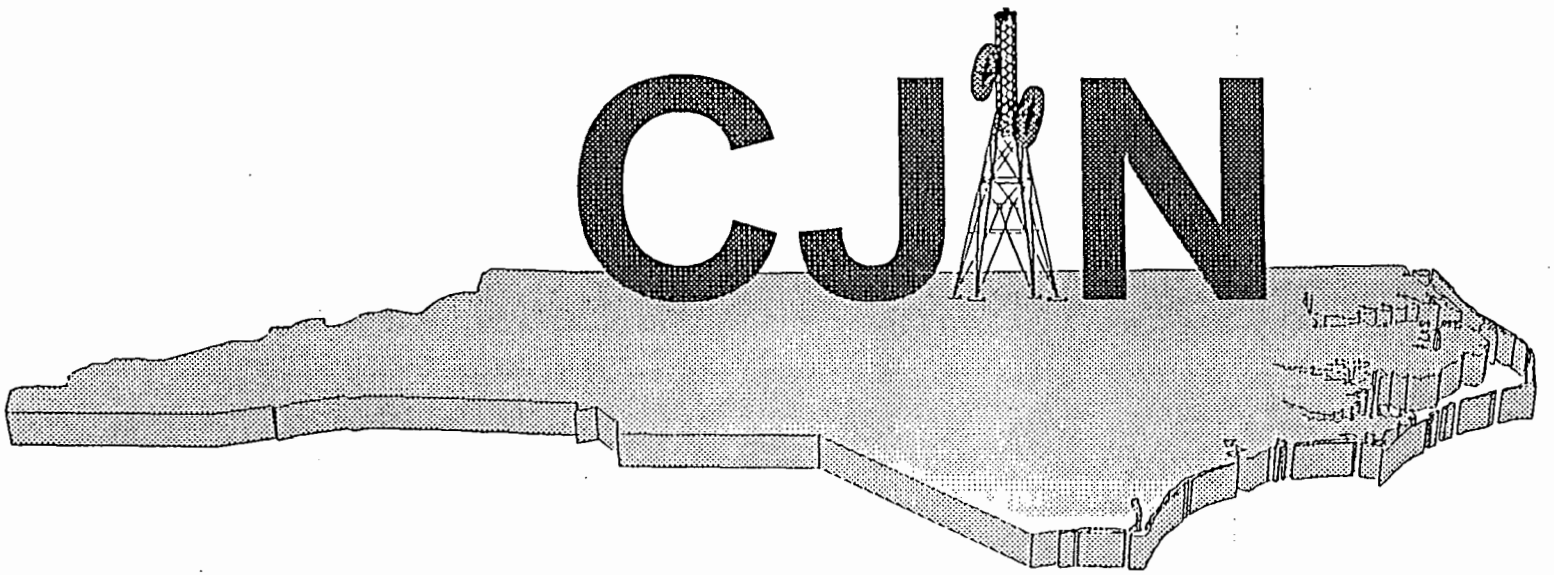
SAMPLE SCORES
(SUPERVISOR)

PERFECT SCORE

	Raw Score		Weight	Score
Performance Rating (Excellent)	100	points X	5.0 =	500
Certification Board (Excellent)	100	points X	3.0 =	300
Job Knowledge Test	100	points X	2.0 =	200
Interview	100	points X	1.0 =	100
Experience (Max. 25 years)	100	points X	0.5 =	50
Education (Max. Masters Degree)	100	points X	0.5 =	50
TOTAL SCORE.....				1,200

SAMPLE

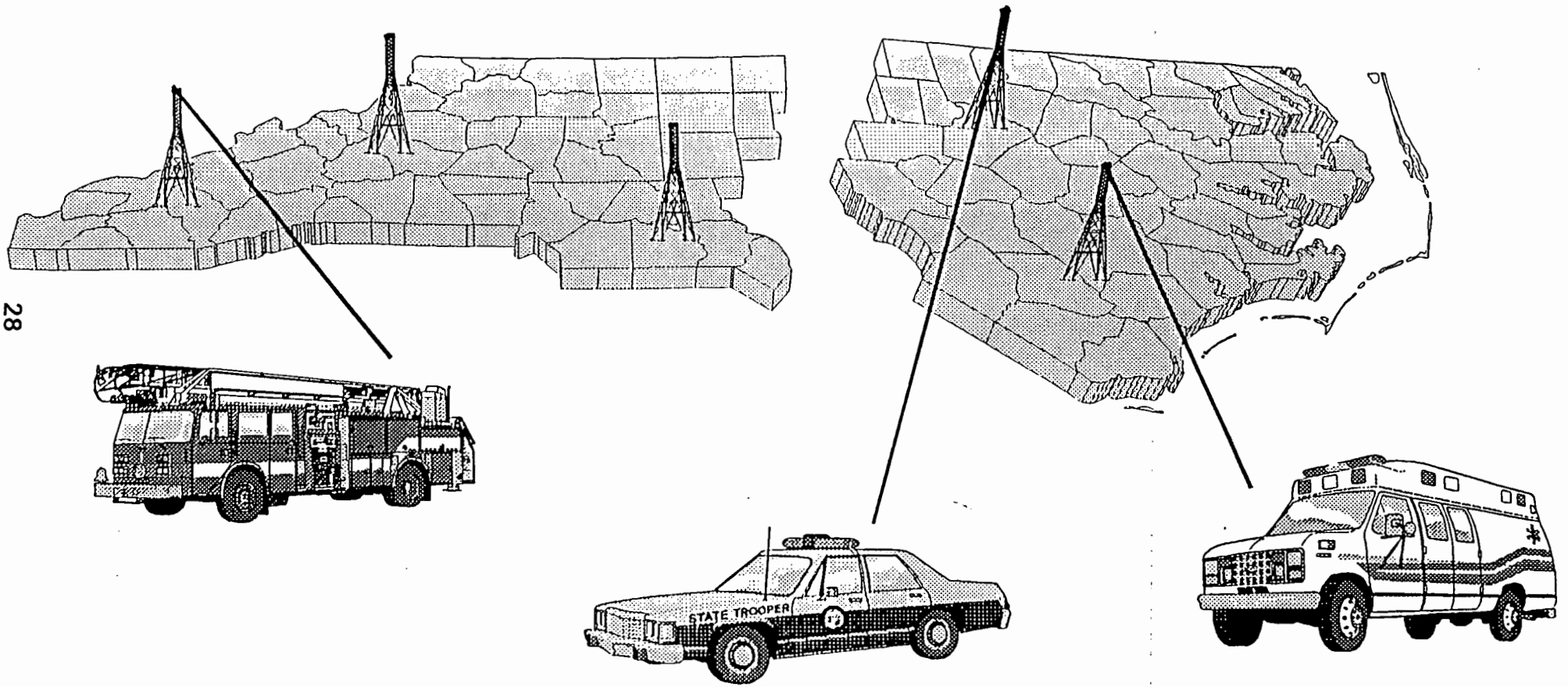
	Raw Score		Weight	Score
Performance Rating	85	points X	5.0 =	425
Certification Board	85	points X	3.0 =	255
Job Knowledge Test	85	points X	2.0 =	170
Interview	85	points X	1.0 =	85
Experience (15 years @ 4 per yr)	60	points X	0.5 =	30
Education (44 undergraduate semester hrs. X .5 =)	22	points X	0.5 =	11
TOTAL SCORE.....				976



Criminal Justice Information Network
Statewide Mobile Data System

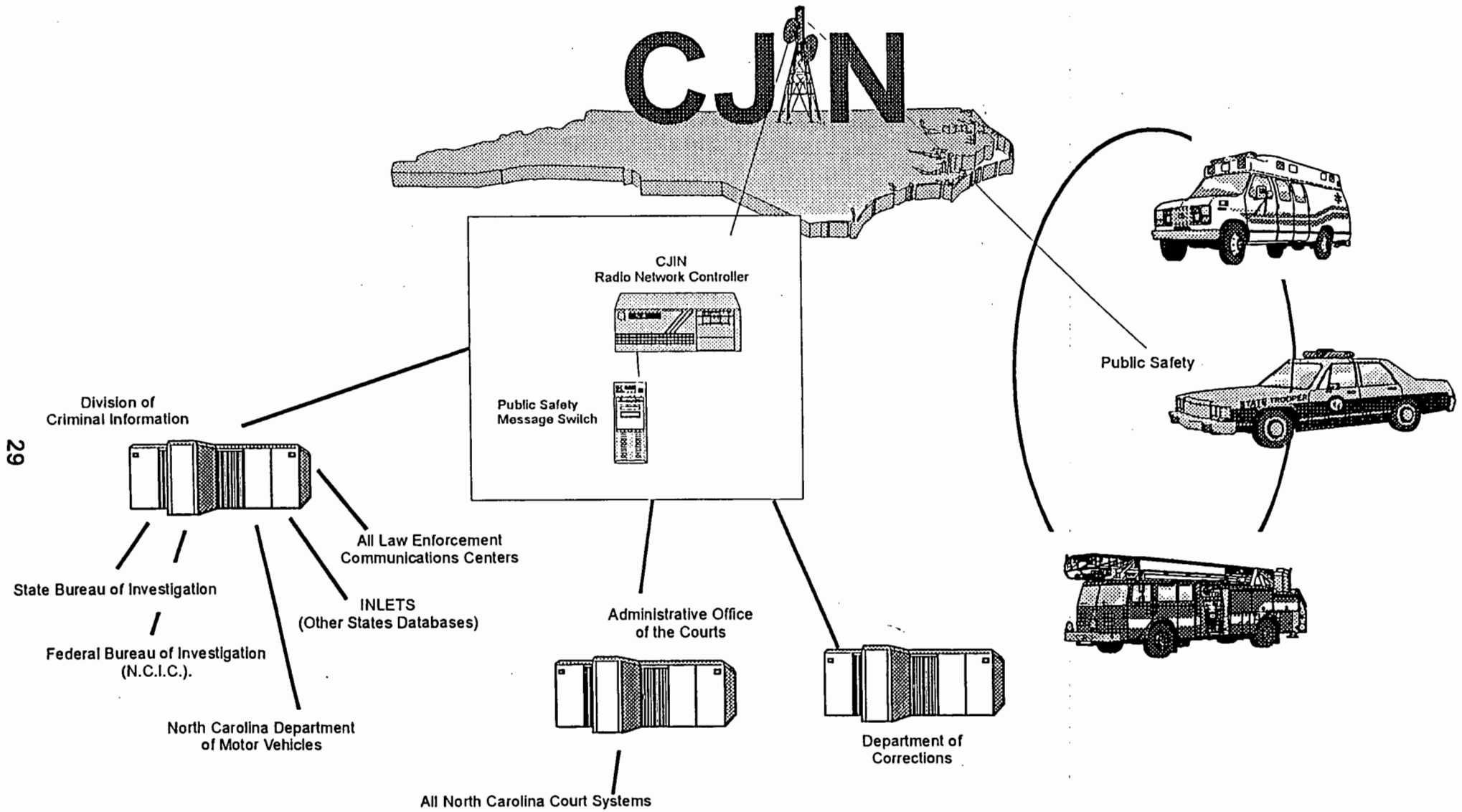
INCOMPATIBILITY:

A major communications roadblock in North Carolina's criminal justice system



Officers cannot talk to their counterparts across their own county much less to those across the state.

CRIMINAL JUSTICE INFORMATION NETWORK



Communications from the Mobile Data Tower to the Radio Network Controller can be accomplished by either dedicated telephone lines or by the Highway Patrol's microwave system. The Public Safety Switch will be located at the State Highway Patrol Information Management Unit.

CRIMINAL JUSTICE INFORMATION NETWORK

MOBILE DATA COMPUTERS

- The GOAL - Develop a statewide criminal justice information network that will enable a properly authorized user to readily access and effectively use information regardless of its location in national, state, or local databases

- Provides connectivity and a data communications interface between federal, state, and local public safety agencies operating on a shared mobile data radio (RF) network

- Eliminates incompatible radio and data communications among law enforcement agencies which inhibits interagency communications in routine and emergency situations

- CJIN-MDN provides gateway functions for statewide mobile access to the following criminal justice databases:

  NC Division of Criminal Information (DCI)
  Administrative Office of the Courts (AOC)
  Division of Motor Vehicles (DMV)
  Department of Corrections (DOC)
  National Crime Information Center (NCIC)
  Individual Computer Assisted Dispatch systems (CAD)

- Provides current and accurate information of the following:

  Vehicle Registration Checks
  Stolen Vehicle Checks
  Wanted persons Checks
  Driver Information Checks
  Stolen Articles Checks
  Stolen Weapons Checks
  Criminal Case Histories

- Officers can access critical information immediately, without the assistance of a dispatcher, thereby increasing officer safety by minimizing lag time

- Enables officers to complete forms by entering legible data once and eliminating repetitive duplication

- Increases efficiency and quality of collision reports and improves accessibility of collision data

- Sensitive information can be transmitted and received digitally; therefore, scanners and other monitoring devices are bypassed

- Patrol acts as the strategic facilitator for CJIN-MDN and manages the network

III (6)

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

DRIVER EDUCATION

FEBRUARY 17, 1998

§ 20-88.1. Driver education.

(a) In accordance with criteria and standards approved by the State Board of Education, the State Superintendent of Public Instruction shall organize and administer a program of driver education to be offered at the public high schools of this State for all physically and mentally qualified persons who (i) are older than 14 years and six months, (ii) are approved by the principal of the school, pursuant to rules adopted by the State Board of Education, (iii) are enrolled in a public or private high school within the State, and (iv) have not previously enrolled in the program. The State Board of Education shall use for such purpose all funds appropriated to it for said purpose, and may use all other funds that become available for its use for said purpose.

The driver education program established pursuant to this section must include the following:

(1) Instruction on the rights and privileges of the handicapped and the signs and symbols used to assist the handicapped relative to motor vehicles, including the "international symbol of accessibility" and other symbols and devices as provided in Article 2A of this Chapter.

(2) At least six hours of instruction on the offense of driving while impaired and related subjects.

(3) At least six hours of actual driving experience. To the extent practicable, this experience may include at least one hour of instruction on the techniques of defensive driving.

(b) The State Board of Education shall adopt a salary range for driver education instructors who are public school employees and who do not hold teacher certificates.

Driver education instructors who are public school employees and who hold teacher certificates shall be paid on the teacher salary schedule. A day of employment for driver education instructors who hold teacher certificates shall be the same number of hours required of all regular classroom teachers as established by the local board of education.

(b1) The State Board of Education shall adopt rules to permit local boards of education to enter contracts with public or private entities to provide a program of driver education at public high schools. All driver education instructors shall meet the requirements established by the State Board of Education; provided, however, driver education instructors shall not be required to hold teacher certificates.

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund.

(d) The Division shall prepare a driver license handbook that explains the traffic laws of the State and shall periodically revise the handbook to reflect changes in these laws. At the request of the Department of Education, the Division shall provide free copies of the handbook to that Department for use in the program of driver education offered at public high schools.

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used except for the construction and maintenance of secondary roads in the county for which they are allocated pursuant to G.S. 136-44.5 and 136-44.6.

~~In the event receipts and increments to the State Highway Fund shall be more than the appropriations made for the preceding fiscal year, such excesses shall be allocated by the Director of the Budget to the Department of Transportation for school and industrial access roads and unforeseen happenings or state of affairs requiring prompt action, with fifty percent (50%) of the balance to be allocated to the State secondary roads program on the basis of need as determined by the Department of Transportation and the remaining fifty percent (50%) to be allocated in accordance with G.S. 136-44.5.~~ If the unreserved credit balance in the Highway Fund on the last day of a fiscal year is greater than the amount estimated for that date in the Current Operations/Appropriations Act for the following fiscal year, the excess shall be used in accordance with this paragraph. The Director of the Budget may allocate part or all of the excess among reserves for access and public roads, for unforeseen events requiring prompt action, or for other urgent needs. The amount not allocated to any of these reserves by the Director of the Budget shall be credited to a reserve for maintenance. The Board of Transportation shall report monthly to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division on the use of funds in the maintenance reserve.

The Department of Transportation may provide for costs incurred or accrued for traffic control measures to be taken by the Department at major events which involve a high degree of traffic concentration on State highways, and which cannot be funded from regular budgeted items. This authorization applies only to events which are expected to generate 30,000 vehicles or more per day. The Department of Transportation shall provide for this funding by allocating and reserving up to one hundred thousand dollars ($100,000) before any other allocations from the appropriations for State maintenance for primary, secondary, and urban road systems are made, based upon the same proportion as is appropriated to each system."

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

DRIVERS EDUCATION FUNDING

Section 32.6. From funds appropriated by this act to the Department of Transportation, the Department shall pay for the increased costs for drivers education due to the projected increase in average daily membership in the ninth grade drivers education program.

In allocating funds for driver training, the State Board of Education shall consider the needs of small and low-wealth local school administrative units.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

BRANCH AGENT REIMBURSEMENT RATE

Section 32.7. (a) G.S. 20-63(h) reads as rewritten:

"(h) Commission Contracts for Issuance of Plates and Certificates. -- All registration plates, registration certificates and certificates of title issued by the Division, outside of those issued from the Raleigh offices of the said Division and those issued and handled through the United States mail, shall be issued insofar as practicable and possible through commission contracts entered into by the Division for the issuance of such plates and certificates in localities throughout North Carolina with persons, firms, corporations or governmental subdivisions of the State of North Carolina and the Division shall make a reasonable effort in every locality, except as hereinbefore noted, to enter into a commission contract for the issuance of such plates and certificates and a record of these efforts shall be maintained in the Division. In the event the Division is unsuccessful in making commission contracts as hereinbefore set out it shall then issue said plates and certificates through the regular

Section 32.14. The Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division by March 1, 1998, on the status of Federal Emergency Management Agency receivables for past natural disasters and the efforts by the State to collect those funds from the federal government.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan, Hiatt

FEASIBILITY STUDY OF DRIVERS EDUCATION TESTING

Section 32.15. The Department of Transportation and the Department of Public Instruction shall conduct a study of the feasibility of having drivers education instructors, rather than Division of Motor Vehicles examiners, administer the required written and road tests before a student is issued his or her first drivers permit or license.

The Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division by March 1, 1998, on the results of this feasibility study along with any enabling legislation necessary to implement any recommended changes.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

GLOBAL TRANSPARK AUTHORITY BUSINESS PLAN FOR DISADVANTAGED BUSINESS PARTICIPATION

Section 32.16. The Global TransPark Authority shall develop a business plan for meeting its ten percent (10%) goal for disadvantaged business participation in contracting. The Global TransPark Authority shall submit a copy of that business plan to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division by March 1, 1998.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

USE OF PUBLIC TRANSPORTATION AND PASSENGER RAIL FUNDING

Section 32.17. The Department of Transportation shall prepare a plan for the use of the expansion funds provided in this act for the improvement of public transportation and passenger rail service. This plan shall set out the specific purposes for which the funds will be used and shall set specific, quantitative goals to be met through the use of the additional funds.

The goals shall address the following:

(1) Travel time, cost recovery, and business ridership of passenger rail service between Raleigh and Charlotte;
(2) Extension of passenger rail service to Asheville;
(3) Assessment of the feasibility and costs of extending passenger rail service in Eastern North Carolina;
(4) Increases in the number of routes served by rural, urban, and regional public transportation systems;
(5) Increases in ridership for rural, urban, and regional public transportation systems;
(6) Public transportation service to Work First clients; and
(7) Cost savings achieved by rural, urban, and regional public transportation systems through the use of new technologies.

The Department of Transportation shall present this plan to the Joint Legislative Transportation Oversight Committee by October 1, 1997, and shall make a report to the 1999 session of the General Assembly indicating the Department's performance in meeting the goals set forth in the plan.

Requested by: Senator Jordan, Representatives Bowie, Dockham, McMahan

Driver Training Fact Sheet
FY 1996-97

Number of Contracts

- 58 LEAs (50%) contracted for driver training services in FY 1996-97. Some of these LEAs also paid personnel services directly.
- ADM in LEAs who had contracted services was 70,342 (65% of Total ADM).
- Allotments to LEAs who contract made up 65% of the total budget.
- LEAs of varying size, wealth, and geographic location are contracting services.

9th Grade Allotted ADM

- Funds are allotted based on 9th grade average daily membership in public, private, and federal schools. Note: Number of students actually served is not available because Driver Training is not taught as part of the instructional day.

LEAs 1996-97:	Public School	Private/Home School	Federal School	Total
With Contracts	66,115	4,067	160	70,342
Without Contracts	36,437	1,529	97	38,063
Total	102,552	5,596	257	108,405

LEAs With No Contract Expense

- 81% (6.6 million) of the total budget for LEAs with no contract expense was used for personnel costs including benefits.
- Number of students served is not reported on Student Accounting Records because Driver Training is not part of the instructional day. Based on number of students allotted (rather than students served), the average spent per student for personnel expenses including benefits is $181.35.

Allotment Information

- Of the total reversions in FY FY1996-97, 86% was from LEAs who had expenditures for contracted services.
- Historical Reversions:

Fiscal Year	Certified Budget	Allotted	$ per ADM	Expended	$ per ADM	Reverted	ADM
1991-92	$ 22,930,662	$22,134,230		$20,763,472.00		$1,370,758.00	
1992-93	22,868,826	22,188,826	238.47	19,013,952.27	204.35	4,174,873.73	93,048
1993-94	23,188,826	23,188,826	247.40	19,135,668.56	204.16	4,053,157.44	93,729
1994-95	23,188,826	23,188,826	238.71	20,237,994.09	208.33	2,950,831.91	97,142
1995-96	21,188,826	21,188,826	211.59	19,322,435.67	192.96	1,866,390.33	100,138
1996-97	21,188,826	22,924,111	211.47	21,420,108.05	197.59	1,504,002.95	108,405
1997-98	22,374,875						112,412
1998-99	22,573,141						112,638
2002-03							123,742

DRIVER EDUCATION PROGRAM

In-House Driver Education

LEA #	LEA Name	FY 1996-97					
		9th Grade	Allotment		Actual Cost		#
		ADM	$	Allot/ADM	$	Actual/ADM	Reversions
650	New Hanover County	1,937	309,612	159.84	285,911.65	147.61	23,700.35
320	Durham Public	2,794	490,840	175.68	440,754.63	157.75	50,085.37
850	Stokes County	595	125,823	211.47	94,178.62	158.28	31,644.38
890	Tyrrell County	99	20,935	211.46	16,241.19	164.05	4,693.81
310	Duplin County	728	153,948	211.47	122,924.70	168.85	31,023.30
560	Macon County	406	85,856	211.47	77,734.68	191.46	8,121.32
111	Asheville City	489	103,407	211.47	94,447.76	193.14	8,959.24
290	Davidson County	1,557	319,255	205.04	301,797.17	193.83	17,457.83
870	Swain County	265	56,039	211.47	52,375.97	197.65	3,663.03
861	Elkin City	104	21,993	211.47	20,843.28	200.42	1,149.72
862	Mount Airy City	173	36,584	211.47	35,216.22	203.56	1,367.78
510	Johnston County	1,396	295,208	211.47	285,147.25	204.26	10,060.75
250	Craven County	1,395	294,997	211.47	287,020.15	205.75	7,976.85
860	Surry County	708	149,719	211.47	147,618.74	208.50	2,100.26
210	Chowan County	245	51,809	211.47	51,155.37	208.80	653.63
430	Harnett County	1,215	256,933	211.47	254,597.32	209.55	2,335.68
730	Person County	467	98,755	211.47	98,069.48	210.00	685.52
820	Sampson County	640	135,339	211.47	134,611.50	210.33	727.50
940	Washington County	227	48,003	211.47	47,787.71	210.52	215.29
200	Cherokee County	305	64,498	211.47	64,253.41	210.67	244.59
130	Cabarrus County	1,482	313,394	211.47	312,334.89	210.75	1,059.11
421	Roanoke Rapids City	241	50,873	211.09	50,873.00	211.09	0.00
292	Thomasville City	172	36,339	211.27	36,339.00	211.27	0.00
230	Cleveland County	749	158,330	211.39	158,326.61	211.38	3.39
980	Wilson County	1,252	264,757	211.47	264,747.75	211.46	9.25
170	Caswell County	342	72,322	211.47	72,320.31	211.46	1.69
400	Greene County	279	58,999	211.47	58,998.59	211.46	0.41
970	Wilkes County	874	184,822	211.47	184,820.71	211.47	1.29
690	Pamlico County	176	37,218	211.47	37,217.91	211.47	0.09
620	Montgomery County	399	84,375	211.47	84,375.00	211.47	0.00
90	Bladen County	540	114,192	211.47	114,192.00	211.47	0.00
821	Clinton City	240	50,752	211.47	50,752.00	211.47	0.00
680	Orange County	615	130,052	211.47	130,052.00	211.47	0.00
132	Kannapolis City	334	70,630	211.47	70,630.00	211.47	0.00
300	Davie County	411	86,913	211.47	86,913.00	211.47	0.00
630	Moore County	965	204,066	211.47	204,065.99	211.47	0.01
20	Alexander County	415	87,759	211.47	87,759.00	211.47	0.00
530	Lee County	738	156,063	211.47	156,063.00	211.47	0.00
490	Iredell County	1,388	293,517	211.47	293,517.00	211.47	0.00
190	Chatham County	558	117,999	211.47	117,999.00	211.47	0.00
440	Haywood County	605	127,938	211.47	127,938.00	211.47	0.00
50	Ashe County	376	79,512	211.47	79,512.00	211.47	0.00
30	Alleghany County	143	30,240	211.47	30,240.00	211.47	0.00
750	Polk County	181	38,276	211.47	38,276.00	211.47	0.00
422	Weldon City	130	27,499	211.53	27,499.00	211.53	0.00
800	Rowan County	1,842	416,523	226.13	413,131.55	224.28	3,391.45
450	Henderson County	1,065	242,713	227.90	242,657.91	227.85	55.09
880	Transylvania County	355	83,013	233.84	83,013.00	233.84	0.00
500	Jackson County	324	76,215	235.23	76,057.45	234.75	157.55
540	Lenoir County	1,171	281,828	240.67	278,927.92	238.20	2,900.08
40	Anson County	339	82,237	242.59	82,237.00	242.59	0.00
810	Rutherford County	934	229,115	245.31	229,115.00	245.31	0.00
80	Bertie County	417	103,182	247.44	103,182.00	247.44	0.00
420	Halifax County	730	181,454	248.57	181,453.79	248.57	0.21
270	Currituck County	255	64,545	253.12	64,544.78	253.12	0.22
390	Granville County	658	171,683	260.92	170,378.85	258.93	1,304.15
380	Graham County	118	30,670	259.92	30,670.00	259.92	0.00
231	Kings Mountain City	402	105,974	263.62	105,259.67	261.84	714.33
220	Clay County	103	31,458	305.42	31,446.06	305.30	11.94
	Total In-House	38,063	8,097,000	212.73	7,880,523.54	207.04	216,476.46
	% of Grand Total	35.11%	35.32%		36.79%		14.39%

DRIVER EDUCATION PROGRAM

Contract Driver Education

LEA #	LEA Name	FY 1996-97					
		9th Grade	Allotment		Actual Cost		#
		ADM	$	Allot/ADM	$	Actual/ADM	Reversions
291	Lexington City	280	44,245	158.02	28,274.28	100.98	15,970.72
181	Hickory City	401	61,798	154.11	43,233.33	107.81	18,564.67
410	Guilford County	5,236	907,243	173.27	600,710.11	114.73	306,532.89
140	Caldwell County	1,164	246,148	211.47	136,452.31	117.23	109,695.69
100	Brunswick County	874	184,822	211.47	114,958.20	131.53	69,863.80
241	Whiteville City	253	48,501	191.70	34,067.26	134.65	14,433.74
670	Onslow County	1,974	417,436	211.47	273,055.92	138.33	144,380.08
930	Warren County	318	67,247	211.47	44,963.14	141.39	22,283.86
150	Camden County	115	24,319	211.47	16,839.00	146.43	7,480.00
340	Forsyth County	3,876	819,647	211.47	568,741.11	146.73	250,905.89
520	Jones County	141	29,817	211.47	20,718.69	146.94	9,098.31
330	Edgecombe County	740	156,486	211.47	110,992.94	149.99	45,493.06
350	Franklin County	559	118,210	211.47	86,079.41	153.99	32,130.59
761	Asheboro City	355	60,071	169.21	55,835.80	157.28	4,235.20
160	Carteret County	771	163,041	211.47	121,624.41	157.75	41,416.59
491	Mooresville City	309	65,343	211.47	50,139.74	162.26	15,203.26
120	Burke County	1,189	251,435	211.47	197,506.53	166.11	53,928.47
995	Yancey County	242	51,175	211.47	42,119.02	174.05	9,055.98
640	Nash County	1,407	297,534	211.47	254,501.40	180.88	43,032.60
580	Martin County	454	96,006	211.47	85,895.30	189.20	10,110.70
960	Wayne County	1,639	346,595	211.47	320,013.18	195.25	26,581.82
710	Pender County	563	119,056	211.47	110,967.53	197.10	8,088.47
110	Buncombe County	2,309	463,278	200.64	458,240.48	198.46	5,037.52
460	Hertford County	458	96,852	211.47	92,145.30	201.19	4,706.70
180	Catawba County	1,500	317,200	211.47	308,647.91	205.77	8,552.09
990	Yadkin County	488	103,196	211.47	102,300.93	209.63	895.07
920	Wake County	7,498	1,585,582	211.47	1,577,618.25	210.41	7,963.75
681	Chapel Hill - Carrboro	781	165,156	211.47	164,916.44	211.16	239.56
700	Pasquotank County	632	133,647	211.47	133,586.15	211.37	60.85
910	Vance County	663	140,203	211.47	140,165.60	211.41	37.40
740	Pitt County	1,783	377,046	211.47	376,964.25	211.42	81.75
370	Gates County	200	42,293	211.47	42,286.06	211.43	6.94
280	Dare County	375	79,300	211.47	79,296.88	211.46	3.12
660	Northampton County	410	86,702	211.47	86,699.95	211.46	2.05
550	Lincoln County	932	197,087	211.47	197,085.63	211.47	1.37
770	Richmond County	658	139,145	211.47	139,145.00	211.47	0.00
780	Robeson County	2,236	472,841	211.47	472,839.62	211.47	1.38
790	Rockingham County	1,302	275,330	211.47	275,330.00	211.47	0.00
10	Alamance County	1,657	350,401	211.47	350,401.00	211.47	0.00
240	Columbus County	747	157,966	211.47	157,966.00	211.47	0.00
600	Mecklenburg County	8,121	1,717,326	211.47	1,717,326.00	211.47	0.00
830	Scotland County	691	146,124	211.47	146,124.00	211.47	0.00
70	Beaufort County	753	159,235	211.47	159,235.00	211.47	0.00
470	Hoke County	575	121,594	211.47	121,594.00	211.47	0.00
840	Stanly-Albemarle	857	181,228	211.47	181,228.00	211.47	0.00
570	Madison County	235	49,695	211.47	49,695.00	211.47	0.00
610	Mitchell County	237	50,118	211.47	50,118.00	211.47	0.00
260	Cumberland	4,170	908,481	217.86	907,439.79	217.61	1,041.21
900	Union County	1,702	380,072	223.31	380,072.00	223.31	0.00
590	McDowell County	515	118,130	229.38	118,129.92	229.38	0.08
720	Perquimans County	173	40,064	231.58	40,064.00	231.58	0.00
360	Gaston County	2,465	597,587	242.43	597,529.84	242.41	57.16
60	Avery County	210	52,178	248.47	52,052.00	247.87	126.00
760	Randolph County	1,323	329,771	249.26	329,771.00	249.26	0.00
232	Shelby City	262	65,502	250.01	65,502.00	250.01	0.00
950	Watagua County	482	121,927	252.96	121,700.90	252.49	226.10
480	Hyde County	82	28,679	349.74	28,679.00	349.74	0.00
	Total Contract	70,342	14,827,111	210.79	13,539,584.51	192.48	1,287,526.49
	% of Grand Total	64.89%	64.68%		63.21%		85.61%
	Grand Total In-House and Contract	108,405	22,924,111	211.47	21,420,108.05	197.59	1,504,002.95

III (C)
PG. 1-5

FUNDS APPROPRIATED BY THE GENERAL ASSEMBLY TO SUPPORT THE GLOBAL TRANSPARK

The Global TransPark project is run by three organizations: The Global TransPark Authority, which is an agency of the State; the Global TransPark Development Zone, which is governed by the Global TransPark Development Commission; and the Global TransPark Foundation, which is a private fundraising organization. State funds are not appropriated to the Foundation. Some of the funds appropriated to the Commission required a private match, as discussed below. State funds have also been appropriated to the several departments of State government to support the activities of the Global TransPark.

Highway Fund - Global TransPark Authority

The following appropriations have been made to the Global TransPark Authority from the Highway Fund:

	Operations	Services and Projects	Total
FY 1991-92	$ 785,000	$1,425,000	$ 2,610,000
FY 1992-93	1,355,250	5,100,000	6,455,250
FY 1993-94	750,000	----	750,000
FY 1994-95	750,000	2,870,000	3,620,000
FY 1995-96	750,000	----	750,000
FY 1996-97	750,000	----	750,000
FY 1997-98	750,000	----	750,000
FY 1998-99	750,000	----	750,000

Operating expenses of the Authority include the salaries of Authority staff, lease of office space, supplies, travel and utilities. Services and projects are payments to contractors for activities that are beyond the scope of staff responsibilities. In FY 1991-92, services and projects costs included financial, legal, engineering, and computer consulting fees, as well as the cost of a preliminary study for the master plan for the TransPark facility. In FY 1992-93, costs also included $4,000,000 for the final master plan and the first phase of the airport design. In FY 1994-95, services and projects costs included payments to a consultant for development of an environmental impact statement (EIS), joint planning with the Department of Defense, and an electronic data interchange system. If the Authority is reimbursed by the federal government for the EIS, then the Authority will reimburse the Highway Fund up to $1,800,000.

Escheat Fund - Global TransPark Authority

In 1991, the General Assembly authorized the State Treasurer to invest up to $25 million from the State's Escheat Fund in financial obligations issued by the Global TransPark Authority to finance land acquisitions. In August of 1993, the Escheat Fund lent $25 million to the authority. This loan did not involve the issuance of bonds by the Authority. The loan agreement required the Authority to deposit the $25,000,000 with the State Treasurer. The interest rate on the funds deposited by the by the Authority equals the interest rate on the loan. The loan matures September 1, 1999. The Authority had withdrawn $622,455 of these funds as of January 1997. Any funds that are withdrawn are to be repaid to the Escheat Fund. However, if the funds are not repaid, the General Assembly has indicated its intent to appropriate funds to cover the loss to the Escheat Fund.

General Fund - Capital Funds

In 1995, the General Assembly appropriated $285,000 in one-time capital funds from the General Fund to match a $4.852 million Federal grant for upgrading the runway at the Kinston Regional Jetport to allow training by military air crews. The Federal grant paid for runway and taxiway construction and for navigation aids. The State funds paid for engineering and design costs and for project management.

In 1996, the General Assembly appropriated $3,277,000 in one-time capital funds from the General Fund to match $3 million in Federal funds for a Education and Training center at the Global TransPark. In 1995, the General Assembly had authorized the use of up to $3,277,000 from potentially unneeded prison match funds for the Education and Training Center, but the prison match funds were not made available.

General Fund - Department of Agriculture and Consumer Services

In 1994, the General Assembly provided funding for a marketing specialist position at the Global TransPark Facility in Kinston. The funding was continued for the next two years by the 1995 General Assembly.

	Amount	Pos.
FY 1994-95	$166,214	1
FY 1995-96	166,214	1
FY 1996-97	166,214	1
FY 1997-98	166,214	1
FY 1998-99	166,214	1

General Fund - Department of Commerce

Prior to FY 1993-94, the Department of Commerce received a portion of the funds appropriated to the Global TransPark Authority to use for marketing the project. The 1993 General Assembly made an appropriation from the General Fund to continue 2 positions, promotional advertising and program support costs originally supported by the Highway Fund. In 1995, the General Assembly abolished one position and cut the program by $92,116. The funding allocation was cut further in 1996 and 1997.

	Amount	Pos.
FY 1993-94	$502,020	2
FY 1994-95	510,126	2
FY 1995-96	421,771	1
FY 1996-97	321,946	1
FY 1997-98	171,946	1
FY 1998-99	171,946	1

These funds are transferred to the Global TransPark Authority with the approval of the Office of State Budget Management.

General Fund -UNC Board of Governors

For FY 1994-95, the General Assembly appropriated $720,000 to the UNC Board of Governors to fund the production and marketing of crops at the Agricultural Export Market Center of the N.C State University Research Center (Cunningham Farm), located near the Global TransPark facility.

General Fund - Global TransPark Development Commission

In 1993, the Global TransPark Development Commission was appropriated $7.5 million from the General Fund. However, the $7.5 million was contingent upon a dollar for dollar match in either private funds raised by the Global TransPark Foundation or property made available by the Foundation. These are the only funds made available to the Zone that require a private match by the foundation. This match was made during the 1993-94 fiscal year and the funds were provided to the Commission.

In 1995, the General Assembly added the Global TransPark Development Commission to the 6 commissions previously authorized to receive regional economic development commission funding. The 7 regional commissions share over $4 million that is allocated on a formula basis. Funding to the Global TransPark Commision has been allocated as follows:

FY 1995-96	$359,242
FY 1996-97	391,884
FY 1997-98	345,924
FY 1998-99	345,924 est.

In 1995, the General Assembly also authorized up to $1,000,000 from potentially unneeded prison match funds to be used by the Department of Commerce for the Economic Development Information System (EDIS), some of which were to be used for development of EDIS within the 7 regional economic development commissions. However, no funds were made available

Highway Fund - Global TransPark Development Commission

In 1993, the General Assembly also authorized the Global TransPark Development Zone to implement a $5.00 vehicle registration tax. The tax became effective July 1, 1994 and expires in five years. In 1995, this General Assembly exempted trailers from this fee. The fee brings in annual revenues of approximately $3,000,000. These funds may be used to promote the development of the Global TransPark and to provide land, buildings, facilities, programs, information and data systems, and infrastructure requirements for business and industry in the Global TransPark. The funds can not be used within the Global TransPark complex, and was not allowed to be used as a match for the $7.5 million appropriated to the Zone in 1993.

GLOBAL TRANSPARK CHRONOLOGY

1991

January	Governor Martin identifies the development of an air cargo facility as a priority in his State of the State address.
February	Federal grant approved to allow a system plan and feasibility study to be produced.
July	General Assembly enacts legislation to create the Authority and provides initial funding. General Assembly also enacts provisions allowing the Escheat Fund to loan the Authority up to $25 million.
November	Authority Board holds its first meeting.

1992

February	Feasibility study completed.
	Request for site proposals issued.
May	Kinston Regional Jetport is selected as the site for the facility from among 11 proposals. Kimley-Horn selected as consultants to prepare the facility Master Plan.
July	Preliminary environmental, historical, and archaeological analysis of Kinston site completed.
September	Authority receives a Federal Aviation Administration (FAA) grant of $622,000 to help fund the Master Plan process.
October	Agreement concluded to allow the Authority to exercise the option for a no-cost transfer of the Kinston Regional Jetport to the Authority. Kinston and Lenoir County also agree to provide water and sewer to the facility at no cost. This option has not yet been exercised because the Authority does not wish to begin operation of the airport before industrial development begins.
November	Master Plan process begins with citizen meetings in the affected areas.

1993

January	Authority opens an office in Kinston.
May	Public hearing held to discuss three airfield plan options.
August	Airfield plan approved by the Authority Board.
September	State Treasurer's office approves loan of $25 million from the Escheat Fund to the Authority. Funds remain in a special Treasury account until used by the Authority to acquire land for the Transpark. Purchases are to be reimbursed by the FAA. Only $622,455 was used through February 1997.

1994

January	Master Plan completed and environmental assessment submitted to FAA for approval.
April	Mountain Air signs on as first tenant of the Global TransPark. As part of the tenancy agreement, the TransPark Foundation agrees to fund construction of a hangar for Mountain Air. The Foundation will hold the lease on the facility, which will be provided rent-free for 18 months.
June	FAA determines that an Environmental Impact Statement (EIS) will be needed in addition to the environmental assessment prepared as part of the Master Plan.

1995

February	Consultant begins EIS process.
May	Public hearing held on EIS.
June	Public hearing held on the TransPark's application for Foreign Trade Zone status.
August	Groundbreaking for Mountain Air hangar.
October	Joint industrial development agreement signed with the Subic Bay Metropolitan Authority in the Philippines.
	Congress appropriates $4.8 million to be spent by the Department of Defense to extend the existing runway at the Kinston Jetport from 7,500 feet to 8,600 feet.

1996

May	U.S. Department of Commerce approves a $3.0 million grant for construction of an education and training center at the TransPark to be matched by State funds.
	Foreign Trade Zone status for the TransPark approved by U.S. Department of Commerce.
July	Extension of the existing runway at the Kinston Jetport and construction of Mountain Air hangar completed.
August	Mountain Air begins operations in its new hangar facility.

1997

February	Draft EIS on the TransPark development plan is released for public comment.
July	Final EIS released.
September	FAA issues Record of Decision (ROD) approving the final EIS. The ROD allows the TransPark go forward with development of the Kinston site and to seek FAA reimbursement for the cost of development.

III (2)

NORTH CAROLINA GLOBAL TRANSPARK AUTHORITY ANNUAL BUDGET FISCAL YEAR 1997-1998

Program	Account Number	FY 97-98 Certified	FY 97-98 Authorized
OPERATIONS	100		
Salaries and wages	2180	382,532	382,532
Temporary labor	2190	3,000	3,000
Payroll additives	2200	109,323	109,323
Subsistence - Board members	2300	500	500
Per diem – Board members	2310	500	500
Travel exp. - employee on loan	2340	500	500
Board members expense	2350	500	500
Employee in state subsistence	2360	1,000	1,000
Employee in state transportation	2370	3,000	3,000
Employee out state subsistence	2380	3,000	3,000
Employee out state transportation	2390	7,600	7,600
Employee other travel expense	2400	200	200
State aircraft	2500	1,000	1,000
Cellular telephone	3218	6,000	6,000
Telephone and telegraph	3220	16,000	16,000
Postage	3230	6,000	6,000
Rent of Land and Structure	3300	58,153	58,153
Water, heat and power	3360	6,000	6,000
Repair/service to equipment	3420	4,500	4,500
Repair/service to DP equipment	3470	5,000	5,000
Insurance and bond premium	3510	2,500	2,500
Advertising, dues and subscriptions	3520	5,000	5,000
Advertising and Promotions	3700	1,000	1,000
Office supplies	4100	8,000	8,000
Printing and binding	4110	8,400	8,400
Software data processing	4130	1,000	1,000
Data processing equipment	5100	4,000	4,000
Office furniture and equipment	5110	3,500	3,500
Communications equipment	5180	500	500
Buildings	5801	0	0
Payments to contractors			
Aviation cons/federal programs	3531	24,000	24,000
Project development/research	3532	38,992	56,408
Legal and accounting	3533	26,800	26,800
Computer expenses/service	3535	2,000	2,000
Other agencies	3536	10,000	10,000
Total Operations		750,000	767,416

(over)

PROJECT EXPENSES*			
Environmental Studies	200	0	80,000
Marketing	600	172,036	321,551
Education and Training Center	700	3,000,000	5,799,521
Military Construction Project	800	16,987	16,987
Real Property Related Costs	900	2,200,000	2,200,000
Receipted Projects	1000	77,476	77,476
Total Project Expenses		5,466,499	8,495,535

* A project will be set up for the runway design upon receipt of federal funding.

III (e)

GASOLINE AND OIL INSPECTION PROGRAM
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

- Funding source--Inspection tax of 1/4 cent per gallon on all kerosene and motor fuels. (G. S. 119-18).

- The inspection tax, formerly called an inspection fee, has been collected since 1903. In 1917 the inspection fee was reduced from 1/2 to 1/4 cent per gallon. Prior to 1963 moneys not used by the Gasoline and Oil Inspection Program were turned over to the General Fund. In 1963 the law was changed to divert the balance to the Highway Fund.

- Until recent years the inspection tax was used to fund the operations of the Gasoline and Oil Inspection Program and the Motor Fuels Tax Division (Department of Revenue), with the balance going to the Highway Fund.

- In 1993 G. S. 119-18 was amended directing the proceeds of the inspection tax to the operations of the Gasoline and Oil Inspection Program and the Motor Fuels Tax Division, with the balance to the Commercial and Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund.

- The inspection tax is collected by the Secretary of Revenue along with the per gallon excise tax on motor fuels. The inspection tax on kerosene is collected separately.

- Inspection tax proceeds flow through the Highway Fund for accounting purposes.

- For 1996-97, the inspection tax amounted to $12,964,396.

  - $11,676,667 earmarked for the Gasoline and Oil Program, Motor Fuels Tax Division, and the tank cleanup funds.

  - $1, 287,729 to the General Fund from kerosene sales and certain refunds on highway fuels. (The inspection tax is not refunded.)

- The Gasoline and Oil Inspection Program budget for 1996-97 was $3,403,865.

- The Gasoline and Oil Inspection Program is responsible for enforcing the Gasoline and Oil Inspection Law and the LP-Gas Inspection Law.

- Principle responsibilities include:

  - Sampling and inspecting the quality of motor fuels sold at 8831 retail outlets.

  - Inspecting the accuracy of 80,500 retail dispensers at petroleum outlets.

- Testing lube oils sold through approximately 2200 quick lube outlets and other places which dispense lube oils from bulk.

- Random inspection of lube oils sold in containers.

- Maintaining a laboratory and testing equipment for the testing of petroleum products.

- Inspecting the accuracy of 5,528 meters used on trucks delivering fuels in less than semi-trailer loads (home heating, small service stations, farmers, commercial accounts, etc.)

- Inspecting the accuracy of 660 meters at wholesale petroleum distribution terminals.

- Assisting the Motor Fuels Tax Division in the collection of motor fuel taxes by participating in tax evasion investigations and the testing of suspected nontaxed fuels being used in highway vehicles, such as dyed diesel fuel.

- Maintaining a record of retail petroleum dispenser throughput for the Motor Fuels Tax Division.

- Conducting Stage I vapor return inspections and inspections of underground petroleum tank leak detection systems at all retail outlets for the Department of Environment and Health.

- Registering 1300 LP-Gas dealers.

- Inspecting all bulk LP-Gas storage facilities.

- Conducting representative inspections of installations placed by LP-Gas dealers.

- Calibrating and certifying the accuracy of volume test measures used by petroleum service companies.

- Responding to consumer complaints about the quality of petroleum products, the accuracy of dispensers and meters, and issues involving LP-Gas.

- Responding to requests for special assistance and specific tests from private companies; federal agencies like the FAA, FBI, and military bases; state agencies like the SBI and DOT; and local governments including schools, building inspectors, and fire marshals.

III (f)
P9, 1-3

MOTOR FUELS TAX DIVISION

DEPARTMENT OF REVENUE

- We collect the per gallon Motor Fuels, Motor Carrier Highway Fuel Use (IFTA) and the inspection tax.

- The per gallon inspection tax applies to motor fuels and kerosene.

- The relevant statutes are Subchapter V of the Revenue Act and Article 3 of the Gasoline and Oil Inspection Laws.

- Our collections for fiscal year 1996-97 are as follows:

Gross Motor Fuels Collections	$1,047,421,152
less Refunds	50,047,065
Net Motor Fuels Excise Tax Collections	$ 997,374,087

- Our inspection tax collections are as follows:

Inspection tax for Motor Fuels Tax Division (Department of Revenue), Gasoline and Oil Inspection Program and Commercial and Noncommercial Leaking Petroleum Underground Storage Tank Cleanup funds. (Department of Agriculture and Consumer Standards)	$11,676,667
Inspection tax for the General Fund (amount for kerosene and for motor fuels that were refunded for off highway purposes)	1,287,729
Total Inspection Tax Collections	$12,964,396

- We are funded from the inspection tax collections, the Highway Trust Fund and grants from the Federal Highway Administration.

- A summary of our authorized budget for fiscal year 1996-97 is as follows:

Inspection Tax	$2,519,455	
Highway Trust Fund	409,356	
Total from state sources		$2,928,811
Federal Highway Administration (FHwA) Fuel Tax Compliance Grant	$ 100,000	
FHwA International Fuel Tax Agreement (IFTA) Grant	36,436	
FHwA One Time Grant to assist in the implementation of Electronic Data Interchange (EDI). None expended in fiscal year 1996-97	20,000	
Total Federal (FHwA) Grants		$ 156,436
Total budget amount for Motor Fuels Tax Division fiscal year 1996-97		$3,085,247

- Principle responsibilities include:

  - Processing motor fuels and inspection tax returns. The bulk of the tax is collected from the major oil companies since the enactment of "Tax at the Rack", effective January 1, 1996. Other taxpayers are required to file informational and reconciliation returns.

  - We are a member of the International Fuel Tax Agreement (IFTA). IFTA is an interstate compact between the 48 contiguous states and 10 Canadian jurisdictions. We collect the tax for North Carolina and the other 57 jurisdictions from truckers based in North Carolina. The other jurisdictions, in turn, collect taxes due North Carolina and other member jurisdictions from its carrier base. Participation in the IFTA was mandated by the 1991 Congressional Intermodal Surface Transportation Efficiency Act (ISTEA), commonly referred to by the acronym Ice Tea.

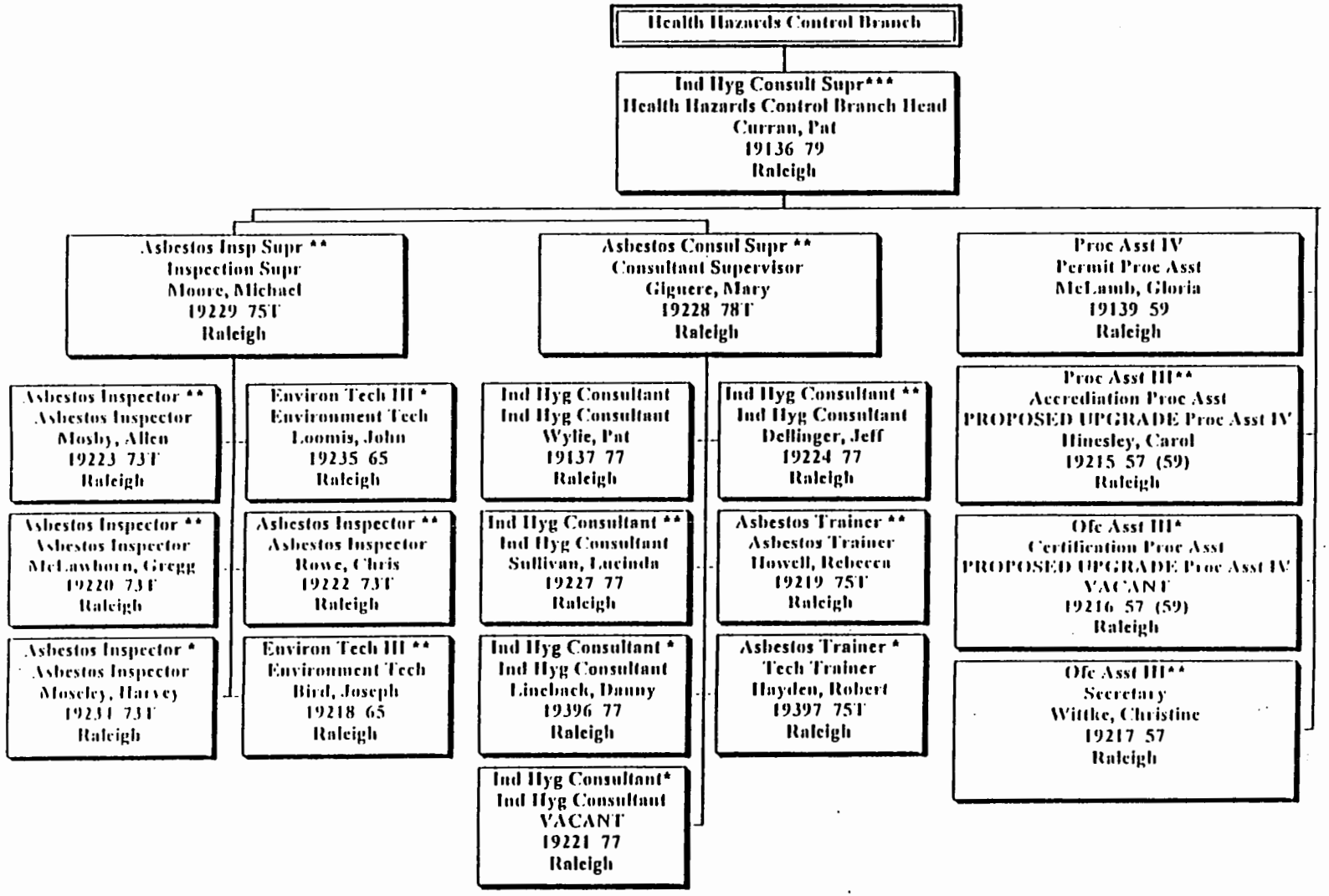
  - We are required to administer and collect the aforementioned taxes which includes processing, billing additional taxes, and auditing.

  - The movement of tax to the terminal rack, requiring untaxed diesel fuel to be dyed and the entry into the International Fuel Tax Agreement have improved tax compliance over the past several years.

- Our three largest compliance problems are the use of untaxed dyed diesel fuel in licensed motor vehicles, the "bootlegging" of fuel purchased in border states with a lower tax rate and selling that fuel in unfair competition with legitimate dealers and the operation of carriers through North Carolina that do not properly report those miles.

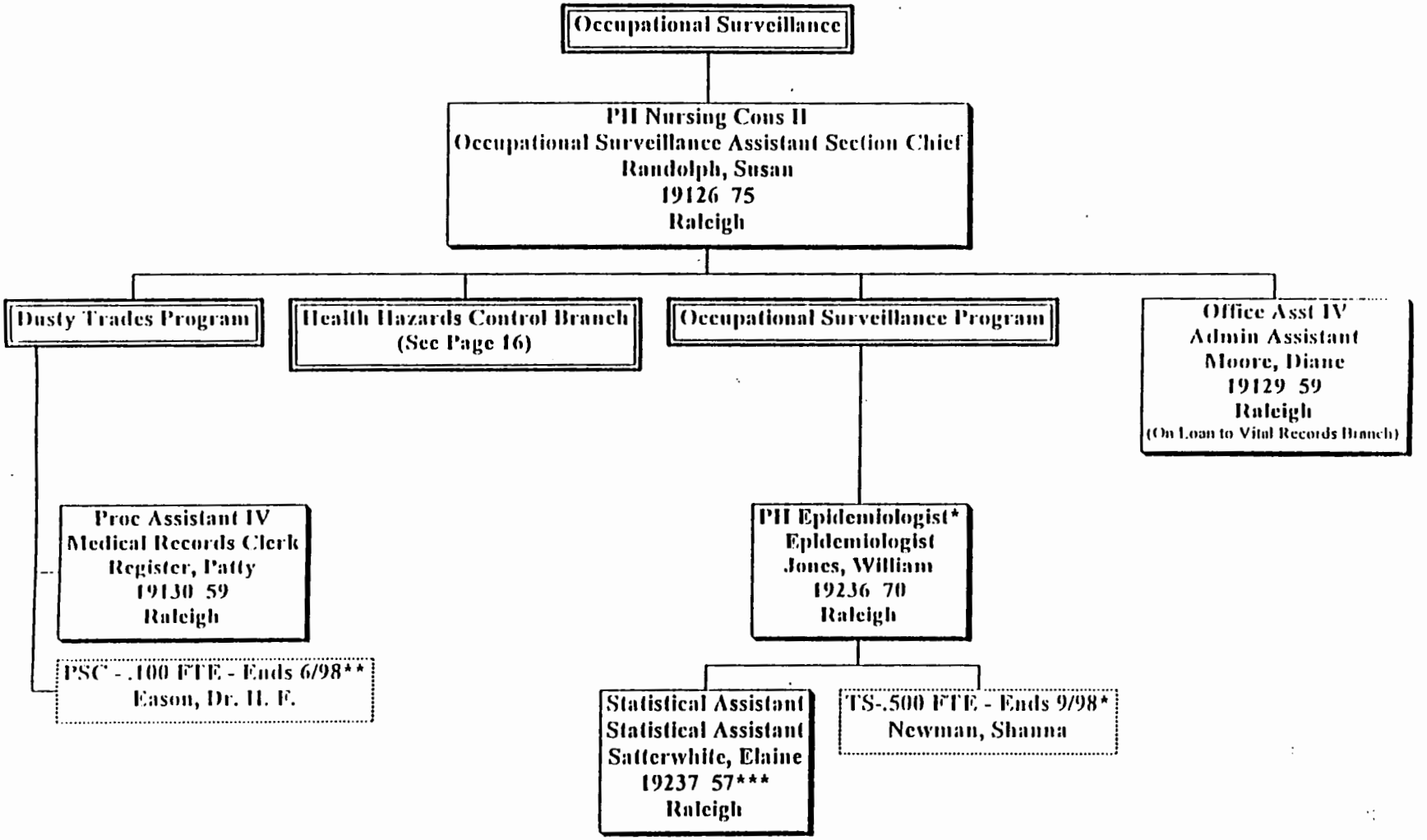
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III (9)



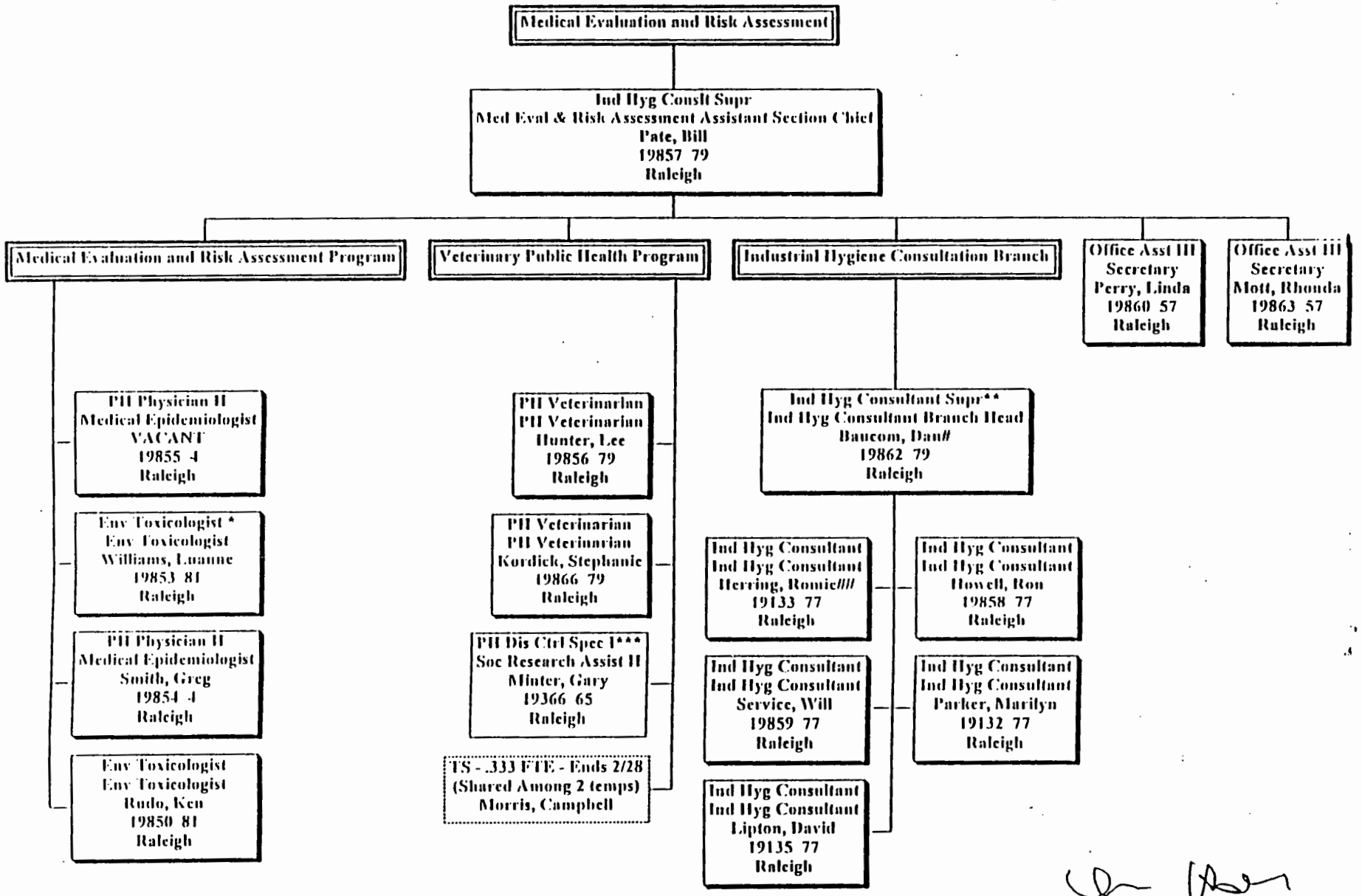
* Paid from Federal Funds
** Paid from Receipts
**** Split-Funded (State/Receipts)

Division Director



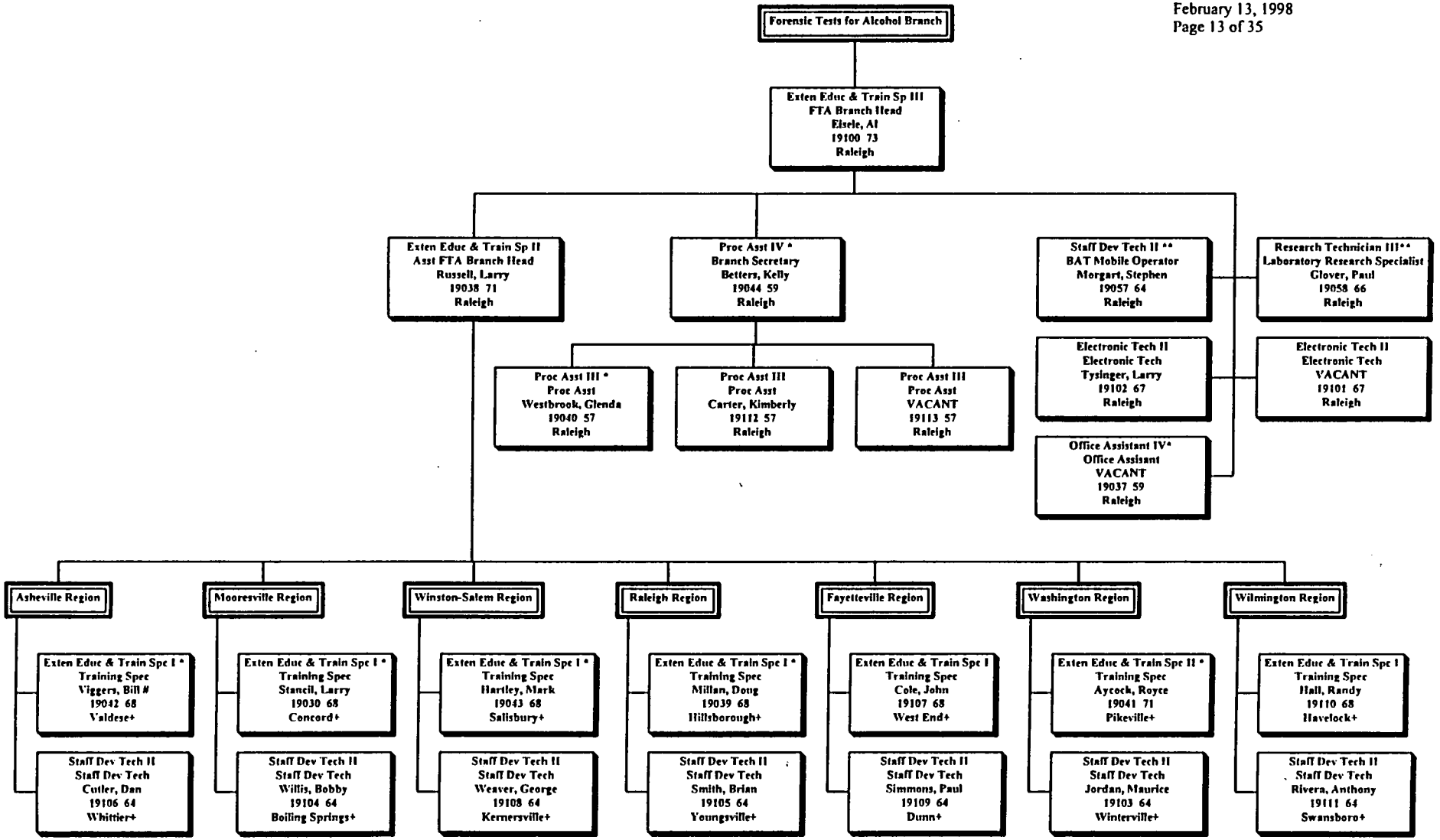
Division Director

* Paid from Federal Funds
** Paid from Receipts
*** Permanent Part-Time (75%)
PSC Personal Service Contract
TS Temporary Solutions Employee



Division Director

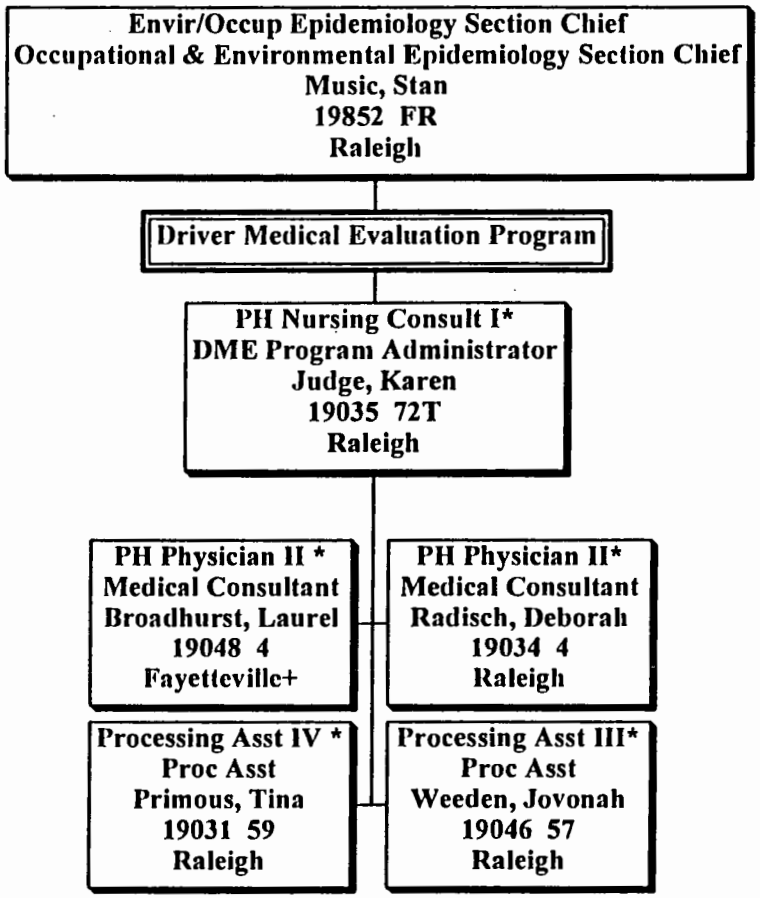
* Split-funded position (State/Federal)
** Split-funded (State/Receipts)
*** Paid from Federal Funds
\# Emp Work Against Occup Hlth Dir SG80
\## Emp Work Against Ind Hyg Consult Supr SG 79



* Paid from Highway Funds
** Paid from Receipts (GHSP)
\# Emp Work Against EE&TS II, SG71
\+ Home-Based

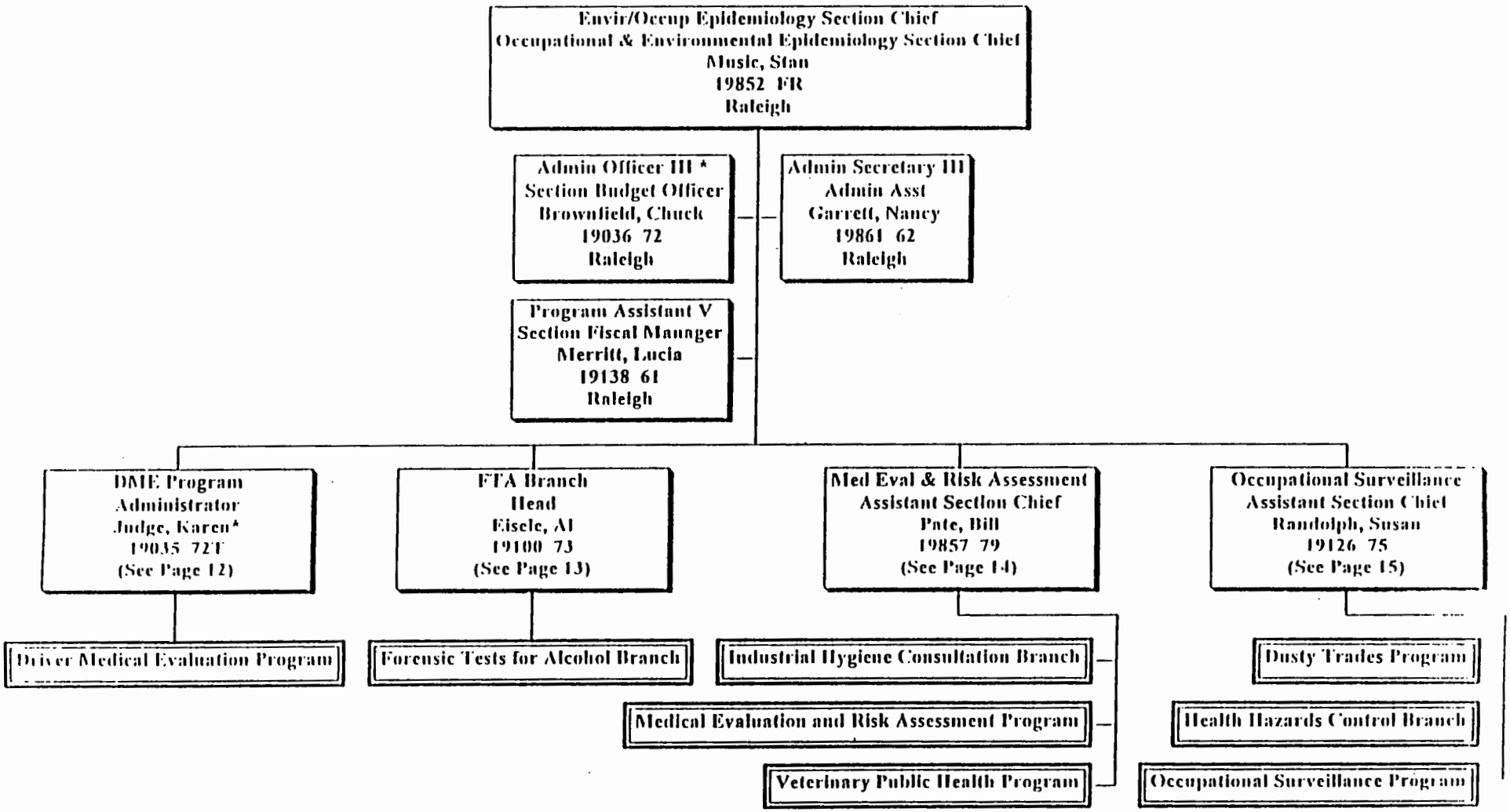
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Division Director



* Paid from Highway Funds (DMV)
\+ Home-Based

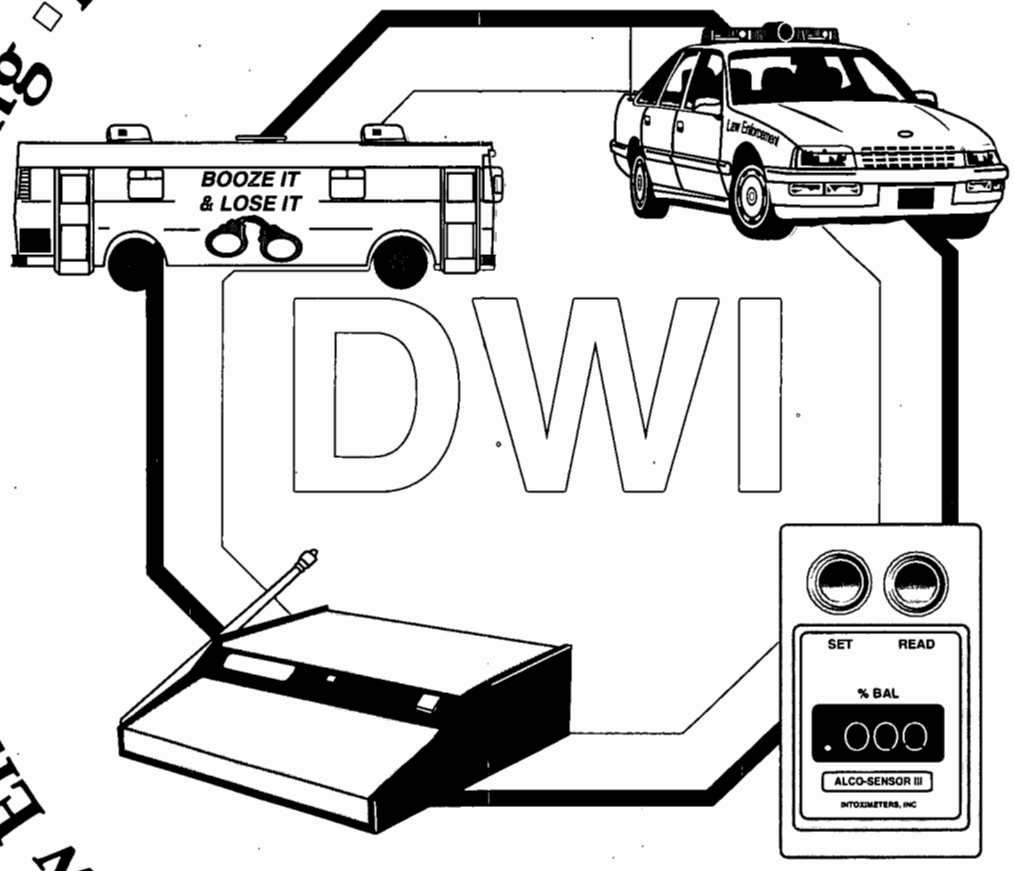
Division Director



Division Director

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Law Enforcement Training ▫ Electronic Support ▫ Public Awareness ▫ Scientific Research



North Carolina

Forensic Tests for Alcohol

Raleigh, N.C.

Forensic Tests for Alcohol Branch
Occupational and Environmental Epidemiology Section
Division of Epidemiology
Department of Health and Human Services

- Operate and maintain a statewide DWI Breath Alcohol Testing Program
- Purchase DWI Breath Alcohol Testing Instruments and all other equipment
- Provide training and certification to law enforcement officers on Breath Alcohol Testing Instrument
- Provide all necessary breath testing equipment and supplies to law enforcement agencies
- Provide Alcohol Screening Test Device Training
- Purchase and maintain Alcohol Screening Test Devices
- Operate and maintain the Breath Alcohol Testing (BAT) Mobile Unit Program
- Scientific Research Analyst Program

Prepared by: Al E. Eisele Jr., Head, Forensic Tests for Alcohol Branch

If further information is needed, please contact me at 733-3225

FORENSIC TESTS FOR ALCOHOL BRANCH
OCCUPATIONAL AND ENVIRONMENTAL EPIDEMIOLOGY SECTION
DIVISION OF EPIDEMIOLOGY
DEPARTMENT OF HEALTH AND HUMAN SERVICES

February 17, 1998

The Forensic Tests for Alcohol Branch seeks to reduce the incidence of Driving While Impaired (DWI) by providing an effective training program to determine alcohol concentration in drivers charged with Implied Consent Offenses. As mandated by General Statute 20-139.1 and the current rules and regulations of the North Carolina Commission for Health Services, the Forensic Tests for Alcohol Branch provides training and certification to local, county and state law enforcement personnel on the statewide Intoxilyzer 5000 breath alcohol testing instrument. The Intoxilyzer 5000 is an approved evidential instrument utilized by law enforcement in determining the alcohol concentration in drivers charged with DWI's. Approximately 75,000 to 80,000 individuals are arrested in North Carolina for DWI's per year.

Law Enforcement Personnel Certified on Intoxilyzer 5000

- 5,000 Law Enforcement Personnel
- Conduct over 250 Intoxilyzer Schools Per Year
- Initial Intoxilyzer Certification (35hrs)
- Intoxilyzer Recertification (7hrs) every 2 years

Intoxilyzer 5000 Instruments

- The Forensic Tests for Alcohol Branch is responsible for the purchase and placement of the Intoxilyzers.
- 252 Intoxilyzers located in 162 law enforcement facilities throughout the State

Intoxilyzer Preventive Maintenance Requirements

- Rules and Regulations, Commission for Health Services requires the Forensic Tests for Alcohol Branch to perform Preventive Maintenance on every Intoxilyzer at least every four (4) months to ensure reliability and credibility

Intoxilyzer 5000 Service and Repair

- Service and repairs to all Intoxilyzers are performed by the Forensic Tests for Alcohol Branch Electronic Technicians

Expert Testimony/DWI Cases

- The Forensic Tests for Alcohol Branch represents the State as an expert in prosecuting DWI cases.

Alcohol Screening Test Device

The Forensic Tests for Alcohol Branch in September 1997 implemented a much needed training course for Alcohol Screening Test Devices. Alcohol Screening Tests Devices are utilized by law enforcement personnel during the arrest process of investigating suspected drivers of DWI's.

Law Enforcement Personnel Trained On Screening Test Device

- 482 law enforcement personnel
- Conducted over 30 Alcohol Screening Test Device Courses
- Alcohol Screening Test Device Training (8hrs)

Alcohol Screening Test Devices

- Approximately 2,500 Alcohol Screening Test Devices utilized by law enforcement personnel across the State
- Forensic Tests for Alcohol Branch purchased 350 devices to distribute to local law enforcement agencies

Alcohol Screening Test Device Service And Repair

- Forensic Tests for Alcohol Branch, Electronic Laboratory services and repairs all Alcohol Screening Test Device for law enforcement at **no** cost

Breath Alcohol Testing Mobile Unit

The Forensic Tests for Alcohol Branch in the past twelve months has operated and maintained one of the state's most visible and effective Driving While Impaired programs, "The Breath Alcohol Testing (BAT) Mobile Unit". The BAT Mobile Unit is a mobile DWI processing station contained in a 32-foot bus designed and equipped with:

- Two (2) Intoxilyzer workstations
- Officer workstations
- Cellular phones
- Computer
- Lavatory
- DWI Checkpoint signs
- Traffic vest
- Traffic cones
- All other necessary equipment and supplies for processing the DWI driver

The vehicle is scheduled by local law enforcement agencies across the State for DWI Checkpoints, festivals, motor speedways, concerts and other events that bring large crowds of people together, particularly if the events are in rural areas and where alcohol is being consumed. As research has demonstrated, the perceived threat of detection is one of the strongest deterrents to DWI driving.

BAT Mobile Unit Assisting Law Enforcement Agencies

- Utilized in over 50 DWI Checkpoints
- 387 DWI arrest
- 2,600 other traffic and criminal violations

The BAT Mobile Unit significantly reduces the number of local man-hours spent by law enforcement officers in processing drivers. Since the processing is completed on site, without having to transport DWI drivers to the nearest testing facility, the productivity of local law enforcement agencies has increased.

BAT Mobile Unit Educating The Public

The BAT Mobile Unit is a 32-foot mobile billboard promoting the State's **"Booze It & Lose It"** campaign against DWI. The BAT Mobile Unit is also used to educate the public through community highway safety events to discuss the dangers of DWI and to heighten their awareness about the drinking driver. The BAT Mobile Unit has been utilized by:

- Governor's Office during "Don't Drink & Drive" campaigns
- Governor's Highway Safety Program for "Booze It & Lose It" campaigns
- NC MADD during "Drunk & Drug" highway safety events

In recent months the BAT Mobile Unit has been featured in the New York Times, Associated Press, News and Observer and several local newspapers across the State. North Carolina has received several State awards and has been nationally recognized as a model program for other States in DWI enforcement. The BAT Mobile Unit has become a very visible symbol of this State's commitment to remove the drunk driver from NC highways.

Scientific Research Analyst Program

The Forensic Tests for Alcohol Branch implemented the Scientific Research Analyst Program in December 1997 through the Governor's Highway Safety Program grant. This program provides scientific expertise and in-the-field guidance to the Forensic Tests for Alcohol Branch. The position will also support the State prosecution in testifying as an "expert witness" in DWI court proceedings.

With ever changing technologies, heighten curiosity and awareness, and escalating courtroom challenges, it stands to reason that there will always be a lot to learn and apply. The Forensic Tests for Alcohol Branch is the focal point of alcohol analysis in North Carolina and with new erudition constantly presenting themselves it is imperative that the program and the staff be as well educated and knowledgeable as possible. This program brings scientific expertise through analytical experiments, scientific experiences, scientific information gathered, and expertise in the prosecution of the DWI driver.

- Conduct scientific research on alcohol related issues
- Provide scientific expertise in DWI prosecutions
- Provide a resource for information relating to chemical analysis, impairment, etc.
- Investigate and prepare response to specific scientific challenges to breath/blood alcohol testing
- Provide a statewide library/database for information relating to alcohol and other drugs for law enforcement agencies, courts and legislators

III (i)

DRIVER MEDICAL EVALUATION BRANCH
OCCUPATIONAL AND ENVIRONMENTAL EPIDEMIOLOGY SECTION
DIVISION OF EPIDEMIOLOGY
DEPARTMENT OF HEALTH AND HUMAN SERVICES

I. **Statutory Authority -** Article 2 of The Uniform Driver's License Act
   A. G.S. 20-7 (e)
   B. G.S. 20-9 (e)
      G.S. 20-9 (g) (1-4)
   C. G.S. 20-29.1

II. **Why do we have a Driver Medical Evaluation program in NC?**

III. **How does the program work?**

IV. **The NC Driver Medical Evaluation Brochure**

Prepared by: Karen Judge R.N.
Public Health Nursing Consultant
Driver Medical Evaluation Branch

If you have any questions or would like further information, please feel free to contact me at (919) 715-6451 or by e-mail at Karen_Judge@Mail.ehnr.state.NC.US

COMMISSION TO STUDY THE DRIVERS LICENSE MEDICAL EVALUATION PROGRAM

REPORT TO THE

1997 GENERAL ASSEMBLY

OF NORTH CAROLINA

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PREFACE

The Commission to Study the Drivers License Medical Evaluation Program was created by Section 18.17 of Chapter 324 of the Session Laws of 1995. The enabling legislation provided that the independent commission of the General Assembly should study the program operated pursuant to G.S. 20-9 for the purposes of determining:

> "(1) Whether the program should be modified or abolished;
>
> (2) Whether the program should be transferred entirely to the Division of Motor Vehicles rather than involving reviews by the Commission for Health Services;
>
> (3) How applicants for drivers licenses should be removed from the program when their conditions improve; and
>
> (4) Whether or not the program addresses the special needs and abilities of senior citizens."

This statutory language arose from discussions held during the appropriations process in the Senate Transportation Appropriations Subcommittee, chaired by Senator Hoyle and in the House Transportation Appropriations Subcommittee chaired by Representatives Barbee and Bowie. These discussions focused on constituent inquiries about the operations of the Medical Evaluation Program.

The Commission members were appointed by the President Pro-Tempore of the Senate, Senator Basnight and by the Speaker of the House of Representatives, Representative Brubaker with Senator C.R. Edwards and Representative William S. Hiatt appointed as Co-Chairmen.

COMMITTEE PROCEEDINGS

The Commission met four times in the legislative complex in Raleigh; on January 3, 1996, February 1, 1996, March 13, 1996, April 2, 1996 prior to the 1996 Session of the General Assembly. The Commission submitted, through the Co-Chairmen, a bill to be considered by the 1996 Session of the General Assembly.

The Commission met twice, on November 12, 1996 and December 10, 1996 and authorized this final report to be submitted to the 1997 Session of the General Assembly with the findings and recommendations it contains.

The following review of Committee Proceedings is intended to highlight, amplify, and enhance the minutes of the meetings which are on file in the Legislative Libraries, and not to replace them.

JANUARY 3, 1996

At the first Commission meeting, on January 3, 1996, the Commission began its inquiries into the Medical Evaluation Program under the Division of Motor Vehicles with the technical assistance of medical personnel from the Department of Environment, Health and Natural Resources.

Wayne Hurder the Director of the Division of Motor Vehicles' Drivers License Section and Dr. Michael Moser, Director of the Division of Epidemiology of the Department of Environment, Health and Natural Resources provided an overview of the Medical Evaluation Program (MEP).

STATUTORY AUTHORITY

The statutory authority for the MEP is found in the following General Statute Sections which state:

> If an applicant shall suffer from any physical defect or disease which affects his or her operation of a motor vehicle, the Division may require to be filed with it a certificate of such applicant's condition signed by some medical authority of the applicant's community designated by the Division. (G.S. 20-7(e))

. . . . . .

The Division may issue a license to any person who is afflicted with or suffering from a physical or mental disability set out in subsection (e) of this section who is otherwise qualified to obtain a license, provided such person submits to the Division a certificate in the form prescribed in subdivision (2). Until a license issued under this subdivision expires or is revoked, the license continues in force as long as the licensee presents to the Division one year form the date of issuance of such license at yearly intervals thereafter a certificate in the form prescribed in subdivision (2), provided the Commissioner may require the submission of such certificate at six-month intervals where in his opinion public safety demands. (G.S. 20-9(g)(1)

. . . . . .

The Commissioner of Motor Vehicles, having good and sufficient cause to believe that a licensed operator is incompetent or otherwise not qualified to be licensed, may, upon written notice of at least five days to such licensee, require him to submit to a reexamination to determine his competency to operate a motor vehicle. (G.S. 20-29.1)

SCOPE OF THE PROBLEM

In North Carolina there have traditionally been three categories of persons who have be entered into the MEP. The first have been those drivers charged with Impaired Driving offenses. With the implementation of the Safe Roads Act in 1983 and its amendments, there is now an alternative method for dealing with persons charged with Impaired Driving offenses. Those persons are required by the courts to undergo alcohol assessments as part of the criminal justice process and their drivers licenses are either revoked or limited through court action. Prior to the passage of the Safe Roads Act, all drunken drivers were entered into the MEP, whether or not they had a chronic alcoholism problem or some other medical problem which could affect their driving abilities, and while there may still be some persons in the system as a result of drunken driving offenses, they are being screened so that those who were

entered into the program because of an offense, but who do not have some underlying medical problem, will be removed at their next case review.

The second group of drivers who are in the MEP are persons who have been declared incompetent by the courts of North Carolina after a judicial proceeding.

The third group of persons are those with diagnosed medical problems which impair their driving abilities. These persons may be suffering from chronic diseases which subject them to certain symptoms, such as cognitive impairments, physical weaknesses or impairments, or blackouts, which could adversely affect their driving and make them a public safety risk. By far the largest number of persons in this group, and a number that will increase substantially in the future, are the senior citizens of North Carolina.

IDENTIFICATION FOR ENTRY INTO THE MEP

There are four methods by which a driver can be identified for entry into the MEP.

1. DRIVER LICENSE EXAMINER: When an applicant visits a drivers license office, the driver license examiner may notice something about the individual's physical or emotional condition that causes the examiner to believe that a medical evaluation is indicated. The applicant may answer questions on the application that would trigger a referral. The applicant's responses to questions concerning seizure activity in the past three years, blackouts, diabetes, cardiovascular problems, and other symptoms are likely to initiate issuance of a medical report form by the examiner. The applicant is then given a form to complete.

2. LAW ENFORCEMENT: As a result of an accident, traffic event, or an observation, a law enforcement officer may recommend to the Driver License Section that a driver be asked to submit to a medical evaluation.

3. WRITTEN NOTIFICATION BY OTHER PARTIES: A physician, a family member, or a concerned citizen may notify the Medical Review Branch that a person may be having some difficulty which should require evaluation of the person's medical condition. The notification must be signed and contain a return address so that the Medical Review Branch can determine that the notification is not spurious or malicious. Upon receipt of a legitimate notification, the driver's license file is sent to a drivers license examiner and a road test is scheduled with the driver to determine whether further medical evaluation is warranted. Unlike some states, North Carolina does not provide protection to the physician from liability for reporting a patient that the physician thinks is a driving hazard.

4. COURT ORDERED COMMITTAL: A court-ordered committal for substance abuse or an emotional problem automatically results in action by the Medical Review Branch. The individual's file is sent to a driver license examiner and a road test is scheduled to determine if further medical evaluation is warranted.

EVALUATIONS

The following steps constitute how a person is evaluated for entry into and continuation in the MEP.

STEP 1. The licensee or applicant is given a Medical Review Form to be completed by a licensed physician. The cost to the driver of getting a medical professional to complete can vary from between $50 and $150. The cost is borne by the driver.

STEP 2. The completed medical form is forwarded by the driver to the Medical Review Branch, which records its receipt. The Medical Review Branch forwards a copy of the form (along with any previous medical data on file) to the Medical Advisor in the Driver Medical Evaluation (DME) Program in the Injury Control Section, Division of Epidemiology, Department of Environment, Health and Natural Resources. Since 1968 the Division has used the services of this state agency to provide medical advice to the Commissioner pursuant to G.S. 20-2 and G.S. 20-9.

STEP 3. The Medical Advisor staff reviews the forms and distributes the cases to an appropriate reviewer. The reviewer can be the Medical Advisor herself, a physician extender on the DME staff, or a physician on contract to DME.

STEP 4. The appropriate reviewer determines whether the data received is adequate to proved an accurate recommendation to the Division of Motor Vehicles. If the data is deemed inadequate, DME contacts the driver, in writing, and requests him to submit the additional information. This could result in the driver making another trip to the physician and incurring additional costs. The Medical Advisor may also request that an drivers license examiner conduct a road test to determine the drivers abilities. If the driver does not provide the requested follow-up information, drivers license can be canceled or, in the case of an applicant for a new license, the application will be denied.

STEP 5. With adequate information in hand, the reviewer completes the evaluation and makes a recommendation to DMV. That recommendation may be Approval with no conditions or restrictions; Approval with conditions or restrictions; or Denial.

There are eight basic types or driving restrictions that the reviewer may recommend;

1. Daylight driving only.
2. No driving on interstate highways.
3. Speed restrictions.
4. Distance restrictions.
5. Destination restrictions.
6. Class of vehicle restrictions.
7. Vehicle modification restrictions (e.g. hand controls).
8. Medical appliance restrictions (e.g. eyeglasses, prostheses).

The drivers file is then returned to the Medical Review Branch.

STEP 6. Once the DME recommendation is returned to the Medical Review Branch, the file is reviewed by the Branch manager to determine if the recommendation is consistent with previous actions or recommendations made in similar cases.

STEP 7. The driver is notified of the action. In cases of approvals and approvals with conditions or restrictions, the driver may be required to have follow-up medical evaluations done on a predetermined schedule. This is particularly true when the physical condition is not stable (e.g. deteriorating vision). The drivers license may be canceled or the application may be denied but in the case of certain medical problems (e.g. seizures), the person may be told that they can be reevaluated at a certain future time if they are asymptomatic.

APPEALING A DECISION

Any action taken by the Medical Review Branch may be appealed. Either a denial or an approval with conditions/restrictions may be appealed. The appeal is taken before the Medical Review Board. This board consists of two persons licensed to practice medicine in North Carolina, one of whom must be a specialist in the area of the disability, and a designee of the Division of Motor Vehicles (a Medical Review Branch hearing officer).

The Medical Review Board hearings are currently held in Raleigh and Newton on a regular basis with additional hearings in Elizabethtown and Newton when the number of cases justifies it.

An appellant who does not accept the ruling of the Medical Review Board may appeal the decision to the Superior Court.

REMOVAL FROM THE PROGRAM

Once a person is placed in the MEP, that person is periodically reevaluated. The length of time between reevaluations depends on the physical or emotional problem that triggered the placement on the program. There are three circumstances that automatically trigger a review that can result in removal from the program.

1. During a periodic review, if a physician (or eye specialist) recommends removal from the program, that recommendation is carefully considered by the Medical Advisor (or designee) for removal from the program. Typical examples are:

- Vision problems that have corrected by surgery (e.g. cataract surgery).
- Seizure related problems, where the driver or applicant has been seizure free for four to five years.
- Diabetes, particularly where the problem is controllable through diet.

2. A customer may request strongly that we review their file for removal, and if the customer has a legitimate rationale that is corroborated strongly by the physician's statement, the Medical Review Branch Manager will review the file and make a recommendation for further processing.

3. In cases where a person was placed on the program because of Impaired Driving offenses, if the person shows that he has been alcohol-free for four years and there are no secondary problems related to alcohol, the person may be removed. If the driver is suspended for an Impaired Driving offense and is eligible for a hearing, and there is no evidence of a secondary disability, the individual is removed from the Medical Review Program in order for the Impaired Driving restoration hearing to be held. If the hearing officer clears the driver but feels further medical follow-up is necessary, the individual could be placed in the MEP again. This type of case is extremely rare, with only one being processed in the first year of the program's operation.

SPECIAL PROBLEMS OF THE SENIOR DRIVER

Safe driving involves the integration of complex motor, visual, and cognitive activities. A single traffic movement results from many decisions and reactions to myriad visual (and often auditory) stimuli.

In the United States, more than 13% of drivers are over age 65. In North Carolina, more than 12% of the current driver population is over 65 years of age and it is anticipated that by the year 2030, more than 21% of the drivers will be over 65. Despite moderate deterioration of mental, motor, optic, and auditory functions, the elderly usually drive safely, probably because most driving patterns are learned and become second nature. Thus, performance is impaired only after considerable loss of function. Furthermore, the elderly tend to drive fewer miles, shorter distances, less at night, seldom during rush hours, and more slowly and cautiously. Average annual mileage declines steadily with age, decreasing 64% from age 65 to age 85.

Despite these compensations, elderly drivers have higher rates of traffic violations, collisions, and fatalities per mile driven than younger drivers, except those drivers in the under 24 year range. It has been estimated that drivers between 65 and 69 years of age have twice the number of accidents per mile driven of drivers in the 45 to 49 age range. Drivers 85 and older were 19 times more likely to be involved in a crash per mile driven than the younger drivers. Two of the most common violations, failure to yield the right-of-way and failure to obey a traffic sign, probably result from functional deficits and often lead to collisions, mainly at intersections.

Older drivers tend to fare worse in collisions. The accidents are more likely to involve multiple vehicles (which may reflect the patterns of driving, such as more daytime than nighttime driving) and to result in serious injuries and fatalities (which probably reflects underlying frailty, concurrent illnesses, and impaired recovery).

In assessing an elder's ability to drive, both public safety and the person's independence must be considered. Many states have laws concerning the obligation of physicians to report impaired drivers. Yet an inability to drive means a loss of independence because public transportation is usually impractical

for essential trips, such as food shopping and medical visits. Elders forced to stop driving rely more on their family for essential trips and reduce their social activities. These elders become depressed more often than those who continue to drive. Physicians must be aware of their legal role and their social role and medical obligations before advising elderly persons as to their fitness to undertaking driving.

Evaluation of older drivers should include functional assessment, or road tests, as well as consideration of impact of illnesses and medications on driving.

With age, many functions that affect driving may deteriorate, including muscle strength, reaction time, mobility, vision, and cognition. Decreased muscle strength, particularly grip strength, can pose a problem. An increased reaction time is also a concern. Reaction time, which increases with the difficulty or number of choices needs to be evaluated. Range of motion can affect driving. The neck is often a concern in patients with debilitating arthritic conditions because limited mobility may restrict the field of view, especially in critical traffic situations. Restrictions of the shoulder, wrist, or elbow can affect the ability to steer.

Several age-related changes in vision can affect driving. Central visual acuity frequently declines because of physiological and anatomical changes, such as the increased opacity of the lens or medical conditions, such as diabetic retinopathy. Peripheral vision also declines with age similarly to central vision. The total horizontal peripheral visual field typically declines from 170 degrees in a young adult to 140 degrees by age 50. Because the peripheral retina is less sensitive to low levels of light, twilight can be the most difficult time for driving. Drivers with peripheral vision deficits have twice as many collisions as those with normal vision. Other age-related functional deficits include poor visual adaptation to light changes, increased sensitivity to glare, declining visual accommodation and diminishing depth perception.

About 3% of elders between 65 and 74, 14% between 75 and 84, and more than 20% over 85 have moderate degrees of cognitive impairment. Those with such impairment may not fully recognize their limitations, and elderly drivers with mild to moderate dementia have a fivefold greater risk of collisions. Mild dementia causes attention deficits which play a part in these collisions. The three types

of attention deficits that contribute to collisions are selective attention, or the ability to shift focus between competing stimuli; divided attention, the ability to process two or more stimuli at once and make an appropriate response; and sustained attention, an endurance in alertness.

Functional assessment is usually considered more relevant than a medical diagnosis in determining a person's fitness to drive. Nonetheless, some conditions, such as coronary artery disease, neurologic disease, and diabetes mellitus, as well as the use of certain medications that can cause sedation warrant special consideration.

Although a doctor informing the Division of Motor Vehicles about a disability may violate confidentiality, many states sanction such actions when public safety is imperiled. About 30% of the states have laws and policies that mandate the reporting of impaired drivers and many states have laws to protect physicians from legal liability when reporting such drivers. The principal legal concern is forseeability (the ability to predict a risk or threat to the public safety and health) which is particularly relevant for drivers with obvious impairments.

The Commission considered one of its mandates, to determine whether or not the Medical Evaluation Program should be abolished or modified, and determined that the public safety of North Carolinians requires a program to evaluate drivers with medical conditions that might affect their abilities to drive safely.

Doctor Ronald Levine, the State Health Director, raised the issue of the General Assembly passing a statute to grant licensed physicians limited immunity from civil suit for reporting medically impaired drivers to the Division of Motor Vehicles.

FEBRUARY 1, 1996

The next meeting, held on February 1, 1996 started with a report from the Committee Counsel who had attended a joint meeting of representatives from the Division of Motor Vehicles and the Department of Environment, Health and Natural Resources. He reported that, as a result of attending the meeting, he could assure the Commission that the all actual and perceived problems with the Medical Evaluation Program were being carefully considered by very committed and dedicated people and this

with the continued support of the General Assembly, the program will improve. He also indicated that after consulting with the people and agencies involved, he felt that most of the changes would be administrative in nature and the General Assembly might not have to address the issue through amendments to the General Statutes.

As a result of the potential impact of the aging driver population, the United States Department of Transportation conducted a study of the Medical Evaluation Programs in the various states.

Three states (Alaska, Idaho, and South Dakota) have no formal medical evaluation process involving either a program or a medical advisory board. Medical standards are either defined by law or have evolved over time and the Department of Motor Vehicles makes a determination based on the results of a physical examination conducted by the drivers personal physician.

Five states (Arkansas, Montana, Nebraska, New Hampshire, and Vermont) have medical review procedures in which non-medical administrative staff are responsible for reviewing driver medical qualifications. In Montana there is a review board of the chiefs of the Highway Patrol, Driver Improvement, and Driver Services with a DMV attorney to assist.

In thirteen states (Colorado, Delaware, Iowa, Kansas, Louisiana, Massachusetts, Mississippi, New Mexico, North Dakota, Rhode Island, South Carolina, Tennessee, and West Virginia) the medical review process is minimal, but a medical advisory board exists which serves as a consultant on individual cases, either at licensure or on appeal if a license has been denied.

The next group of states have medical review units, with five categories of programs within this grouping. They share the common element of having permanent, trained, non-medical staff, but differ in the level of medical input they receive. The number of professional staff vary from one to as many as 130. The size of the program depends on a number of factors including the size of the driver pool requiring medical evaluation, the overall scope of driver licensing activities, and available financial resources. Two states (Ohio and Washington) have designated medical sections responsible solely for reviewing medical issues, and evaluating applications. Neither of these states has a medical advisory

board although they do have access to ad hoc consultants. Two states (Connecticut and Oregon) have no medical advisory board but do have health department or medical association liaison.

The largest number of jurisdictions, nineteen, fit into the category of states with medical advisory boards. These states (Alabama, Arizona, Georgia, Hawaii, Illinois, Indiana, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Nevada, New Jersey, New York, Pennsylvania, Texas, Utah, and Wyoming) have medical review units varying from one professional staff person to ten or more. In several states the unit's head is a nurse. About two-thirds of these states the Medical Advisory Board has the dual function of advising on medical and vision standards and on reviewing individual cases.

Three states (Florida, Oklahoma, and Virginia) have both an active functioning Medical Advisory Board and physician consultant hired by the Department of Motor Vehicles on a full or part-time basis.

Three states (California, North Carolina, and Wisconsin) were singled out because they have medical evaluation programs with medical review activities beyond the traditional scope. California has 20 driver safety offices throughout the state with almost 140 Driver Improvement Analysts who are responsible for reviewing and evaluating applicants for medical impairment. California's recently constituted Medical Advisory Board is responsible for establishing medical guidelines. California maintains a permanent research office with full time qualified professionals who analyze all accidents and contributes to the driver licensing policies by interacting with the Medical Advisory Board.

In Wisconsin, the Commission on Safe Transportation of the Wisconsin State Medical Society serves, at the invitation of the DMV administrator as the Medical Advisory Board. The MAB has been very active in establishing policy and guidelines for medical review which have become the DMV standards. In turn, the DMV has used the state medical society as a key channel through which to reach physicians concerning matters related to driver impairment.

North Carolina's program is described as multifaceted. In addition to a full time, professionally staffed Medical Review Unit, there is a 36-member Medical Advisory Board with broad objectives, and a separate Medical Review Board which is responsible for appeal cases.

North Carolina's program appears to be in the forefront of Medical Evaluation Programs in the United States.

MARCH 13, 1996

The next meeting of the Commission was held on March 13, 1996 in Raleigh. The Commission considered proposing a draft of a bill to the 1996 Session of the General Assembly that would provide for limited immunity from civil liability for physicians reporting patients that should be medically reviewed by the Division of Motor Vehicles.

The Commission Counsel reviewed the legislative histories of the three bills that had been introduced in the 1985, 1987, and 1989 sessions of the General Assembly, but which had not passed the initial house in any case. The Commission Counsel discussed a new bill that was based on the contents of the previous bills. G.S. 8-53, entitled "Communications between physician and patient" establishes the evidentiary rule of confidentiality between those two parties. That section provides that only the patient may waive the confidential relationship; and that the newly drafted provision would exempt the providing of the patient's name, address, and diagnosis to the Division of Motor Vehicles from the confidentiality provisions. He pointed out that there is already a limited disclosure requirement in the case of possible child abuse, as required by G.S. 8-53.1. The proposed legislation provides that the limited liability waiver language is very similar to language in G.S. 7A-550 which grants a similar waiver to physicians reporting child abuse.

The Commission considered the proposed draft and asked the Commission Counsel to redraft the bill to provide the waiver of liability for all licensed medical services personnel rather than just physicians.

APRIL 2, 1996

The next meeting of the Commission was held on April 2, 1996 in Raleigh.

The Commission considered the redrafted medical care provider limited liability waiver for reporting name, address, date of birth, and diagnosis to the Division of Motor Vehicles and the bill was recommended for introduction in the 1997 Session of the General Assembly.

The Commission then focused on the special problems of the elderly driver. The Commission Counsel reviewed the facts previously stated in this section of this report relative to the older driver. He concluded his report with the following two statements:

There is a need for balance when dealing with the elderly driver. On one hand, we have to consider the public safety issues of the elderly who have their abilities reduced as a result of natural deterioration as a result of aging and on the other hand, North Carolina does not have the comprehensive system of public transportation like some other states and larger cities.

The author of a 1994 study on this topic, Mr. Villeneuve stated: "I discovered the enormous misery that is generated by the loss or threatened loss of mobility. Many drivers simply will not discuss the future without a car....Those who were unfit to drive denied their functional status and continued to drive in defiance of their families because independent mobility was central to their definition of self.

Dr. Broadhurst, the Medical Advisor to the Drivers License Medical Evaluation Program, Division of Epidemiology, DEHNR, stressed that her Department tries to allow drivers with medical impairments to drive as long as possible. She said that the focus is on maintaining autonomy and independence. She discussed maximizing highway safety for the older driver and some of the medical impairments commonly found in the older driver.

She reviewed nationwide trends of the elderly driving population and said that these trends apply to North Carolina, as well:

- By the year 2020 the number of drivers over the age of 75 will double to more than 17 million nationwide.
- Fifty percent (50%) of this population will suffer impairments such as cataracts, dementia, and other illnesses that will impact their driving ability.
- Eighty percent (80%) of these people will take medication that may possibly impair their ability to drive.
- These drivers will drive over 84 billion miles a year, and 88% of them will rely on private automobiles to get around.

She also highlighted positive points of the older driving population. She said that they drive the least number of miles and have the lowest number of accidents. They rarely drive without their license, rarely speed, rarely drink and drive, and rarely disregard traffic laws. She concluded that the problem is not the age of the driver, but that advanced age is a marker for the medical impairments that they tend to have, that these drivers have more accidents per miles driven, and that .46% of them are likely to dies as a result of an accident as compared with .21% in the other driving populations when involved in accidents.

Dr. Broadhurst suggested that in the future, the following licensing solutions, used in other states, should be considered in North Carolina:

- Frequent renewal intervals for older (65 or older) and younger (under 21) driving populations.
- Imposed vision, knowledge, and road tests for drivers over 65 years of age.
- Random medical examinations for drivers over 65 years of age.

The Commission heard form Cliff Crandell, AARP State Coordinator for the 55Alive/Mature Driving Program. He described the program to the Commission as a program that is specifically based on the needs of drivers over 50 years of age. The curriculum includes recognizing the mental and physiological changes that occur with aging and how to compensate for them while driving, review of driving principles, review of road signs, rules of the road, special driving situations, medications and alcohol, and warning signs that indicate when it may be time to quit driving.

He noted that the AARP recognizes the problems of the older driver, but takes the position that age is not a fair or valid criterion on which to base driver licensing because of the wide variation in the rate, timing, and severity of the aging process.

He concluded by saying that while most efforts to solve the problems of the elderly driver result in restricting or limiting driving, AARP has developed an 8 hour classroom refresher course that is specifically designed to help the older driver recognize the reduced visual acuity, hearing loss, and

slower reaction time that comes with aging, and how to compensate for them. This, he said, rewards all of us with safer streets and highways, reduced accidents, and lower demands on the health care system.

NOVEMBER 12, 1996

At this meeting the representatives of the Division of Motor Vehicles and the Department of Environment, Health and Natural Resources reviewed the contents of the joint proposal for the enhancement of the Medical Evaluation Program contained in Appendix C of this report. Each of the recommendations was discussed and it was decided to recommend two bills to the 1997 General Assembly.

The Committee recommended that the bill that was recommended by the Committee to the 1996 Session of the General Assembly (SB 1104) which was not enacted, be reintroduced for reconsideration.

The Committee recommended that the budgetary requests to support the programmatic improvements in the Medical Evaluation Program, including additional funds for personnel, equipment, public education, personnel education, and research studies, as described in Appendix C be prepared as a bill for introduction in the 1997 Session of the General Assembly.

December 10, 1996

The Committee heard from the Butch Elkins, Legal Counsel to the Governor's Advocacy Council for Persons with Disabilities on that body's concerns about granting limited immunity from liability for medical care providers who inform the Division of Motor Vehicles of the name, address, date of birth, and diagnosis of persons who might need a review of their driving abilities due to disabilities. After much discussion, Senator Horton clearly explained the need for the bill in that some communications between medical care providers and patients are confidential pursuant to statute. The patient has the right to determine whether or not the information is revealed and if the medical care provider reveals the information without the prior authorization from the patient, the patient could sue the medical care provider for malpractice. The proposed bill would allow medical care providers constrained by statute from revealing information to DMV, to provide the DMV with the name, address, date of birth, and

diagnosis when, in the judgment of the medical care provider it is necessary for the safety of the patient and the motoring public that a review of the patient's driving abilities be undertaken. The information provided to the DMV may trigger that inquiry into the patient's driving abilities, and that inquiry procedure contains all of the due process protections that the Governor's Council was concerned about. The Committee directed that the bill be rewritten to apply only to those medical care providers who are limited by statute from freely revealing the information to the DMV.

The Committee voted that with the directed changes, that the final report be prepared by the Committee Counsel and submitted to the 1997 Session of the General Assembly for consideration.

FINDINGS AND RECOMMENDATIONS

THE COMMISSION FINDS that the Medical Evaluation Program administered by the Division of Motor Vehicles with the assistance of the Department of Environment, Health and Natural Resources is a very important program, which will become increasingly critical in the future, with the aging driving population, and that it should be enhanced to assure greater public safety on our highways.

THE COMMITTEE RECOMMENDS that the Medical Evaluation Program in the Division of Motor Vehicles be continued and that the programmatic changes and improvements that have been begun be continued in the future.

THE COMMISSION FINDS that the joint recommendations of made by Michael Moser, M.D., Director, Division of Epidemiology and Wayne Hurder, Director, Driver License Section, DMV contained in a document entitled "Proposals to Improve North Carolina's Driver Medical Evaluation Program," dated November 4, 1996, and incorporated in this report as APPENDIX C be included in a bill to be introduced in the 1997 Session of the General Assembly.

THE COMMISSION RECOMMENDS that the proposals contained in APPENDIX C of this report be fully funded by the 1997 General Assembly as an investment in continuing and enhancing the public safety of this state by allowing for the better identification of those individuals that may pose a risk to the safety of the motoring public because of medical conditions that limit their driving abilities.

THE COMMISSION FINDS that certain medical care providers are prevented, by statute, from identifying patients that may have difficulties driving motor vehicles, and may pose a risk to the safety of the motoring public and that the attached draft, found in Appendix B, which will aid the identification of persons who should be subject to the Medical Evaluation Program be submitted to the 1997 General Assembly for consideration.

THE COMMISSION RECOMMENDS the passage of the attached draft which would grant to medical care providers constrained by statute from revealing otherwise confidential information to the Division of Motor Vehicles a limited waiver from legal liability for identifying to the Division of Motor

Vehicles the name, address, date of birth, and diagnosis of persons that may pose a threat to the motoring public because of identified medical conditions that may affect their driving abilities.

APPENDIX A

COMMISSION MEMBERSHIP

Senator C. R. Edwards, Chairman
1502 Boros Drive
Fayetteville, North Carolina 28303

Senator Hamilton C. Horton, Jr.
324 Spring Street
Winston-Salem, North Carolina 27101

Senator David W. Hoyle
P.O. Box 2494
Gastonia, North Carolina 28053

Representative William S. Hiatt, Chairman
P.O. Box 1378
Mt. Airy, North Carolina 27030

Representative J. Sam Ellis
3513 Auburn-Knightdale Road
Raleigh, North Carolina 27610

Representative Liston B. Ramsey
Box 337, Walnut Creek Road
Marshall, North Carolina 28753

APPENDIX B

This appendix contains the two bills recommended by the Commission to the 1997 Session of the General Assembly.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1996

H D

1997R1DRF01698.1
(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

Short Title: (Public)

Sponsors: Representative Hiatt

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE LIMITED IMMUNITY FOR PHYSICIANS AND PSYCHOLOGISTS PROVIDING MEDICAL INFORMATION ON DRIVERS TO THE COMMISSIONER OF MOTOR VEHICLES.

The General Assembly of North Carolina enacts:

Section 1. Article 2 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-9.1. Physicians and psychologists providing medical information on drivers with physical and mental disabilities.**

(a) Notwithstanding G.S. 8-51 for physicians and G.S. 8-51.3 for psychologists, or any other law relating to confidentiality of communications between physicians or psychologists and their patients, a physician or a psychologist duly licensed in the State of North Carolina may disclose to the Commissioner information about a patient who has a mental or physical disability that the physician or psychologist believes may affect the patient's ability to safely operate a motor vehicle. This information shall be limited to the patient's name, address, date of birth, and diagnosis.

(b) The information provided to the Commissioner pursuant to subsection (a) of this section shall be confidential and shall be used only for the purpose of determining the qualifications of the patient to operate a motor vehicle.

(c) A physician or psychologist disclosing information pursuant to this section is immune from any civil or criminal liability that might otherwise be incurred or imposed based on the disclosure provided that the physician or psychologist was acting in good faith and without malice. In any proceeding involving liability, good faith and lack of malice is presumed and must be proven by the complainant."

Section 2. This act is effective when it becomes law.

DRAFTER'S NOTES: Current statutes provide that of all of the medical care providers, only physicians and psychologists have a duty to keep confidential all information they derive from their patients. It would be an act of malpractice for a doctor or a psychologist to reveal any of this information without the prior approval of the patient. There may be some circumstances when the doctor or the psychologist feels that it would be inappropriate to seek the prior approval of the patient to release the information. Without this bill, an act of malpractice would subject the doctors and psychologists to possible lawsuits for breaching their duty of confidentiality.

This bill will allow the doctors and psychologists to reveal the only name, address, date of birth, and diagnosis of a patient to the Commissioner of Motor Vehicles if the doctor or psychologist believes that the patient has a mental or physical condition that might affect their driving abilities. The information, when provided to the Commissioner becomes confidential and is not treated as a public record so it cannot be used except for the Medical Evaluation Program. Once the information is received by the Commissioner, and verified, then the procedures for placing the person in the Medical Evaluation Program would be triggered, with all of the due process notices and hearings that are a part of the Program.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H D

1997R1DRF01701.1
(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

Short Title: Medical Evaluation Program Funds (Public)

Sponsors: Representative Hiatt

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE CONTINUATION AND ENHANCEMENT OF THE MEDICAL EVALUATION PROGRAM IN THE DIVISION OF MOTOR VEHICLES AS RECOMMENDED BY THE DRIVER MEDICAL EVALUATION PROGRAM STUDY COMMISSION.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the Highway Fund to the Division of Motor Vehicles the following funds for the designated purposes for the 1997-98 fiscal year to implement the recommendations of the Driver Medical Evaluation Program Study Commission.

(1) Fifty-five thousand dollars ($55,000) for an education program to assist older drivers based upon the American Association of Retired Persons' (AARP) "55 Alive" Program; a new collaborative effort between the AARP, the Division of Motor Vehicles (DMV), the Driver Medical Evaluation Program (DME), and the Injury Control Section of the Department of Environment, Health and Natural Resources (DEHNR).

(2) Ten thousand dollars ($10,000) to print and distribute educational pamphlets to explain the Driver Medical Evaluation Program and how participants can be released from the program.

(3) Five thousand dollars ($5,000) to establish and maintain a Web Page on the Internet for DMV, including information on the Driver Medical Evaluation Program.

(4) Seventy-nine thousand eight hundred eighty-nine dollars ($79,889) to fund an additional DME Health Physician II to review cases.

(5) Twenty-nine thousand two hundred dollars ($29,200) for a contract with SIPS for computer support for DMV's Medical Imaging System ($10,400) and analyst programming services ($19,400).

(6) Twenty-five thousand two hundred dollars ($25,200) for point to point data communications costs to comply with Medical Imaging System operating requirements.

(7) Three thousand dollars ($3,000) to provide for annual training for members of the Medical Review Boards to keep them current on medical information included in the updated N.C. Physician's Guidelines for Driver Medical Evaluation.

(8) Fifty thousand dollars ($50,000) for ongoing research to establish and verify the effectiveness of the Drivers Medical Evaluation Program in preventing accidents and improving the safety of the motoring public.

(9) Seven thousand dollars ($7,000) to allow the DMV to periodically conduct Medical Review Customer Satisfaction Surveys before and after the Medical Imaging System is fully implemented to document the improvements in customer service and to seek feedback from affected drivers.

Section 2. This act is effective when it becomes law.

DRAFTER'S NOTES: This bill provides the funding to implement the joint recommendations of the Division of Motor Vehicles and the Department of Environment, Health and Natural Resources for the continuation and enhancement of the Driver Medical Evaluation Program. The full text of the recommendations presented to the Commission begin on the next page of this report.

State of North Carolina
Department of Environment,
Health and Natural Resources
Division of Epidemiology

James B. Hunt, Jr., Governor
Jonathan B. Howes, Secretary
Michael Moser, M.D., M.P.H.

DEHNR

Injury Control Section
(919) 715-6443

MEMORANDUM

TO : Ken Levenbook, Legislative Services Office, N.C. General Assembly

FROM : Michael Moser, MD, Director, Division of Epidemiology
Wayne Hurder, Director, Driver License Section, DMV

DATE : November 4, 1996

SUBJECT : Proposals to Improve North Carolina's Driver Medical Evaluation Program

Based upon joint discussions between the staffs of Division of Motor Vehicles (DMV) and the Driver Medical Evaluation (DME) Program, there are three broad objectives that we believe will improve the safety of the driving population. They are as follows:

OBJECTIVE 1 : To increase our education efforts for drivers, family members and physicians on when and how it would be appropriate for individuals to self-restrict their driving privileges.

The Driver Medical Evaluation Program currently reviews about 20,000 cases per year. A sizeable number of these cases are elderly drivers who have a least one medical condition that warrants review. State census projections estimate that between 1990 and 2110, the state's population of 50 years and older will increase by 57 percent to nearly 2.7 million or about one out of every three North Carolinians. This increase will be especially great at ages 85 and older as that population is expected to double to over 153,000 . While older drivers are not inherently unsafe drivers, their physical ability and mental alertness may deteriorate over time until it affects their capacity to drive safely. Family members and personal physicians can and should play an important role in counseling the physically frail or cognitively impaired driver concerning their limitations and the need to self-restrict their driving patterns or to stop driving.

A) Re-introduce the Limited Immunity Bill (S-1104) from the short session.

B) Expand recent efforts to educate physicians and other health care providers on their role in counseling drivers/family members on appropriate self-restriction (conferences, annual meetings, Area Health Education Centers continuing education programs, etc.). Full implemtation of this activity will require

additional staff time. See request under Objective 2-A

C) Pilot an educational campaign aimed at older drivers based upon AAA's "55 Alive" program. This would be a new collaborative effort between AARP, DMV, DME and the Injury Control Section. (Est. cost $ 50-60,000 per year)

D) Conduct educational programs for DMV driver examiners and Highway Patrol Officers on the appropriate guidelines for referring drivers to the Driver Medical Evaluation Program (presentations at annual meetings, training sessions, etc.).

E) Print and distribute education pamphlets on the Driver Medical Evaluation Program. (Why drivers are referred to the program, examples of what medical conditions may warrant a referral, consequences, appeals rights and discharges). (Est. costs $10,000 per year)

F) Review text of DMV-DME correspondence with drivers referred to the Driver Medical Evaluation Program for clarity, brevity, etc. Include or add information sheet or the DME pamphlet on why they have being followed and under what circumstances they could be dropped from the program.

G) Create WEB page for DMV to provide driver license information to the public as well as information on the Driver Medical Evaluation Program. Specific guidelines on physical conditions and impairments could thus be made available to drivers and their families as well as to medical care providers who wish to counsel their patients. Site would be maintained by DMV with DME input. (Est. costs $5,000)

OBJECTIVE 2 : To reduce the existing backlog of DMV cases to be reviewed and to obtain SIP's computer support for DME's conversion to the new DMV Medical Imaging System.

DME must be sufficiently staffed to process and review an annual case load of 20,000 cases. Currently there are only two FTEs funded in DME to review cases including one that is the Section Chief. To be minimally staffed, DME needs to have three FTEs to review about 150 cases each per week (150 x 48 weeks x 3 reviewers = 21,600 cases). At present, DME is contracting with two physician assistants for the review of cases (at $4 per case) using the lapsed salary from vacant DME positions. Once DME is fully staffed, both the increasing case load and the growing complexity of the cases will necessitate that existing staff focus solely on case reviews to the exclusion of quality assessment, data analysis, review, physician and family education, etc.. In addition while the impact of the Medical Imaging System will improve the mechanics (legibility of records, linking and accessing of records etc.) of case review, it will actually slow down the review process while the reviewer accesses the different DMV computer screens to reference records and to enter recommendations.

System Integration support is needed from SIPS for the installation, conversion and operational support of DMV's new Medical Imaging System in DME.

A) Fund an additional DME physician to review cases (Est. costs of a Public Health Physician II is $65,452 in salary and $14,437 in fringe benefits).

B) Contract with SIPS for DME OS/2 computer support of DMV's Medical Imaging System ($20 per hour x 10 hours per week x 52 weeks = $10,400) and for SIPS analyst programming services ($80 per hour for six weeks = $19,400).

C) Increased DME point to point data communications costs to comply with the Medical Imaging System operating requirements ($ 2,100 per month x 12 months = $25,200)

OBJECTIVE 3 : To develop a joint (DME/DMV) quality assurance program that values both the personal dignity of drivers and the safety needs of the driving public.

Program staff will jointly examine each step in the DMV-DME review and evaluation cycle to determine if there are changes that can simplify the process for all participants while maintaining high standards of public health safety. The full implementation of the Medical Imaging System will permit the tracking of program outcomes that have previously not been available for review by senior DMV-DME management. Quality assurance efforts will also need to encompass the concepts of peer review between DME case reviewers, the DMV's Medical Evaluation Coordinator and the members of the Medical Review Board.

A) DMV-DME staff will jointly need to design monthly reports that provide useful summary program statistics and customer service benchmarks. For example, DME would like to have a monthly quality control check on the final disposition of cases by the DMV's Medical Coordinator when DME's recommendations are either changed or modified as well as those situations when cases which are being decided upon without any DME review or recommendation.

B) DME medical staff need to constantly stay abreast of current trends in driver medical evaluation to ensure that the N.C. Physician Guidelines for Driver Medical Evaluation are kept current with the "state of the art" medical practices and so that DME can make sound recommendations on driver cases and to private practioners who counsel their patients based on DME guidelines. The above guidelines will need to be updated, reprinted and distributed to physicians on a regular basis (3 year cycle) to keep current with changes in medical practice. Physician members of the Medical Review Boards need to be included in this process through annual meetings of board members.(Est. costs $3,000 / yr)

C) Perhaps most importantly, we need to conduct research into how implementing the 1995 Physician Guidelines have affected crash rates among drivers assigned to the Driver Medical Evaluation Program. One method to accomplish this

would be to take the driving histories of all new drivers referred into the DME program in 1996 and compare their driving history for 2 years before and 2 years after their DME evaluation to examine the crash history and violation rates of these drivers. A similar design was used successfully in the early 1980s to evaluate the NC DME program. That study did show the program's success in reducing crash rates for nearly all medical conditions studied. The study design has been published and the methodology peer-reviewed. Imaging could be used to facilitate this process, however, extensive personnel and time outside the scope of the current DME budget will be necessary to complete the study . This is a lengthy and difficult process and few states have the capacity or inclination to undertake such a complex study. But its results would yield benefits to N.C. driving public and attract nationwide interest (Est. costs by Highway Safety Research Center is $50,000).

D) DMV would like to periodically conduct Medical Review Customer Satisfaction Surveys before and after the Medical Imaging System is fully implemented to document their improvements in customer service, seek feedback on participants attitudes, etc. (Est.costs $7,000).

Please note that while we have attempted to assign an estimated cost to each item, there are hidden time-manpower costs associated with each proposal that will affect DME's capacity to review its caseload of 20,000 cases per year. The funding requests listed under Objective 2-A are based primarily on estimates of capacity needed to deal with quality assurance expansion and the new DMV imaging technology .

If there are any questions about any of the proposals or if you wish additional details, please let us know. We look forward to a discussion of these items when you have the opportunity.

DME History

- *1964, DMV with NC Medical Society*
- *1968, DMV With DHS*
- *1989, DMV with DEHNR*
- *1997, DMV Medical Review Branch With DHHS's DME program*

III(L)

Injury Statistics

- Third Leading Cause of Death in the US
- Most Injury deaths are from MVAs
- 1996: 4,993,866 Active Licensed Drivers in NC
- 208,017 Reported Crashes; 150,788 injuries; 1443 Deaths, 50% due to medical impairments
- 124,614 drivers In DME program
- 55,202 DME drivers over the age of 65

Crash Rates by Age group per mile driven Per year

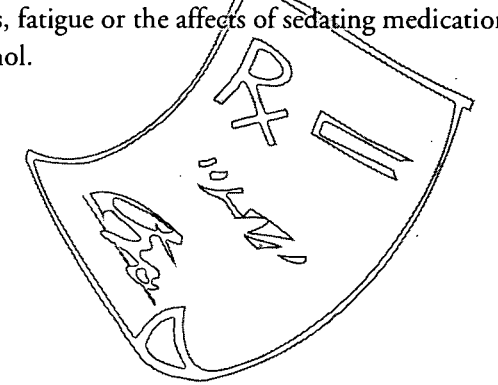


Q. What can I do if I don't agree with DMV's decision?

A. You can request a hearing and appeal your case in person to the Medical Review Board, a group of physicians specialized in evaluating medical conditions which affect a person's ability to operate a motor vehicle. At this time you can present other information such as affidavits by other doctors, testimony by witnesses and if you like, you may be represented by legal counsel.

Important points to remember

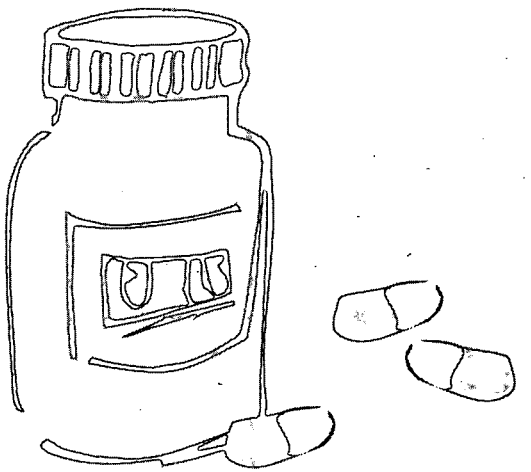
Being in the DME program is not a punishment, nor is it meant to be unfair. Driving in North Carolina is a privilege, and in order to protect that privilege for other North Carolina drivers, DMV has the authority to determine if you are medically "fit" for the privilege of driving. Understanding your medical condition and taking your medications as prescribed are the best ways for you to control further problems when driving. Never drive if you feel symptoms of your condition or if you are under stress, fatigue or the affects of sedating medication or alcohol.



Questions or Comments? Write or Call:

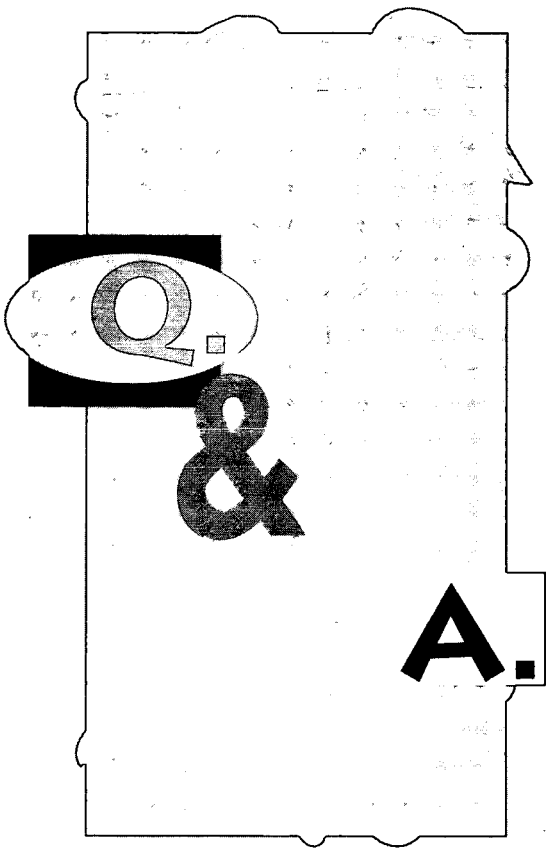
DMV

Division of Motor Vehicles
North Carolina Department of Transportation
1100 New Bern Avenue
Raleigh, North Carolina 27697-0001
(919) 715-7000



50,000 copies of this brochure were produced by the NCDOT Public Affairs Division for the Division of Motor Vehicles and were printed on recycled paper at a cost of 3¢ per copy. 10/97

The North Carolina Driver Medical Evaluation Program



What is the N.C. Driver Medical Evaluation Program?

In North Carolina, the Driver Medical Evaluation (DME) program is administered by the Division of Motor Vehicles (DMV), with medical counsel and individual case recommendations provided by physicians and physician extenders within the Highway Safety Scientific Services Section of the N.C. Department of Health and Human Services (DHHS). Drivers can be referred to DMV by concerned physicians, family members, driver license examiners and law enforcement officers. As a driver, you may be asked to have your personal physician provide information on your medical condition for review by the medical professionals at DHHS and final licensing decision by DMV.

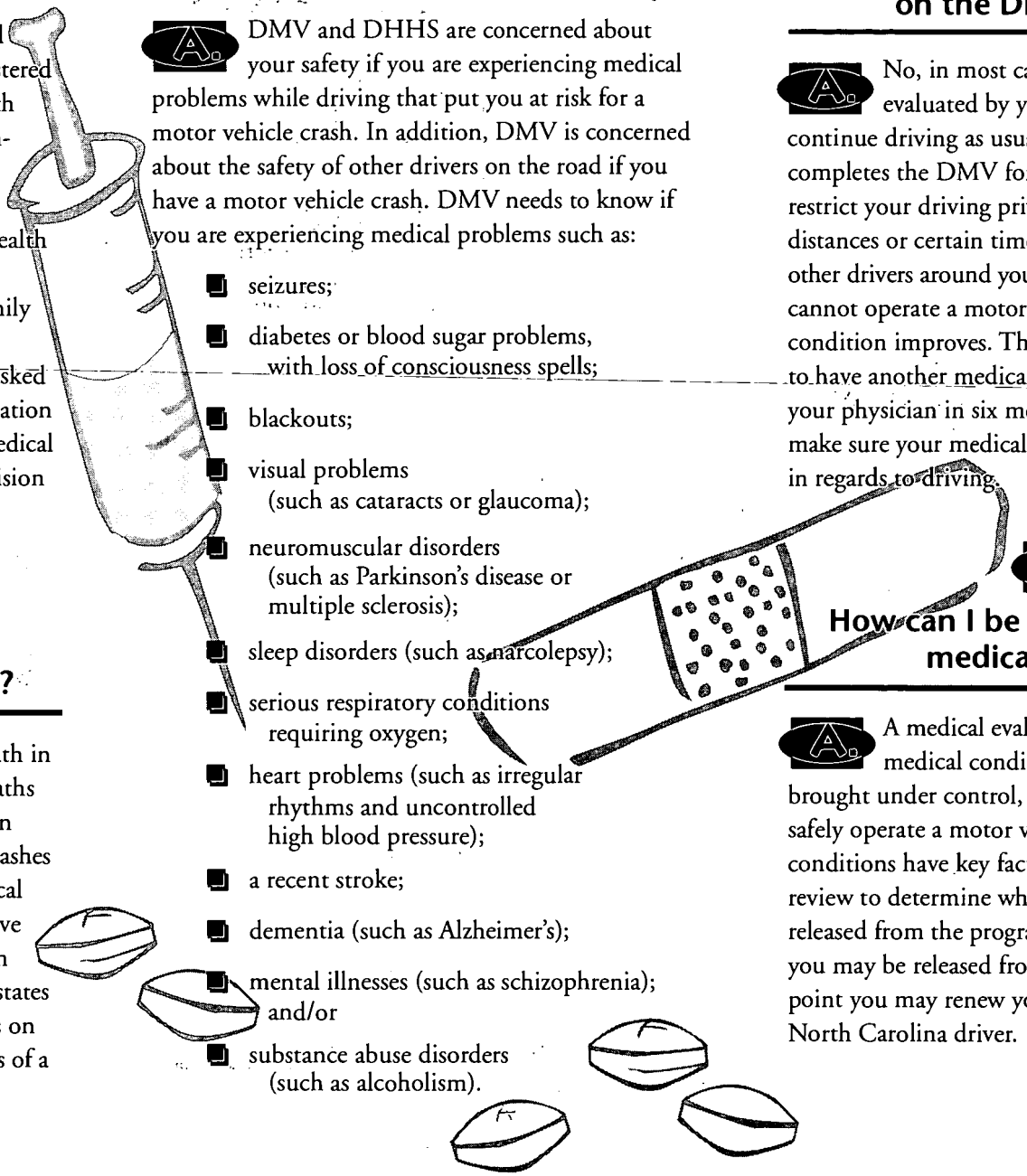
Why are certain medical conditions important to DMV?

Injury is the third leading cause of death in the United States, and most injury deaths result from motor vehicle accidents. In 1995, in North Carolina there were 214,824 vehicular crashes with 147,607 injuries and 1,443 deaths. Medical conditions which affect a person's ability to drive account for about half of all crashes resulting in serious injury or death. Because of this, all 50 states have chosen to restrict or revoke driver licenses on the basis of certain medical conditions by means of a DME program.

What medical conditions are important to DMV?

DMV and DHHS are concerned about your safety if you are experiencing medical problems while driving that put you at risk for a motor vehicle crash. In addition, DMV is concerned about the safety of other drivers on the road if you have a motor vehicle crash. DMV needs to know if you are experiencing medical problems such as:

- seizures;
- diabetes or blood sugar problems, with loss of consciousness spells;
- blackouts;
- visual problems (such as cataracts or glaucoma);
- neuromuscular disorders (such as Parkinson's disease or multiple sclerosis);
- sleep disorders (such as narcolepsy);
- serious respiratory conditions requiring oxygen;
- heart problems (such as irregular rhythms and uncontrolled high blood pressure);
- a recent stroke;
- dementia (such as Alzheimer's);
- mental illnesses (such as schizophrenia); and/or
- substance abuse disorders (such as alcoholism).



Will I automatically lose my driver license when I get put on the DME program?

No, in most cases while you are being evaluated by your physician, you may continue driving as usual. After your doctor completes the DMV forms, DMV may choose to restrict your driving privileges to certain speeds, distances or certain times of day to protect you and other drivers around you, or they may decide that you cannot operate a motor vehicle until your medical condition improves. They may require you to have another medical report form completed by your physician in six months to five years later to make sure your medical condition is being controlled in regards to driving.

How can I be released from the medical program?

A medical evaluation may indicate that your medical condition has improved, or been brought under control, to the point that you can safely operate a motor vehicle. Certain medical conditions have key factors that medical evaluators review to determine whether the customer should be released from the program. In these circumstances, you may be released from the program, at which point you may renew your license like any other North Carolina driver.

JOINT APPROPRIATIONS
TRANSPORTATION SUBCOMMITTEE

February 17 & 18, 1998

Agenda

Wednesday, February 18

1. **Bridge Replacement**
   Jimmy Lee, Manager
   Bridge Maintenance Unit

2. **Proposed Site of New DMV Building**
   Janice Faulkner, Commissioner
   Division of Motor Vehicles

3. **Flexliner Rail Tour**
   Pat Simmons, Director
   Rail Division

4. **Leaking Underground Storage Tank Trust Fund**
   Arthur Mouberry, Chief
   Ground Water
   Division of Water Quality
   Dept. of Environment and Natural Resources

5. **Asphalt Plant Cleanup**
   Larry Goode, State Highway Administrator
   Division of Highways

   Arthur Mouberry, Chief
   Ground Water

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

February 18 Agenda Continued

6. Review of DOT's Cost Savings Program
Larry Goode, State Highway Administrator
Division of Highways

MINUTES

JOINT APPROPRIATIONS

SUBCOMMITTEE ON TRANSPORTATION

February 18, 1998
9 AM
ROOM 1228

The Joint Appropriations Subcommittee On Transportation met in Room 1228 at 9 a.m. on Wednesday, February 18, 1998. Visitor's sheet attached. Senator Luther Jordan presided.

Members present: Representatives Bowie, Dockham, McMahan, Barbee, Hiatt, McAllister, Saunders, Sutton and Crawford. Senators Jordan, Albertson, Carpenter and Reeves.

Senator Jordan opened the meeting introducing **Mr. Jimmy Lee, Manager of the Bridge Maintenance Unit, Department of Transportation (DOT).** Mr. Lee indicated bridges are inspected in detail every two years. The information is documented, analyzed by an engineer and sent to the Federal government. The Federal government has a criteria that determines whether a bridge is structurally deficient or functionally obsolete. Structurally deficient indicates the bridge has an insufficient load carry capacity. Functionally obsolete indicates the bridge is too narrow and has inadequate underclearance *(see attachment I. pg. 1).*

Mr. Lee also reviewed:

1. The number of timber bridges versus other bridge construction materials and the years they were built *(see attachment I. pg. 2)*
2. The process of bridge inspections
   (a) If inspectors find a critical situation two options are available; emergency repair within 30 days or close the bridge (see attachment I. pg. 3)
3. Bridge Maintenance expenditures and needs (see attachment I. pg. 4)
4. Total number of bridges and total number of posted bridges (see attachment I. pg. 5)
5. Total number of bridges and number of deficient bridges (see attachment I. pg. 6)
6. Total square feet of bridges and square feet of deficient bridges (see attachment I. pg. 7)

7. Total number of bridges and number of bridges with sufficiency rating less than 50 (a) Bridges are rated 0-100; 0 being deplorable condition, 100 being a new bridge. Bridges with rating less than 50 and deficient are eligible for replacement with Federal funding (see attachment I. pg. 8).

Mr. Goldman introduced **Mr. Archie Hankins, Department of Transportation (DOT)** to discuss the Oregon Inlet Bridge (*Herbert C. Bonner Bridge).* The 12,800 feet long bridge opened in 1964 replacing a ferry service across the inlet. The ocean movement, shifting and deeping of the channel; plus the salt water environment have greatly stressed the maintenance of the bridge. The DOT has taken action 50 times to try and correct the erosion and have spent thirty-five million dollars trying to maintain the bridge. Corrective action to stabilize the bridge has included, reinforcement of 91 of the piers, additional plyings under the bridge, and construction of a groin on the South end of the bridge. In 1990 a study was initiated to review options, including; a new bridge, a tunnel, etc. The continuing deterioration of the bridge has initiated great concern. The cost of a new bridge is estimated at 110 million dollars. Representative Bowie spoke in regard to a legislative study she and Senator Lee are co-chairing, at this time, also reviewing alternatives to stabilize the Oregon Inlet.

Committee discussion took place.

PROPOSED SITE OF NEW DEPT OF MOTOR VEHICLES BUILDING

Commissioner Janice Faulkner, Department of Motor Vehicles (DMV), was on hand to discuss the proposed site of the new DMV building. The Commissioner reviewed all the variables considered in choosing a site:

- character and integrity of the existing neighborhood
- whether or not the property was owned by the State
- would the land have to be acquired
- zoning restrictions
- suitability for the construction that might be proposed.

The Garner Road site was chosen. The Capital Master Plan, under which capital projects are considered, recommended the new facility be inside the city limits and protected by the economic visibility of Southeast Raleigh - Gardner Road meets these requirements. The plan has been presented and approved by the Capital Planning Board.

Commissioner Faulkner introduced **Jay W. Smith, ASLA, Landscape Architecture/Planning, OBrien/Atkins Associates, PA** to present a report of his study of the site selection. Thirteen sites were reviewed in Wake County. The four sites chosen as listed below provided the best land characteristics, as well as, the best accessibility and development costs:

1. East Park off Poole Road
2. Garner Road site
3. NCSU Research Unit of Lake Wheeler Road & Tryon Road
4. The current down town site on New Bern Road.

The Gardner Road site with 140 acres of land was the preferred site. Thirty acres of land on the western side would be used for the DMV facility; providing ample parking to accommodate 1200 vehicles. The back of the property would provide an opportunity to segregate and accommodate large truck traffic.

Senator Reeves noted the Raleigh Capital Planning Board has endorsed the Gardner Road Site.

Patrick B. Simmons, Director Rail Division, DOT, presented a brief video of the *Flexliner Passenger Train* that has been on tour in the United States. The European-designed Flexliner train is a self-propelled, bi-directional train (locomotives are not required). Nearly 200 Flexliner trains are in serviced throughout Europe and the Middle East *(see attachment III (a))*. North Carolina was very fortunate to have the Flexliner tour our cities *(see attachment III (b))*. Citizen response to this tour was overwhelming; the total number of passengers carried on the Flexliner was 20,900.

Representative Saunders noted he was a passenger on the Flexliner from Charlotte to Mooresville, representing North Mecklenburg county, and was most appreciative of the experience provided by the NC Rail Division.

Mr. Simmons gave a brief update on the North Carolina Railroad. Deliberations have been on-going and the Department is awaiting the approval of the Securities Exchange Commission of the proxy statement for the NC Railroad transaction to purchase the minority shares.

Arthur Mouberry, Chief of Water Quality, Department of Environment and Natural Resources presented an update on the status of the *Leaking Underground Storage Tanks,* including:

- A program summary
- A list by DENR of regions of discharges or releases of petroleum from underground storage tanks
- An estimate of incident cleanups by region from noncommercial funds
- A summary of commercial and noncommercial cleanups undertaken by tank owners or operators
- Statement of receipts and disbursements Commercial fund, noncommercial fund and groundwater protection loan fund
- Claims against the two cleanup funds

- Adequacy of the funds to carry out the purposes of petroleum underground storage tank cleanup
- Groundwater Protection loan fund
- Special studies *(see attachment IV pg. 1-29).*

Mr. Mouberry explained the DENR operates two funds:

1. Commercial (retail outlets, gas stations)
2. Non-Commercial (home heating oil tanks).

The Non-Commercial Fund is in good financial shape. The Commercial Fund is approximately 6 million dollars in debt *(see attachment IV (a) pg. 1-3).*

The Commercial Trust Fund is generated through the motor fuel and kerosene inspection tax. Owners/operators of commercial tanks are required to pay an annual tank operating fee. Owners/operators of non-commercial tanks are not required to pay operating fees.

Leaks are usually discovered when tanks are removed 1) by leak detection monitoring for regulated tanks, 2) when a real estate transaction requires a site assessment, 3) or when water supply wells are contaminated. Committee discussion took place.

Mr. Duane C. Mac Entee, Director of Safety and Loss Control, DOT, spoke on *Asphalt Plants - Contamination Assessment and Clean-up* (see attachment V. pg. 1-2). Mr. MacEntee provided a brief history of asphalt plant contamination and the current status of the 70 site assessment reports. The future plans of DENR to provide corrective action at these sites and the cost and the duration of the corrective actions.

Senator Reeves questioned why only the Department of Transportation is being held responsible for the contaminated sites? Mr. MacEntee indicated that the DOT used solvents on these sites associated with asphalt testing and these chemicals were evident on the sites; however, there are other contributing parties and DOT will invite these parties to take an active role in the corrective action process to assume their fair share of the clean-up costs.

Mr. Mouberry indicated a notice of regulatory requirement will be sent to all parties to resolve this issue equitably. **Dr. Goode** indicated he believes the involved parties will cooperate with the Department and accept their fair share in the clean-up effort. He also requested that the clean-up process prioritize the sites and begin with the six worse sites first.

Representative Bowie requested that Dr. Goode report back to the Committee as to what occurred at the scheduled meeting to decide on what corrective action will be taken and when it will begin.

George Givens, General Assembly Legal Staff, answered Representative Bowie's question in regard to whether the State has legal authority to deal with the involved parties. He stated, "where there is a contaminated site and several contributors to the contamination - the State has legal authority to proceed against them." He suggested finding the responsible parties would probably be the burden.

Senator Reeves requested a follow-up report be submitted to the Committee, including:

- Number of sites identified that need active remediation
- Sites that have been abandoned
- Landowners of the 27 sites.

Senator Reeves indicated he did not understand why notices had not already been issued to parties involved. Mr. Mouberry stated, at the request of the Department, DENR would be issuing the notices to the Department the end of February. The Department would in turn invite the other contributing parties to meet with them to discuss sharing the clean-up.

Mr. Mac Entee estimates the cost for preparing the corrective action plans will be between $50,000 and $75,000 per site.

Representative Bowie requested a report from the Department after the scheduled meeting with participating parties be submitted to the Committee within 90-120 days regarding the clean-up process of the first six sites.

Representative Bowie suggested that any contractors involved that refuse to participate in the clean-up not be awarded any further bid contacts. **Representative Sutton** voiced his opinion that responsible parties should proceed immediately with the clean-up. The Committee was in agreement.

Mr. Mouberry indicated DEHN is willing to work with DOT and will cooperate fully. He expects DOT to move ahead with the involved parties and provide a corrective plan of action for clean-up immediately. Mr. Mouberry indicated he clearly understands the wishes of the Committee for immediate action to take place.

Some of the information requested by Senator Reeves regarding the 23 contaminated sites was submitted; 1) who are the property owners, 2) what sites have been recommended for active remediation *(see attachment V (a))*.

Larry Goode, State Highway Administrator, Department of Transportation, indicated that the Cost savings Program implemented by the Department has saved one-half million dollars in the solid waste reduction and recycling.

Mr. Don Morten, DOT, spoke to the Committee on Value Engineering *(see attachment VI)*. Mr. Morten indicated that value engineering began within the Division of Highways in February of 1981. Initially they concentrated primarily on analyzing standards for repeat savings; example, drive pipe length, cut and fill slopes, ramp pavements, paved ditches, bridge widths. This past fiscal year there were four construction value engineering proposals approved with cost reductions of about three million fifteen thousand dollars. From 1990 the construction value proposals has realized a reduction of four and one-half million dollars. Committee discussion took place.

Meeting adjourned at 11:35 p.m.

Respectfully submitted:

Senator Luther H. Jordan, Jr.,
Presiding, Co-Chair

Sharon A. Gaudette
Committee Clerk

Representative Joanne W. Bowie,
Co-Chair

VISITOR REGISTRATION SHEET

JOINT APPRO/SUBCOMMITTEE TRANSPORTATION 2-18 , 1998

Name of Committee Date

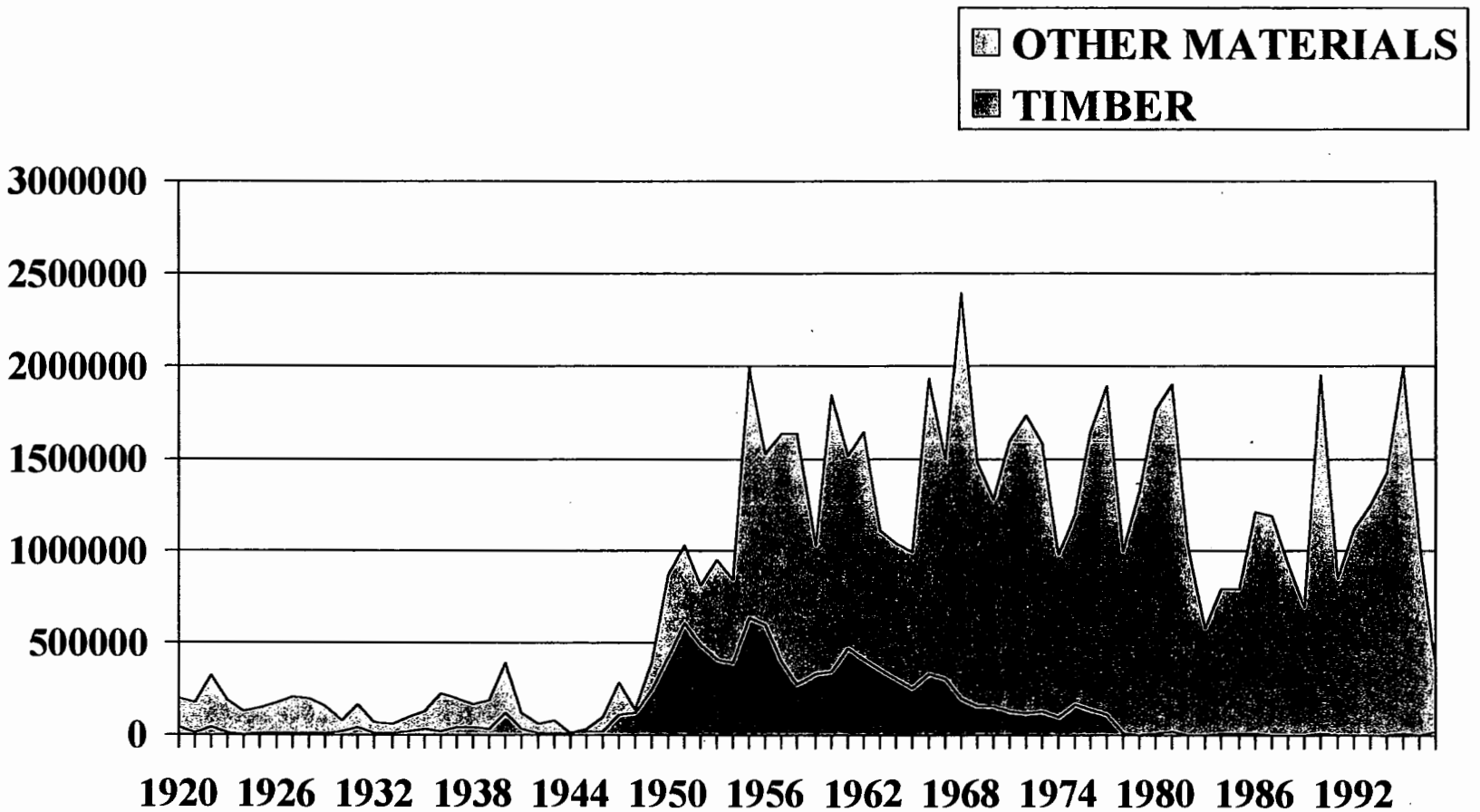
VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Archie Hankins	DOT
Leigh Ann Gibbs	State Auditor's Office
M McBride	NCAHPE
Gary Harris	NC Petroleum Marketers
[illegible]	A & M.
Mike Alfe	OSBM
C.A. GARDNER	DOT
Hoffman Mayberry	DENR - DWQ - Groundwater
Janice Faulkner	DMV
Carol Simon	DMV
Suzanne Williams	Bone & Assoc
Sherol Gerron	NC Petroleum Council
P B Simmons	NCDOT
[illegible]	DOT
[illegible]	SCSSA
Ted L Bush	DEHR
John Long	Martin Marietta

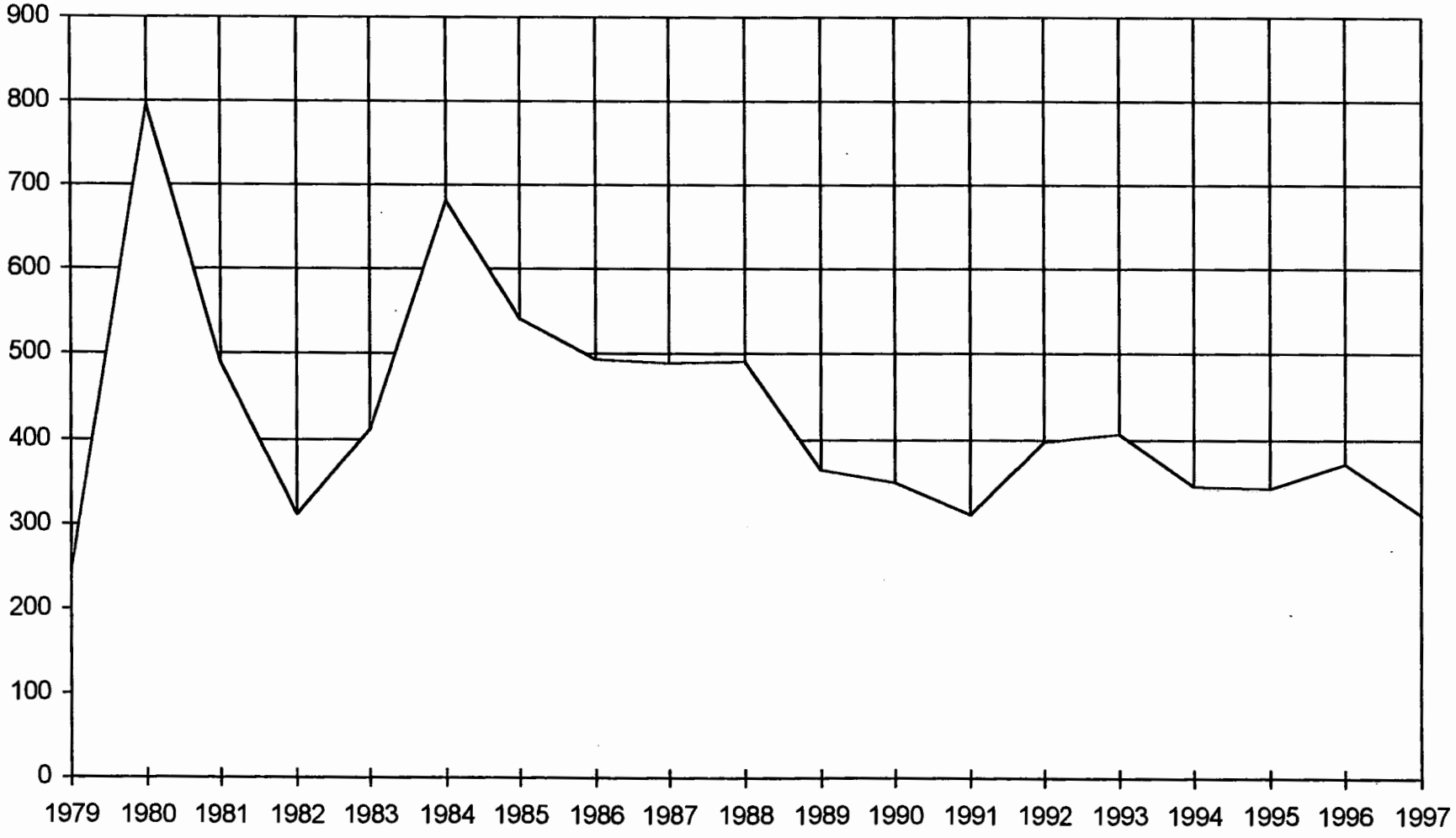
NUMBER OF STRUCTURES

	PRIMARY	SECONDARY	TOTAL
TOTAL STRUCTURES	**5781**	**11333**	**17116**
DEFICIENT	**1794**	**4066**	**5861**
POSTED	**324**	**5597**	**5922**

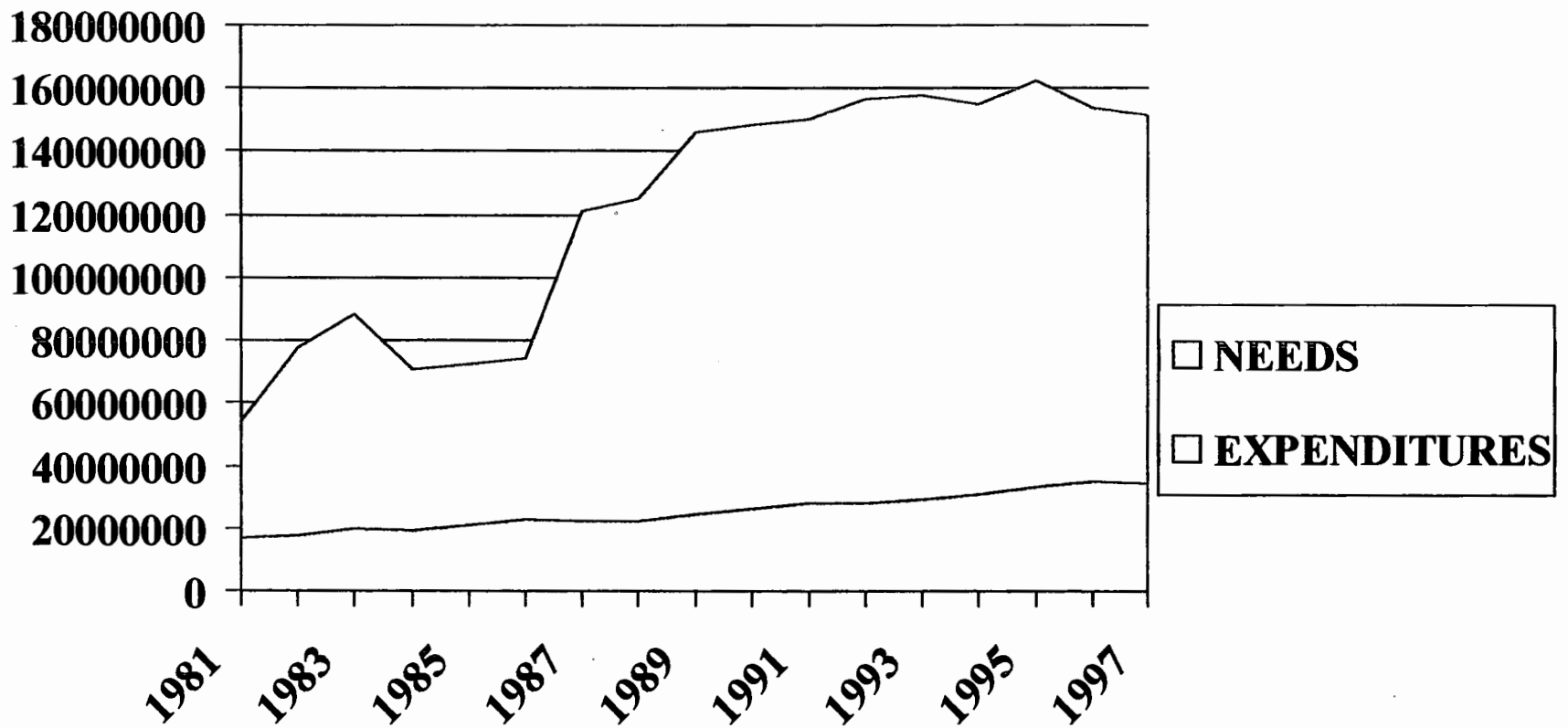
TIMBER VS. OTHER CONSTRUCTION MATERIALS



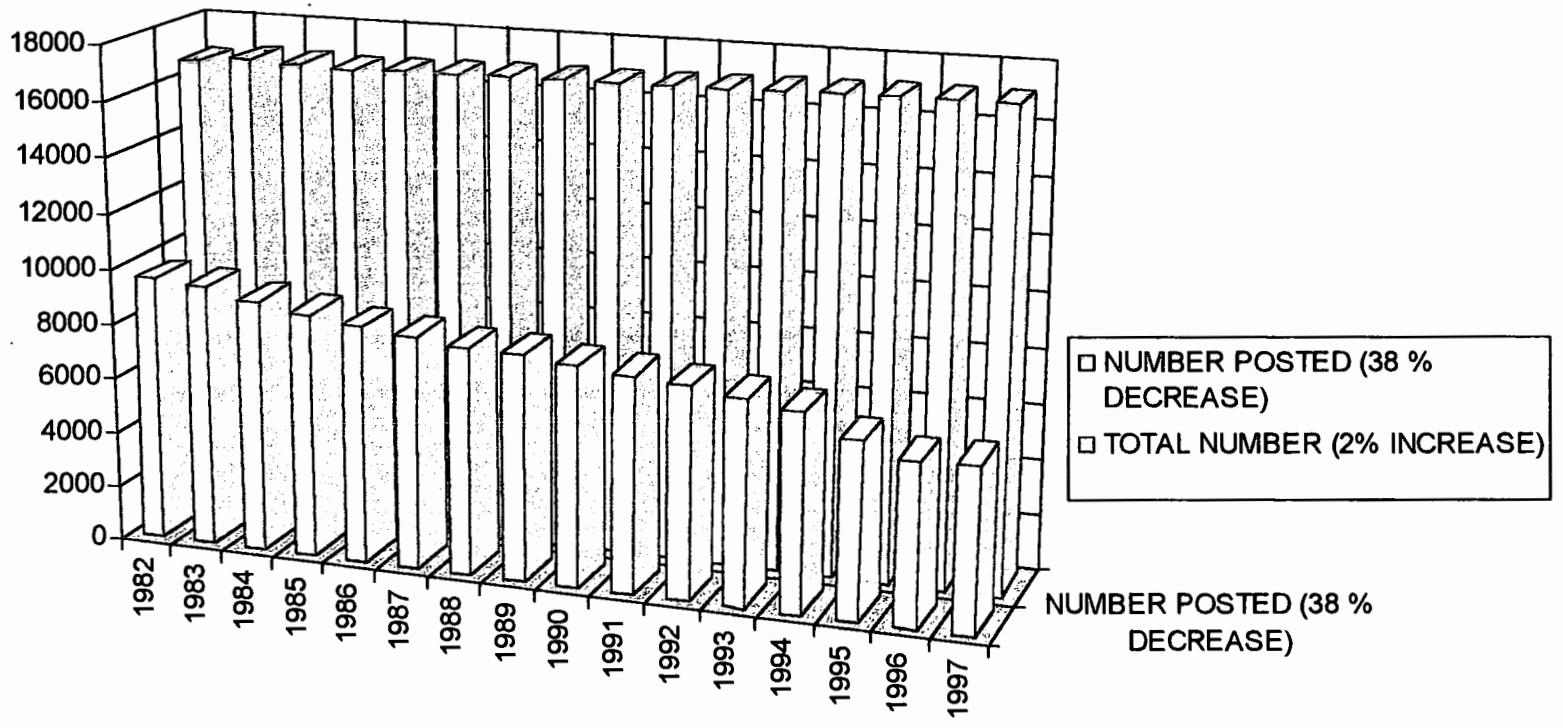
EMERGENCY REPAIRS



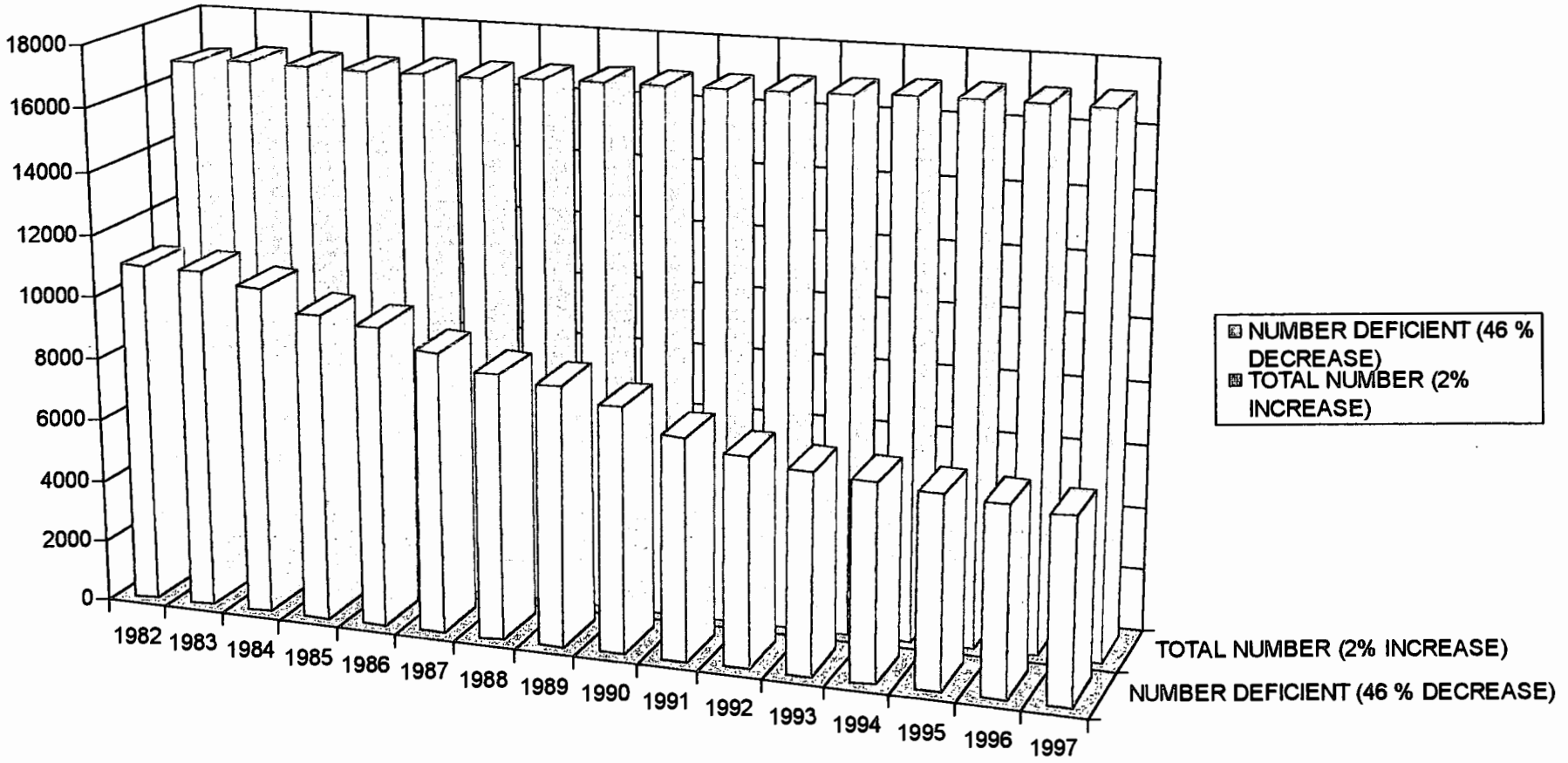
BRIDGE MAINTENANCE
EXPENDITURES AND NEEDS



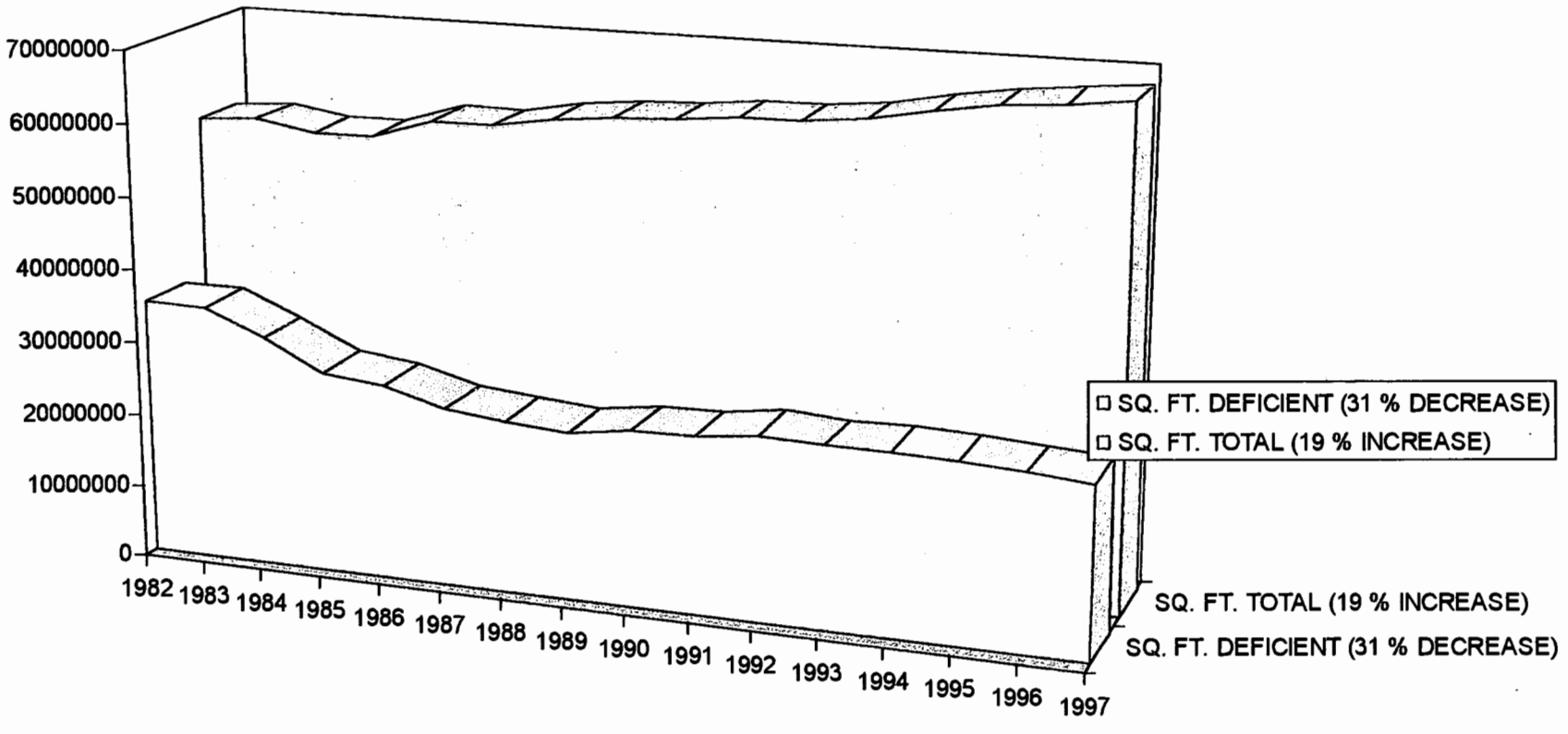
TOTAL NUMBER OF BRIDGES
AND
TOTAL NUMBER OF POSTED BRIDGES



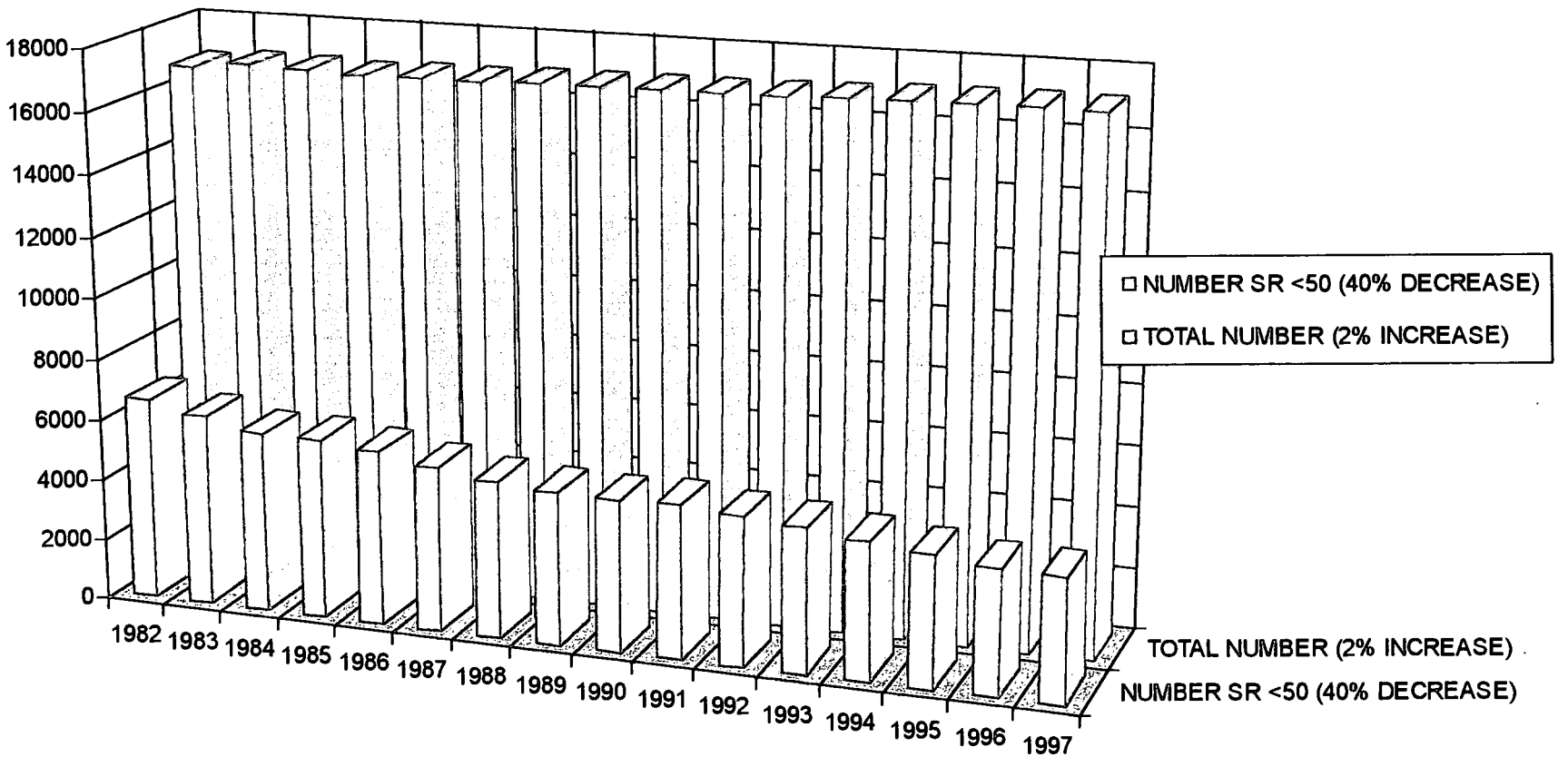
TOTAL NUMBER OF BRIDGES
AND
NUMBER OF DEFICIENT BRIDGES



TOTAL SQUARE FEET OF BRIDGES
AND
SQUARE FEET OF DEFICIENT BRIDGES



TOTAL NUMBER OF BRIDGES
AND
NUMBER OF BRIDGES WITH SUFFICIENCY RATING LESS THAN 50



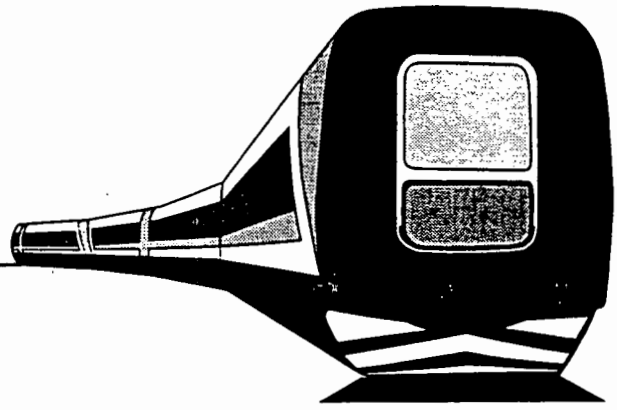
2/16/98			BRIDGES WITH SUFFICIENCY RATING			
			LESS THAN 50			
YEAR	NUMBER	SQ. FT.	NUMBER	SQ. FT.	% BY	% BY
	SR<50	SR<50	TOTAL	TOTAL	NUMBER	SQ. FT.
1982	6670	13959105	16713	56868229	40%	25%
1983	6297	13176464	16864	57382027	37%	23%
1984	5917	11896669	16822	56028908	35%	21%
1985	5881	12197131	16756	56113688	35%	22%
1986	5697	12611814	16819	58871372	34%	21%
1987	5384	12156673	16829	58751206	32%	21%
1988	5124	11465871	16867	60279622	30%	19%
1989	4987	11292226	16900	61096212	30%	18%
1990	4950	12471241	16902	61442948	29%	20%
1991	5010	13839956	16927	62267231	30%	22%
1992	4843	14062890	16958	62323862	29%	23%
1993	4695	14091291	17019	63184966	28%	22%
1994	4485	13563104	17059	64749783	26%	21%
1995	4264	12902677	17089	66179519	25%	19%
1996	4054	11717480	17088	66892675	24%	18%
1997	4025	11696021	17077	67794862	24%	17%

2/16/98			POSTED BRIDGES			
			ALL SYSTEMS			
YEAR	NUMBER POSTED	SQ. FT. POSTED	NUMBER TOTAL	SQ. FT. TOTAL	% BY NUMBER	% BY SQ. FT.
1982	9605	15435051	16713	56868229	57%	27%
1983	9479	15232572	16864	57382027	56%	27%
1984	9143	14838641	16822	56028908	54%	26%
1985	8835	14299303	16756	56113688	53%	25%
1986	8592	13897222	16819	58871372	51%	24%
1987	8396	13701005	16829	58751206	50%	23%
1988	8232	13537123	16867	60279622	49%	22%
1989	8146	13540759	16900	61096212	48%	22%
1990	7985	13027854	16902	61442948	47%	21%
1991	7805	12644283	16927	62267231	46%	20%
1992	7648	12895844	16958	62323862	45%	21%
1993	7448	11744817	17019	63184966	44%	19%
1994	7162	11825842	17059	64749783	42%	18%
1995	6373	10063190	17089	66179519	37%	15%
1996	5873	9188302	17088	6689265	34%	14%
1997	5934	9620298	17077	67917412	35%	14%

III (a)

FLEXLINER

FAST FACTS



AMENITIES

- Outlets for phones, faxes, computers
- Public cellular phones on board
- Multi-channel stereo system and individual lighting at each seat
- Spacious adjustable, reclining seating with panoramic views
- Electronic route maps, schedule status and operator messages
- Storage space for luggage or bicycles

UNIQUE DESIGN

- Self-propelled, bi-directional (locomotives are not required). The fold back control console swings aside when not in use, creating a passageway when trainsets are combined.
- Lightweight design enables quick acceleration and braking to gain speed quickly between stations.
- Automatic coupling allows trains to be joined/separated quickly for flexible routing. Up to five trainsets can be combined.
- Runs on diesel or electric power.
- Low noise, emissions and fuel consumption makes Flexliner environmentally friendly.

Weight:	104 tons
Width:	10 feet
Length:	194 ft.
Height:	12.6 ft.
Speed (max):	112 mph
Body Shell:	Extruded aluminum
Fuel Consumption:	2.5 miles/gallon
Fuel Capacity:	600 gallons

Over for more detailed specifications

FLEXLINER SPECIFICATIONS

North American Flexliner Train Information

ENVIRONMENT

Fuel consumption	<2.5 mi/gal
Closed toilet system	Vacuum

NOISE LEVELS

Passenger compartment (100 mph)	68 dB(A)
External (0 mph)	77 dB(A)
External (100 mph)	85 dB(A)
Driver's cab (100 mph)	70 dB(A)
Vestibule (100 mph)	77 dB(A)
External (50 ft)	77 dB(A)

PASSENGERS

Entrance doors, per car side	2
Entrance door width	4.4'
Internal automatic doors, type 1	2.8'
Internal automatic doors, type 2	2.3'
Gangway width coach to coach	3.0'
Gangway width train to train	4.3'

Disabled Passengers

Wide entrance doors	1
Wheelchair location	1

Air Conditioning

Lavatory	2 (One accommodates disabled passengers)

Communication

Pay phone	2
110 V AC outlets 60 HZ	1 per 4 seats
Loudspeaker system	2

TRAIN OPERATION

Driver's radio	2
Event recorder	1

Automatic Coupling of Trainsets

Number of trainsets	Up to 5
Coupling with other Flexliner trainsets	*yes

Seats

First Class seats	43
Coach seats	109
Seat distance	3.4'

Performance

Acceleration	2.0 mph/sec.
Braking (service)	2.2 mph/sec.
Speed (max)	112 mph

Capacity

Fuel	2 x 300 gal
Water	88 gal

SERVICE/MAINTENANCE

Service/repair	Module exchange
On-board fault logging	2
On-board diagnostic system	2

External Connections

AC power supply	380 V AC, 3 Phase
Compressed air	4
Water	4
Waste dump	4
Fuel	4

TECHNICAL

Trainset Data

Motor coach	2
Middle coach	1
Length	194'
Coach, width	10'
Coach, height	12.6'
Weight (tare)	240,000 lbs
Pay load	70,000 lbs

Traction — 3 axles

Engines	3 x 420 HP water cooled diesel
Tractive start effort	33,000 lbs
Transmission	Mechanical

Electric Supply

Generators	480 V AC, 60 Hz, 3 Phase, 120/208 V AC, 72 V DC
Battery	64V DC

Brakes

Brake Control	Pneumatic (EP Optional)
Parking brake on gradient	2.6%
Distance (100 mph)	3280'
Emergency (100 mph)	2950'
Slip/Slide protection	yes
Disc/caliper	2 per axle

Trucks

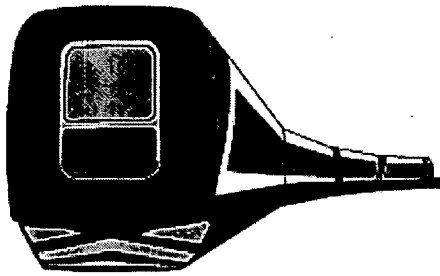
Front trucks	2
Articulated trucks	2
Wheel diameter, new wheels	33.5"
Wheel diameter, worn wheels	32"

Car Body

Body Shell	Extruded Aluminum
Static end load	800,000 lbs.
Rollover strength	Tier 1

*DMU & EMU units can be coupled and mixed.

III (b)



North Carolina Flexliner Tour Summary

Friday, Jan. 30 – Winston-Salem

12 noon	NC Flexliner Tour kick-off ceremony	
1 -4 pm	Demonstration runs	1,900 passengers

Saturday, Jan. 31 – Winston-Salem

9 am -3 pm	Demonstration runs	5,600 passengers

Sunday, Feb. 1 – Cary

11am -4 pm	Demonstration runs	4,000 passengers

Monday, Feb. 2 – Raleigh to Fayetteville

10 am	Whistle-stop tour from Raleigh to Fayetteville. Brief ceremonies and stops at Garner, Clayton, Wilsons Mills and Selma. (passengers carried to and from Fayetteville)	500 passengers
12:30 -3:30 pm	Static display in Fayetteville	600 visitors

Tuesday, Feb. 3 –Spencer

1-5pm	Static display at NC Transportation Museum (Spencer Shops)	180 visitors

Wednesday, Feb. 4 – Salisbury to Asheville

7:30 am	Whistle-stop tour from Salisbury to Asheville. Brief stops and ceremonies in Statesville, Hickory, Valdese, Morganton, Marion, Old Fort, Black Mountain.	440 passengers

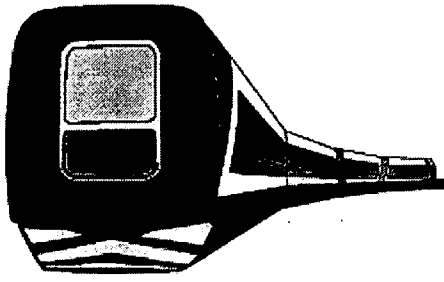
Thursday, Feb. 5 – Charlotte – (Service and Cleaning Day -- no passengers)

Friday, Feb. 6 – Charlotte to Mooresville

11 am	Whistle-stop tour from Mooresville to Charlotte. Brief stops and public ceremonies in Davidson, Cornelius, Huntersville and Charlotte.	625 passengers (total for day)
3:15 pm	Celebration ceremony with Governor Hunt in Mooresville Same whistle-stops as morning trip. Afternoon ceremony in Charlotte.	

Saturday, Feb. 7 – Charlotte — Public Demonstrations

9 am - 4pm	Demonstration runs and static display of Piedmont.	7,050 passengers



North Carolina Flexliner Tour Summary

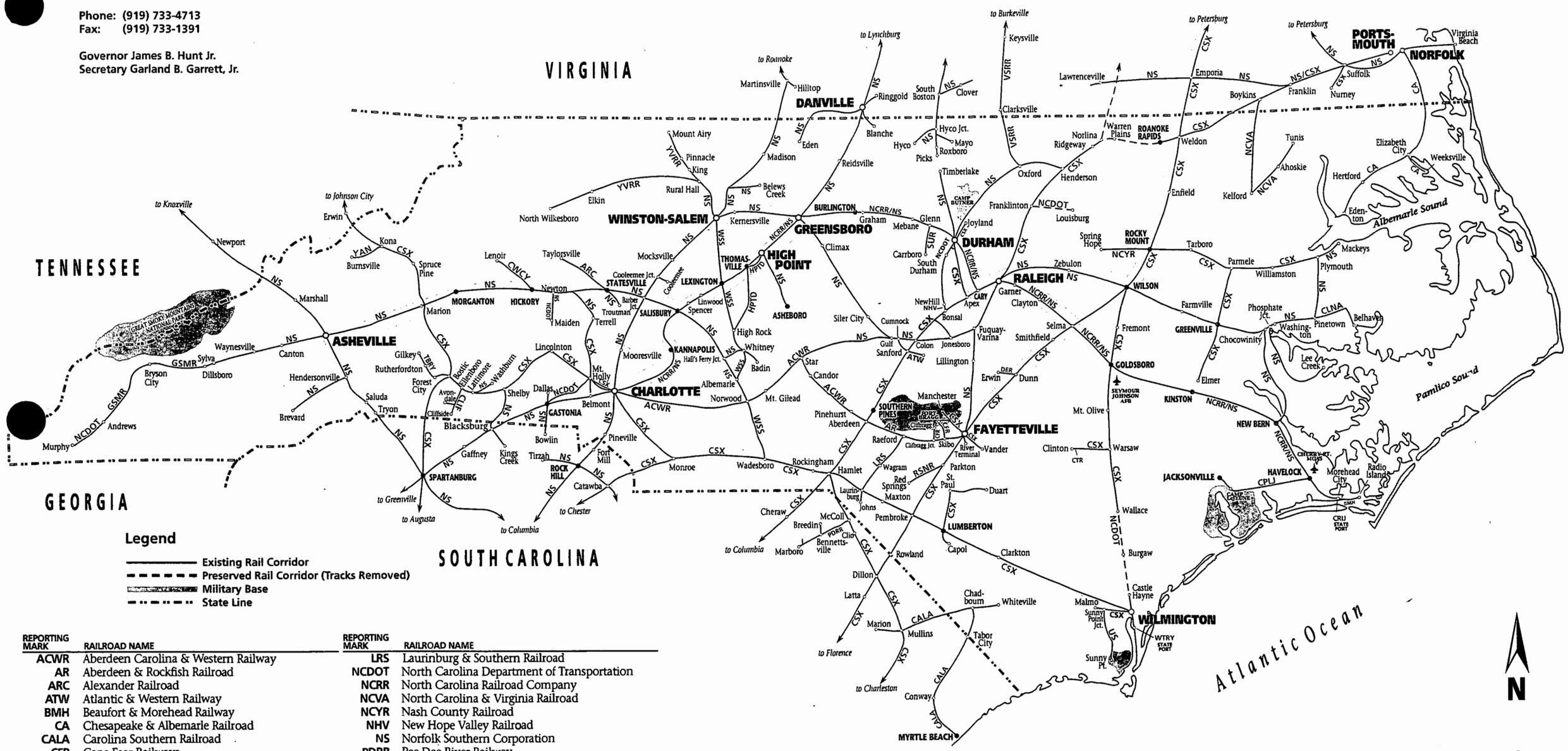
City stops on the Flexliner Tour	23
Winston-Salem, Cary, Raleigh, Garner, Clayton, Wilson's Mills, Selma, Fayetteville, Spencer, Salisbury, Statesville, Hickory, Valdese, Morganton, Marion, Old Fort, Black Mountain, Asheville, Mooresville, Davidson, Cornelius, Huntersville, Charlotte	
Number of North Carolina counties on Flexliner tour	
Visitors at Flexliner Static Displays	780
Visitors at Piedmont Static Display (Charlotte)	7,000
Passengers on Flexliner Whistle-stop tours	1,570
Passengers on Flexliner demonstration runs	18,550
Total passengers carried on Flexliner tour	20,900
Number of NC railroad miles covered by the Flexliner tour	
Media Coverage (conservative estimate)	
Number of different print media covering tour	26 +
Number of print stories	45 +
Number of different electronic media covering tour	20 +

Rail Division
North Carolina Department of Transportation
P.O. Box 25201 Raleigh, N.C. 27611-5201

Phone: (919) 733-4713
Fax: (919) 733-1391

Governor James B. Hunt Jr.
Secretary Garland B. Garrett, Jr.

NORTH CAROLINA RAILROAD SYSTEM



Legend

- Existing Rail Corridor
- Preserved Rail Corridor (Tracks Removed)
- Military Base
- State Line

REPORTING MARK	RAILROAD NAME
ACWR	Aberdeen Carolina & Western Railway
AR	Aberdeen & Rockfish Railroad
ARC	Alexander Railroad
ATW	Atlantic & Western Railway
BMH	Beaufort & Morehead Railway
CA	Chesapeake & Albemarle Railroad
CALA	Carolina Southern Railroad
CFR	Cape Fear Railways
CLIF	Cliffside Railroad
CTR	Clinton Terminal Railroad
CLNA	Carolina Coastal Railway
CPLJ	Camp Lejeune Railroad
CRIJ	Carolina Rail Services
CSX	CSX Transportation
CWCY	Caldwell County Railroad
DER	Dunn-Erwin Railway
GSMR	Great Smoky Mountains Railway
HPTD	High Point, Thomasville & Denton Railroad

REPORTING MARK	RAILROAD NAME
LRS	Laurinburg & Southern Railroad
NCDOT	North Carolina Department of Transportation
NCRR	North Carolina Railroad Company
NCVA	North Carolina & Virginia Railroad
NCYR	Nash County Railroad
NHV	New Hope Valley Railroad
NS	Norfolk Southern Corporation
PDRR	Pee Dee River Railway
RSNR	Red Springs & Northern Railroad
SUR	State University Railroad
TBRY	Thermal Belt Railway
US	US Military
VSRR	Virginia Southern Railroad
WSS	Winston-Salem Southbound Railway
WTRY	Wilmington Terminal Railroad
YAN	Black Mountain Railroad
YVRR	Yadkin Valley Railroad

NCDOT RAIL DIVISION WEB SITE
www.bytrain.org

AMTRAK STATIONS IN NORTH CAROLINA

Burlington	Fayetteville	High Point	Salisbury
Cary	Gastonia	Kannapolis	Selma
Charlotte	Greensboro	Raleigh	Southern Pines
Durham	Hamlet	Rocky Mount	Wilson

For Information or Reservations: 1-800-USA-RAIL or www.amtrak.com

LOOK, LISTEN & LIVE AT RAILROAD CROSSINGS

June 1997

North Carolina's Transportation Future

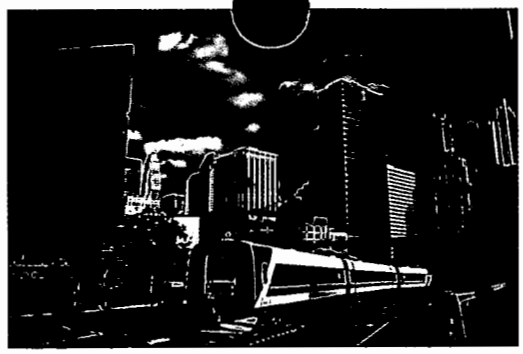
In 1995 Governor James B. Hunt Jr. appointed the Transit 2001 Commission to develop recommendations on how to improve public transportation in North Carolina for the 21st Century. A major finding by the commission was that passenger rail service should be an increasingly important element of a balanced statewide transportation system. The North Carolina Flexliner Tour is designed to demonstrate the potential of local and regional rail transit.



About the Flexliner



The European-designed Flexliner trainset embodies today's concept of modern, safe and highly efficient passenger rail service. As the name suggests, its flexibility makes the Flexliner ideal for convenient commuter service or luxury intercity service. Nearly 200 Flexliner trains already are in service throughout Europe and the Middle East.



This demonstration tour is being paid for by the North Carolina Department of Transportation (NCDOT) Rail Division. Amtrak, the National Railroad Passenger Corporation, will operate and service the Flexliner during its tour. The NCDOT and Amtrak wish to thank all the local governments, business interests and volunteers who helped make this tour possible.

For more information on North Carolina rail programs contact:
N.C. Department of Transportation, Rail Division
P.O. Box 25201, Raleigh, NC 27611
www.bytrain.org

The Flexliner is manufactured by Adtranz, a 50/50 joint venture combining the worldwide transportation businesses of Asea Brown Boveri (ABB) and Daimler-Benz. Adtranz is a complete provider of transportation products, systems and services.

10,000 copies of this public document were printed at a cost of 19.5¢ each.
1/98 280012

North Carolina Department of Transportation and Amtrak present the

North Carolina Flexliner Tour 98

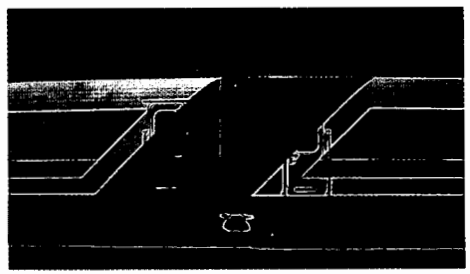




Proven, World-Class Technology

The Flexliner is an advanced, self-propelled, bi-directional passenger train. Unlike conventional trains, the Flexliner does not require a locomotive to power the train. Multiple under-car diesel engines propel the Flexliner and provide rapid acceleration. The train may be operated from either end, thus avoiding time-consuming turns and backups.

Each trainset is equipped with a specially designed rubber nose at either end and a unique "foldback" door. When two trainsets are coupled, the doors of both trainsets fold back to form a passageway between the cars. The rubber nose allows separate trainsets to be converted into one continuous unit with a weatherproof passageway in only minutes.



The Flexliner can be adapted to both high capacity, short-distance commuter service and to a spacious intercity configuration for longer journeys.

Innovative [illegible]sign with the Passenger in Mind

The Flexliner is designed for passenger comfort. It features panoramic windows and luxurious coach and first-class seating. Power outlets for laptops, fax machines and telephones allow the business traveler to stay in touch and work in comfort.

Other amenities include in-seat audio systems and electronic display systems in each car for train status and location. Areas for wheelchairs and bicycles are provided.

The Flexliner has a seating capacity of 140 passengers per trainset (each trainset consists of one three-car unit). Up to five trainsets can be connected in one train.



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The name says it all. The Flexliner is above all flexible and versatile. The self-propelled train is built to run on existing, conventional rails. Flexliners may be powered by diesel or electric motors. The train's interior seating arrangement can be adjusted to accomodate short-distance commuter service or long-distance intercity trips.



European service, the Flexliner operates at speeds up to 112 mph. The Flexliner will not exceed 79 mph during its North Carolina tour due to track and signal restrictions.

Environmentally Friendly

The Flexliner is designed to be clean, quiet and environmentally friendly. Modern technology decreases fuel consumption and reduces noise and air pollution levels. In fact, the Flexliner's low-emission engines run virtually smoke-free.



IX

Semi-Annual Report to the
North Carolina General Assembly

The Status of Leaking Petroleum Underground Storage Tanks, The State Cleanup Funds, and Groundwater Protection Loan Fund

September 1, 1997

Groundwater Section
Division of Water Quality
Department of Environment and Natural Resources

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Report A - LUST reported 7/1/88-6/30/97
Report B - LUST reported 7/1/96-6/30/97
Report C - LUST closed out 7/1/88-6/30/97

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PROGRAM SUMMARY

The Department of Environment and Natural Resources (DENR) is required to prepare a semi-annual report on the status of leaking petroleum underground storage tanks (USTs).

The program was initiated in 1988 in response to growing reports of underground tanks leaking petroleum and other chemicals onto the surface and into drinking water supplies. Backed by enforcement powers and some funding, the program was placed with the Division of Water Quality (DWQ) formerly called the Division of Environmental Management in DENR.

Mid-1980s estimates of the number of USTs ranged into the hundreds of thousands. Early estimates of the number of tanks which could be or would be threats to the environment and public health were just as vague. Extensive research over several years has given the numbers a more reliable perspective.

Presently, North Carolina has 37,776 known commercial USTs. The number of noncommercial USTs is incalculable since registration of these tanks is not required. An estimate of 250,000 tanks is used as a working figure.

Funding for the North Carolina UST program comes from four sources: the Federal UST Regulatory Grant program, the Federal Leaking UST Fund, and North Carolina's Commercial and Noncommercial Leaking Petroleum UST Cleanup Fund (Trust Funds). The purpose, income, and guidelines are described on pages 3 - 5.

The revenue sources for the Commercial Fund were sufficient to cover reimbursement requests for cleanups through June 30, 1997. Sources of revenue are tax collection, fees, interest and the Loan Fund; creating a cash balance in the fund of $11.7 million by the end of fiscal year 1997 (June 30, 1997). Requests for reimbursements and administrative expenses totaled $46.8 million during fiscal year 1997. However, annual revenue during this time period were only $28.5 million. If the present rate of reimbursement continues, the fund will be depleted by the end of 1997.

The revenue sources for the Noncommercial Fund were sufficient to cover reimbursement requests for the cleanups through June 30, 1997. The cash balance in the Noncommercial Fund as of June 30, 1997 was $8.5 million. Requests for reimbursements and administrative expenses totaled $6.7 million during fiscal year 1997. Annual revenue during this time period was $5.6 million.

Senate Bill (S.B.) 1317, enacted on June 21, 1996, addressed the solvency of the cleanup funds by suspending cleanup activities at low priority sites until risk assessment rules become effective. Risk assessment rules were required to be published by January 1, 1997 and are required to be adopted by October 1, 1997. The rules were published in the North Carolina Register on February 3, 1997. The risk-based rules then went through a public comment period and have been revised to reflect the comments. The risk-based rules will be submitted to the Environmental Management Commission

(EMC) for approval in September.

Senate Bill 1317 also increased tank fees from $150 to $200 for small tanks (3,500 gallons or less) and from $225 to $300 for large tanks (more than 3,500 gallons). These fees have been applied retroactively during the regular billing cycles throughout 1997. The full effect of this increased revenue will not be realized until the end of 1997.

There were 597 leaking USTs reported during the first six months of 1997, which is a decrease from the 803 leaks reported during the previous six months.

As of June 30, 1997, a total of 2,415 sites have been *closed* (completed cleanup activities). This equates to 22.6 percent of the 10,682 leaks reported. Groundwater contamination was originally reported at 170 of the closed out sites.

DWQ has assigned 104 staff members to the UST program -- state money supports 72 positions and 32 are supported by federal money.

The Groundwater Section in continuing to increase outreach activities with the approach of the 1998 UST deadlines for the addition of corrosion protection and spill/overfill prevention equipment for older USTs. In addition, outreach activities and compliance inspections have continued promoting leak and spill prevention.

DWQ estimates that $50 million in reimbursement requests can be processed during FY 1998 if sufficient resources are provided. This includes both the Commercial and Noncommercial Funds and is based on the claim amount processed during FY 1997.

With requests for reimbursement far out pacing revenue and closeout activities, DWQ estimates it will take $590 million to remediate known leaking Commercial and Noncommercial UST sites, with some sites requiring years of cleaning activity.

As required by legislation, this report includes the following:

(1) A list of all discharges or releases of petroleum from underground storage tanks;
(2) A list of cleanups requiring state funding through the Noncommercial Fund and a comprehensive budget to complete such cleanups;
(3) A status list of all cleanups undertaken by tank owners or operators;
(4) A statement of receipts and payments for both the Commercial Fund and Noncommercial Fund;
(5) A statement of all claims against the Commercial Fund and the Noncommercial Fund -- claims paid, claims denied, pending claims, anticipated claims, and any other obligations;
(6) The adequacy of the Commercial Fund and the Noncommercial Fund to carry out the purposes of this Part; and any recommendations as to measures that may be necessary to assure the continued solvency of the Commercial Fund and the Noncommercial Fund; and
(7) A statement of the condition of the Loan Fund and a summary of activity under the Loan Fund.

GENERAL OVERVIEW

AN OVERVIEW OF THE STATUS OF FEDERAL AND STATE
FUNDS TO DEAL WITH LEAKING UNDERGROUND STORAGE TANKS

The responsibility for the state's underground storage tank (UST) program rests with the Groundwater Section of the Division of Water Quality within DENR. The state enforces UST regulations and manages funds for cleanup of leaks and associated costs.

This report documents the status of the Federal UST Regulatory Grant program, the Federal Leaking UST Fund, the Commercial Cleanup Fund, the Noncommercial Cleanup Fund and the Groundwater Protection Loan Fund.

Federal UST Regulatory Grant Program

This program promotes compliance with UST regulations. It provides the state's Groundwater Section with $162,500 to $188,000 per year to fund three positions in the DWQ central office. This staff provides technical assistance to the owners and operators of USTs, develops materials, conducts educational activities for interested groups, trains DWQ regional staff and conducts UST inspections.

Federal Leaking UST Fund

The Federal Leaking UST Trust Fund (FTF) is used to clean up petroleum contamination from leaking USTs, provide potable water to affected third-parties, perform emergency activities, relocate residents and conduct enforcement activities. This fund is limited to USTs regulated by federal agencies -- primarily commercial tanks used for storing motor fuels. Tanks used for heating oil and those used for farm or residential use (those of 1,100 gallons capacity or less) cannot be addressed using this fund.

Individuals (i.e., owners/operators) do not have access to the fund. Only the federal government and states with cooperative agreements with Environmental Protection Agency (EPA) can draw on the fund. The fund may be used in those situations when: (1) the responsible party(ies) cannot be identified; (2) the responsible party(ies) are financially unable to pay for the cleanup; or (3) the responsible party(ies) are unwilling and refuse to undertake assessment and/or cleanup activities.

Since the state's UST program began, the Federal Leaking UST Fund has made 10 grant awards totaling $20,377,116 to the state's Groundwater Section to underwrite the costs involved. As of June 30, 1997, the state has expended a total of $19,609,906 from these awards. Of this amount, $9,940,038 has been spent for cleanup-related activities, $1,486,389 for enforcement activities: which include identifying a potential owner/operator; owner/operator financial assessments; issuance of notices of regulatory requirements and notices of violation; formal enforcement actions (including civil penalties); special

orders by consent; all activities associated with the oversight of owner/operator cleanups (responsible party-led actions); and all activities associated with the development and support of cost recovery cases. Administrative, operating, travel and equipment casts total $8,183,480.

In Fiscal Year (FY)95 the FTF received $2,731,871 in grants (including amendments). The following year the program only received $1,557,320 to fund the program. In FY97, the FTF received a total of $2,011,056 in funding. The reduction in the FY96 allocation, and the somewhat lesser reduction in the FY 97 allocations have substantially impacted the Federal Trust Fund Program. These reductions reduced the ability to perform state-lead site assessments, remedial actions, and to provide alternate water supplies to affected residents. The FTF is projected to receive $1,777,476 in FY98, which will again limit the working abilities of the program.

North Carolina Commercial and Noncommercial Trust Funds

The Leaking Petroleum Underground Storage Tank Cleanup Act of 1988* established two separate funds -- the Commercial Trust Fund and the Noncommercial Trust Fund. Both may reimburse owners and operators of USTs for reasonable and necessary costs incurred as a result of environmental cleanup actions and third-party liability claims.

Funding for the Commercial Trust Fund is generated through motor fuel and kerosene inspection tax, excise taxes on kerosene and motor fuel sales and annual payment of tank operating fees. Owners and operators of commercial tanks are required to pay annual tank operating fees. The owners/operators of noncommercial tanks are not required to pay these operating fees. Annual kerosene and motor fuel inspection tax is one source of revenue for the Noncommercial Fund. Beginning January 1, 1995, the Noncommercial Fund also receives 3/32 of one-half cent of taxes on kerosene and motor fuel sales.**

The funding from the Commercial, Noncommercial and the EPA grant, enable the staff to:

-- record and track groundwater incidents;
-- register commercial USTs and manage a database and annual tank fee payment;
-- identify responsible parties;
-- provide technical assistance to tank owners and operators;
-- monitor site cleanup;
-- review site assessments and corrective action plans;
-- review reimbursement claim procedures;
-- manage contracts for cleanups designated as State lead;
-- inspect and monitor for land applications of contaminated soil;
-- identify and evaluate abandoned petroleum USTs; and
-- evaluate the effectiveness of Professional Engineers and Licensed Geologists to certify closure of UST sites.

* General Statute (G.S.) 143-215.94A et.seq.
** House Bill (H.B.) 681 of 1993

DWQ has the authority to contract for the cleanup of leaking USTs if the owner or operator cannot be identified or located, or if the owner or operator refuses to clean up the site. In such cases, the Groundwater Section is authorized by General Statute to recover costs it incurs in a cleanup.

Income Status of the Cleanup Funds

The Commercial Fund receives approximately $28.5 million annually from: an inspection fee on motor fuel and kerosene ($2.9 million); a portion of the motor fuels excise tax ($13.4 million); and annual tank fees ($10.8 million). Interest on this account amounts to approximately $1.3 million, increasing the annual revenue to $28.5 million. As of June 30, 1997, the fund has received a total of $184.2 million since 1988.

The Noncommercial Fund receives its support from motor fuel and kerosene inspection tax ($2.9 million), and a portion of the motor fuels excise tax ($2.1 million). Including interest, the Fiscal Year 1997 revenue for the Noncommercial Fund was 5.6 million. As of June 30, 1997, the fund has received a total of $35.9 million since 1988.

Disbursements of Clean-up Funds

From July 1988 through June 30, 1997, approximately $164.3 million was paid out of the Commercial Fund and $22.6 million from the Noncommercial Fund for cleanups. The administrative costs for the same period totals $14.4 million. Details on expenditures are covered in tables on pages 9 and 10 in this report.

PART I

LIST BY DENR REGIONS OF DISCHARGES OR RELEASES OF PETROLEUM FROM UNDERGROUND STORAGE TANKS

The table below lists the number of discharges or releases reported to the Division of Water Quality Regional Offices since the Leaking Petroleum Underground Storage Tank Cleanup program began in 1988.

DISCHARGES OR RELEASES REPORTED BY REGION
JANUARY 1, 1997 - JUNE 30, 1997 AND
JULY 1, 1988 - JUNE 30, 1997

REGIONS	1/1/97 - 6/30/97	7/1/88 - 6/30/97
Asheville	44	1,172
Fayetteville	25	693
Mooresville	198	2,203
Raleigh	79	2,076
Washington	53	1,376
Wilmington	59	649
Winston-Salem	139	2,513
TOTAL	597	10,682

Total reported releases where groundwater was impacted that have been closed out	170
Total reported releases that have been closed out	2,415
Total remaining sites requiring remediation	8,267*
Estimated number of sites requiring remediation that are commercial sites**	7,027*
Estimated number of site requiring remediation that are noncommercial sites**	1,240*

*S.B. 1317 suspended activities at low priority sites until risk-based rules are implemented. This suspension of activities applies to 81 percent of the sites. Certain types of remediation, such as free product, are still being required.

**Based on past data, approximately 85 percent of the reported releases are from commercial sites while the other 15 percent are from noncommercial sites.

PART II

ESTIMATE OF INCIDENT CLEANUPS OF NONCOMMERCIAL SITES
BY DENR REGION FOR THE PERIOD:
JANUARY 1, 1997 – JUNE 30, 1997

The cleanup process can easily extend over several years and the costs may vary greatly. An average cost of $62,500 was used as an estimate of cleanup costs for noncommercial sites.

REGION	INCIDENTS*	TOTAL ESTIMATED CLEANUP COST
ASHEVILLE	6	$ 375,000
FAYETTEVILLE	4	250,000
MOORESVILLE	30	1,875,000
RALEIGH	12	750,000
WASHINGTON	8	500,000
WILMINGTON	9	562,500
WINSTON-SALEM	21	1,312,500
TOTAL	90	$ 5,625,000

*Based on past data, approximately 15 percent of the reported releases are from noncommercial sites.

PART III

SUMMARY OF COMMERCIAL AND NONCOMMERCIAL
CLEANUPS UNDERTAKEN BY TANK OWNERS OR OPERATORS
AND THE CURRENT STATUS

July 1, 1988 - June 30, 1997

Cleanups Initiated 10,682
Closed Out 2,415

REGION: Asheville

CLEANUP INT - 1,172
CLOSED OUT - 582

REGION: Fayetteville

CLEANUP INT - 693
CLOSED OUT - 154

REGION: Mooresville

CLEANUP INT - 2,203
CLOSED OUT - 363

REGION: Raleigh

CLEANUP INT - 2,076
CLOSED OUT - 391

REGION: Washington

CLEANUP INT - 1,376
CLOSED OUT - 266

REGION: Wilmington

CLEANUP INT - 649
CLOSED OUT - 10

REGION: Winston-Salem

CLEANUP INT - 2,513
CLOSED OUT - 649

CLEANUP INT - 10,682
CLOSED OUT - 2,415

TOTAL SITES NOT CLOSED OUT - 8,267*

KEY

CLEANUP INT - site cleanup initiated
CLOSED OUT - site cleanup has been completed

"Cleanup initiated" indicates that, at a minimum, a Regional Office has completed a Pollution Incident Reporting Form (PIRF) describing the potential source of the contamination site.

*Cleanup activities at sites ranked CDE (low priority) were suspended by S.B. 1317 until risk-based rules are implemented. Suspension of activities affected 81 percent of the sites. Some cleanup activities are still required such as the removal of free product.

PART IV

STATEMENT OF RECEIPTS AND DISBURSEMENTS COMMERCIAL FUND, NONCOMMERCIAL FUND AND GROUNDWATER PROTECTION LOAN FUND

Commercial Fund

The Commercial Fund is supported by a combination of a motor fuel and kerosene inspection fee, a motor fuel excise tax and fees on commercial petroleum underground storage tanks. Effective January 1, 1993, the fee for each commercial tank of 3,500 gallon or less capacity was $150; the fee for each commercial tank of more than 3,500 gallon capacity was $225. Effective January 1, 1997, based on Senate Bill 1317, the fee for commercial tanks increased to $200 for small tanks and $300 for large tanks.

Noncommercial Fund

The Noncommercial Fund is funded by a motor fuel and kerosene inspection fee and a motor fuel excise tax.

The table below lists the receipts and disbursements for each fund from June 30, 1988 to June 30, 1997, by fiscal year.

RECEIPTS/DISBURSEMENTS FOR CLEANUPS

FISCAL YEAR	RECEIPTS		DISBURSEMENTS	
	Commercial	Noncommercial	Commercial	Noncommercial
FY 89	$ 2,337,685	$ 0.00	$ 14,768	$ 0.00
FY 90	5,773,632	2,905,035	79,080	0.00
FY 91	7,330,573	2,934,347	1,616,760	564,206
FY 92	13,484,008	3,018,344	4,409,229	2,143,155
FY 93	18,032,784	7,693,288	9,651,948	4,069,497
FY 94	24,438,966	3,404,086	22,904,802	2,012,312
FY 95	56,037,135*	5,194,725	37,405,510	2,900,368
FY 96	28,178,768	5,215,550	44,060,639	5,029,109
FY 97	28,564,034	5,587,781	44,163,273	5,924,799
TOTAL	$184,177,585	$35,953,156	$164,306,009	$22,643,446

* $30,443,994 was transferred from the Loan Fund

The administrative budget for the State Trust Fund is derived from the Commercial and Noncommercial Funds. From 1989 to 1992, the legislature appropriated $1.2 million per year ($600,000 from each fund) for administrative costs. In 1993, the appropriated budget was increased to $1.35 million ($675,000 from each fund) with the addition of four inspectors to monitor contaminated soil and land application sites.

In 1995, passage of S.B. 1012 increased the appropriations for the Commercial Fund by $2.1 million to $2.775 million. Of this amount, $125,000 was appropriated to identify and evaluate the potential health and environmental risks of abandoned petroleum USTs. In FY96, $150,000 was appropriated to evaluate the effectiveness of the current practice of requiring Professional Engineers and Licensed Geologists to certify closure activities associated with UST sites. The appropriated budget for the Noncommercial Fund was also increased by $125,000 to identify and evaluate abandoned petroleum USTs. Funds were also appropriated in the amount of $135,000 from the Commercial Fund to the NC Department of Agriculture for 1995-96 and $90,000 for 1996-97 to support additional inspector positions to perform annual leak compliance inspections at commercial retail outlets.

ADMINISTRATIVE EXPENDITURES

FY 1989	-	0.00
FY 1990	-	$402,509
FY 1991	-	$1,095,190
FY 1992	-	$1,034,442
FY 1993	-	$1,203,373
FY 1994	-	$1,388,847*
FY 1995	-	$1,332,540
FY 1996	-	$3,106,316
FY 1997	-	$3,424,482

TOTAL $12,987,700

FUND BALANCE AS OF June 30, 1997

Commercial - $11,697,153.74
Noncommercial - $ 8,496,430.03

*The Division of Fiscal Management allowed the Groundwater Section's Pollution Control Branch (PCB) to go over budget to cover the 13th month of salary. This was allowed because in previous years PCB had not expended the full allotment. This was an effort by the General Assembly to have state employees' June paychecks returned to the distribution date of June 30, of each fiscal year, as opposed to July 1.

GROUNDWATER PROTECTION LOAN FUND

The Groundwater Protection Loan Fund revenues were provided by a 1/4-cent per gallon tax on motor fuel, to be collected from January 1, 1992 through December 31, 1994.

The Groundwater Protection Loan Fund Rules became effective on December 1, 1992. Eleven North Carolina banks signed on to administer the loan program. As of June 30, 1995, four loans totaling $1,228,350.50 had been closed. Loans had to be funded by June 30, 1995. After June 30, 1995, remaining funds were deposited into the Commercial Fund. Loan repayments are deposited into the Commercial Fund.

	RECEIPTS	DISBURSEMENTS
1992 (Jan - Jun)	$ 4,043,320.91	0
1992 (Jul - Dec)	5,214,191.10	0
1993 (Jan - Jun)	5,158,260.37	$ 1,346.87
1993 (Jul - Dec)	5,619,051.10	0
1994 (Jan - Jun)	5,772,462.24	207,975.50
1994 (July - Dec)	5,214,423.02	0
1995 (Jan - Jun)	1,516,210.08*	32,299,918.51**
1995 (Jul - Dec)	0	28,677.94***
1996 (Jan - Jun)	141,390.85	0
1996 (Jul - Dec)	33,572.18	0
1997 (Jan - Jun)	45,627.72	0
TOTAL	$32,758,509.57****	$32,537,918.82

* $22,866.39 received for repayment of loans

** $31,288,889.72 was transferred to the Commercial Fund.

***Amount transferred to the Commercial Fund in September 1995.

****$28,045.44 was received for interest on loans, and $37,758.97 was received for repayment of loans during the period July - December 1995 but reflected in the receipts for the Commercial Fund.

PART V

CLAIMS AGAINST THE TWO CLEANUP FUNDS

Claims against both the Commercial and the Noncommercial Funds are administered on a "first come-first served" basis. The following is a statement of all claims received through June 30, 1997, for reimbursements from the Commercial and Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Funds (see Table I, Page 14).

These claims only include costs claimed to date and should not be taken as the total costs for cleanup. Costs claimed range from site assessment to complete cleanup.*

Commercial Fund and Noncommercial Fund

As of June 30, 1997, there were 8,267 open underground storage tank sites requiring additional cleanup before closure can be accomplished. Of those sites, the DWQ estimated that 7,027 (85 percent) of the releases are from commercial underground storage tanks. An estimated 20 percent (1,405) of these releases from commercial USTs will not reach the prescribed deductibles, which ranged from $20,000 to $75,000, therefore, the DWQ expects claims from the Commercial Fund to be submitted for 5,622 of the currently known commercial sites (see Table I, Page 14).

As of June 30, 1996, owners/operators of tanks had submitted claims for reimbursement representing only 25.3 percent of the 10,682 releases reported -- 1,877 from the Commercial Fund and 828 from the Noncommercial Fund.

Cleanup Costs

Limited information is available concerning final cleanup costs per site, making projections of the total claims against the funds difficult. Cleanup costs vary from one site to another depending on soils, hydrogeological conditions, cleanup levels and the effectiveness of the remediation technology.

Determining a "typical" cleanup cost is calculated by drawing upon the experiences of others. DWQ estimates an average cleanup cost of $125,000 for each commercial site, based upon two key studies -- a study by Environmental Information, Ltd., Minneapolis, Minnesota,** and one by the University of Tennessee.***

* H.B. 1222 (Session Laws of 1991, c.538) excluded tank removal costs from coverage as of January 1, 1992 for commercial USTs and as of July 3, 1991 for noncommercial USTs.

** "The Underground Storage Tank Market: Its Current Status and Future Challenges." Environmental Information, Ltd., Minneapolis, Minnesota.

*** "Underground Storage Tanks: Resource Requirements for Corrective Action," University of Tennessee, Knoxville, Tennessee.

These two studies represent the best available statistical reports for comparison with the North Carolina program. The Minnesota study reported that costs vary from $37,000 to $250,000 in 16 states it surveyed, with an average cost of $103,000. The more detailed Tennessee study pointed to average costs of $175,000 for 1990, but it stated costs would decline steadily to about $78,000 by the year 2000. That study pointed out that mandatory upgrading and replacement standards for USTs, which went into effect in 1988, would result in far lower cleanup costs by the year 2000.

The DWQ uses an estimate cost of one-half the commercial cost of cleanup for the cost of cleanup of a noncommercial site, or $62,500.

Leak Detection and Assessment

To use prevention rather than cure, the Groundwater Section of DWQ conducts inspections of UST sites to ensure compliance with state regulations. That procedure shows promise of preventing some of the damages caused by leaking USTs before they occur. Leak detection is one way of identifying product loss before the release can contaminate large quantities of soil or reach the groundwater, thereby reducing cleanup costs.

The Section continues to promote leak and spill prevention though compliance inspections and outreach efforts. With the approach of the 1998 deadlines for the addition of corrosion protection and spill/overfill prevention equipment to older USTs, outreach efforts have increased. The Division instituted a Compliance Assistance Program for owners/operators of USTs. This program allows the owner or operator to request a compliance audit of their facility by Division staff without the threat of enforcement actions. As of June 30, 1997, a total of 619 educational visits had been performed.

Additional outreach activities performed during this period include a Owner/Operator Day co-sponsored with the Petroleum Marketers Association in which over 600 people attended, four additional public presentations, the publication and distribution of the first issue of the Groundwater Section newsletter, and the completion of the Groundwater Section Webpage. Combined, these activities set-up a means for the public to access information concerning UST issues.

The UST operating permit program, which started on January 1, 1996, was fully implemented by October 1, 1996. As of June 30, 1997, there were a total of 10,798 active permits.

TABLE I

LEAKING PETROLEUM UNDERGROUND STORAGE TANK CLEANUP FUNDS
FROM JULY 1, 1988 TO JUNE 30, 1997

COMMERCIAL FUND

	NUMBER	COST
Claims paid	7,879	$159,332,998
Initial 50 percent of claims paid	3,088	$ 33,048,091
Incidents denied totally (ineligible)	22	$ 2,143,725
Claims denied partially (excessive or undocumented costs)	5,486	$ 28,456,568
Claims pending	636	$ 12,580,654
Contracted cleanups* (actions undertaken or completed)	110 sites	$ 5,257,996
Anticipated claims for releases reported**	5,622***	$535,409,000

NONCOMMERCIAL FUND

	NUMBER	COST
Claims paid	2,071	$ 20,549,081
Initial 50 percent of claims paid	807	$ 5,128,602
Incidents denied totally (ineligible)	3	$ 52,188
Claims denied partially (excessive or undocumented costs)	1,240	$ 2,724,124
Claims pending	172	$ 2,304,596
Contracted Cleanups* (actions undertaken or completed)	43 sites	$ 1,493,411
Anticipated claims for releases reported**	1,240	$ 55,270,000

*Effective July 19, 1993, H.B. 1061 mandated that the Commercial Fund pay for contracted cleanup costs resulting from commercial underground storage tanks. Previously, all contracted cleanup costs were disbursed from the Noncommercial Fund. Subsequently, 20 cleanup sites have had both noncommercial and commercial designations.

**Based on past data, it is estimated that commercial incidents represent 85 percent of the reported releases and noncommercial releases represent the remaining 15 percent.

***It is estimated that 20 percent of commercial releases will not reach the prescribed deductibles which range from $20,000 to $75,000.

PART VI

ADEQUACY OF THE FUNDS TO CARRY OUT THE PURPOSES OF PETROLEUM UNDERGROUND STORAGE TANK CLEANUP

Commercial Fund

The number of reimbursement requests began rising in the summer of 1992 and continue to grow, resulting in a backlog of claims awaiting review. Both the number of claims and costs of cleanups are steadily rising.

In FY 1997, the motor excise tax deposited approximately $13.7 million a year; other funding sources, including interest earned on invested funds and tank fees, produced another $14.8 million for a total of $28.5 million.(see Table II, page 18).

With the commercial fund balance of $11,697,153 and claims pending of $12,850,654 on June 30, 1997, a negative working balance remained. The viability of the fund (using 1996 and 1997 figures to project revenues and claims against the fund and how it influences the fund balance) is depicted in Figure 1 (see Page 19 with explanation of amounts used on Pages 20 and 21). Predictions are that the money in the fund will be depleted by the end of the calendar year.

S.B. 1317, enacted on June 21, 1996, addresses the solvency of the fund by introducing measures to reduce cleanup costs and increase revenue to the fund. Assessment and cleanup activities at UST sites categorized as low priority and with a ranking of "CDE" were suspended until risk based rules are introduced. Work at high priority sites (ranked "AB") will proceed and be reimbursed as before. Certain cleanup activities at CDE sites will still be performed. These cleanup activities include the removal of free product and actions to prevent further release or discharge of petroleum from an UST. Presently, 81 percent of the UST sites are in category CDE and suspension of activities at these sites will make a significant difference in cleanup costs. The total effect of the suspension has not been reflected in the claims received during this report period. Since S.B. 1317 was enacted, only 13.3 percent of the claims received were for work performed since the effective date of the suspension.

The average number of claims received per month since the suspension of activities is not significantly less than before. However, the dollar amount of claims received per month after the suspension of activities is 32 percent less than the dollar amounts received for the six months prior to the suspension. This is not reflected in the actual monthly expenditure because DWQ staff was diligently striving to reduce the backlog of claim and processed more claims than were received.

Effective July 19, 1993, H.B. 1061 mandated that the Commercial Fund pay for contracted cleanup costs resulting from commercial underground storage tanks. Prior to this bill, all cleanup costs,

regardless of the site, were disbursed from the Noncommercial Fund. A total of $5,257,996 has been dispersed from the Commercial Fund for contracted state lead cleanups at 110 sites. Twenty of these sites also had some dispersement from the Noncommercial Fund prior to the July 1993 amendment.

The increase of tank fees introduced by S.B. 1317 became effective on January 1, 1997. Since tank owners/operators are invoiced using a quarterly billing cycle, this increase will only be fully implemented by October 1997. In FY97, tank fees generated $10.8 million which is an increase of $1.3 million from FY96. The amount generated from operating fees will be higher in FY98 when all billing periods will include the increased tank fee charges.

The effects of S.B. 1317 on the future solvency of the fund has not been included in the projections as illustrated in Figure 1 (Pages 19).

Noncommercial Fund

The Noncommercial Fund receives income from the kerosene and motor fuel inspection tax and excise tax.

G.S. 119-18 (b) states that if the amount of revenue in the Noncommercial Fund at the end of a month is at least $5 million, one half of the motor fuel inspection tax shall be credited to the Commercial Fund and one half shall be credited to the Noncommercial Fund. If the amount of revenue in the Noncommercial Fund at the end of the month is less than this threshold amount, all the tax shall be credited to the Noncommercial Fund.

For the past fiscal year, the income from the motor fuels and kerosene inspection tax portion of Noncommercial Fund revenues was $2.9 million. The interest income was approximately $555,000. Starting January 1, 1995 the fund has received 3/32 of one-half cent of taxes on kerosene and motor fuel sales (motor excise tax). The excise tax has produced an income of approximately $2.1 million for fiscal year 1997.

G.S. 119-18 (b) states that the costs of any cleanup shall be paid, to the extent funds are available, from the following sources in the order listed:

1) Any funds to which the State is entitled under any federal program providing for the cleanup of petroleum releases from underground storage tanks.
2) The Commercial Fund or the Noncommercial Fund.

Claims and contract sites approved for reimbursement from the Noncommercial Fund between January 1, 1997 and June 30, 1997 totaled $3,062,537. In addition to reimbursements, the Noncommercial Fund is authorized to pay for cleanup actions undertaken by the Department and

cooperating federal, state and local government agencies at noncommercial sites. Prior to July 19, 1993, the Noncommercial Fund also dispersed funds for cleanups at commercial sites. The Department has seven current contracts with environmental engineering/geology contractors for the State Trust Fund Group to perform this work. The Noncommercial Fund has dispersed $1,493,411 for cleanup at 43 sites.

The Noncommercial Fund balance was $8,496,430 on June 30, 1997. The revenues, including interest, for fiscal year 1997 were $5.6 million. If claims to the Noncommercial Fund continue at the current rate, the fund will be sufficient through 1997 (see Figure 2, Page 22).

TABLE II

COMMERCIAL FUND REVENUES AND EXPENDITURES FOR FISCAL YEAR 1997

Kerosene & Motor Fuel Inspection Tax	$ 2,915,315
Motor Excise Tax	$13,402,190
Operating (Tank) Fees	$10,839,975*
Interest	$ 1,327,413
TOTAL COMMERCIAL REVENUES	$28,484,893
Total claims and contracted cleanups during FY97	$44,163,274
Administrative Costs	$ 2,623,339
TOTAL COMMERCIAL EXPENDITURES	$46,786,613

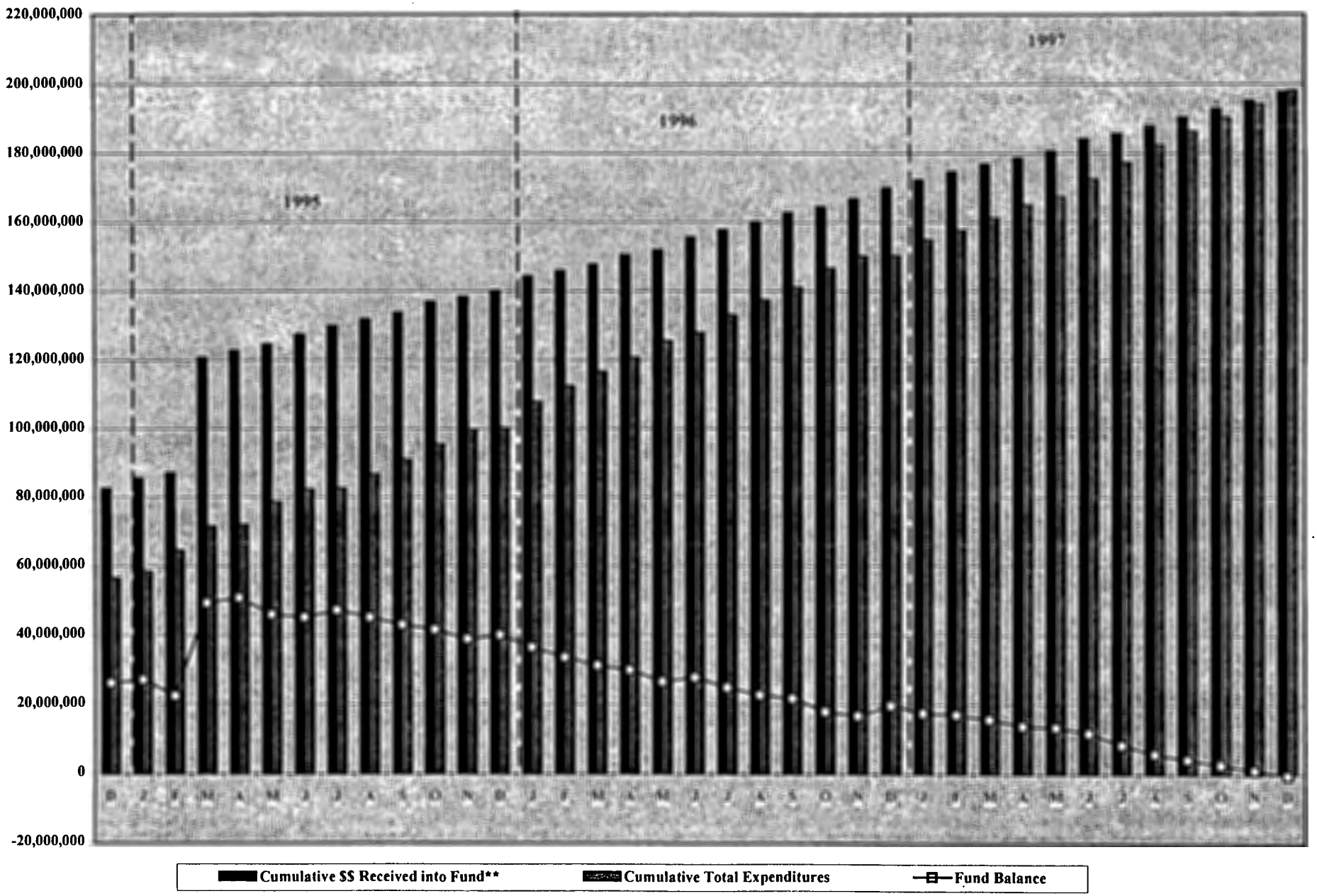
NONCOMMERCIAL FUND REVENUES AND EXPENDITURES FOR FISCAL YEAR 1997

Kerosene & Motor Fuel Inspection Tax	$ 2,915,315
Motor Excise Tax	$ 2,117,442
Interest	$ 555,023
TOTAL NONCOMMERCIAL REVENUES	$ 5,587,780
Total claims and contracted cleanups during FY97	$ 5,924,799
Administrative Costs	$ 801,143
TOTAL NONCOMMERCIAL EXPENDITURES	$ 6,725,942

*Effective January 1, 1997, the fee for each commercial tank of 3,500 gallons or less capacity is $200; the fee for each commercial tank of more than 3,500 gallon capacity is $300. SB 1317

FIGURE 1

STATE COMMERCIAL TRUST FUND BALANCE THROUGH 1997: REVENUES vs EXPENDITURES



STATE COMMERCIAL TRUST FUND BALANCE: REVENUES vs EXPENDITURES

	1994	1995											
		J	F	M	A	M	J	J	A	S	O	N	D
Administrative Costs (1)		55,523	55,523	55,523	55,523	55,523	55,523	193,553	193,553	193,553	193,553	193,553	193,553
State Lead Sites Costs (2)		99,408	99,408	99,408	99,408	99,408	99,408	99,408	99,408	99,408	99,408	99,408	99,408
Total Admin. + State Lead Costs		154,930	154,930	154,930	154,930	154,930	154,930	292,960	292,960	292,960	292,960	292,960	292,960
Cumulative Total (3)	4,477,363	4,632,293	4,787,223	4,942,153	5,097,083	5,252,013	5,406,943	5,699,904	5,992,864	6,285,824	6,578,784	6,871,745	7,164,705
Reimbursement Amount (4)		1,791,199	6,007,417	6,716,971	327,835	6,486,841	3,508,468	64,886	3,811,283	3,800,081	4,260,191	3,867,279	238,167
Cumulative Total of Reimb. Amounts (5)	51,987,426	53,778,625	59,786,042	66,503,014	66,830,849	73,317,689	76,826,157	76,891,044	80,702,326	84,502,407	88,762,598	92,629,877	92,868,044
Cumulative Total Expenditures (6)	56,464,788	58,410,918	64,573,265	71,445,166	71,927,932	78,569,702	82,233,101	82,590,947	86,695,190	90,788,231	95,341,382	99,501,621	100,032,749
$$ Received into Fund (monthly) (7)		2,961,870	1,445,920	33,682,967	2,032,770	1,826,481	2,872,718	2,392,872	1,957,162	1,954,839	3,146,807	1,491,691	1,680,281
Cumulative $$ Received into Fund (8)	82,612,056	85,573,926	87,019,846	120,702,813	122,735,583	124,562,064	127,434,782	129,827,654	131,784,816	133,739,655	136,886,462	138,378,153	140,058,434
Cumulative Total Expenditures (6)	56,464,788	58,410,918	64,573,265	71,445,166	71,927,932	78,569,702	82,233,101	82,590,947	86,695,190	90,788,231	95,341,382	99,501,621	100,032,749
Fund Balance (9)	26,147,268	27,163,008	22,446,581	49,257,647	50,807,651	45,992,362	45,201,681	47,236,707	45,089,626	42,951,424	41,545,080	38,876,532	40,025,685

NOTES: {General - all projections have been made using the EXCEL function "TREND" (a linear regression)}.

(1) The figures for 1/95 - 6/95 represent a monthly average of the actual total amount spent during FY95. The figures for 7/95 - 6/96 represent a monthly average of the actual total amount spent during this period. The figures for 7/96 - 12/96 are monthly averages based on actual expenditures. The figures for 1/97 through 7/97 are actual monthly expenditures, and those for 8/97 through 12/97 are monthly average amounts based on actual expenditures for 1/97 through 7/97.

(2) These figures represent average monthly expenditures for state - lead cleanup activities based on historic data. The figure used for the period 1/95 - 6/96 is an average monthly figure based on the total expenditure of $1,789,344 during this period. The figures for 7/96 - 12/96 are average monthly amounts based on actual expenditures during this period. The figures for 1/97 - 7/97 are actual expenditures. Those for 8/97 through 12/97 are monthly averages based on the actual amount spent during the period 1.97 - 7/97.

(3) The figure for 1994 represents $2,895,316 in administrative expenditures through 12/94, plus $1,582,047 for site expenditures through 12/94.

(4) The figures for 4/95 through 7/97 represent actual monthly reimbursement amounts; because of the highly variable nature of these monthly figures, no monthly projections were made in order to obtain future monthly reimbursement predictions.

(5) The figure for 1994 represents the cumulative amount of reimbursements made through December, 1994; the figures for 1/95 through 7/97 represent the successive addition of actual monthly reimbursement amounts; the figures from 8/97 onward represent a projection of the cumulative total reimbursement amount, based on an average rate of reimbursement of $3,610,035 per month.

(6) These figures represent the cumulative totals of Administrative Costs + State - Lead Site Costs + Reimbursement Expenditures.

(7) For 1/95 - 7/97 actual revenues are used (the amount for March, 1995 reflects the addition of the final balance of the loan fund reverting back into the Commercial Fund); The figure used from 8/97 through December 1997 is the average amount received from July 1995 through July 1997.

(8) The Figure shown for December, 1994 represents the actual balance at the end of calendar year 1994; each successive monthly figure represents the addition of the monthly amount received as described in Note (6).

(9) The Fund Balance is the cumulative amount received into the Fund minus the cumulative amount of reimbursements, administrative and site costs.

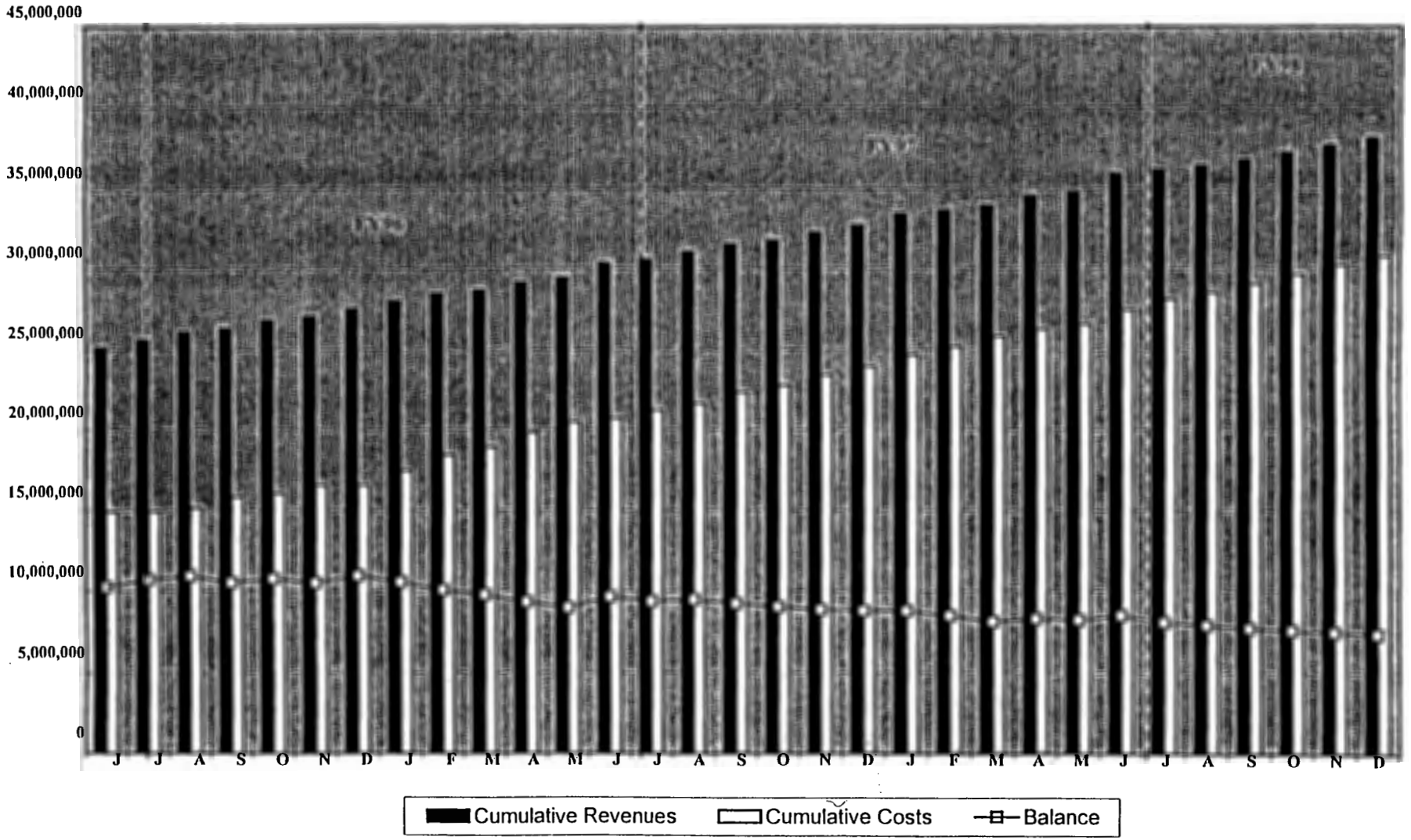
STATE COMMERCIAL TRUST FUND BALANCE: REVENUES vs EXPENDITURES

	1996											
	J	F	M	A	M	J	J	A	S	O	N	D
Administrative Costs (1)	193,553	193,553	193,553	193,553	193,553	193,553	176,408	176,408	176,408	176,408	176,408	176,408
State Lead Sites Costs (2)	119,289	119,289	119,289	119,289	119,289	119,289	119,289	119,289	119,289	119,289	119,289	119,289
Total Admin. + State Lead Costs	312,842	312,842	312,842	312,842	312,842	312,842	295,697	295,697	295,697	295,697	295,697	295,697
Cumulative Total (3)	7,477,547	7,790,388	8,103,230	8,416,072	8,728,914	9,041,756	9,337,452	9,633,149	9,928,846	10,224,543	10,520,239	10,815,936
Reimbursement Amount (4)	7,431,629	4,279,905	3,880,598	3,761,012	4,494,141	2,099,951	4,773,528	4,141,542	3,414,063	5,246,881	3,224,930	1,959,315
Cumulative Total of Reimb. Amounts (5)	100,299,673	104,579,578	108,460,176	112,221,188	116,715,329	118,815,280	123,588,808	127,730,350	131,144,413	136,391,294	139,616,225	141,575,540
Cumulative Total Expenditures (6)	107,777,220	112,369,966	116,563,406	120,637,260	125,444,243	127,857,035	132,926,260	137,363,499	141,073,259	146,615,837	150,136,464	152,391,476
SS Received into Fund (monthly) (7)	4,221,391	1,640,117	1,856,551	2,799,055	1,330,540	3,707,461	2,181,240	2,250,231	2,693,956	1,742,930	2,330,582	3,069,606
Cumulative SS Received into Fund (8)	144,279,825	145,919,943	147,776,494	150,575,549	151,906,089	155,613,550	157,794,789	160,045,021	162,738,976	164,481,906	166,812,488	169,882,094
Cumulative Total Expenditures (6)	107,777,220	112,369,966	116,563,406	120,637,260	125,444,243	127,857,035	132,926,260	137,363,499	141,073,259	146,615,837	150,136,464	152,391,476
Fund Balance (9)	36,502,606	33,549,976	31,213,088	29,938,289	26,461,846	27,756,514	24,868,529	22,681,522	21,665,717	17,866,069	16,676,024	17,490,618

	1997											
	J	F	M	A	M	J	J	A	S	O	N	D
Administrative Costs (1)	203,757	209,600	173,076	329,313	174,314	474,835	0	223,556	223,556	223,556	223,556	223,556
State Lead Sites Costs (2)	185,037	77,705	162,406	190,147	89,877	52,740	58,586	116,642	116,642	116,642	116,642	116,642
Total Admin. + State Lead Costs	388,793	287,305	335,482	519,459	264,191	527,575	58,586	340,198	340,198	340,198	340,198	340,198
Cumulative Total (3)	11,204,729	11,492,034	11,827,515	12,346,975	12,611,166	13,138,741	13,197,327	13,537,525	13,877,724	14,217,922	14,558,120	14,898,319
Reimbursement Amount (4)	4,200,952	2,489,185	3,251,828	3,174,930	2,204,812	4,616,557	4,756,985					
Cumulative Total of Reimb. Amounts (5)	143,604,378	146,093,563	149,345,391	152,520,320	154,725,133	159,341,690	164,098,675	168,755,606	172,365,641	175,975,676	179,585,710	183,195,745
Cumulative Total Expenditures (6)	154,809,107	157,585,597	161,172,906	164,867,295	167,336,299	172,480,431	177,296,002	182,293,131	186,243,364	190,193,598	194,143,831	198,094,064
SS Received into Fund (monthly) (7)	2,310,726	2,310,726	2,310,726	1,796,421	2,034,874.51	3,518,541.65	1,430,876.44	2,423,341.89	2,423,341.89	2,423,341.89	2,423,341.89	2,423,341.89
Cumulative SS Received into Fund (8)	172,192,819	174,503,545	176,814,270	178,610,692	180,645,566	184,177,582	185,608,458	188,031,800	190,455,142	192,878,484	195,301,826	197,725,168
Cumulative Total Expenditures (6)	154,809,107	157,585,597	161,172,906	164,867,295	167,336,299	172,480,431	177,296,002	182,293,131	186,243,364	190,193,598	194,143,831	198,094,064
Fund Balance (9)	17,383,712	16,917,948	15,641,364	13,743,397	13,309,268	11,697,151	8,312,456	5,738,669	4,211,778	2,684,886	1,157,995	-368,896

FIGURE 2

Non-Commercial Trust Fund Balance Through 12/31/97



PART VII

GROUNDWATER PROTECTION LOAN FUND

The Groundwater Protection Loan Fund Program was created in 1991.* Administrative Rules (15A NCAC 1K) implementing the program were adopted by the DENR, effective December 1, 1992. The purpose of the Loan Fund Program was to assist owners of commercial underground storage tanks in replacing or upgrading their tanks to the standards required in the Administrative Rules: "Criteria and Standards Applicable to Underground Storage Tanks."

The Groundwater Protection Loan Fund was created to enable the Department to provide loans funded through a 1/4-cent per gallon of the motor fuel excise tax, from January 1, 1992 through December 31, 1994. The program was projected to provide approximately $30 million for loans over the next several years.

Only four loans for a total of $1,228,350.50 have been closed. Another 77 loans totaling $1.5 million were approved but were withdrawn before the June 30, 1995, deadline terminating the program [15A NCAC 1K .0102 (f)]. Two loans totaling $125,000 were approved, but applicants found financing elsewhere.

Repayment of loans and interest is an ongoing part of the program and all amounts received under these headings are revenued to the Commercial Fund.

* Session Laws 1991, c. 538. s. 25 - G.S. 143-215.94P

PART VIII

SPECIAL STUDIES

Abandoned Petroleum Underground Storage Tank Study

A study of abandoned or orphan underground storage tanks (USTs) was conducted by the Division of Water Quality, Groundwater Section, State Trust Fund Group. The purpose of this study was to identify and evaluate the threat to human health and the environment from abandoned petroleum underground storage tanks throughout North Carolina. A site was considered eligible for the study if the USTs had never been registered with the State, the owner/operator of the USTs was not easily identifiable, and the USTs had not been used for several years. The study was performed using data from three surveyed counties and that data was used to estimate the number of abandoned USTs in the State of North Carolina.

The data collected for this study indicated that there are roughly 3,230 to 4,040 orphan UST sites in North Carolina. Based on the site investigations, it appears that approximately 44 percent of the sites have contamination that affects soil and/or groundwater thus, there may be 1,400 to 2,100 contaminated orphan UST sites in the state. Soil and groundwater contamination is likely to impact human health more directly in rural areas, where more people rely on groundwater to meet their water needs, than in urban areas where most people are served by a public water supply.

The Federal and State Lead programs are designed to address sites with contamination where there is no identifiable responsible party or the responsible party refuses or is financially unable to proceed with cleanup. The State of North Carolina funds and supervises cleanup activities, if required, with monies from the Commercial and Noncommercial State Trust Funds. A State Lead contractor will conduct preliminary site assessments, tank removals and perform additional work as necessary, according to the priority ranking of each site.

Each orphan tank site will be considered either a low priority or high priority site. Low priority sites are not a direct threat to human health or safety therefore, they require minimal cleanup and capital expenditures. At low priority sites the State collects essential information about the site and may elect to remove underground storage tanks to eliminate the contaminant source, costing from $2,000 to $15,000 per site. High priority sites require significant remediation to meet the soil and groundwater cleanup standards, and thus require a large capital expenditure. Based upon current State Lead figures, the average cost to assess and address any site in the State Lead Program is about $31,000. Based on the numbers generated in the study, there are roughly 1,400 to 2,100 contaminated sites in the State which will require at least an initial assessment. If it is assumed that there are 2,100 contaminated sites out of 3,230 orphan sites, that leaves 1,130 sites that will require at least an initial assessment to evaluate the priority of the site, It is estimated that it would cost at least $2,000 per site to conduct an initial assessment, for a total of $2.2 million. With an estimated

2,100 sites requiring an average of $31,000 each to address contamination, it will probably cost more than $65 million to clean up contamination from orphan tanks in North Carolina.*

Professional Engineer/Licensed Geologist Study

In August and September of 1992, a study was conducted to test the reliability of underground storage tank (UST) closure reports submitted to the Division of Environmental Management (DEM) regional offices. The results indicated that of the 55 sites assessed, 21 (38 percent) had soil or groundwater contamination which exceeded state action levels applicable at the time of closure.

Because of the results of this study, the Groundwater Section in a rule change in 1993 required all closure reports submitted after January 1, 1994, to be done under the direct supervision of a licensed professional. Senate Bill 1012, ratified on July 5, 1995, allocated $150,000 to evaluate the effectiveness of requiring certified Professional Engineers (P.E.) or Licensed Geologists (L.G.) to certify closure activities associated with UST sites. The intent of this study was to determine if the investigation results of "clean closures" are more favorable now that P.E.'s and L.G.'s are required to oversee closure activities. Only closures conducted on or after January 1, 1994 were selected.

Sampling procedures were to duplicate those of the original UST closure assessor(s). Soil and groundwater samples were collected at approximately the same locations and depths as those reported in the closure reports. Of the 40 sites considered in this study, only six (15 percent) showed some evidence of petroleum impact above either the groundwater standards or state soil action levels.

Effective August 3, 1996, H.B. 53 redefined the practice of engineering and geology so that these terms do not include the "assessment of an underground storage tank (UST) required by applicable rules at closure or change in service unless there has been a discharge or release of the product from the tank." Therefore, UST closure assessments required at sites where there has been no discharge or release, are not required to be performed under the supervision of a PE or LG.

Privatization of the Leaking Petroleum Underground Storage Tank Cleanup Program

This study addressed the option to privatize the leaking petroleum underground storage tank (UST) cleanup program. A committee made up of members in private industry, but active in the UST arena, and a representative from the office of the State Auditor were elected by the Department to research this topic and submit their conclusions. The issues discussed were the solvency of the State Trust Fund, whether the UST program was an insurance policy or if insurance companies

*Risk-based assessment and corrective action rules, when promulgated, may reduce these cleanup cost figures.

should provide financial assurance, and cost effectiveness of privatization including costs and staffing needs.

The committee found that nine states currently have privatized some part of their program. Arizona, Florida, Iowa and Virginia use consulting companies to process their claims. The number of claims processed per month by these states varied from 100 to 400. The consulting agencies were paid $1,000 to $1,200 per claim. North Carolina is presently processing 400 claims per month; however, 200 claims per month was used as the average for this study. States using contractors to review UST cleanup claims are using at least the same number of State personnel to do quality assurance checks on the work performed. Therefore, no reduction of Division staff is expected. It was estimated that additional funding, to pay the contractor, in the amount of $4.5 to $5 million per year would need to be generated. The solvency of the STF and the present status of revenues do not allow this expenditure.

The committee also considered the changes that were forthcoming to the current system including the Risk-based rules and the 1998 regulatory requirements. Taking all of these conditions into account, the committee concluded not to consider privatization at this time. It was suggested that the 1998 upgrading requirements be added to the UST eligibility requirements and to possibly consider privatization again in 1999 when changes to the program have been in operation for a while and the solvency of the STF has been addressed.

PART IX

SUMMARY

1. In comparison to the mid-1980s estimates of leaking USTs in North Carolina, the number and percentage of discharges and releases are substantially less than expected. Altogether, 53,397 commercial tanks have been closed or removed since the UST program was enacted. Presently, North Carolina has 37,776 known operational commercial USTs.

   Presently, 8,267 UST release sites are in the process of remediation. Based on past data, it is estimated that 85 percent or 7,027 of the open sites are from commercial USTs. Therefore, the additional 1,240 leaks are from noncommercial USTs. The number of noncommercial reported releases appears low, but this is based on the fact that these tanks are not regulated and leak detection monitoring is not required. Leaks are usually discovered when tanks are removed, by leak detection monitoring for regulated tanks, when a real estate transaction requires a site assessment, or when water supply wells are contaminated.

2. A total of 10,682 leaks from USTs have been reported. Closure has been achieved on 2,415 or 22.6 percent of the leaks reported. These closures include 170 groundwater-related incidents.

3. Presently, the program receives annual tank fees from 37,776 commercial USTs. Since inception of the UST program, $184,882,444 has been received in the Commercial Fund from inspection taxes, excise taxes and tank operating fees.

   Of an estimated 8,267 commercial UST incidents, owners/operators submitted reimbursement claims for 1,877 incidents. Those claims resulted in disbursements of $159,332,998.

   The Commercial fund balance, as of June 30, 1997, was $11,697,153 with pending claims totaling $12,850,654.

4. To date, the Noncommercial Fund has received $38.8 million from the motor fuel inspection tax as well as excise tax and has spent $20.5 million on 828 incidents. A large number of reimbursement requests are likely to be submitted in the future.

   DWQ estimates it will cost an average of $62,500 per incident or a total of $55 million in Noncommercial Fund money to cleanup the 1,240 reported releases from noncommercial USTs.

   The Noncommercial fund balance, as of June 30, 1997, was $8,496,430.

5. The expenditure ratio is far higher for the Commercial Fund. DWQ anticipates it will take another $535 million (minus deductibles) for cleanup of the estimated claims on 5,622 incidents expected to exceed the deductibles and make claims to the Commercial Trust Fund. This is based on a incident requiring an average of $125,000 for cleanup of the site. This does not account for any third-party claims.

6. There has been a steady increase in claims and disbursements against both funds during the past four years which is now slowing. Reimbursements from the Commercial Fund increased from $22.9 million to $44.2 million from FY94 and FY97, and disbursements from the Noncommercial Fund increased from $2.0 million to $5.9 million during the same period. However, between FY96 and FY97 the dispersement for the commercial fund rose only $102,634 in comparison to a rise of $6,655,129 between FY95 and FY96.

   According to DWQ's prediction, using the present rate of reimbursement, the Commercial Fund will be depleted by the end of 1997. This does not account for changes introduced by S.B. 1317 to address the solvency of both funds. The effect of this bill is assumed to be a cause of the slowing increase in dispersement costs, although the total effect of the suspension of activities has not been reflected in the claims received during this report period. Since S.B. 1317 was enacted, only 13.3 percent of the claims received were for work performed since the suspension become effective.

   It appears that sufficient funding exists to meet all claims against the Noncommercial Fund through fiscal year 1998. However, the balance in the fund started to decline in 1995.

7. The number of new applications for STF eligibility, the number of requests for cleanup and reimbursement, the number of enforcement actions and the additional workload to deal with processing and issuing tank operating permits -- all are growing from year to year. DWQ processed reimbursement claims and contracted cleanups totaling $50.1 million during fiscal year 1997 ($44.2 million for the Commercial Fund and $5.9 million for the Noncommercial Fund).

8. A study of abandoned or orphan petroleum underground storage tanks was conducted by the Division of Water Quality to identify and evaluate the threat of these tanks throughout North Carolina. The study indicated that there are roughly 3,230 to 4,040 orphan UST sites statewide. Based on the site investigations, it appeared that approximately 44 percent of the sites have contamination that affect the soil and/or groundwater.

   It was estimated that there are 1,130 orphan sites that would require at least initial assessment. This would cost $2,000 per site, totaling $2.2 million. The additional 2,100 sites would require cleanup with an average cost of $31,000 per site. In summary, it would cost over $65 million to cleanup contamination from all orphan USTs in North Carolina.*

*Risk-based assessment and corrective action rules, when promulgated, may reduce this cleanup cost.

9. A study was conducted in 1992 to test the reliability of underground storage tank closure reports submitted to the Division. Results of the 1992 study showed that of the 50 sites considered, 21 (38 percent) showed some evidence of petroleum impact above either groundwater or soil standards at the time of closure. Based on the results of this study the Groundwater Section changed a rule requiring all closure reports submitted after January 1, 1994, to be done under the direct supervision of a licensed professional.

   In 1995, an evaluation of the effectiveness of this rule was performed. In this evaluation, sampling procedures were to duplicate those of the original UST closure report. Of the 40 sites considered, only six (15 percent) showed some evidence of petroleum impact above either groundwater standards or state soil action levels.

   Effective August 3, 1996, H.B. 53 redefined the practice of engineering and geology so that these terms do not include the "assessment of an underground storage tank (UST) required by applicable rules at closure or change in service unless there has been a discharge or release of the product from the tank." Therefore, UST closure assessments required at sites where there has been no discharge or release, are not required to be performed under the supervision of a PE or LG.

10. A study to address the option of privatization of the leaking underground storage tank cleanup program was performed. DENR elected to have a committee made up of members in private industry, active in the UST arena, and a representative from the office of the State Auditor, to perform the study.

    The committee concluded that the solvency of the STF should be addressed before privatization is considered, and that some time must be allowed to observe the effect of changes recently introduced. A privatization study may be considered again in 1999 when the changes have been in operation for a while.

IX (a)
Pg 1-3

STATUS REPORT UST TRUST FUND

	COMMERCIAL	NON-COMMERCIAL
Fund Balance June 30, 1997	$ 11,697,153	$ 8,496,430
Claims Received 7/1/97 - 1/31/98	1,570	291
Revenue received 7/1/97 - 1/31/98	$ 15,315,822	$ 2,861,163
Total Disbursements 7/1/97 - 1/31/98	$ 21,915,719	$ 2,867,375
Fund Balance January 31, 1998	$ 5,097,255	$ 8,490,218
Fund Balance February 16, 1998	**$ 3,967,896**	**$ 8,192,748**
Claims Pending February 16, 1998	**$ 9,908,422**	**$ 1,330,498**
Total Claims Received 7/1/88 - 1/31/98	9,449	2,362
Total Revenue 7/1/88 - 1/31/98	$199,493,406	$38,814,318
Total Disbursements 7/1/88 - 1/31/98 (Less Administrative Cost)	$184,794,286	$25,121,972
Total Administrative Cost 7/1/88 - 1/31/98	$14,803,989	



FUND MANAGEMENT

	Receipts	Expenditures
July	$1,430,876	$4,815,571
Aug.	$2,285,155	$2,846,314
Sept.	$3,264,703	$2,569,378
Oct.	$1,656,763	$2,534,802
Nov.	$2,231,811	$2,734,522
Dec.	$2,721,594	$3,041,085
Jan.	$1,724,917	$3,374,045
Ave.	$2,187,974	$3,130,817

STF REVENUE

COMMERCIAL FUND:

Inspection Tax (1/4 of 1 cent/gal motor fuel & kerosene)	$2,915,315
Excise Tax (19/32 of ½ cent/gal)	$13,402,190
Tax Total	$16,317,505
Tank Fees	$10,321,900
Total	$26,639,405

Tank Fees for 37,467 total billable tanks (12/1/97):

28,285 Large tanks @ $300/tank = $8,485,500
9,182 Small tanks @ $200/tank = $1,836,400
Total $10,321,900

TOTAL BILLABLE TANKS:

6/30/97	37,776
6/30/96	37,529
6/30/95	39,289
6/30/94	42,894

NONCOMMERCIAL FUND:

Inspection Tax	$2,915,315
Excise Tax (3/32 of ½ cent/gal)	$2,117,442
Total	$5,032,757

Asphalt Plants – Contamination Assessment and Clean-up

I. **History**

A. 1987 Enka, Buncombe Co. ($502,000)

B. 1989 agreement between DENR and DOT.

C. Both DOT and DENR originally underestimated the time and resources necessary to conduct site assessments.

D. DOT lack of experience at the time.

E. DOT, at the time, had an incomplete understanding of how complex and involved the process would be and what it would require in the way of project management. Therefore, DOT did not hire a full time environmental engineer for this project until 1991.

F. Early reluctance by the BOT, due to the cost experience with the Enka site, led to a fiscally conservative approach limiting expenditures to $50,000 per site.

G. Any additional amount, regardless of how minimal, required a formal request by DOT staff and approval by the BOT.

H. DENR review and response to assessment reports was slow (it took up to 3 years in some cases) until 1996. This resulted in additional work efforts on the part of DOT.

I. DOT requested and received expansion budget in late 1995 (early 1996) to accelerate and complete the ***assessment*** activity within 18 months.

J. DENR turnaround time for review improved to approximately 2 weeks per site.

II. **Current Status**

A. 70 comprehensive site assessment (CSA) reports were completed as of July 1997. (Two property owners would not sign entry agreements.)

1. 18 No Significant Finding (NSF) sites
2. 15 natural attenuation sites
3. 9 minimal work / natural attenuation sites
4. 23 active remediation sites
5. 4 sites with other regulatory issues
6. 1 site has had corrective action implemented by owner
7. 2 sites refused to sign entry agreements

(Note that these were original recommendations made to DENR and are subject to change somewhat as expanded well survey data is received.)

B. Upon receipt of final DENR review, DOT formally advised DENR in October 1997 that the CSA work effort was considered complete.

C. DOT is finishing up the disposal of soil cuttings and wastewater generated during assessment activity.

D. Sites are currently being prioritized, considering first the active remediation sites and sites with other regulatory issues.

E. It is estimated the total expenditure on assessments will be $6.5M (approx. $90,500 per site) leaving approximately $1.5M in the asphalt reserve and unexpended work order balances.

III. **Future Plans**

A. DENR plans to issue Notices of Regulatory Requirement to other responsible parties. It is hoped this will suffice to have all responsible parties join together to resolve this issue equitably.

B. Corrective action plans (CAP) will be required for 53 sites, including the natural attenuation sites.

C. It is recommended that no CAP be prepared without the participation of all responsible parties at a given site. This is due to issues of potential liability as well as the existence of other on-site contaminants not associated with asphalt testing.

D. DENR and DOT recommend initially pursuing the 6 highest priority sites to establish a baseline process and keep the initial effort to a manageable level. This will also permit all responsible parties to gain experience and better understand future cost impacts.

E. Once a CAP is completed, reviewed and approved by DENR, corrective actions will then be commenced jointly by all responsible parties on a site by site basis.

F. DOT takes responsibility for any contamination caused by DOT employees. However, the DOT will be looking to other responsible parties to take an active role in the corrective action process and assume their fair share of clean up costs for contamination not caused by DOT.

IV. **Future Cost**

A. DENR estimates the cost for just preparing the CAPs should average between $50,000 and $75,000 per site.

B. DOT is currently working with its consultants to estimate the cost of CAPs.

C. Until a CAP is prepared, it is not feasible to estimate the cost of corrective action for any given site. This can only be accomplished once site specific remedial technologies have been selected and approved by DENR.

V. **Duration of Corrective Actions**

A. DENR typically allows 60 days for the completion and submittal of CAPs. Given the number of sites involved and the varying level of work that will be required on each site, a workable time schedule for completing the plans will need to be developed between DENR, DOT and the other responsible parties.

B. Once again, it is not feasible to estimate the length of time required for clean up on any given site until a course of remedial action has been approved. It can be expected however, that the effort will be of significant duration.

23 Sites Recommended For Active Remediation

IV (a)

Site #	Property Owner	Leasee	Site Location
2	Crowder Construction Company		Mecklenburg Cnty, NC 16 north, Charlotte
4	Blythe Construction, Inc.		Cabarrus Cnty, NC 73, Concord
6	W.W. Owens & Sons - Moving & Storage, Inc.		Pasquotank Cnty, 0.5m north of Elizabeth City on SR 1387
8	Vulcan Materials Company		Guilford Cnty, Hwy 158, across from Vulcan Quarry, Stokesdale
		APAC - Thompson Arthur Paving Division	
10	APAC - Carolina, Inc. Thompson Arthur Paving Division		Guilford Cnty, 0.5m S. of US 70A at Jamestown Quarry on SR 1145, Jamestown
11	S.T. Wooten Construction Company		Johnston Cnty, Peedin Rd., at intersection of US 301 & Peedin Rd., Selma
12	Boggs-Vaughn Construction Company		Union Cnty, US 601 north, Monroe
13	REA Construction Company		Mecklenburg Cnty, Old Down Rd., Charlotte
20	APAC - Carolina, Inc. Central Carolina Division		Catawba Cnty, on SR 1465, Hickory
23	Triangle Paving		Alamance Cnty, 1521 Huffman Mill Rd., Burlington
24	Ramey, Inc.		Forsyth Cnty, 4515 Patterson Ave., Winston-Salem
27	S.T. Wooten Construction Company		Wilson Cnty, SR 1301 toward US 264, Sims
40	Lula C. Harris Eleanor D. Harris		Cabarrus Cnty, Poplar Tent Rd., near Vulcan Materials, Concord
		Vulcan Materials Company Blythe Construction, Inc.	
42	Stanley C. & Doris Smith C. Donald & Rebecca Hamlet		Randolph Cnty, Hwy. 220 Pineview St. exit, 1/4m E., take SR 1504, Asheboro
		APAC - Thompson Arthur Paving Division	
45	The PAPCO Group, Inc.		Rowan Cnty, US 601, Jake Alexander Blvd., Salisbury
48	Lee Paving Company		Chatham Cnty, Sugar Lake Rd., East of Pittsboro, off US 64
50	Rose Brothers Paving Co., Inc.		Hertford Cnty, intersection of NC 11 and NC 308 at Lewiston
52	Barrus Construction Company		Onslow Cnty, 0.6m N.E. of US 17 and SR 1436, Jacksonville
55	The PAPCO Group, Inc.		Forsyth Cnty, Craft Drive, Winston-Salem
56	Blythe Construction, Inc.		Mecklenburg Cnty, North Graham Street, Charlotte
57	REA Construction Company		Mecklenburg Cnty, 2701 Youngblood St., Charlotte
65	Rose Brothers Paving Co., Inc.		Hertford Cnty, Rose Rd., Murfreesboro
66	APAC - Carolina, Inc. Central Carolina Division		Iredell Cnty, 1.2m S. US 64-70, SR 1004, Statesville

VII

VALUE ENGINEERING

- Value Engineering originated in Department of Defense in the late forties and early fifties.
- Definition: "The systematic application of recognized techniques by a multi-disciplined team to identify the function of a product or service, establish a worth for that function, generate alternatives through the use of creative thinking, and provide the needed functions to accomplish the original purpose of the project, reliably, and at the lowest life-cycle cost without sacrificing safety, necessary quality, and environmental attributes of the project."
- Began Value Engineering within the Division of Highways in February 1981.
- Initially, concentrated primarily on analyzing standards for repeat savings (i.e. drive pipe length, cut and fill slopes, ramp pavements, paved ditches, bridge widths).
- Gradually progressed to review of specific projects.
- From 1990 to present we have studied 146 projects with documented cost reductions of about $35 million.
- NHS legislation now requires application of Value Engineering to all Federal Aid NHS projects exceeding $25 million.
- Value engineering clause in construction contracts allows contractors to propose cost reductions.
- With successful proposals, the contractor and department share 50/50 in the cost reductions.
- This past fiscal year there were 4 construction VE proposals approved with cost reductions of about $315,000.

V E

V E

ANNUAL REPORT

FY 95-96



NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

VALUE ENGINEERING
DESIGN SERVICES UNIT

VALUE ENGINEERING

ANNUAL REPORT

FY 95-96

North Carolina Department of Transportation

Design Services Unit

FY 95-96 VE ANNUAL REPORT

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NCDOT's Value Engineering Program facilitates VE studies of design projects; conducts VE studies of administrative or policy topics; and facilitates the evaluation of VE change proposals submitted by the contractor.

NCDOT's VE Mission

Improve services and performance, enhance final product quality, and reduce costs to provide the taxpayers with maximum value for their $.

VE STAFF

Ron Fitzula, P.E., CM.....	State Value Engineer
Ashley Vaughn.....	Ass't. Value Engineer - Preconstruction
Phil Kermon.....	Ass't. Value Engineer - Construction & Maintenance
Sam Abdulghani.....	Management Engineer
Rusty Lurwick.....	Ass't. Management Engineer
Edith Byrd.....	VE Studies Facilitator

INTRODUCTION

Value Engineering (VE) was introduced to NCDOT in 1977 when the first in a series of training workshops was held. These workshops were offered by the National Highway Institute through the Federal Highway Administration. Their purpose was to train design personnel in the principles of VE as well as presenting procedures for conducting VE studies. In 1980 a VE program was initiated in NCDOT with primary emphasis being placed on studies of standard specifications and drawings rather than project studies. Considerable savings were identified during the 80's amounting to tens of millions of dollars due to the repetitive nature of the implemented changes.

It wasn't until 1990 that VE project studies in preconstruction were scheduled on a regular interval basis. Also at this time, savings from contract proposals as a result of the VE incentive clause were first realized. With the reorganization of the Design Services Unit during this same period, Resource Management was placed under the Value Management umbrella and renamed Engineering Management.

In 1995 the Highway Design Branch VE Policy was signed into practice. This policy, in addition to identifying background and purpose, identified responsibilities and procedures of the Value Management Section. One such responsibility is the reporting of VE results on an annual fiscal year basis. It is the intent of this report to satisfy that requirement.

Included in the report which follows are accomplishments of the three distinct areas of responsibility that are a part of the Value Engineering Group. These are VE Preconstruction, Engineering Management, and VE Construction Change Proposals (VECP's). Since this is the first annual report, background data is included to show program history and to better identify the correlation between former and current year results. Future annual reports will only include accomplishments for the designated fiscal year.

- **NCDOT's VE program ranks among the nations top ten states.**
- **NC hosted National VE Conference sponsored by AASHTO and FHWA in 1989.**
- **NCDOT is represented on National AASHTO VE Task Force.**
- **NC is among the first states to include operation and process studies as a part of their VE program.**
- **Since 1990 a total of 115 design projects have been studied with approved savings totaling over $30 million.**
- **Since 1992 annual savings of over $600,000/yr. have been realized from Engineering Management studies.**
- **VECP savings, as a result of the specification incentive clause, have exceeded $4 million since it was revised in 1990 with $1.3 million in FY '95-'96.**

STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

JAMES B. HUNT, JR.
GOVERNOR

P.O. BOX 25201, RALEIGH, N.C. 27611-5201

R. SAMUEL HUNT III
SECRETARY

DESIGN SERVICES UNIT
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March 6, 1995

MEMO TO: Highway Design Branch Unit Heads

FROM: D. R. Morton, P.E.

SUBJECT: Value Engineering Policy

The Value Engineering Section has been staffed to the Design Services Unit of the Highway Design Branch since its inception in 1980. During the 80's Standards and Policy changes recommended by this section resulted in repetitive project savings accumulating into several million dollars. Since 1990, highway projects in design along with proposals by contractors have been, and will continue to be, the primary focus for Value Engineering studies. These studies and proposals have resulted in approved savings of more than $30 million over the last five years.

All of this was accomplished without a formal Value Engineering Policy. A 1992 study of the program by a private consultant recommended the development and approval of a formal Value Engineering Policy to improve effectiveness of the program.

We have developed the attached Value Engineering Policy for the Branch which is effective immediately. Please select a Value Engineering Coordinator at the level of Transportation Engineer I or above to represent your Unit as covered under this Policy. If you have questions, please contact Bob Brown in Design Services.

WRB:JG

Attachment

cc: Mr. Berry Jenkins, P.E.
Mr. Azam Azimi

VALUE ENGINEERING POLICY

I. POLICY STATEMENT:

It is the policy of the Highway Design Branch to design the State Highway System in the most cost-effective and efficient manner possible. The systematic application of Value Analysis and Industrial Engineering principles and methodologies shall be a major component in the overall effort to reduce costs and improve productivity throughout the Branch.

II. BACKGROUND:

A 1992 study of the DOH Value Engineering (VE) Program by a private consultant recommended the development and approval of a formal VE policy. The consultant stated that a formal policy would legitimize VE efforts and recognize the specific responsibilities and authority of the VE program, which will improve the effectiveness of the program.

III. PURPOSE:

This policy establishes a systematic program for cost reduction and productivity improvement efforts throughout the Highway Design Branch (DOH). This policy provides authority and assigns responsibility for administering the program and for reporting the results of program efforts.

IV. RESPONSIBILITY AND PROCEDURES:

A. RESPONSIBILITY

1. The Value Management Section (VMS) of the Design Services Unit shall be responsible for completing Value Engineering Preconstruction, Engineering Management, or other studies for the purpose of reducing costs and improving productivity as selected by the VE Advisory Panel.

2. The VMS shall be responsible for promoting and encouraging the usage of the Value Engineering Proposal (VEP) clause and facilitating expeditious reviews of proposals received from contractors.

3. The VMS shall be responsible for ensuring that an appropriate number of DOH personnel are adequately trained to perform the scheduled VE studies. Additional training for select VE team leaders shall be arranged through the VMS.

4. The VMS shall be responsible for reporting the results of studies and VEP's annually to the State Highway Engineer-Design. The report shall be submitted at the end of each Fiscal Year.

B. PROCEDURES

1. VE Advisory Panel

The VE Advisory Panel shall be comprised of: State Highway Engineer-Design, State Design Services Engineer, State Roadway Design Engineer, State Bridge Design Engineer and State Hydraulics Engineer for VE Preconstruction selections and approvals. For selections and approvals of Engineering Management Studies and other areas panel members will be added or dropped as is appropriate.

2. Unit VE Coordinators

Each Unit in the Highway Design Branch shall designate a VE Coordinator to represent the Unit. The VE Coordinator shall provide assistance to facilitate VE studies. Assistance may include, but is not limited to, identifying potential topics for VE studies, identifying potential VE team leaders or team members, gathering information for VE studies, and coordinating the space and materials needed to complete VE studies.

3. Preconstruction VE Studies

(a) Selection and Scheduling of Studies:

Any project having a construction cost greater than $2,000,000 may be scheduled for at least one VE study. Additional VE studies of projects may be conducted, if deemed necessary by the State Highway Engineer-Design. The Value Engineering Office (VEO) shall examine the NCDOT Transportation Improvement Program and projects in cost containment each Fiscal Year and prepare a list of candidate projects for VE studies. From this list the Advisory Panel will select the projects that will constitute the Preconstruction portion of the Value Engineering Program. Justified requests to delete or postpone studies of projects shown on the list may be submitted to the State Highway Engineer-Design for approval.

Value Engineering studies of roadway or structure design projects ideally should be accomplished during the following phases:

Planning Report - After the Planning Report has been completed, but before it has been submitted for approval. For major highway projects it is desirable to perform the VE study before sending the draft Environmental Impact Statement to review agencies and local officials.

30% to 40% Design - After required project right-of-way has been tentatively identified.

Additionally, projects in the 40% - 100% design stage may be studied if significant potential for savings exists and time permits.

Shelf projects may be scheduled for VE studies anytime within the annual program.

Each project or topic will be scheduled for the VE study at least three (3) months in advance by the Value Engineering Office (VEO). All time spent for preparation, site visits, performing the study, and reviewing and presenting study results, should be charged to the appropriate project number, if available, by all participants.

(b) Minimum Study Requirements:

When a VE study is performed, the following minimum requirements should be met:

- The VE study should be conducted according to "AASHTO Guidelines For Value Engineering, 1987" and "Value Engineering of Highways, USDOT, FHWA".

- All VE teams should consist of persons having technical expertise which is appropriate for the study. Personnel should be engineers with a minimum of two years experience, or high level technicians with a minimum of five years experience. Study team members shall be selected by the Unit or Division Office VE Coordinators.

- It is preferred that all VE team members be trained in the Principles of Value Engineering. Training shall be arranged by the VEO.

- A team leader will be selected by the VEO.

- A Value Engineering Facilitator will be assigned to each VE study by the VEO. The Facilitator shall ensure that the study is properly documented and that a final report is prepared, detailing the VE recommendations and cost savings resulting from the study. The Facilitator shall coordinate formal presentations of VE recommendations when required.

  The Facilitator shall compute ultimate savings resulting from VE recommendations based upon actual contract bid prices or other acceptable methods.

(c) Review and Implementation of VE Recommendations:

All VE recommendations shall be reviewed for technical conformity by the appropriate Unit prior to review and approval by the VE Advisory Panel.

VE recommendations for Standard Specifications and Standard Drawings shall be reviewed for technical conformity by affected Design, Construction, Maintenance, and Materials Engineers. Approved recommendations shall be submitted to the Implementation Committee and/or Standards Committee.

4. Value Engineering Proposals (VEPs)

(a) The VEO will be primary investigator for all VEPs. Operational responsibility includes, but is not limited to, requesting specific Units to review proposals; evaluating and coordinating these reviews; and reporting the recommended action to be taken in written form to the Construction Unit.

(b) All initial contacts by Contractors, Subs, Division Staff, Central Construction Unit or other Operations Units with Design Branch staff concerning potential VEP's or VEP development are to be communicated to the VEO without delay.

5. Engineering Management (EM) Studies

(a) General:

The function of the Engineering Management Group is to complement the Value Engineering Program through the professional application of Industrial Engineering principles and techniques. This group's primary goal is to minimize expenditures by maximizing productivity in all areas of the Division of Highways.

(b) Selection and Scheduling of EM Studies:

The value Engineering Office (VEO) in conjunction with the VE Advisory Panel shall prepare a list of candidate studies for inclusion into the annual program. Study topics will be identified by examining various unit operating expenditures and procedures; and, researching new and advanced technology which could improve the quality or efficiency of work accomplished within the HDB.

6. Review by the VE Advisory Panel

Recommendations resulting from studies or VEPs which are rejected may be reviewed by the VE Advisory Panel. A clear explanation of the reason for rejection must be presented to the panel by the VEO and/or rejecting Unit representative.

The Advisory Panel may concur with the rejection, approve the recommendation, or require modifications be made to enable the recommendation to be approved.

Advisory Panel meetings are to be scheduled by the State Highway Engineer-Design. Meetings will normally be held quarterly. However, meetings may be called more frequently to expedite decisions regarding time sensitive projects.

VALUE ENGINEERING PRECONSTRUCTION STUDIES

Ashley Vaughn
Edith Byrd

VE PRECONSTRUCTION STUDIES BACKGROUND

The objective of Value Engineering-Preconstruction is to obtain the maximum value for every dollar spent on select highway projects in the TIP without impairing the performance of the function and without "cheapening" the facility provided. It is through the use of a structured process, functional analysis, and a multi-disciplined study team by which this objective is accomplished. Indeed, the analysis of a project according to function rather than according to cost is an important feature that distinguishes VE from other cost reduction methods.

NCDOT was first introduced to Value Engineering in 1977 at which time a VE workshop was conducted. With the formation of the Design Services Unit in 1980, a VE program was initiated. During the 80's three additional workshops were conducted. But, it was not until 1990 that VE preconstruction studies began on a regularly scheduled basis.

Elements which constitute the makeup and fallout of VE studies are described below:

1. VE Job Plan
2. Pareto's Law of Distribution
3. Definition of VE Study Objectives
4. Life-Cycle Cost

VE JOB PLAN

There are eight elements or phases of the VE Job Plan:

1. Selection Phase - In which the specific project to be studied is selected and the team members are carefully chosen.

2. Investigation or Information Phase - In which project information and costs are gathered and identified, and an analysis of function, cost, and worth is performed.

3. Speculation or Creative Phase - In which a variety of speculative techniques are used to assemble a large number of alternatives for the needed function(s) of the project or procedure under study. Here, all ideas are encouraged and no criticism is permitted.

4. Evaluation or Analytic Phase - In which the creative ideas generated in the speculation phase are judged, and the best alternatives are selected.

5. Development Phase - In which the best alternatives are refined by adding supporting cost data, sketches, and life-cycle cost analyses, where applicable.

6. Presentation Phase - In which the refined alternatives are presented to management as recommended changes to the original design.

7. Implementation Phase - In which the acceptable ideas created by the job plan are put to work. Savings are achieved only when recommendations are implemented by actual project changes.

8. Audit or Follow-up Phase - In which a simple system is devised to record the results of VE studies and to establish a track record to show the savings and the costs of all VE efforts.

Pareto's Law of Distribution

Instead of investigating all the functions of a project or activity in order to determine the optimum value, it is more effective to concentrate on the high-cost items. Pareto's Law states that the significant items in a group usually constitute a relatively small portion of the total items in the group. For example, in a maintenance budget, it is frequently found that approximately 20 percent of the maintenance activities account for approximately 80 percent of the total budget. In value engineering, the focus is on the relatively few items that account for the major part of the total project cost.

Definition of VE Study Objectives

Monetary savings are not the only measure of the success of a VE study. Other objectives may be:

1. Reduction in construction time
2. Longer times between scheduled maintenance
3. Better use of labor
4. Improved quality

Some objectives are complimentary. For instance, reduction of construction time often means lower costs. Longer time between scheduled maintenance usually means improved quality as well as lower costs. However, it does not necessarily follow that improved quality means lower initial costs or a shorter construction schedule. For this reason, managers must always maintain a proper focus on the overall objectives of the project.

Life-Cycle Costing

Life-cycle costing is an analysis that considers the total cost of a facility over its entire life history. Often the initial project costs account for less than half of the life-cycle costs. Decisions made early in the project have the greatest effect on life-cycle costs. With the passage of the National Highway System Designation Act of 1995, Life-Cycle Costs Analysis (LCCA) is required. Title 23, U.S.C., Subsection 106(e)(1) now directs the U.S. Secretary of Transportation to establish a program that requires states to conduct a LCCA of each NHS high cost ($25,000,000 or more) usable project segment. According to FHWA, projects which fall into this category that are subjected to a VE Preconstruction Study meet the LCCA requirement.

Between January 1990 and June 1995, one hundred and fifteen (115) design projects were studied using Value Engineering principles. Total project cost to include right of way and construction amounted to approximately $1.8 billion. A total of 338 recommendations were made valued at $89± million of which 97 were approved for a total savings of $26± million.

From a statistical standpoint, an average of 1.74 projects/month were studied during the 66 month time frame. On average, 2.9 recommendations were made for each project with an average potential savings of $263,000 per recommendation. The total dollar value of all recommendations amounted to approximately 5% of the total project cost with an approval rating of nearly 35% of total recommended savings. Individual study breakdown follows.

STUDY DATE	TIP	PROJECT $	RECOMM $	APPR $
01-01-90	R-1023	99,450,000	3,010,800	400,0
02-19-90	R-0405E	3,490,000	276,700	103,9
03-19-90	R-2211B	20,940,000	1,442,000	0
04-16-90	R-2109	4,710,000	0	0
05-05-90	U-0092	83,465,000	2,264,000	0
06-18-90	U-0077LA	20,230,000	638,249	24,000
07-23-90	R-2021	7,231,225	106,000	0
08-20-90	U-2222	2,850,000	241,300	21,300
09-17-90	U-1005	3,070,000	182,695	40,000
10-23-90	R-0522	13,230,000	467,100	31,100
11-25-90	R-2104	5,878,000	1,321,000	1,955
12-19-90	I-2003 (1)	5,825,000	87,200	0
01-08-91	R-0504	3,400,000	146,204	0
01-15-91	U-0608	19,020,000	780,648	738,600
01-29-91	U-0209C (1)	41,900,000	423,662	324,362
02-19-91	U-0613	5,049,000	407,368	3,800
03-12-91	U-1558N	5,250,000	1,098,980	0
03-19-91	I-0304E	21,900,000	881,000	318,000
04-02-91	R-0609E (1)	18,944,000	135,000	0
04-23-91	R-0613	13,600,000	69,800	48,800
05-14-91	R-2026	5,847,000	5,900	0
05-21-91	U-0077LB	2,650,000	10,000	0
06-04-91	U-0209F	33,404,000	6,526,108	152,5
06-25-91	R-2102	5,133,000	22,818	6,6
07-08-91	R-1022D	10,860,000	1,137,000	184,000
07-16-91	I-0306D	53,500,000	100,000	0
08-06-91	R-2304	7,245,000	354,600	0
08-27-91	R-0204A	4,806,700	0	0
09-17-91	I-0040AJ	7,600,000	221,650	84,300
09-18-91	R-0607AA	5,173,500	168,900	26,200
10-15-91	U-1001A	3,949,000	28,700	8,910
10-29-91	R-2103B	8,960,000	37,500	13,800
11-12-91	I-2003(2)	0	3,200	0
11-19-91	R-2123CB (1)	44,135,000	85,000	0
12-10-91	R-2123CB (2)	0	989,800	0
12-11-91	R-2215	8,560,000	0	0
01-07-92	U-0530	6,035,000	0	0
01-14-92	R-2000BA	39,064,000	560,260	276,760
01-28-92	U-0508B	16,755,000	546,275	0
02-18-92	R-2123CB (3)	0	0	0
03-10-92	I-0302BA	7,000,000	110	110
03-17-92	I-0305B	11,700,000	0	0
03-31-92	I-0306DC	19,800,000	0	0
04-21-92	R-2101B	15,175,000	13,027	4,585

STUDY DATE	TIP	PROJECT $	RECOMM $	APPR $
05-12-92	R-2318B	7,500,000	87,716	0
05-19-92	U-2206	22,897,000	509,000	57,000
06-02-92	R-0617A	7,610,500	0	0
06-23-92	R-2100	7,510,000	546,979	0
07-07-92	A-0010	249,840,000	6,088,000	5,087,000
07-14-92	R-2123CA	19,515,000	284,558	10,858
08-04-92	U-2309	6,600,000	178,998	0
08-25-92	R-0529BC	3,200,000	0	0
09-15-92	R-2405D	7,045,000	13,478	12,578
09-22-92	U-0209C (2)	0	634,765	49,065
10-06-92	A-0009DA	6,400,000	3,000,000	0
10-27-92	U-2559	3,140,000	37,664	17,500
11-03-92	I-2201C	16,300,000	0	0
11-17-92	R-0617C	13,900,000	2,052,760	148,500
12-01-92	U-2418	7,950,000	188,288	140,180
12-08-92	R-2242A	5,970,000	0	0
01-05-93	U-2107C (1)	6,321,000	44,270	0
01-26-93	R-0609E(2)	0	2,000,000	2,000,000
02-02-93	R-2020	8,760,000	141,000	0
02-16-93	A-0011B	8,295,000	3,895,810	215,000
03-02-93	R-2248AA (1)	18,600,000	39,660	2,560
03-16-93	R-2111AA-AB	33,280,000	3,000,000	0
03-30-93	U-2508B & C	5,620,000	0	0
04-13-93	K-2401A	2,050,000	66,680	0
05-04-93	R-2230A	8,300,000	62,572	5,500
06-07-93	R-0084BA(1)	9,600,000	217,190	3,100
06-07-93	R-0401C	5,625,000	501,278	211,050
06-07-93	R-2000BB	30,492,000	1,620,457	0
06-07-93	R-2112A (1)	11,940,000	300,000	0
06-07-93	R-2119	11,000,000	958,500	0
06-07-93	U-2108A	8,650,000	305,458	0
07-13-93	B-2531&2532	115,000,000	14,562,600	10,130,500
07-27-93	R-2616C	8,020,000	372,650	178,400
08-03-93	R-2123AA	25,235,000	1,750,460	800,000
08-15-93	U-2106	9,080,000	54,300	10,300
08-31-93	R-2110	8,160,000	220,000	0
09-14-93	R-0505	7,450,000	0	0
10-05-93	U-2307AA	7,900,000	113,352	13,352
10-19-93	U-2560	1,925,000	20,410	4,410
11-02-93	R-2616A & B	6,875,000	305,370	0
11-16-93	I-2401B	25,725,000	89,900	0
11-30-93	R-2406CA	3,980,000	23,100	23,100
12-14-93	B-1283 & 3089	2,550,000	0	0
01-11-94	R-2632A	6,600,000	257,800	4,800
01-25-94	R-2248AA (2)	0	51,200	31,000

STUDY DATE	TIP	PROJECT $	RECOMM $	APPR $
02-08-94	R-2218B	5,600,000	246,200	23,850
02-22-94	U-2226	9,420,000	1,768,300	0
03-08-94	R-2237A	13,450,000	1,303,000	1,121,400
03-22-94	I-2004	3,820,000	0	0
04-05-94	R-2001A	9,670,000	130,700	0
04-19-94	U-2302A	6,000,000	590	590
05-03-94	R-2000CA	33,680,000	12,000	12,000
05-17-94	R-2112A (2)	0	1,322,000	0
06-07-94	U-0215B (1)	7,414,000	0	0
06-14-94	R-0084BA (2)	0	116,700	47,000
06-21-94	B-2612	6,300,000	480,900	441,400
07-14-94	I-0911B	4,350,000	0	0
08-09-94	R-2524	1,760,000	73,080	0
09-20-94	I-2511BA	22,368,000	164,500	145,000
09-27-94	U-2806B	40,000	9,010	910
11-01-94	U-2416	6,718,000	914,000	53,000
12-06-94	R-2425A	7,502,000	215,600	0
01-24-95	R-2000D	11,435,000	4,800	0
02-14-95	U-2207 (1)	10,600,000	0	0
02-27-95	B-2555A	25,100,000	4,865,600	0
02-27-95	U-0215B (2)	0	796,100	1,200
02-27-95	U-2107C (2)	0	2,533,800	0
03-14-95	U-0071	48,525,000	1,226,000	1,050,000
04-18-95	R-1023AB	33,710,000	1,005,000	0
05-16-95	A-0009DB	13,802,000	1,600,000	0
06-13-95	R-2533A	12,800,000	856,000	856,000
	Count: 115			
	Total:	**1,793,258,925**	**89,030,657**	25,721,845

Note: Individual and total savings are subject to revision due to the dynamic nature of project development.

VE PRECONSTRUCTION STUDIES FY 95-96

In Fiscal Year 1995-1996 twelve (12) design projects were studied. Total project cost to include right of way and construction amounted to approximately $165 million. A total of 19 recommendations were made valued at $3± million of which 5 were approved for a total savings of $882,000+. Individual study breakdown follows.

STDY DATE	TIP#	PROJ $	CONST $	R/W $
07-11-1995	R-2112BB	10,600,000	10,600,000	0
08-15-1995	B-2170	511,000	475,000	36,000
09-12-1995	U-2207(2)			
10-17-1995	R-2248AC	31,700,000	25,600,000	6,100,000
11-17-1995	R-0218B	14,100,000	12,850,000	1,250,000
12-12-1995	R-3106D	1,700,000	700,000	1,000,000
01-23-1996	R-2000CB	39,500,000	23,400,000	16,100,000
02-20-1996	U-2102	10,540,000	7,800,000	2,740,000
03-12-1996	R-0210C	10,860,000	7,700,000	3,160,000
04-23-1996	R-2001B	6,052,000	5,309,000	743,000
05-21-1996	R-2123BB	26,780,000	19,280,000	7,500,000
06-25-1996	U-2801B	12,814,500	7,200,000	5,614,500
COUNT:	**12**			
TOTAL:		**165,157,500**	**120,914,000**	**44,243,500**

STDY DATE	TIP#	# OF RECOMM	# OF RECOMM APPR	RECOMM $	APPR $
07-11-1995	R-2112BB	3		745,000	
08-15-1995	B-2170	2	1	31,500	900
09-12-1995	U-2207(2)	3		131,000	
10-17-1995	R-2248AC	3	2	358,700	338,800
11-17-1995	R-0218B	0		0	0
12-12-1995	R-3106D	0	0	0	0
01-23-1996	R-2000CB	2	0	269,600	0
02-20-1996	U-2102	0	0	0	0
03-12-1996	R-0210C	2		260,000	
04-23-1996	R-2001B	1	0	87,000	0
05-21-1996	R-2123BB	3	2	1,200,000	543,000
06-25-1996	U-2801B	0	0	0	0
	TOTAL	**19**	**5**	**3,082,800**	**882,700**

ENGINEERING MANAGEMENT

Sam Abdulghani
Rusty Lurwick

Engineering Management

The mission of the Engineering Management Group is to complement the statewide Value Engineering program through the professional applications of Industrial Engineering principles and techniques. This group's primary goal is to minimize expenditures and maximize productivity in all areas of operations. In accomplishing this, the design, improvement, and installation of integrated systems of people, materials, and equipment is achieved. Engineering Management is also in constant search for new ways to assist upper management accomplish their objectives in the most efficient and economical manner, without reducing the necessary standards of the finished product and staying within the schedules established in the transportation improvement program.

The objectives of Engineering Management are:

1. Pinpoint hidden waste using Industrial Engineering Techniques.
   A. Identify potential areas for improving productivity.
   B. Identify ways to eliminate unproductive practices.
   C. Investigate potential areas of cost improvement and recommend changes in methods and procedures to improve cost-savings.
   D. Apply Industrial Engineering concepts to maximize productivity and minimize expenditures through the efficient utilization of resources (manpower, equipment, materials, and facilities).
2. Assist upper management, establish controls and identify methods to implement an adequate system of budget control.
3. Conduct feasibility studies to facilitate upper management decision making.
4. Assist in implementing Quality Initiatives throughout the Highway Design Branch.

In today's highly competitive economy, we must face the challenge of continually improving the quality of the services we provide and the quality of the processes we use to provide these services while maintaining high employee morale. To achieve these objectives, a study work plan was developed in FY 91 and updated on a continuous basis.

#	PROPOSED STUDIES	APPROVAL	STATUS	STUDY CONDUCTED BY	PROPOSED START/END DATE	ACTUAL START/END DATE	APPROVED ANNUAL SAVINGS	COMMENTS
		APPROVED	PENDING					
					(I)	***SHORT TERM STUDIES***		
01	Office Supplies	XX		GHANI	MAY/92 NOV/92	MAY/92 NOV/92	$134,688.61	
02	Letting Plans Reproduction Area	XX		KAHN & LURWICK	JUNE/92 NOV/92	JUNE/92 NOV/92	$9,000.00	Actual annual savings is approx. $20,000.00
03	NCDOT Letterhead Redesign	XX		LURWICK	APRIL/92 SEPT/92	APRIL/92 SEPT/92	$287.00	
04	Proposals Reproduction Area	XX						
05	Income From New Products Evaluation	XX		GHANI	FEB/93 MAY/93	FEB/93 OCT/93	$142,442.00	
06	Income From Encroachment Reviews (Proposed Utility Accommodation Fee Study)	XX		LURWICK	JUN/93 SEPT/93			
07	Income From Sales of Manuals	XX		WHITMILL	APRIL/92 SEPT/92	APRIL/92 SEPT/92	$33,580.00	
08	Highway Design Branch Photocopier Study	XX		KAHN	SEPT/93 NOV/93			
09	Design Services Photocopiers Study	XX		LURWICK	APRIL/92 SEPT/92		$5,738.00	
10	Computer Utilization and Networking		XX					
11	Engineering Drafting Supplies		XX					
12	Engineering Drafting Equipments.(purchase vs. lease)		XX					
13	Aperture Card System VS. Optic Laser System VS. Our Existing Storing System		XX					
14	List Projects by Location and assist in Coordinating Projects Letting to Minimize Waste and Transportation		XX					
15	Computerization of Time Sheets & Barcoding the employee's ID's		XX					
16	Manpower Sharing		XX					
17	Fax Transmittal sheet	XX		GHANI	SEPT/92 SEPT/92	SEPT/92 SEPT/92	$11,818.00	The savings could be significantly higher if this concept is implemented in all State offices.
18	Gov. Martin Letterhead Recycling	XX		GHANI	DEC/92 DEC/92	DEC/92 DEC/92	$8,184.00	
	Computer Networking –to save on software.							WAN is being established in HDB.
	Project Breakdown Maps	XX						implemented
21	Highway Design Branch Manpower Study	XX		GHANI LURWICK	DEC/92 JAN/93	DEC/92 JAN/93		Requested by Don Morton.
22	VE Proposals Study	XX		KAHN	APRIL/93 MAY/93	APR/93 SEPT/93		
23	Preconstruction Value Engineering Study Flowchart	XX		LURWICK	JUN/93 SEPT/93			
24	NCDOT Reproduction Study	XX		PROD. MGMT ENG. MGMT.	NOV/92 MAY/93	NOV/92 MAY/93	$266,680.00	
25	Design Optimum Utilization of Sue (Subsurface Utility Engineering Contracts)	XX		LURWICK GHANI	JUN/95 OCT/95	JUN/95 JAN/96		$ 5.42 saved for every $1.00 spent.
26	CADD Productivity	XX		LURWICK	FEB/96 MAY/96	FEB/96 MAY/96		Requested by Don Morton.
					(II)	***LONG TERM STUDIES***		
01	Simplifying the bridge/highway permit procedure		XX					
02	Simplifying the project design flow (interstate system projects, Federal-aid and state funded projects).		XX					
03	Develop flow proccess charts for all Sections and Units within the Highway Design Branch		XX					
04	Establish productivity measurement system for the Highway Design Branch.	XX		GHANI LURWICK	JUN/94 JUN/95	JUN/94 JUN/95		
05	Design employee motivation program (non-financial and financial)		XX					
06	Privatization of some of the tasks we currently perform		XX					
07	Establish financial and managerial accountability.		XX					
08	Barcode the Highway Design Branch inventory		XX					

#	PROPOSED STUDIES	APPROVAL	STATUS	STUDY CONDUCTED BY	PROPOSED START/END DATE	ACTUAL START/END DATE	APPROVED ANNUAL SAVINGS	COMMENTS
		APPROVED	PENDING					
08	Barcode the Highway Design Branch inventory		XX					
					(III)	*ON-GOING STUDIES*		
01	Design and maintain mandatory management and cost containment training programs to improve the quality of supervisors.		XX					
02	Evaluate equipment purchase decisions utilizing Life Cycle Costs (LCC) and cost/benefit analysis.	XX		GHANI LURWICK				As needed.
03	Develop and maintain a system to monitor the Engineering Management studies, document progress and cumulative savings.	XX		GHANI LURWICK				Quarterly.
04	Equipment needs based on manpower and projects.	XX						
05	Provide management with quarterly productivity reports.	XX		LURWICK				Quarterly.
06	Periodically monitor activities through interviews and investigation of bottleneck areas and recommend solutions for various operations.	XX		GHANI LURWICK				As needed.
07	Manpower assessments, needs based on Transportation Improvement Program (TIP).	XX		GHANI LURWICK				As requested by Management.
08	Design and maintain an incentive pay plan.		XX					
09	Maintain the Highway Design Branch Productivity Measurement System.	XX		LURWICK				Quarterly.
10	Highway Design Branch Overhead Study.	XX		GHANI				Annually.
11	Need for Regional Specifications.		XX					
12	Coastal Drainage requirements.		XX					
13	Increase Standardization.		XX					
14	Reduce Maintenance through Improved Design and Construction Methodology		XX					
15	Improve Monitoring of Availability of Construction Materials.		XX					
16	Improved Communications between Design, Construction and Maintenance.		XX					

During FY 95-96, four studies were completed. These studies are:

1. Highway Design Branch Productivity;
2. Subsurface Utility Engineering;
3. Highway Design Branch Overhead; and
4. CADD Productivity.

Highway Design Branch Productivity

The productivity of an organization is the efficiency with which resources are used to produce final outputs. Productivity is measured by comparing the current output-input relationship with that of a prior base period. This quarterly published report measures the productivity of the Department's Highway Design Branch. Measuring an organizations productivity on a periodic basis can be a means of helping to control governmental spending especially in a time when there is increased pressure to expand government services with limited resources. Productivity measures can help establish accountability and enable upper management to review budget allocations with respect to efficiency within the organization.

With the final quarter of data having been submitted by units within the Highway Design Branch, we now have a base year on which to establish. See example which follows. Future year's data will enable us to develop an annual index showing operational trends.

Subsurface Utility Engineering

SUE information provides the designer with timely and accurate information. Lack of accurate utility information could be very dangerous and could even lead to loss of life due to gas line explosions or contact with electric cable. Additionally, if water, sewage or communication line breakage occurs, there is inconvenience to the public and may cost the taxpayers significant time and money. Based on the historical data available on the limited sample of this study, the North Carolina Department of Transportation has saved $5.42 for every $1.00 spent on SUE, confirming that SUE Operations on critical projects are cost effective.

Highway Design Branch Overhead

The purpose of this annual report is to calculate the Highway Design Branch overhead rate. In FY 94-95 this rate was 91.17% compared to 108.84% in FY 93-94.

CADD Productivity

This study was performed to determine the productivity ratios of CADD related activities versus performing the same activity manually. It also gave insight as to how CADD might be further expanded to provide even more savings. NCDOT has a considerable amount of money invested in CADD equipment, making it mandatory that it be used effectively. Study results showed that the Highway Design Branch has increased its overall efficiency by at least a 2:1 margin. Also, some of the biggest advantages of CADD are the ability to easily perform "what-if" scenarios - resulting in design savings, calculating plan quantities and the electronic transferring of plans both internally and externally.

Highway Design Branch
Summary

Composite Output Index for Highway Design Branch				
Base Quarter	Output Index (A)	Base Quarter Employees (B)	= (A x B)	Hwy. Design Branch Output Index =(Sum(A x B)/Base Qtr. Sum(A x B)) x 100
Administration	----------	5.88	0.00	
Citizen Participation	----------	5.00	0.00	
Design Services	100.00	139.09	13,908.90	
Geotechnical	100.00	115.38	11,537.50	
Hydraulics	100.00	51.94	5,193.50	
Location & Survey	100.00	188.00	18,800.00	100.00
Pavement Management	100.00	26.75	2,675.00	
Photogrammetry	100.00	67.75	6,775.00	
Roadway Design	100.00	157.00	15,700.00	
Structure Design	100.00	179.00	17,900.00	
		935.77	92,489.90	

Composite Output Index for Highway Design Branch				
1st Quarter	Output Index (A)	Base Quarter Employees (B)	(A x B)	Hwy. Design Branch Output Index =(Sum(A x B)/Base Qtr. Sum(A x B)) x 100
Administration	----------	5.88	0.00	
Citizen Participation	----------	5.00	0.00	
Design Services	105.38	139.09	14,656.90	
Geotechnical	116.10	115.38	13,394.63	
Hydraulics	107.73	51.94	5,595.08	
Location & Survey	41.62	188.00	7,824.87	8
Pavement Management	102.04	26.75	2,729.46	
Photogrammetry	128.04	67.75	8,674.51	
Roadway Design	91.65	157.00	14,389.01	
Structure Design	100.02	179.00	17,903.97	
		935.77	85,168.43	

Composite Output Index for Highway Design Branch				
2nd Quarter	Output Index (A)	Base Quarter Employees (B)	(A x B)	Hwy. Design Branch Output Index =(Sum(A x B)/Base Qtr. Sum(A x B)) x 100
Administration	----------	5.88	0.00	
Citizen Participation	----------	5.00	0.00	
Design Services	94.11	139.09	13,089.04	
Geotechnical	90.18	115.38	10,404.23	
Hydraulics	96.54	51.94	5,013.97	
Location & Survey	120.16	188.00	22,590.88	101.41
Pavement Management	101.26	26.75	2,708.65	
Photogrammetry	85.95	67.75	5,823.39	
Roadway Design	104.65	157.00	16,429.45	
Structure Design	99.06	179.00	17,730.96	
		935.77	93,790.56	

Highway Design Branch
Summary

Composite Output Index for Highway Design Branch				
3rd Quarter	Output Index (A)	Base Quarter Employees (B)	(A x B)	Hwy. Design Branch Output Index =(Sum(A x B)/Base Qtr. Sum(A x B)) x 100
Administration	----------	5.88	0.00	
Citizen Participation	----------	5.00	0.00	
Design Services	95.74	139.09	13,316.68	
Geotechnical	67.53	115.38	7,790.79	
Hydraulics	106.23	51.94	5,517.04	
Location & Survey	143.45	188.00	26,968.54	105.83
Pavement Management	83.06	26.75	2,221.80	
Photogrammetry	105.72	67.75	7,162.65	
Roadway Design	116.29	157.00	18,256.98	
Structure Design	92.99	179.00	16,645.57	
		935.77	97,880.05	

Composite Output Index for Highway Design Branch				
4th Quarter	Output Index (A)	Base Quarter Employees (B)	(A x B)	Hwy. Design Branch Output Index =(Sum(A x B)/Base Qtr. Sum(A x B)) x 100
Administration	----------	5.88	0.00	
Citizen Participation	----------	5.00	0.00	
Design Services	104.77	139.09	14,572.96	
Geotechnical	126.20	115.38	14,560.35	
Hydraulics	89.49	51.94	4,647.91	
Location & Survey	94.76	188.00	17,815.71	99.39
Pavement Management	113.65	26.75	3,040.10	
Photogrammetry	80.29	67.75	5,439.46	
Roadway Design	87.42	157.00	13,724.57	
Structure Design	101.24	179.00	18,121.87	
		935.77	91,922.92	

Highway Design Branch
Summary

Composite Input Index for Highway Design Branch				
Base Quarter	Input Index (C)	Base Quarter Employees (D)	= (C x D)	Hwy. Design Branch Input Index =(Sum(C x D)/Base Qtr. Sum(C x D)) x 100
Administration	100.00	5.88	587.50	
Citizen Participation	100.00	5.00	500.00	
Design Services	100.00	139.09	13,908.90	
Geotechnical	100.00	115.38	11,537.50	
Hydraulics	100.00	51.94	5,193.50	
Location & Survey	100.00	188.00	18,800.00	100.00
Pavement Management	100.00	26.75	2,675.00	
Photogrammetry	100.00	67.75	6,775.00	
Roadway Design	100.00	157.00	15,700.00	
Structure Design	100.00	179.00	17,900.00	
		935.77	93,577.40	

Composite Input Index for Highway Design Branch				
1st Quarter	Input Index (C)	Base Quarter Employees (D)	(C x D)	Hwy. Design Branch Input Index =(Sum(C x D)/Base Qtr. Sum(C x D)) x 100
Administration	102.13	5.88	600.00	
Citizen Participation	100.00	5.00	500.00	
Design Services	100.92	139.09	14,036.35	
Geotechnical	98.81	115.38	11,400.00	
Hydraulics	109.75	51.94	5,700.00	
Location & Survey	103.19	188.00	19,400.00	13
Pavement Management	104.67	26.75	2,800.00	
Photogrammetry	100.37	67.75	6,800.00	
Roadway Design	97.45	157.00	15,300.00	
Structure Design	101.12	179.00	18,100.00	
		935.77	94,636.35	

Composite Input Index for Highway Design Branch				
2nd Quarter	Input Index (C)	Base Quarter Employees (D)	(C x D)	Hwy. Design Branch Input Index =(Sum(C x D)/Base Qtr. Sum(C x D)) x 100
Administration	102.13	5.88	600.00	
Citizen Participation	100.00	5.00	500.00	
Design Services	100.16	139.09	13,931.75	
Geotechnical	99.41	115.38	11,470.00	
Hydraulics	98.70	51.94	5,126.00	
Location & Survey	103.19	188.00	19,400.00	100.91
Pavement Management	100.93	26.75	2,700.00	
Photogrammetry	100.37	67.75	6,800.00	
Roadway Design	100.64	157.00	15,800.00	
Structure Design	101.12	179.00	18,100.00	
		935.77	94,427.75	

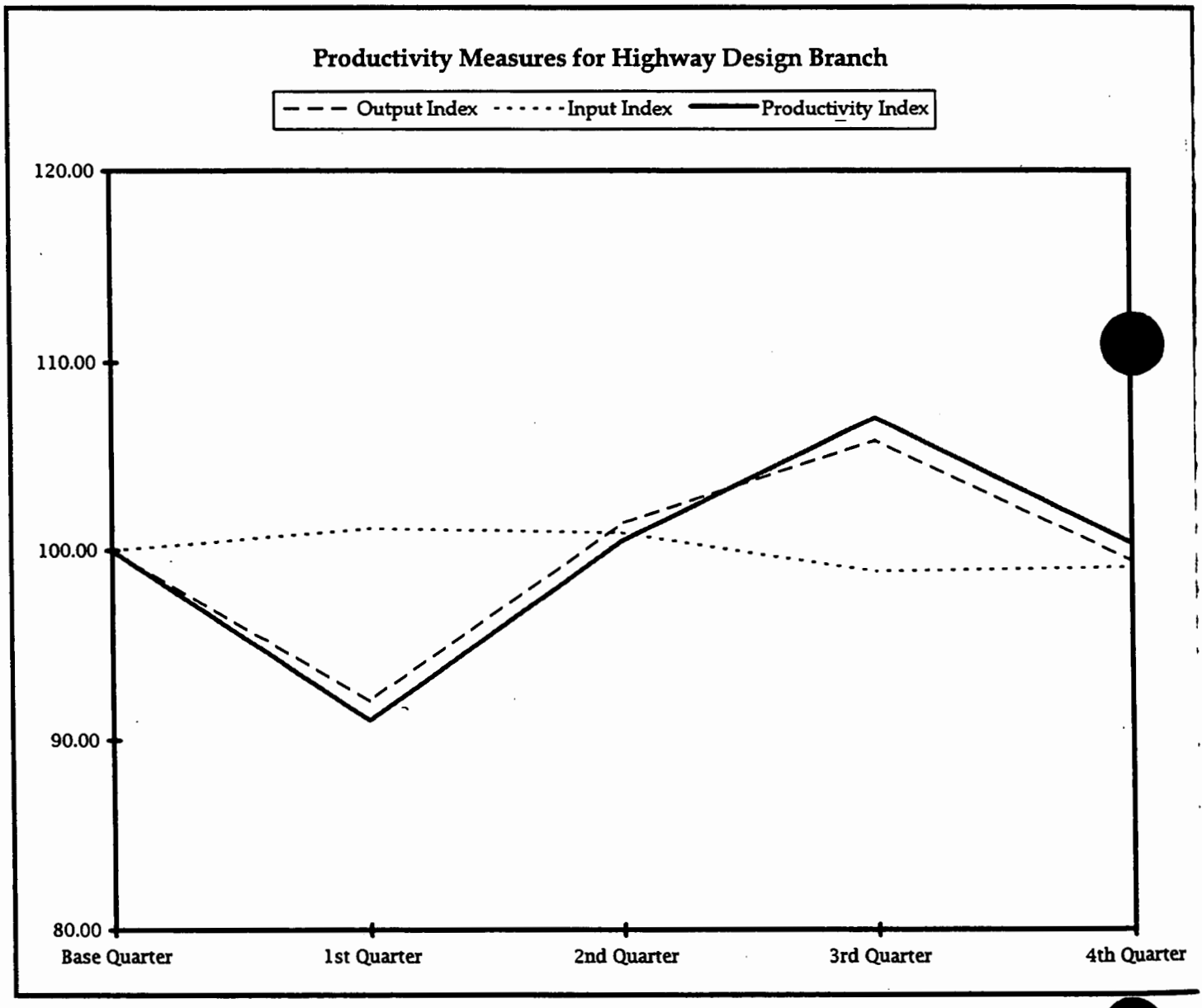
Highway Design Branch
Summary

Composite Input Index for Highway Design Branch				
3rd Quarter	Input Index (C)	Base Quarter Employees (D)	(C x D)	Hwy. Design Branch Input Index =(Sum(C x D)/Base Qtr. Sum(C x D)) x 100
Administration	102.13	5.88	600.00	
Citizen Participation	100.00	5.00	500.00	
Design Services	97.31	139.09	13,535.42	
Geotechnical	99.07	115.38	11,430.00	
Hydraulics	95.66	51.94	4,968.00	
Location & Survey	97.34	188.00	18,300.00	98.88
Pavement Management	97.20	26.75	2,600.00	
Photogrammetry	100.37	67.75	6,800.00	
Roadway Design	101.91	157.00	16,000.00	
Structure Design	99.44	179.00	17,800.00	
		935.77	92,533.42	

Composite Input Index for Highway Design Branch				
4th Quarter	Input Index (C)	Base Quarter Employees (D)	(C x D)	Hwy. Design Branch Input Index =(Sum(C x D)/Base Qtr. Sum(C x D)) x 100
Administration	93.62	5.88	550.00	
Citizen Participation	100.00	5.00	500.00	
Design Services	101.60	139.09	14,132.05	
Geotechnical	102.71	115.38	11,850.00	
Hydraulics	95.89	51.94	4,980.00	
Location & Survey	96.28	188.00	18,100.00	99.08
Pavement Management	97.20	26.75	2,600.00	
Photogrammetry	98.89	67.75	6,700.00	
Roadway Design	100.00	157.00	15,700.00	
Structure Design	98.32	179.00	17,600.00	
		935.77	92,712.05	

Highway Design Branch
Summary

Productivity Index			
	Output Index	Input Index	Productivity Index =(Output/Input) x 100
Base Quarter	100.00	100.00	100.00
1st Quarter	92.08	101.13	91.05
2nd Quarter	101.41	100.91	100.49
3rd Quarter	105.83	98.88	107.02
4th Quarter	99.39	99.08	100.31



VALUE ENGINEERING CONSTRUCTION CHANGE PROPOSALS

Phil Kermon

VECP & Field Investigations Section

INTRODUCTION

The VECP section is responsible for administering the VECP specification in all NCDOH contracts and is the primary Investigator for the evaluation of VECP's

PURPOSE

To enable the Contractor to help identify improvements in project designs which offer cost savings, time savings, efficiency improvements, and identify areas which offer improvements in our designs. Functions through dynamic market forces , innovative technology and creative ideation as a self directed tool for continuous improvement.

BACKGROUND

Original Specification

Since 1986 The NCDOT has had a Value Engineering clause in its highway construction contracts. Proposals at best trickled in. Did not receive our first VECP till 1988. This proposal was not approved. Received 4 VECP's in 1989 totaling approximately 294,000.00 None of these proposals were approved.

Changed Specification

Because of this low submittal rate and 0 $ return, it was decided to look at the program specification and procedures to see what improvements should be made. Based upon this review the specification was changed in 1990 . The (3) principle revisions to the provision were :

No 1 *Opened up the language to allow more diverse proposals to be considered and removed restrictions in order to allow the contractor to submit the same type of proposal on additional projects.*

No 2 *Revised the procedures to require the contractor to submit duplicate proposals with one going to the Resident Engineer and one going to the Value Engineers office.*

No 3 *Revised the savings split from 50/50 to 60/40 contractor / DOT respectively.*

Since that time, the pace of proposals received has picked up considerably. The review and approval process has continued to evolve to handle this increased workload.

Future Changes to Specification

Due to more recent success as identified later in this report and in the spirit of partnering, the specification has been revised to provide for a 50/50 split of savings and placed a minimum total savings of $ 10,000 to reduce nuisance and limited benefit proposals.

NOTE: This revision takes effect in the January 1997 letting.

VECP Proposal Savings Tabulations

From 1990 to June 30 1995

Proposed	Proposed Savings	Approved	Approved Savings
104	$ 13,549,000	52	$ 2,900,000

For State Fiscal year 95/96

Proposed	Proposed Savings	Approved	Approved Savings
18	$ 1,774,000	10	$ 1,332,000

NOTE: Total savings prior to split

Other Accomplishments of VECP Section

In 1993 Presented a Paper on VECP's at the National AASHTO Biannual conference on Value Engineering in Wilmington Delaware.

In 1994/95 Federal Fiscal Year ranked 9th in the Nation for VECP's by the FHWA on projects with Federal participation.
This ranking should increase in 1995/96 Year.

Developed the AASHTO Task Force Directory of VE staff in all fifty states and Puerto Rico

Developed a pamphlet which was distributed to contractors promoting the program and explaining procedures.

Enabled ongoing continuous future savings from usage of straight versus draped strands in pre stressed concrete., usage of prefabricated temporary bridges, improved higher strength bolts at less cost, potential future savings from using Modified Type 6 AASHTO Girders. Identified areas for improvement in bridge foundation design and roadway designs.

FUTURE PLANS

To continue to improve program and make a Presentation on "Construction Value Engineering" at the next AASHTO Value Engineering Conference

PROCEDURES

NOTE:

These are simplified steps required to administer a Value Engineering Change Proposal(VECP)

- *Contractor Submits duplicate submittals to both the Resident Engineer And the Value Engineering Office*

- *Resident Engineer reviews proposal and contacts VEO to confirm submittal*

- *VEO Receives proposal & determines if formal or preliminary. Reviews for compliance to the clause. Evaluates math- quantities, costs for correctness, reasonable and accurate as compared to bid items and bid history etc. Determines which specialty engineering groups are required and Informally discuss with those Units and the State Construction Engineer. Estimate effort required for review and compare to average cost for review. VEO estimates the review cost versus savings ratio and determines the overall feasibility of proposal.*

- *If not an acceptable cost to savings ratio and/or not feasible, then VEO rejects proposal or requests revision*

- *If acceptable, continue review & submit proposal to affected units and State Construction Engineer for additional review and Input. Receive feedback from affected units*

- *If proposal is preliminary and determined feasible then the VEO contacts the contractor and requests a formal , detailed and fully engineered proposal.*

- *If not feasible then VEO rejects or requests revision*

- *If feasible and formal, complete evaluation by review of responses by checking of math, development of conditions , restrictions, suggested supplemental agreement language, etc., summarize and transmit to State Construction Engineer for final approval and implementation.*

- *Monitor implementation to insure savings and provide feedback to design.*

STANDARD SPECIAL PROVISION

104-12 VALUE ENGINEERING PROPOSAL

This value engineering specification is to provide an incentive to the Contractor to initiate, develop, and present to the Department of Transportation for consideration, any cost reduction proposals conceived by him involving changes in the drawings, designs, specifications, or other requirements of the contract. This specification does not apply unless the proposal submitted is specifically identified by the Contractor as being presented for consideration as a Value Engineering Proposal. Submittals which propose material substitutions of permanent features such as changes from rigid to flexible or flexible to rigid pavements, concrete to steel or steel to concrete bridges will not be considered acceptable Value Engineering Proposals. Depending on complexity of evaluation and implementation , Value Engineering Proposals which provide for a total savings prior to distribution of less then ten thousand ($ 10,000) dollars will not generally be considered.

Value Engineering Proposals contemplated are those that would result in a net savings to the Department by providing a decrease in the total cost of construction or reduce the construction time without increasing the cost to construct the project. The effects the Proposal may have on the following items, but not limited to these items, will be considered by the Department when evaluating the proposal:

1) Service Life
2) Safety
3) Reliability
4) Economy of Operation
5) Ease of Maintenance
6) Desired Aesthetics
7) Design
8) Standardized Features
9) Environmental Impact

The Department reserves the right to reject the Proposal or deduct from the savings identified in the Proposal to compensate for any adverse effects to these items which may result from implementation of the Proposal.

The Department reserves the right to reject at its discretion any Value Engineering Proposal submitted which would require additional right of way. Substitution of another design alternate, which is detailed in the contract plans, for the one on which the Contractor bid, will not be allowed. Plan errors which are identified by the Contractor and which result in a cost reduction will not qualify for submittal as a Value Engineering Proposal. Pending execution of a formal supplemental agreement, implementing an approved Value Engineering Proposal, the Contractor shall remain obligated to perform in accordance with the terms of

the existing contract. No time extension will be granted due to the time required to review a Value Engineering Proposal.

The Contractor is encouraged to include this specification in contracts with subcontractors. The Contractor shall encourage submissions of Value Engineering Proposals from subcontractors, however, it is not mandatory that the Contractor accept or transmit to the Department Value Engineering Proposals proposed by his subcontractors. The Contractor may choose any arrangement for the subcontractor value engineering payments, provided that these payments shall not reduce the Department's share of the savings resulting from the Value Engineering Proposal.

Should the Contractor desire a preliminary review of a possible Value Engineering Proposal, prior to expending considerable time and expense in full development, a copy of the preliminary proposal shall be submitted to the Resident Engineer and the Value Engineering Office. The submittal shall state, Preliminary Value Engineering Proposal Review Request and must contain sufficient drawings, cost estimates and written information that can be clearly understood and interpreted. Also include the identity of any Private Engineering Firms proposed by the Contractor to prepare designs or revisions to designs. The Department will review the preliminary submittal only to the extent necessary to determine if it has possible merit as a Value Engineering Proposal. This review does not obligate the Department to approve the final proposal should a preliminary review indicate the proposal has possible merit. The Department is under no obligation to consider any Value Engineering Proposal (Preliminary or Final) that is submitted.

A copy of the Final Value Engineering Proposal shall be submitted by the Contractor to the Resident Engineer and the Value Engineering Office. The proposal shall contain, as a minimum, the following:

(1) A statement that the request for the modification is being made as a Value Engineering Proposal.

(2) A description of the difference between the existing contract requirements and the proposed modifications, with the comparative advantages and disadvantages of each.

(3) If applicable, a complete drawing of the details covering the proposed modifications and supporting design computations shall be included in the final submittal. The preparation of new designs or drawings shall be accomplished and sealed by a Professional Engineer registered in the State of North Carolina. Further, the Department may require a review, and possibly the redesign, be accomplished by the project's original designer, or an approved equal. The Department may contract with private engineering firms, when needed, for reviews requested by the Department. The contractor shall contract with the original project designer, or an approved equal, when required by the Department, for any design work needed to completely and accurately prepare contract drawings. The Department may

waive the requirements to have the preparation of contract drawings accomplished by a Professional Engineer or the project's original design based on the extent, detail, and complexity of the design needed to implement the value engineering proposal.

(4) An itemized list of the contract requirements that would be modified and a recommendation of how to make each modification.

(5) A detailed estimate of the cost of performing the work under the proposed modification.

(6) A statement of the time by which approval of the Value Engineering Proposal must be issued by the Department to obtain the total estimated cost reduction during the remainder of the contract, noting any effect on the contract completion or delivery schedule.

To facilitate the preparation of revisions to contract drawings, the contractor may purchase reproducible copies of drawings for his use through the Department's Value Engineering Office. The preparation of new design drawings by or for the Contractor shall be coordinated with appropriate Department Branch through the Value Engineering Office. The contractor shall provide, at no charge to the Department, one set of reproducible drawings of the approved design needed to implement the value engineering proposal.

The Engineer, as defined in Article 101-34 of the Standard Specifications, will be the sole judge of the acceptability of a Value Engineering Proposal requested in accordance with these provisions and of the estimated net savings resulting from the approval of all or any part of the Proposal. The Contractor has the right to withdraw, in whole or in part, any Value Engineering Proposal not accepted by the Department within the period to be specified in the Proposal per Item (6) of the preceding paragraph.

If a Value Engineering Proposal is approved, the necessary changes will be effected by Supplemental Agreement. Included as a part of the Supplemental Agreement will be provisions for price adjustment giving the Contractor 50 percent of the net savings to the project resulting from the modifications.

The Department reserves the right to include in the Supplemental Agreement any conditions it deems appropriate for consideration, approval, and implementation of the proposal. Acceptance of the Supplemental Agreement by the Contractor shall constitute acceptance of such conditions.

The final net savings to be distributed will be the difference in cost between the existing contract cost for the involved unit bid items and actual final cost occurring as a result of the modification. Only those unit bid items directly affected by the Supplemental Agreement will be considered in making the final determination of net savings. In determining the estimated net savings, the Department reserves the right to disregard the contract prices if, in the judgment of the Department, such prices do not represent a fair measure of the value of the work to be performed or

to be deleted. Subsequent change documents affecting the modified unit bid items but not related to the Value Engineering Proposal will be excluded from such determination. The Department's review and administrative costs for value engineering proposals will be borne by the Department. The Contractor's costs for designs and/or revisions to designs and the preparation of design drawings will be borne by the Contractor. The costs to either party will not be considered in determining the net savings obtained by implementing the value engineering proposal. The Contractor's portion of the net savings shall constitute full compensation to him for effecting all changes pursuant to the agreement. The net savings will be prorated, 50 percent for the Contractor and 50 percent for the Department, for all accepted Value Engineering Proposals.

Upon execution of the Supplemental Agreement, the Department will thereafter have the right to use, duplicate or disclose in whole or in part any data necessary for utilization of the modification on other projects without obligation or compensation of any kind to the Contractor. Restrictions or conditions imposed by the Contractor for use of the proposal on other projects shall not be valid.

Except as may be otherwise precluded by this specification, the Contractor may submit a previously approved value engineering proposal on another project.

Unless and until a Supplemental Agreement is executed and issued by the Department, the Contractor shall remain obligated to perform the work in accordance with the terms of the existing contract.

Acceptance of the modification and its implementation will not modify the completion date of the contract unless specifically provided for in the Supplemental Agreement.

The Contractor shall not be entitled to additional compensation under Section 104 of the Standard Specifications for alterations in the plans or in the details of construction pursuant to the Value Engineering Proposal.

The Department will not be liable to the Contractor for failure to accept or act upon any Value Engineering Proposal submitted pursuant to this provision nor for any delays to the work attributable to any such proposal.

The Department reserves the right to negotiate desired changes with the Contractor under the provisions of the contract even though the changes are the result of a Value Engineering Proposal submitted on another contract. In this instance the savings will be prorated in accordance with the terms of the negotiated agreement.

Do's and Dont's

Do examine the potential for VEP's as soon as possible in the contract life. Fairly simple proposals can take a few weeks to process. Complex proposals may take several months.

Do be prepared to modify proposals, negotiate savings, clarify details, and provide information upon request.

Do submit preliminary VEP's for complex proposals.

Don't deviate from the original project requirements or schedule until a Supplemental Agreement has been enacted.

Don't assume that a formal VEP will be approved if the preliminary VEP review appeared favorable.

For further information contact:

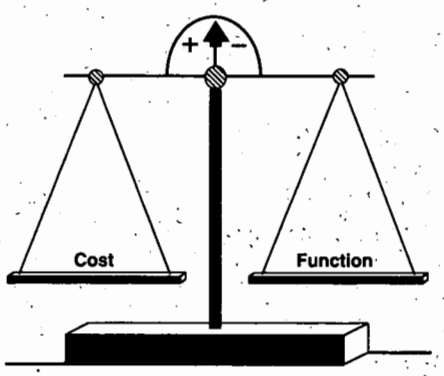
Phillip M. Kermon
Assistant Value Engineer
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Value Engineering Proposals



The Contractor's Tool for Reducing Costs

North Carolina
Department of Transportation
Division of Highways
Design Services Unit
Value Management Section 5/93

Value Engineering Proposals

Value Engineering (VE) is the systematic application of recognized techniques which identify the function of a product or service, establish a value for that function, and provide the necessary function reliably at the lowest life-cycle cost.

The Value Engineering special provision included in all new construction projects is to provide an incentive to the Contractor to initiate, develop, and present to the Department of Transportation for consideration, any cost reduction proposals conceived by him involving changes in the drawings, designs, specifications, or other requirements of the contract.

Potential Areas for Cost Reduction

Traffic Control:
Construction staging, detours and detour structures, proprietary traffic safety items

Materials and Systems:
Components or materials which are hard-to-get, exotic or expensive; proprietary specifications

Unique Features:
Intricate shapes, deep excavations, high embankments, steep slopes

Constructability:
Components that appear to be difficult to construct, require highly skilled or time consuming labor

Examples of Successful Proposals

Total Savings	Description
$181,500	Traffic Control Plan (TCP) change which allowed the removal and replacement of bridge rails utilizing different barrier system and daytime work only.
$126,400	Eliminate unnecessary shoulder strengthening on widening and paving contract.
$92,000	Utilize standard painted whitestrip for temporary striping instead of temporary tape. Final overlay will cover it.
$62,500	Paint exposed portion of fender piles and 20 feet of embedment instead of painting entire length.
$18,160	Utilize a proprietary erosion prevention system instead of rock plating.
$12,500	Utilize a proprietary prefabricated temporary bridge versus the as bid timber temporary bridge.
$15,000	Utilize straight prestressing strands versus draped strands for precast AASHTO girders.
$8,500	Eliminate full depth HB cap over shoulder drain and utilize ABC and surface course.
$8,500	Substitute a different grade of stainless steel bolt on a bridge rail retrofit. New bolt was superior in strength and corrosion resistance.

Procedures for Contractors

1. Review all requirements of theValue Engineering Proposal (VEP) clause shown in the Contract Standard Special Provisions.

2. Review project plans and specifications for potential savings ideas. (Invite subcontractors to submit VEP's.)

3. Prepare preliminary VEP according to the guidelines in VEP clause. (Preliminary submittals are optional but encouraged. A preliminary review will identify problems which could cause rejection of the proposal before expending a significant amount of time and money.)

4. Submit the VEP to **both** the Resident Engineer and the Value Engineer's Office (VEO). The following scenarios could occur.

   A. Contractors advised to submit a formal, detailed VEP based upon the preliminary VEP.

   B. Contractor advised to modify the proposal and submit a formal, detailed VEP.

   C. Contractor advised that the proposal will not be accepted.

5. Prepare a formal VEP according to the guidelines in the VEP clause.

6. Submit the VEP to **both** the Resident Engineer and the VEO. (Additional information or clarification may be requested during the review process.)

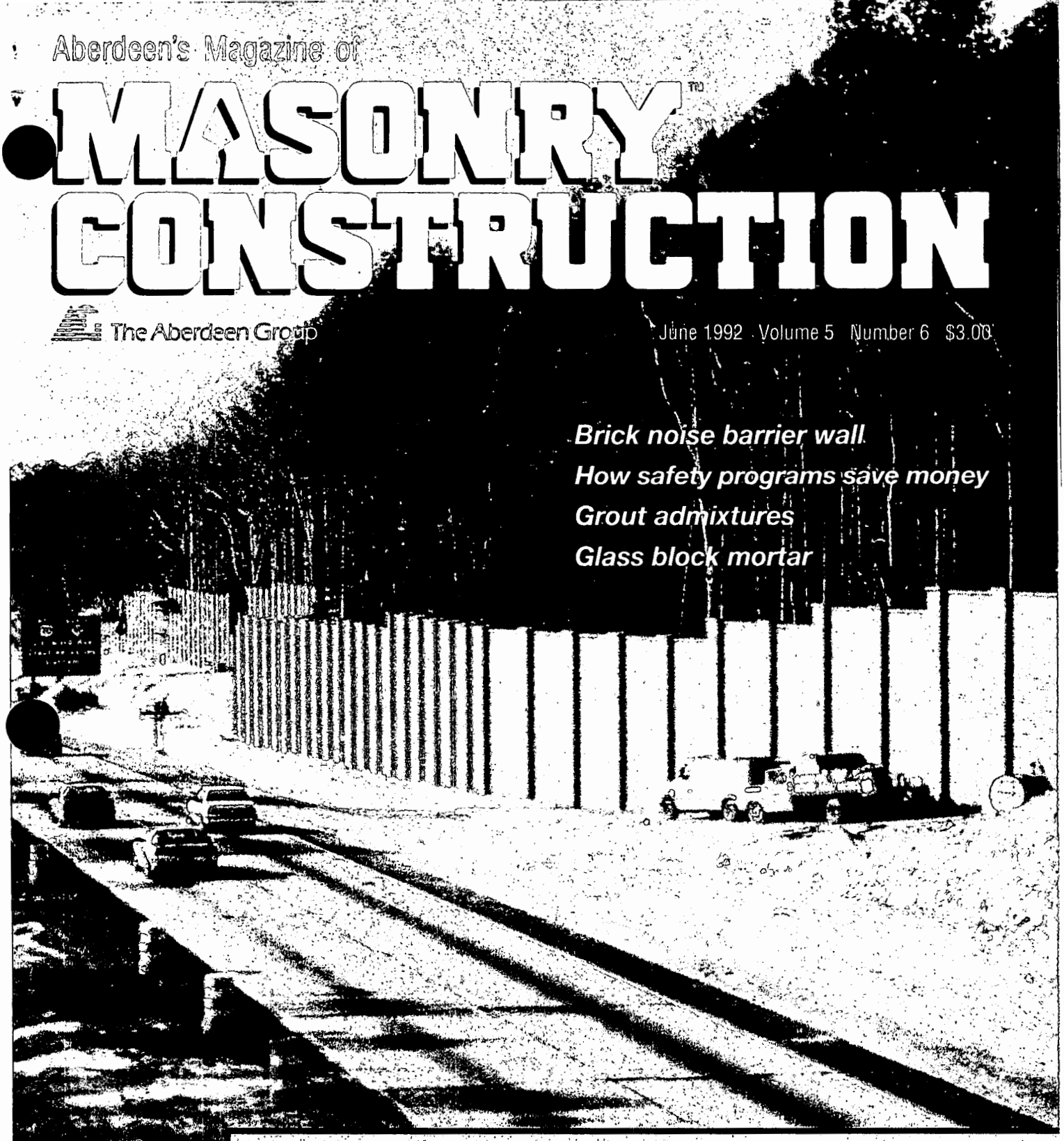
7. Formal VEP is approved or rejected. If approved, a supplemental agreement will be prepared wherein the contractor will be awarded 60% of the final agreed upon net savings. (Contractor shall be responsible for preparing or revising all contract drawings needed to implement the VEP.)

Aberdeen's Magazine of

MASONRY CONSTRUCTION

The Aberdeen Group

June 1992 Volume 5 Number 6 $3.00



Brick noise barrier wall

How safety programs save money

Grout admixtures

Glass block mortar

20

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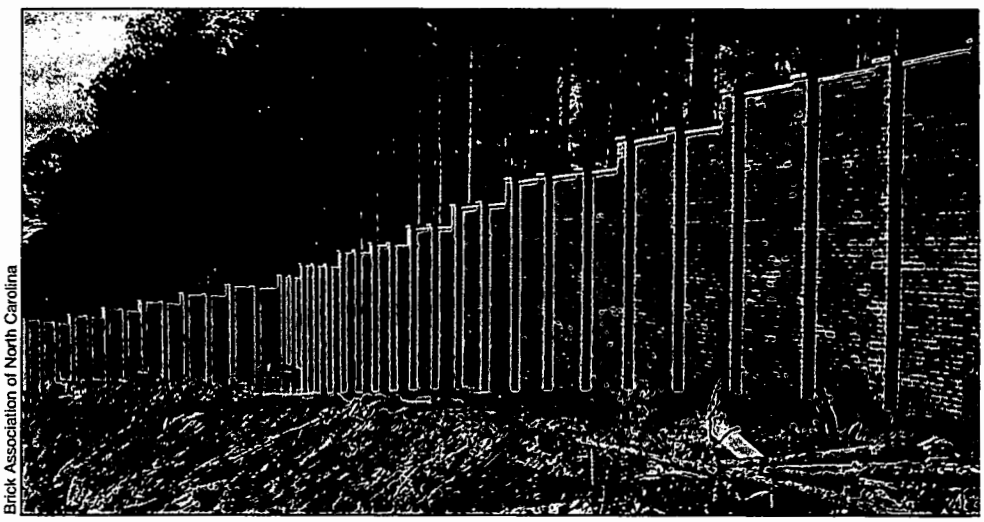
Flexible design and efficient construction helped brick beat out precast for highway sound barrier

By Kenneth A. Hooker

Everyone knew that widening the Raleigh Beltline highway would raise the noise level—that's why sound barrier walls were planned for residential areas affected by the project. But when construction began on the first stretch of wall, noise of a different sort erupted all over town, including local call-in radio shows.

Accustomed to precast concrete or wooden sound walls, many who saw the brick wall under construction assumed that the area's affluent residents had used political clout to have a more attractive, more expensive wall built at taxpayer expense. The North Carolina Department of Transportation (NCDOT) moved quickly to reassure concerned taxpayers that, in fact, the brick was selected as a more economical alternative to the precast concrete sound barrier originally specified.

The brick design, which resulted from a value-engineering proposal developed by a local brick manufacturer, has since been very well received. According to NCDOT's chief engineer for preconstruction, J. T. Peacock, Jr., the department has received more positive comments about it than about any other sound barrier ever built in the state. The next segment of the Raleigh Beltline widening project is now in design and the sound barrier wall is specified to be brick.



Brick Association of North Carolina

North Carolina's first brick highway sound barrier wall runs for about 9,000 linear feet along the Raleigh Beltline. The wall ranges from 15 to 22 feet high, depending on the terrain.

Value engineering

The original contract, for about 106,000 square feet of precast concrete barrier walls, already had been awarded based on a low bid of $15.22 per square foot. Upright steel I-beams, 10 feet o.c., were to hold 2x10-foot and 4x10-foot precast panels to form the sound barrier.

David Mason, representing a local brick manufacturer, was convinced that a brick wall could be constructed for less. He approached NCDOT to propose it as an alternative and was told the decision to use precast already had been made. The only way to alter the design at that point was to propose a value-engineering change—that is, develop a design that could reduce costs significantly. If the general contractor supported the proposal and the department's product evaluation committee determined the design was suitable, a substitution could be made.

As an incentive to cut costs, the state allows contractors to collect 60% of any savings realized from the original bid price. The state's share of savings at



Brick Association of North Carolina

Single wythes of utility brick with ladder reinforcement in each bed joint span 10 feet between reinforced brick piers.

least had to cover the costs of reviewing the design.

Brick alternatives

The first brick design proposal would have maintained the original steel supporting columns and simply substituted prefabricated brick panels for the precast concrete. This was seen as an easier sell to the contractor, because it required less of a change from the planned wall. However, the panelized brick design could not be made significantly cheaper than precast. Though it offered aesthetic benefits, the panelized brick did not qualify as a value-engineering proposal.

The next step was to cost out a site-built brick wall. A design was developed featuring reinforced brick piers, 10 feet o.c., with single-wythe walls of utility brick (nominal 4x4x12 inches) between them. All bed joints would contain ladder-type wire reinforcement. The wall would be capped by a sloped rowlock course of closure brick (nominal 4x4x8 inches) laid over continuous PVC flashing.

Piers were solid-grouted in 4-foot lifts as construction progressed.



Brick Association of North Carolina

Brick's cost benefits

The site-built wall option worked out to $15.00 per square foot, or 22 cents less than the bid for precast. This difference alone would have saved about $34,000 in construction costs.

But some cost benefits were less obvious. Using brick, especially in this hilly country, let the wall be built closer to the actual height needed at each point along its length. The precast design allowed height changes in minimum increments of 2 feet, while the brick wall's height can vary in increments of 4 inches, the height of one course of utility brick. This difference allowed a reduction in the total square footage of the wall that saved another $150,000 in construction cost.

Brick's smaller unit size also led to savings in waste allowances for the overall contract. A damaged and unusable precast panel costs several hundred dollars. A damaged brick, on the other hand, costs only about 40 cents.

The construction of any noise barrier wall has to be justified under strict cost guidelines followed by NCDOT. Each residence close enough to the highway that a wall could significantly reduce noise levels is called a "benefitted receptor." A highway noise barrier is considered justified if it costs no more than $25,000 per benefitted receptor.

The lower cost per square foot increased the number of residents whose property could be protected by the sound barrier, because walls could be built to serve more benefitted receptors within the $25,000/receptor limit.

Wall construction

The general contractor, J. M. Thompson Co., Raleigh, N.C., dug and poured concrete footings for the piers, and placed the vertical reinforcement. The state also required unreinforced concrete footings to be poured for the wall panels.

The masonry contractor, Arrowhead Masonry Inc., Cary,

N.C., used a crew of about 24 bricklayers when the work was at its peak. Arrowhead's president, Harry Krohn, attributes the project's success to the simplicity of the design and to careful advance planning.

"We knew there was a concern about whether masonry could be built fast enough to keep the job on schedule. Many people assume that unit masonry has to be slower than installing larger panels. In fact we not only kept up with the pace of the project, but sometimes got ahead of schedule. We sometimes cut our crew to 12 bricklayers to give the other contractors time to prepare the site for us," Krohn says.

"The work went very quickly. Aside from all the corners we had to lay at the piers, it was a straight production job, like a tall garden wall. It had no windows, no doors, and no outlets. We didn't need to make any cuts. We used a tower scaffold that also helped speed the job, because it served one wall section at a time and could be moved by forklift without being disassembled. The bricklayers were able to lay 450 to 600 utility brick a day.

"Some of the unusual aspects of the project were not a problem because we planned for them in advance. For instance, there was no place to store materials, so we arranged for deliveries as needed. There was no running water at the site, so the general contractor provided tanks of water we used to mix mortar. I'd love to do more of this kind of work," Krohn says.

Targeted marketing pays off

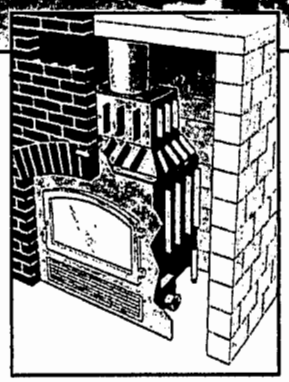
Highway noise barrier walls offer a significant and growing potential market for masonry. With highway construction paralleling denser residential development, the need to protect residential areas from the associated highway noise is increasing. Concrete masonry sound walls have enjoyed considerable success in certain markets, particularly in California, but brick sound barrier walls rarely are encountered.

Mason's aggressive efforts that led to this project's conversion to brick exemplify his company's marketing strategy. Rather than compete directly with other North Carolina brick manufacturers for a share of a fixed brick market, it works to increase the market as a whole by competing against non-masonry systems.

Though his company's products ultimately were not used in the state's first brick sound wall, Mason believes his efforts were worthwhile. "As more of these walls are built," he says, "we'll all benefit." ▲

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JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

March 17 & 18, 1998

Agenda

Tuesday, March 17

1. **DOT Organization & Procedure Changes**
   Norris Tolson, Secretary
   Department of Transportaion

2. **Highway Maintenance**
   C.A. Gardner, Deputy Chief Engineer
   Division of Highways, DOT

3. **Hot Mix Pilot Project**
   Jim Trogdon, Assistant Road Maintenance Engineer
   Division of Highways, DOT

4. **School Bus Driver Training Privatization Study**
   Joan Silvey, Director
   School Bus and Traffic Safety Section, DMV

5. **Driver Education Testing By Schools**
   Wayne Hurder, Director
   Driver License Section

6. **Use of Vouchers For Driver Education**
   Richard Thompson, Deputy Superintendent
   Dept. of Public Instruction

7. **Storm Water Runoff**
   Archie Hankins, Manager
   Hydraulics Unit, Division of Highways

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

March 17, 1998

Room 1228 LB

The Joint Appropriations Subcommittee on Transportation met on Tuesday, March 17, 1998 at 10AM in room 1228 of the Legislative Building. Two Senate members were present. The following House members attended:

Rep. Jerry Dockham
Rep. Bobby Barbee
Rep. Bill Hiatt
Rep. Drew Saunders
Rep. Joanne Bowie
Rep. Ed McMahan
Rep. Thomas Hardaway
Rep. Mary McAllister
Rep. Ronnie Sutton
Rep. Jim Crawford

Representative Jerry Dockham chaired the meeting. He introduced Mr. Norris Tolson, DOT. Mr. Tolson distributed a handout which included: **his remarks; DOT Reorganization Plan; Long Range Planning and TIP Development Process for Major Construction Projects; Policy and Procedures for Spot Safety Funds; Policies and Procedures for Statewide Contingency Funds; Policies and Procedures for High Hazard Elimination Funds; Subchapter J -Highway Safety; Policies and Procedures for Requesting Small Urban Funds; Procedures for Requesting Public Access Funds; and Procedures for Naming Roads/Bridges/Ferries.**

Mr. Tolson spoke of the restructuring of DOT. Essentially the power base has been decentralized. All highway planning is now under the aegis of the Deputy Secretary for Planning and Environmental Review. That position has not been filled yet. Mr. Tolson, Mr. David King, Mr. Len Sanderson are providing the planning function until the position is filled. Mr. Wayne Stallings is now the chief financial officer (new Position). Their top priority is safety. See handout. Mr. Tolson continued that Mr. Gardner and Mr. Goines had completed a study to determine maintenance needs and $616 million dollars is needed to resurface the roads. They will try to find the money in house first. He spoke of the Ad Hoc working groups that had been created which will be staffed with field personnel. He wants a public meeting in each of the 14 divisions within his first 6 months at DOT. He has met in five divisions and spoken to 1200 people. Responses to the web page go out in 24 hours. He has created a customer service group who will man 800 numbers. They will respond in 3 days. Senior staff is available to talk to groups, and he is encouraging board members to talk and to listen to people. The TIP process has been extended to two years to enable public input. The TIP funding process has been changed to an application process. It is now an open process. Screening committees have been put in place to review applications if there is a lack of agreement.

In response to a question by Rep. Bowie, Mr. Tolson said a percentage of the maintenance cost is not factored in up front. Inflation is also not factored in. Budgets have been raided to get more projects and maintenance consequently has been ignored. We now have more and heavier trucks which further increases the need for maintenance. In response to Rep. Saunders, Mr. Tolson said the prices on approved projects are safe

but they are looking nevertheless. Also in response to Rep. Saunders, the Ad Hoc committees are made up of staff only. In response to Rep. Barbee, Mr. Tolson said they will have to sift through public comment. He used Eno Drive as an example. The delay has allowed the pros and cons to begin to form a consensus. Rep. Hardaway was concerned over the delay of completion of Highway 158. Mr. Tolson could not explain why that particular project is taking so long but said there is often a lack of up front planning or it could be an environmental issue. Nothing will be added to TIP without going through the process. In response to a question by Senator Carpenter, Mr. Tolson said the new position, Secretary for planning and environment includes planning for everything to do with transportation, including bicycle lanes. In response to Rep. Sutton, Mr. Tolson said there had not been an opportunity to look at the need for changes at or below the district level but imagines it will be looked at. Rep. Sutton said his district is concerned with the lower level engineer who is not responsive to the people. Rep. McMahan said he likes the business perspective used in the approach to restructuring at DOT , and he likes the idea of planning. He further stated that he was glad that Mr. Tolson understood the importance of economic development. Rep. McMahan said there is approximately $740 million that will be distributed to the states by the federal government and wondered at the amount of flexibility in using this money. Mr. Tolson said there is not really a lot of flexibility.

Mr. Tolson continued. He has interviewed 17 of the 26 members of the Board of Transportation. They spend about 50% of their time volunteering for the Board and he really does not think the Board should be smaller. He would like to see the Board have some advocacy groups represented, and he wants a working Board. He would like to be in consultation with the Legislature on this issue. In response to a question by Senator Jordan, Mr. Tolson said the members at large and he are filling in for the vacancies on the Board.

Mr. C. A. Gardner was introduced. He distributed a handout titled Maintenance Allocations. That handout lists the funding formulas for primary, secondary, and urban roads. Mr. Gardner handed out the Budget Analysis for maintenance operations. That handout lists the NC pavement inventory. They system of paved roads maintained by the state is 77,754 miles. 6,325 miles of road to be resurfaced is the annual goal. That target was not met in 1997. The roads are rated every two years. Anything rated below 70 needs major work. Patching has increased approximately 123% since 1992. 10,000 miles of dirt roads have been paved since 1982. The annual need for resurfacing is $240 million. The net need is $194 million. The growth of the system has caused the increased need for maintenance. $119 million is needed for bridge maintenance. They need $422 million for 1998-99 maintenance which includes $27 million to reduce the 1994 backlog. It also includes $20 in emergency job orders. The total need for 1999 is $616 million as Secretary Tolson mentioned. This figure is based on the 1994 survey. The new maintenance survey is due November 30, 1998 and this figure may therefore change.

In response to a question by Rep. McMahan, Mr. Tony Goldman, staff said that revenue is growing at 3 to 4% and maintenance needs are growing at a much greater speed. However, the committee will discuss revenue at its April meeting. In response to Rep. Sutton, Mr. Gardner said the rock slide on 40 has cost to date $6.5 million and that cost is excpected to rise. The federal government is expected to reimburse a large portion of that cost. In response to a question by Rep. Barbee, Mr. Gardner said the cost of asphalt has risen due to requirements of stone quarries, and probably a correction in the industry. There is also some costs to comply with environmental issues. Mr. Gardner, in response to Rep. Dockham said the system will not fall apart if 6000 miles aren't paved, but he said we are reaching that point. One of the other issues is we now resurface 1 1/2 to 2 inches when in the past only 1 inch was needed.

Mr. Gardner continued. The money for primary roads is divided to bridge maintenance, road maintenance, lighting rest areas, motorist assistance, landscape maintenance. The remaining money for primary roads is divided by formula. The money for secondary roads includes two ferries. There is a uniform allocation to each county. Primary money is divided by division. Secondary money is divided by county. Urban funds also includes funding for computer traffic control.

Mr. Jim Trogdon was introduced. Mr. Trogden spoke of Hot Mix In Place Recycling. About 2300 miles have been resurfaced with hot mix. The method is by using heaters on the roadway, lifting old pavement, mixing that with new mix and then repaving. They use a pugmill , which in response to Sen. Carpenter, is similar to a concrete mixer. Mr. Trogdon continued. The hot mix in place recycling does the following: minimizes traffic obstacles, minimizes trucking costs, eliminates shoulder construction and addresses surface distress only. The selection criteria are:

- at least 4 inches of asphalt
- homogeneous material
- no stripping in existing pavement
- no fabrics or inner layers
- minimum recovered penetration 18 to 20
- light to moderate surface distress
- minimum of 100,000 square yards
- minimum of 22 feet width
- minimum number of utilities in roadway
- adequate night parking
- asphalt plant within 80 miles

The cost is $45,000 to $66.500 per mile. Conventional paving costs $60,000 to $75,000per mile. In response to Rep. Bowie, the asphalt gets hard as it gets old. The rejuvenator makes it soft again. Asphalt can go through many cycles. The hot mix in place recycling is cost effective if the road meets the initial criteria. The oldest project is highway 701 which is not quite a year old. They will be able to more accurately determine its effectiveness as projects get older.

In response to Rep. Barbee, the equipment is owned by private contractors. In response to Rep. Sutton, 10% of costs is probably traffic control. In response to Senator Jordan, there are 50 asphalt plants in the state and they are well distributed except in the mountains and the south east. Four projects using the hot mix method have been completed.

Mr. Al Rorison, manufacturer of one of the machines was introduced. He said he expects prices to come down. The equipment is used in Canada, Sweden, Korea, Mexico and in the western United States. Mr. Rorison said pavement using this method lasts as long as conventional paving.

Ms. Joan Silvey from DOT was introduced. She distributed a handout titled Privatization Plan. That plan was provided to the Joint Legislative Transportation Oversight Committee. The plan includes:

- A full description of the school bus driver training activities carried out by the department
- An accounting of all costs
- A list of all DOT positions performing functions related to school bus driver training
- A draft of the Request for Proposals for private contracts to provide all school bus driver training services
- An estimate of the cost of private contracts to provide all school bus driver training
- A detailed estimate of the projected cost to DOT to administer contracts for school bus driver training
- A schedule for issuing a contract for school bus driver training and a schedule for the elimination of the DOT positions and expenditures related to school bus driver training

Ms. Silvey stated that in 50 states, North Carolina is ranked 13 in terms of children transported. In 1995-96, 707,725 children were transported at a cost of $306.52 per pupil. Ms. Silvey said that it is the recommendation of DOT to start privatization on a pilot program basis, one in an urban district and one in a rural district and not prior to school year 2000-2001. The success rate of school bus privatization has been mixed, about 30% successful, and that's due to costs. It costs more for private sector. The state obtains fuel at a cheaper rate and does not have to pay taxes.

Mr. Wayne Hurder of DOT was introduced. He distributed a Feasibility Study of Drivers Education Testing. That study includes:

- Review of Existing Law and Practices
- Experience in other states
- Analysis of benefits and risks
- Recommendations
- Cost

The Division of Motor Vehicles and the Department of Public Instruction conclude that using driver education instructors to conduct some testing is feasible if conducted as part of the not for profit umbrella of the school system. It should be allowed where a for

profit driver training school is under contract to a school system, provided there is no financial incentive for passing students. They recommend a pilot project in two school systems, Cumberland and Wilkes Counties in order to establish most effective policies and procedures and to better determine costs to the school systems.

In response to a question by Rep. Dockham, the experience in other states has been mixed. The biggest benefit is to the customer. In response to Rep. Sutton, Mr. Hurder said the cost to the student would be the same.

Mr. Richard Thompson of DPI was introduced. Mr. Thompson said they do not favor vouchers for drivers education. They receive reversions from some systems and are able to redistribute those reversions to systems that need them. Rep. Sutton said he could not support vouchers in anyway in connection with public instruction. Mr. Thompson continued, the costs per child for drivers education varies greatly from county to county. The funding is based on the estimated number of children in 9th grade, or aged 14 ½.

Mr. Archie Hankins Manager of the Hydraulics Unit, Division of Highways was introduced. A draft of the Storm Water Discharge Permit has been completed by the Division of Water Quality in tandem with DOT. This will cover ferry terminals, ferry maintenance and other facilities, construction activities, borrow pits/waste piles, as well as the Sampson county asphalt plant. A storm water inventory is being developed and will be prioritized. DOT must, under this permit develop nutrient management plans to be in compliance with local watershed programs. Other activities included under the storm water discharge permit include monitoring run offs, by testing and sampling; storm water discharge training, as well as developing a structured program to evaluate maintenance activities. A storm water prevention plan must be developed for 150 industrial facilities.

In response to Rep. McMahan, the permit applies to all highways. Phase one is for municipalities with a population of 100,000 or more. In response to Sen. Carpenter, this permit is mandated under EPA and will be costly but overall it is reasonable. The cost for 5 years is estimated at $6 million.

There were no further questions and the meeting adjourned at 3:30PM.

Representative Jerry Dockham
Co-Chair

Gloria Haywood
Senate Committee Clerk

VISITOR REGISTRATION SHEET

Joint Appropriations Transportation Subcommittee
Name of Committee

Date 3-17-98

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Ruth Sappie	NCDOT
LARRY STALLINGS	NC DOT TRAFFIC WILSON
Len Sanderson	NCDOT
C. A. GARDNER	NCDOT
Jim Trogdon	NCDOT
Sherri C. Johnson	NCDOT
Angie Harris	NC DOT
AC Rogers	Pyrotherm
	SGM
Caroline Gray	SGM SUPPORT
Steven Muncy	Koch Materials Co Raleigh NC

VISITOR REGISTRATION SHEET

Joint Appropriations Transportation Subcommittee
Name of Committee

Date 3-17-98

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Don Goins	N.C.D.O.T.
Milton Alford	OSBM
VL McBride	[illegible]
AL Capehart	NC Rail-Trail Box 61348 Durham, NC 27715
Bob Peele	NCDOC CONTRACTOR
Moon Tillett	Chair OIWC

SECRETARY NORRIS TOLSON

Tuesday, March 17, 1998

When I came to DOT, Gov. Hunt gave me 45 days to change the way DOT does business – so that citizens have input into our processes. He also charged me with making the processes simpler, putting guidelines in place and decentralizing power in the department.

Since then, I have heard from nearly 1,000 citizens in town meetings across the state and I have met with hundreds of great employees in this department. The taxpayers want us to put safety first and get the best return on their money. But mostly they want to know what we're doing, and they want to be part of it.

First, we are over-hauling the entire road planning process. Citizens now will have 8 to 10 months instead of 30 days to examine the draft Transportation Improvement Plan. We are asking their advice on the front end and back end of the process. Beginning this year, we are taking the TIP to a two-year cycle, rather than one, to give citizens months rather than days to review it.

We are immediately re-evaluating the entire process through which we develop the TIP to determine whether money is available to fund the projects as scheduled. Recently, we learned of a situation in two divisions where the projects and the funding do not match. That is unacceptable. We shouldn't promise roads we can't pay for.

As part of our new planning efforts, we will focus on communities – both urban and rural and we will make sure transportation systems are designed to fit the communities. As I told the Eno Drive groups – we are not going to force any transportation system on any community. We will work with local governments, the environmental community, safety groups, transportation advisory groups and citizens groups. We will hold town meetings and annual forums with specific groups to get guidance before, during and after we put the TIP together. And our planning – throughout the process – will take into account our natural resources because they have to be preserved for future generations.

Another key part of this road planning overhaul is customer service. We will create a customer service section in our Public Information Office to make sure citizens with questions get a response within three days of inquiry, just as we have done with our web site. And we are setting up a toll-free line so people can reach us quickly and easily. We also are setting up a file that contains all requests for transportation projects. We will keep in the file a status report on high-profile, controversial projects.

Second, we are over-hauling the Highway Division – with a new administrator and new responsibilities. The Highway Division falls under the new Deputy Secretary of Transportation David King. Larry Goode, who has been highway administrator for nearly five years, has moved to N.C. State University's Institute for Transportation Research and Education where he is on permanent loan from the Department of Transportation. Dr. Gorman Gilbert, who heads this research group, came to me and expressed an interest in having Larry work with this group because of his wealth of knowledge about transportation engineering. I believe he will serve the state well in that capacity.

Len Sanderson, a 27-year veteran of DOT who has headed the department's construction office for the past 14 years, will become the highway administrator. His commitment to transportation safety and public input make him a critical part of our team. He will oversee a very different highway division which now includes an operations section with a higher emphasis on maintenance, pre-construction and safety and loss control.

Third, we are overhauling our policies and procedures. This has been a department largely without processes. We have in place guidelines for getting transportation projects funded, and we've set up oversight committees to review requests before they go to the Board of Transportation. Everyone -- including the Governor, legislators, board members, local governments, citizens and me -- will abide by these guidelines. No longer will only one person make decisions on how money is spent in this agency.

We have designed an application process and guidelines for the following: the Small/Urban Funds, the Statewide Contingency Fund, Spot Safety Funds and Hazard Elimination Funds. We are also putting in place new procedures for naming roads and bridges.

As you know, the Federal Highway Administration asked the department to review projects that had been funded with Hazard Elimination money. Our staff has done that and there were projects that did not fit the federal rules. We are re-evaluating these projects under our new guidelines to see if they qualify for other funds. If they are worthwhile safety projects, then we will try to do them. If they are not, we need to take them out of the TIP.

Restructuring the department will help us accomplish these overhauls. Our new Office of Planning and Environment will be headed by a deputy secretary and will coordinate all transportation planning efforts, including highways, rail, aviation and public transit. This office also will schedule the TIP.

To create a system of checks and balances and to help us keep from planning to build more roads than we can pay for, I have created a chief financial officer for the department who will report to me. Wayne Stallings, who has been the controller and has earned the respect of his budget colleagues outside the department, now oversees the department's fiscal office, purchasing, contract monitoring and productivity management sections. This streamlines all budget functions in the department where they have been scattered before now.

Manny Marbet is the deputy secretary for administration, and he oversees the management information systems, general services and internal audits. Danny DeVane continues as our deputy secretary for personnel and legislative affairs.

About the Board of Transportation.

I believe the Board of Transportation should advise Gov. Hunt and me on transportation policy issues, just as the Economic Development Board was a valuable resource in helping us stay in touch with the economic needs of all areas of the state.

G.R. Kindley, the board's vice chairman, and I will lead the board to study policy issues like maintenance, safety and others where board guidance would be helpful. To help us with that, I think the board needs some members who have backgrounds in environmental, planning and transportation advisory.

We will continue to help the Board of Transportation write ethics guidelines and keep them focused on avoiding conflicts of interest.

Before I close, I want to mention several other important issues we're focusing on.

Safety is my number one priority – both on and off the highways. I have asked Len Sanderson to look into where we can implement additional safety measures in work zones across the state – like we did on I-95 in Lumberton.

Those efforts are working very well. More than 500 tickets have been written and more than $100,000 in fines have been issued – this money will go to help Robeson County schools. We will do even more to improve safety in our work zones. Len's groups actually will drive work zones across the state and work with field personnel to target specific areas.

We will put more emphasis on highway maintenance. There is no question that we need to better maintain our roads – we will fix the problems that are out there. The maintenance staff estimates they will need $616 million dollars next fiscal year to adequately maintain and resurface roadways across the state.

Department pavement ratings show that 30 percent of roadways are in need of major repair. This means roads have isolated cracking problems that range from slight to severe. Other maintenance needs include signs, pavement markings and reflective markers for nighttime driving. Funds for maintenance also cover removing debris from roadways, installing guard rails and filling potholes.

I have asked my staff to look at our current budget to see if there are areas where we can get additional money to help better maintain our roads.

I also am creating Ad Hoc Working Groups to take a look at hot issues in the department:

- Maintenance
- Safety
- Environment
- Enhancement projects
- TIP – look to see if we're doing this right
- Funding
- Litter

I don't have all the answers for reforming the Department of Transportation. But I believe we'll get it just right if we continue to listen to the people of this state.

NC DEPARTMENT OF TRANSPORTATION
REORGANIZATION PLAN

Goal: To create a new department and a new system for planning that decentralizes power in the department and puts in place processes where there have been none before, and to give the citizens of North Carolina a voice in the operations of their Department of Transportation.

Road Planning Overhaul

Transportation Improvement Program

- Take the TIP to a two-year cycle rather than one, and hold public meetings to discuss the draft plan, giving citizens several months rather than several days, to review the proposed TIP. (Currently, on the one-year cycle, citizens provide input to the TIP in October and November. The highway administrator holds TIP review sessions with board members and the division engineers in February and by early Spring, the proposed TIP is released for additional public input, but within 20-30 days is printed in final form.)

- Re-evaluate the entire TIP process to determine whether funds are available to fund the projects as scheduled, to further define criteria for which road, bridge and safety projects are funded, and to ensure the public has access to the process.

- Set up an oversight committee of the deputy secretary for transportation, highway administrator, planning and environmental deputy secretary, and controller, to evaluate on a statewide basis projects funded with state highway funds. This ensures that the best projects are selected for state construction. (Currently these projects are added through the TIP process on a divisional basis, with no statewide oversight.)

Customer Service

Set up within the Public Information Office a customer service section to ensure citizens' questions are responded to within three days of inquiry. The section also will take calls on a toll-free line and maintain a file that contains all requests for transportation and safety projects, and an ongoing status report of high-profile projects such as Eno Drive and Duraleigh Road.

Changes in Policies/Procedures

Safety Funds

Require that anyone who requests federal **Hazard Elimination Funds** provide a signed, written request and justification, and that DOT staff must document that they have followed federal rules in determining eligibility.

Require that anyone who requests state **Spot Safety Funds** provide a signed, written request and justification, and that DOT staff follow state rules in determining eligibility.

Form a **Safety Oversight Committee** to meet as needed to review all safety projects (both Hazard Elimination and Spot Safety) before they are presented to the Board of Transportation. Committee members will include the deputy highway administrator for pre-construction, the state traffic engineer, the chief accident investigation engineer, a DOT board member from the Safety & Emerging Issues Committee (board members to rotate), a member of the State Highway Patrol, a representative from Mothers Against Drunk Driving (MADD), and a member of the Governor's Highway Safety Commission.

Contingency and Small/Urban Funds
Require that anyone who requests either of these funds complete an application process that includes a signed, written justification. These funds will be reviewed by a committee including the Deputy Secretary for Transportation, the State Highway Administrator, deputy highway administrator for pre-construction and two division engineers, who will rotate. The committee will give its recommendations to the Secretary for consideration. Finally, projects will be placed on the BOT agenda.

Road/Bridge Naming
Implement a new policy for naming bridges and roads that requires naming for North Carolinians who have been deceased for at least five years, and require resolutions from all local government units affected by the proposed portion of road.

Department Reorganization

Create an Office of Planning and Environment

This office – headed by a deputy secretary and reporting to the DOT secretary -- will be responsible for statewide planning for all transportation needs and will work closely with the Department of Environment and Natural Resources and environmental groups to ensure the state's transportation and environmental efforts are compatible. The Planning and Logistics, Statewide Planning and Programming and the Transportation Improvement Program sections will move from the Highway Division to this office, decentralizing the highway administrator's duties. The Office will set up annual forums for advocacy groups, such as the Alliance for Transportation Reform, the Sierra Club, the Conservation Council, the Wildlife Federation and other groups to get input for long-range thoroughfare and mass transit planning.

Establish a department controller

This office – which will report to the Secretary -- will be responsible for all funding and budgets in the department. This will create a system of checks and balances and will help prevent over programming in the TIP. This includes providing revenue projections and budgeting information for the TIP – previously a function of the Highway Division. The following sections will report to the controller – Fiscal (including the Highway Trust Fund accountant, previously in the Highway Division), Purchasing, Contract Monitoring and Productivity Management.

Create a deputy secretary for transportation.

Divisions under this position would be Highways, Rail, Aviation, Ferry and Bicycle, grouping all modes of transportation to give greater emphasis to overall transportation operations.

New Highway Administrator

Appoint a new highway administrator to oversee functions remaining in the Highway Division. Those will include the Maintenance and Operations, Pre-construction, Safety and Loss Control sections. The decentralized Highway Division will conduct right-of-way acquisition and other pre-construction functions, build and maintain roads and oversee safety operations.

Other changes

Maintain a deputy secretary for administration that oversees the Management Information Systems and General Services. Maintain a deputy secretary for personnel and legislative affairs, APA Coordinator and the Governor's Highway Safety Program.

Board of Transportation

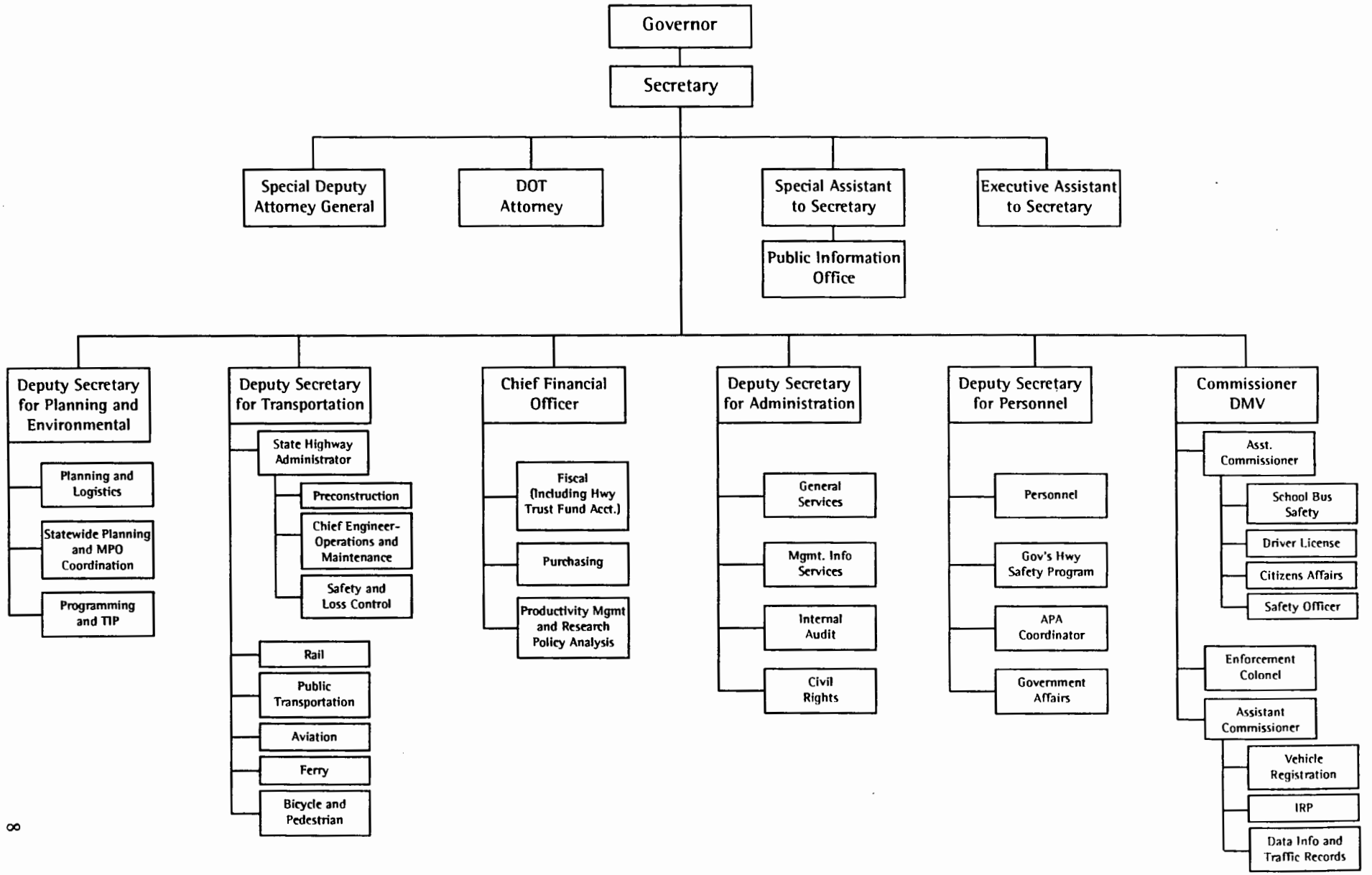
Bring statewide policy issues to the board for discussion, so the board may provide guidance to the Secretary and Governor on transportation matters. This will help the board fulfill its statutory requirement of functioning as a statewide board, rather than division representatives.

Provide monthly budget reports to the Board of Transportation for discussion on the revenue availability and priorities for spending.

At least three board members represent environmental, planning and transportation advisory groups so that all areas of transportation debate are represented.

Assist the Board of Transportation in writing ethics guidelines specific to the board, in addition to the Governor's Executive Order on ethics, and hold periodic training sessions on ethics and other issues.

Set the monthly Board of Transportation agenda in the Secretary's Office, rather than the Highway Administrator's and revamp agendas so they are easier to understand.


Governor
Secretary
Special Deputy Attorney General
DOT Attorney
Special Assistant to Secretary
Public Information Office
Executive Assistant to Secretary
Deputy Secretary for Planning and Environmental
Planning and Logistics
Statewide Planning and MPO Coordination
Programming and TIP
Deputy Secretary for Transportation
State Highway Administrator
Preconstruction
Chief Engineer-Operations and Maintenance
Safety and Loss Control
Rail
Public Transportation
Aviation
Ferry
Bicycle and Pedestrian
Chief Financial Officer
Fiscal (Including Hwy Trust Fund Acct.)
Purchasing
Productivity Mgmt and Research Policy Analysis
Deputy Secretary for Administration
General Services
Mgmt. Info Services
Internal Audit
Civil Rights
Deputy Secretary for Personnel
Personnel
Gov's Hwy Safety Program
APA Coordinator
Government Affairs
Commissioner DMV
Asst. Commissioner
School Bus Safety
Driver License
Citizens Affairs
Safety Officer
Enforcement Colonel
Assistant Commissioner
Vehicle Registration
IRP
Data Info and Traffic Records

LONG RANGE PLANING AND TIP DEVELOPMENT PROCESS FOR MAJOR CONSTRUCTION PROJECTS

Goal: To develop and maintain a Long Range Plan and a Transportation Improvement Program (TIP) that is accurate, credible, understandable, customer friendly, accessible and deliverable.

Time frame: For development and approval - 2 years
Long Range Plan is a 20-year plan
TIP is a 7-year plan

Public Input

- Public Meetings
    - Publicize meetings via the Internet, exhibits, newspaper articles, radio spots, articles, posters, etc.
    - Hold more than one meeting for each Division
    - Video at meeting to explain project development process and opportunities for citizen input
    - Internet homepage to explain process and opportunities for citizen input
- Internet
- Letters, petitions, resolutions from citizens and advocacy groups
- Board member input
- Direct Citizen contact
- Local governing body input - County Commissioners and City Councils, etc.
- Transportation forums - OpenNet

Develop a Candidate Project List

- Publicize citizen comments on and project lists on the Internet

Prioritize Projects on Candidate List Using Following Criteria

- Benefit/cost analysis - value of project
- MPO support
- County commissioners or local governing body support
- Equity formula for regions across the state (from Highway Trust Fund Legislation)
- Regional benefit - how does project benefit a region as opposed to one jurisdiction
- Economic development - how much and what types of economic development would this project generate

Determine Estimated Cost of Top Candidate Projects

Develop Proposed Long Range (20 year) and TIP (7 year) Plan Based on Priorities, Cost of Projects, Schedules and Projected Funding Availability.

Proposed Long Range and TIP Plan

- Publicize - no less than 60 days as opposed to current 30 days
  - Internet
  - Exhibits
  - Newspaper articles and other media outlets
  - Transportation forums
- Request citizen comments/answer questions
- All comments considered and incorporated, if appropriate, prior to final document printing

Final Considerations and Decision Making by Secretary of Transportation

Approval of Long Range and TIP Plan by Board of Transportation

- Publicize
- Internet

Changes in TIP

- Approved by Secretary and Board of Transportation
- Publicized on Internet

POLICIES AND PROCEDURES FOR SPOT SAFETY FUNDS

The following process is to be followed for requests for spot safety funds.

Applicant's Responsibility:

- Requests for spot safety funds will be received from municipalities, counties, businesses and citizens.
- A written request should be submitted to the Division Engineer or Board member providing technical information such as location, improvements being requested, timing, for thorough review. A complete justification must also be submitted. If initial request is made to the Board member, it is forwarded to the State Traffic Engineer for study.

Technical Review by DOT:

- The Division Traffic Engineer conducts a formal study with specific criteria.
- The Traffic Engineering Branch conducts a benefit/cost analysis and the project is prioritized.
- The Chief Engineer reviews request and prioritization and then forwards to the Safety Oversight Committee.
- The Committee investigates and studies possible funding appropriation.
- Committee recommends or denies request. If approved, request is sent to the Board of Transportation for consideration.

- Safety Oversight Committee is comprised of deputy highway administrator for pre-construction, the state traffic engineer, the chief accident investigation engineer, a DOT Board member from the Safety & Emerging Issues Committee (board members to rotate), a member of the State Highway Patrol, a representative from Mothers Against Drunk Driving (MADD), and a member of the Governor's Highway Safety Commission.

REQUEST FOR SPOT SAFETY FUNDS

DIVISION:_____ COUNTY _____ DATE:_____
I.D. NO._____ PROJECT # _____FISCAL YEAR _____
DESCRIPTION OF WORK (including route & termini): _____
_____
_____
_____
_____
_____
_____

JUSTIFICATION: _____
_____
_____
_____

AMOUNT REQUESTED: _____
TOTAL ESTIMATED COST: _____

Requested by:
_____DATE_____

Study completed *Yes/No* Date_____Study prepared by_____

Average Daily Traffic (ADT):_____Accident rate_____Near Schools *Yes/No*

Priority Ranking_____

Recommended by: _____ (Division Engineer)
Recommended by: _____ (State Traffic Engineer)
Recommended by: _____ (Chief Engineer)
Recommended by: _____ (Safety Oversight Committee)
Conditions, if any:_____
_____

APPROVED AMOUNT: _____
Recommended date for board approval: _____

POLICIES AND PROCEDURES FOR STATEWIDE CONTINGENCY FUNDS

Background

- The Statewide Contingency Fund is a $10 million fund administered by the Secretary of Transportation.
- The President Pro Tempore of the Senate, the Speaker of the House and the Secretary of Transportation approve projects from this fund.

Procedures for requesting contingency funds

- All requests must be submitted in writing to the Secretary of Transportation and include a clear description and a justification of the project.

Procedures for NCDOT Staff

- Project requests will be reviewed by the Secondary Roads Office and sent to the appropriate Division Engineer for investigation (See Attached Form).

- Division Engineer will provide a cost estimate and written comments about the project's feasibility to the Secondary Roads Office. If the project is not feasible, the person requesting the project will be notified.

- Division Engineer will bring request to the Contingency and Small Urban Funds Committee. Committee will study and discuss each feasible project with the Secretary for his approval. The project then will be placed on the Board of Transportation's agenda for consideration.

- Following the monthly Board of Transportation meeting, each person requesting a project will be notified of the project's approval or denial by letter from the Secretary of Transportation.

Contingency and Small Urban Funds Committee -- Requires that anyone who requests either of these funds complete an application process that includes a signed, written justification. These funds will be reviewed by a committee including the Deputy Secretary for Transportation, the State Highway Administrator, Deputy Highway Administrator for Pre-construction and two Division Engineers, who will rotate.

REQUEST FOR STATEWIDE CONTINGENCY FUNDS

DIVISION:_____ COUNTY _____ DATE:_____
I.D. NO._____ PROJECT # _____FISCAL YEAR _____
DESCRIPTION OF WORK (including route & termini): _____
_____
_____
_____
_____
_____
_____

JUSTIFICATION: _____
_____
_____
_____

AMOUNT REQUESTED: _____
TOTAL ESTIMATED COST: _____

Requested by: _____(Speaker of the House or President Pro Temp of Senate, Secretary of Transportation)

Investigated by Secondary Roads Office *Yes/No*

Other DOT funding and/or Participation by Others: _____
_____

Other funding project has received in past 12 months: _____
(Type of funding)

Benefit/Cost analysis_____

Recommended by: _____ (Division Engineer)
Recommended by: _____ (Board Member)
Recommended by: _____ (Chief Engineer)
Approved by: _____ (Safety Oversight Committee)
Conditions, if any:_____
_____

APPROVED AMOUNT: _____
Recommended date for board approval: _____

POLICIES AND PROCEDURES FOR HIGH HAZARD ELIMINATION FUNDS

Background

- The High Hazard Elimination program is a federally funded safety program which requires that a systematic approach be used to add eligible safety projects to the TIP. These projects typically cost in the range of several hundred thousand dollars.

- Already in place is a rigorous and definitive procedure approved by the Federal Highway Administration (FHWA) for ranking such projects for funding.

- All projects considered for this program must go through this evaluation and ranking procedure and all projects funded will be based on this ranking process.

Benefit Cost Analysis

- This method, approved by the FHWA, prioritizes safety projects based on benefit verses cost. The analysis evaluates savings in traffic accident reductions and the annual cost of the safety improvement project.

- The result of the analysis is expressed as a ratio of the annual accident cost reduction divided by the annual cost of the improvement. To be a viable project, the benefit cost ratio must exceed 1.0 - and the higher the ratio, the better.

- If this criteria is not met, the FHWA will not allow federal safety funds to be used.

Safety Oversight Committee

A Safety Oversight Committee will be formed to select/approve all safety projects - including High Hazard and Spot Safety - before they are presented to the Board of Transportation. Committee members will include the deputy highway administrator for pre-construction, the state traffic engineer, the chief accident investigation engineer, a DOT board member from the Safety & Emergency Issues Committee (board members to rotate), a member of the State Highway Patrol, a representative from Mothers Against Drunk Driving (MADD), and a member of the Governor's Highway Safety Commission.

- See attached federal guidelines.

REQUEST FOR HIGH HAZARD ELIMINATION FUNDS

DIVISION:_____ COUNTY _____ DATE:_____
I.D. NO._____ PROJECT # _____FISCAL YEAR _____
DESCRIPTION OF WORK (including route & termini): _____
_____
_____
_____
_____
_____
_____

JUSTIFICATION: _____
_____
_____
_____

AMOUNT REQUESTED_____
TOTAL ESTIMATED COST_____

Benefit/Cost analysis_____ *Attach federal criteria.

Recommended by_____(State Traffic Engineer)
Recommended by_____(Safety Oversight Committee)
Recommended by_____(Secretary of Transportation)
Conditions, if any_____
_____

APPROVED AMOUNT_____
Recommended date for board approval_____

SUBCHAPTER J -- HIGHWAY SAFETY

PART 924 -- HIGHWAY SAFETY IMPROVEMENT PROGRAM

Sec.

924.1 Purpose.

924.3 Definitions.

924.5 Policy.

924.7 Program structure.

924.9 Planning.

924.11 Implementation.

924.13 Evaluation.

924.15 Reporting.

Authority: 23 U.S.C. 105(f), 152, 315, and 402; sec. 203 of the Highway Safety Act of 1973, as amended; 49 CFR 1.48(b).

Source: 44 FR 11544, Mar. 1, 1979, unless otherwise noted.

Section 924.1 Purpose.

The purpose of this regulation is to set forth policy for the development and implementation of a comprehensive highway safety improvement program in each State.

Section 924.3 Definitions.

(a) The term highway, as used in this regulation, includes in addition to those items listed in 23 U.S.C. 101(a), those facilities specifically provided for the accommodation and protection of pedestrians and bicyclists.

(b) The term State, as used in this regulation, means any one of the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands except that, for the purpose of implementing section 203 of the Highway Safety Act of 1973, as amended, State means any one of the 50 States, the District of Columbia, and Puerto Rico.

Section 924.5 Policy.

Each State shall develop and implement, on a continuing basis, a highway safety improvement program which has the overall objective of reducing the number and severity of accidents and decreasing the potential for accidents on all highways.

Section 924.7 Program structure.

The highway safety improvement program in each State shall consist of components for planning, implementation, and evaluation of safety programs and projects. These components shall be comprised of processes developed by the States and approved by the Federal Highway Administration (FHWA). Where appropriate, the processes shall be developed cooperatively with officials of the various units of local governments. The processes may incorporate a range of alternate procedures appropriate for the administration of an effective highway safety improvement program on individual highway systems, portions of highway systems and in local political subdivisions, but combined shall cover all public roads in the State.

[48 FR 44066, Sept. 26, 1983]

Section 924.9 Planning.

(a) The planning component of the highway safety improvement program shall incorporate:

(1) A process for collecting and maintaining a record of accident, traffic, and highway data, including, for railroad-highway grade crossings, the characteristics of both highway and train traffic;

(2) A process for analyzing available data to identify highway locations, sections and elements determined to be hazardous on the basis of accident experience or accident potential;

(3) A process for conducting engineering studies of hazardous locations, sections, and elements to develop highway safety improvement projects as defined in 23 U.S.C. 101(a); and

(4) A process for establishing priorities for implementing highway safety improvement, projects, considering:

(i) The potential reduction in the number and/or severity of accidents,

(ii) The cost of the projects and the resources available,

(iii) The relative hazard of public railroad-highway grade crossings based on a hazard index formula,

(iv) Onsite inspection of public grade crossings,

(v) The potential danger to large numbers of people at public grade crossings used on a regular basis by passenger trains, school buses, transit buses, pedestrians, bicyclists, or by trains and/or motor vehicles carrying hazardous materials, and

(vi) Other criteria as appropriate in each State.

(b) In planning a program of safety improvement projects at railroad-highway grade crossings, special emphasis shall be given to the legislative requirement that all public crossings be provided with standard signing.

(c) The planning component of the highway safety improvement program may be financed with funds made available through 23 U.S.C. 402, 307(c), and, where applicable, 104(f).

Section 924.11 Implementation.

(a) The implementation component of the highway safety improvement program in each State shall include a process for scheduling and implementing safety improvement projects in accordance with (1) the procedures set forth in 23 CFR part 630, subpart A (Federal-Aid Program Approval and Project Authorization) and (2) the priorities developed in accordance with ' 924.9. The States are encouraged to utilize the timesaving procedures incorporated in FHWA directives for the minor type of work normal to highway safety improvement projects.

(b) Funds apportioned under 23 U.S.C. 152, Hazard Elimination Program, are to be used to implement highway safety improvement projects on any public road other than Interstate.

(c) Funds apportioned under section 203(b) of the Highway Safety Act of 1973, as amended, Rail-Highway Crossings, are to be used to implement railroad-highway grade crossing safety projects on any public road. At least 50 percent of the funds apportioned under section 203(b) must be made available for the installation of grade crossing protective devices. The railroad share, if any, of the cost of grade crossing improvements shall be determined in accordance with 23 CFR part 646, subpart B (Railroad-Highway Projects).

(d) Highway safety improvement projects may be implemented on the Federal-aid system with funds apportioned under 23 U.S.C. 104(b), and with funds apportioned under section 104(b)(1) of the Federal-Aid Highway Act of 1978 and section 103(a) of the Highway Improvement Act of 1982, if excess to Interstate System needs.

(e) Funds apportioned under 23 U.S.C. 219, Safer Off-System Roads. may be used to implement highway safety improvement projects on public roads which are not on a Federal-aid system.

(f) Major safety defects on bridges, including related approach improvements, may be corrected as part of a bridge rehabilitation project on any public road with funds apportioned under 23 U.S.C. 144, if such project is considered eligible under 23 CFR part 650, subpart D (Special Bridge Replacement Program).

(g) Award of contracts for highway safety improvement programs shall be in accordance with 23 CFR part 635. [48 FR 44066, Sept. 26, 1983]

Section 924.13 Evaluation.

(a) The evaluation component of the highway safety improvement program in each State shall include a process for determining the effect that highway safety improvement projects have in reducing the number and severity of accidents and potential accidents, including:

(1) The cost of, and the safety benefits derived from the various means and methods used to mitigate or eliminate hazards,

(2) A record of accident experience before and after the implementation of a highway safety improvement, project, and

(3) A comparison of accident numbers, rates, and severity observed after the implementation of a highway safety improvement project with the accident numbers, rates, and severity expected if the improvement had not been made.

(b) The findings resulting from the evaluation process shall be incorporated as basic source data in the planning process outlined in ' 924.9(a).

(c) The evaluation component may be financed with funds made available through 23 U.S.C. 402, 307(c), and, where applicable, 104(f). In addition, when highway safety improvement projects are undertaken with funds apportioned under 23 U.S.C. 152 or section 203 of the Highway Safety Act of 1973, as amended, these funds may also be used to evaluate the improvements.

Section 924.15 Reporting.

(a) Each State shall submit to the FHWA Division Administrator no later than August 31 of each year a report (OMB Number 04 - R2450) covering the State's highway safety improvement program during the previous July 1 through June 30 period. In its annual report, the State shall report on the progress made in implementing the hazard elimination program and the grade crossing improvement program, and shall evaluate the effectiveness of completed highway safety improvement projects in these programs.

(b) The preparation of the State's annual report may be financed with funds made available through 23 U.S.C. 402, 307(c), and, where applicable, 104(f).

POLICIES AND PROCEDURES FOR REQUESTING SMALL URBAN FUNDS

The following process is to be followed for requests for small urban funds:

Applicant's Responsibility:

- Requests for small urban funds will be received from municipalities, counties, businesses, schools and industrial entities.
- A written request should be submitted to the Division Engineer or Board member providing technical information such as location, improvements being requested, timing, etc. for thorough review. If initial request is made to the Board member, it is forwarded to the division for processing.

General Guidelines for requests:

- $150,000 maximum amount per request
- Must be within one mile of city limits
- Right of way to be provided at no cost to DOT
- Cities responsible for utility relocation
- Each Division has $1 million dollars of small urban funds

Technical Review by DOT:

- Division Engineer does field inspection, investigates other possible projects in the area, previous work and/or funding by DOT, determines traffic and safety concerns.
- Division Engineer completes check list (attached) with recommendation, including Board member's approval. Application submitted to the Chief Engineer for review and decision on approval.

Approval Process:

- Chief Engineer reviews and makes decision based on documentation and division's recommendation.
- Chief Engineer forwards request to a Contingency and Small Urban Funds Committee for approval or denial.
- Committee will give its recommendations to the Secretary for consideration.
- If approved, the Chief Engineer's office places project funding on Board agenda for consideration.
- The Chief Engineer will advise the Division Engineer and Board member of final action. The Division Engineer will give a written response to the applicant on Committee's decision. The Division Engineer will be the contact person for the applicant.

- Contingency and Small Urban Funds Committee -- Requires that anyone who requests either of these funds complete an application process that includes a signed, written justification. These funds will be reviewed by a committee including the Deputy Secretary for Transportation, the State Highway Administrator. Deputy Highway Administrator for Pre-construction and two Division Engineers, who will rotate.

REQUEST FOR SMALL URBAN FUNDS

DIVISION:_____ COUNTY _____ DATE:_____
I.D. NO._____ PROJECT # _____FISCAL YEAR _____
DESCRIPTION OF WORK (including route & termini): _____
_____
_____
_____
_____
_____
_____
Plan prepation by_____Construction by_____
JUSTIFICATION: _____
_____
_____
_____

AMOUNT REQUESTED: _____(maximum $150,000)
TOTAL ESTIMATED COST: _____

Requested by: _____

Original request/contact made with: _____

Other DOT funding and/or Participation by Others: _____
_____

Small Urban Funds city has received in past 12 months:_____

Identified in top 20 small urban improvements priority within the division: Y or N

Supported by local government: *Yes/No*

Recommended by: _____ (Division Engineer)
Recommended by: _____ (Board Member)
Recommended by: _____ (Chief Engineer)
Recommended by:_____ (Contingency and Small Urban Funds Committee)

Conditions, if any:_____
_____

APPROVED AMOUNT: _____
Recommended date for board approval: _____

PROCEDURES FOR REQUESTING PUBLIC ACCESS FUNDS

The following process is to be followed for requests for public access funds:

Applicant's Responsibility:

- Requests for access will be received from schools, volunteer fire departments and industrial entities.
- A written request should be submitted to the Division Engineer or Chief Engineer's office providing technical information such as location, improvements being requested, timing, job and investment information, etc. for thorough review. If initial request is made to Chief Engineer, it is forwarded to division for processing.

Technical Review by DOT:

- Division Engineer does field inspection, investigates other possible projects in the area, previous work and/or funding by DOT, determines traffic and safety concerns.
- Division Engineer completes check list (attached) with recommendation and submits to Chief Engineer for review.
- Chief Engineer approves all school requests and fire department requests. Chief Engineer approves industrial access requests of $50,000 and under, and the Access Review Committee reviews and approves all industrial requests over $50,000.

Approval Process:

- After approval, Chief Engineer's office places project funding on Board agenda for approval. If request is approved but no funds are available, request is filed pending available funds.
- The Chief Engineer will advise Division Engineer of final action. Division Engineer will give a written response to the applicant on approval or denial. The Division Engineer will be the contact person for the applicant.

Access Review Committee - to be formed and will be comprised of, but not limited to, Chief Engineer of Operations, Deputy Highway Administrator for Pre-Construction and representatives of the State Highway Administrator's office.

REQUEST FOR PUBLIC ACCESS FUNDS

DIVISION:_____ COUNTY _____ DATE:_____
I.D. NO._____ PROJECT # _____FISCAL YEAR _____
TYPE OF ACCESS: Fire Dept._____School_____Industrial_____Other_____
DESCRIPTION OF WORK (including route & termini): _____
_____
_____
_____
_____
_____

JUSTIFICATION:_____
_____
_____

AMOUNT REQUESTED: _____Total estimated cost:_____

Requested by: _____

Original request/contact made with: _____

Dept. of Commerce contact (if any): _____

Other DOT funding and/or participation by others: _____

Plan preparation by: _____Construction by: _____

Access funds received in last 12 months in county: _____

Previous DOT improvements related to this site or area: _____
_____

ADDITIONAL DATA FOR INDUSTRIAL ACCESS FUNDING REQUESTS:

Number of new jobs_____ Expansion or New Industry (circle one)
Value of investment_____ Date of opening_____

Recommended by: _____(Division Engineer)
Recommended by: _____(Access Review Committee Chair)

Conditions, if any: _____
_____

APPROVED AMOUNT: _____
Recommended date for board agenda: _____

PROCEDURES FOR NAMING ROADS/BRIDGES/FERRIES

The following documentation and information is required before any naming request will be considered by the Board of Transportation.

To be provided by the local nominating entity:

1. Background information on nominee. (Sufficient information must be provided to explain why the naming is warranted).

2. Description of what is requested to be named. (The Board will consider naming Ferries, and Interstate, US, and NC routes/bridges only, or more significant bridges on the state's secondary road system.)

3. Resolutions from all local governing bodies associated with or affected by the request. (City or town councils and/or county commissioners must adopt resolutions in sufficient detail to adequately justify the request.)

4. Strong public input and support. (Explain the degree to which the public supports the request and had an opportunity for input.)

5. If request is for an individual, date of death. (The Board will consider a naming request for an individual only if he/she has been deceased for three years or more.)

To be determined by the NCDOT Staff:

6. Support of local Board of Transportation member.

7. Whether another facility has been previously named by the BOT. (The Board does not name more than one facility for
the same individual.)

8. If the facility is planned or under construction, expected completion date. (The Board typically does not name facilities
prior to construction.)

9. Opposition. (The Board does not mediate local disagreements.)

Road and Bridge Naming Committee and Board of Transportation actions:

a. Board member must endorse request and present to Committee.

b. Secretary chairs Committee, calls meetings, and approves the agenda.

c. A request approved by the Committee will be "held" for at least one month before being considered by the full Board.

d. Board will consider naming bridges rather than highways for Highway Patrolmen killed in the line of duty.

North Carolina Department of Transportation

Maintenance Operations



March 17, 1998

Maintenance Allocations

- Primary
  - Statewide programs
  - Unallocated
  - Bridge maintenance
  - Road maintenance
    - "Off-the-top" - snow and ice, rest areas, roadway lighting, specialized landscape maintenance, IMAP
    - Formula allocation

Maintenance Allocations

- Primary formula

$$\frac{\text{Division Primary lane miles}}{\text{Statewide Primary lane miles}} \times \text{total Primary funds available}$$

Maintenance Allocations

- Secondary
  - Statewide programs
  - Unallocated
  - Bridge maintenance
  - Road maintenance
    - "Off-the-top" - snow and ice, river ferries, specialized landscape maintenance
    - Formula allocation

Maintenance Allocations

- Secondary formula

$$\frac{\text{County Secondary paved miles}}{\text{Total state Secondary paved miles}} \times \text{total Secondary funds available} \times 90\%$$

$$\frac{\text{County population}}{\text{Total state population}} \times \text{total Secondary funds available} \times 10\%$$

$$\frac{\text{County Secondary unpaved miles}}{\text{State Secondary unpaved miles}} \times \text{total unpaved Secondary funds}$$

Maintenance Allocations

- Urban
  - Statewide programs
  - Unallocated
  - Bridge maintenance
  - Road maintenance
    - "Off-the-top" - snow and ice, computer traffic control, roadway lighting, rest area, specialized landscape maintenance, IMAP
    - Formula allocation

Maintenance Allocations

- Urban formula

$$\frac{\text{Division Urban lane miles}}{\text{Statewide Urban lane miles}} \times 50\% \text{ total Urban funds available}$$

$$\frac{\text{Division population}}{\text{Total state population}} \times 50\% \text{ total Urban funds available}$$

Resurfacing Allocations

- Division wide allocations - All systems

$$\frac{\text{Division pavement need}}{\text{Total state pavement need}} \times 50\% \text{ total funds available}$$

$$\frac{\text{Division lane miles}}{\text{Total state lane miles}} \times 37.5\% \text{ total funds available}$$

$$\frac{\text{Division population}}{\text{Total state population}} \times 12.5\% \text{ total funds available}$$

Resurfacing Allocations

- Division wide allocations - By system

$$\frac{\text{Division Primary need}}{\text{Division total need}} \times \text{total Division allocation}$$

$$\frac{\text{Division Secondary need}}{\text{Division total need}} \times \text{total Division allocation}$$

$$\frac{\text{Division Urban need}}{\text{Division total need}} \times \text{total Division allocation}$$

Resurfacing Allocations

- County allocations - Secondary System

$$\frac{\text{County pavement need}}{\text{Division pavement need}} \times 50\% \text{ Div. Secondary funds}$$

$$\frac{\text{County secondary paved miles}}{\text{Division secondary paved miles}} \times 37.5\% \text{ Div. Sec. funds}$$

$$\frac{\text{County population}}{\text{Division population}} \times 12.5\% \text{ Div. Secondary funds}$$

North Carolina Department of Transportation

Maintenance Operations



March 17, 1998

Agenda

Resurfacing

- ★ Background
- ★ Pavement conditions
- ★ Funding history
- ★ Needs

Maintenance

- ★ Funding history
- ★ Needs
- ★ Backlog
- ★ Other issues

Background

NC pavement inventory

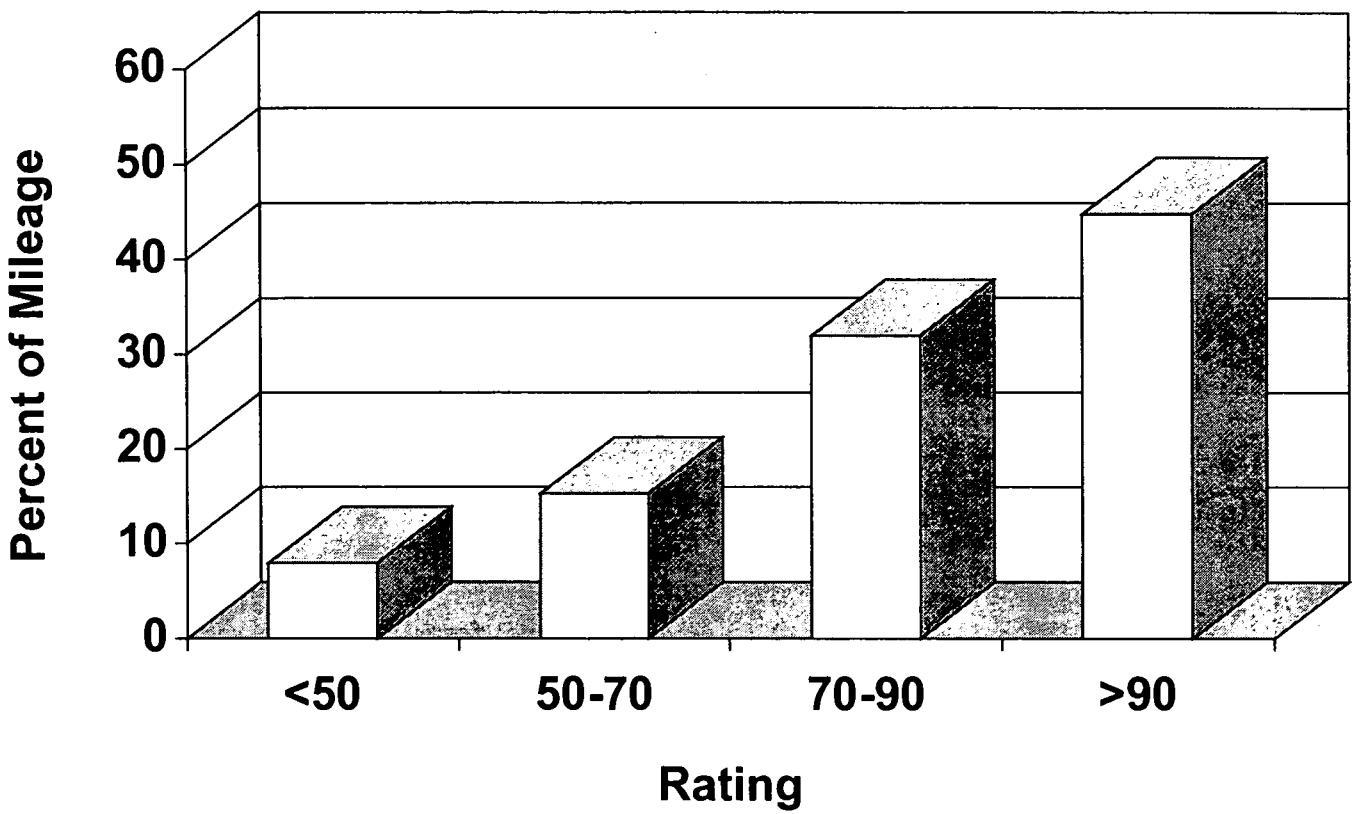
- *Interstate system - 983 miles*
- *Primary system - 11,177 miles*
- *Urban system - 6,271 miles*
- *Secondary paved system - 48,532 miles*
- *Secondary unpaved system - 10,791 miles*
- *Total system - 77,754 miles*

Pavement Maintenance Strategy

- Primary highways - preventive maintenance overlays on a 10 year cycle
  - *1,117 miles per year resurfaced*
- Urban highways - preventive maintenance overlays on a 12 year cycle
  - *523 miles per year resurfaced*
- Secondary roads - preventive maintenance overlays on a 15 year cycle for hot mix asphalt roads and 7 year cycle on bituminous surface treatment roads
- *1,967 miles per year resurfaced HMA*
  - *2,718 miles per year resurfaced BST*
- Total annual resurfacing goal - *6,325 miles*
  - (Does not include interstate system)
-

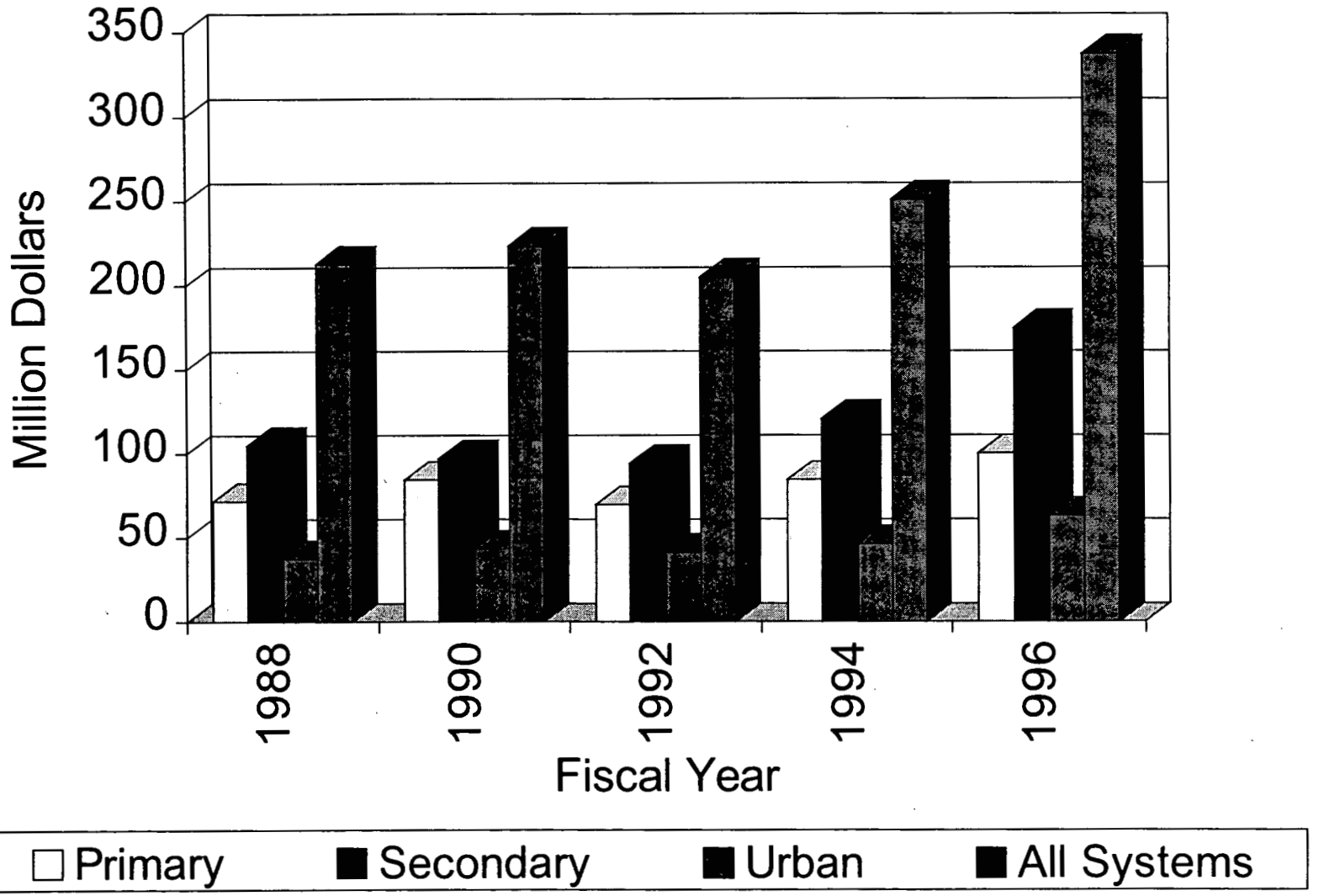

Pavement Condition

1996 Pavement Ratings

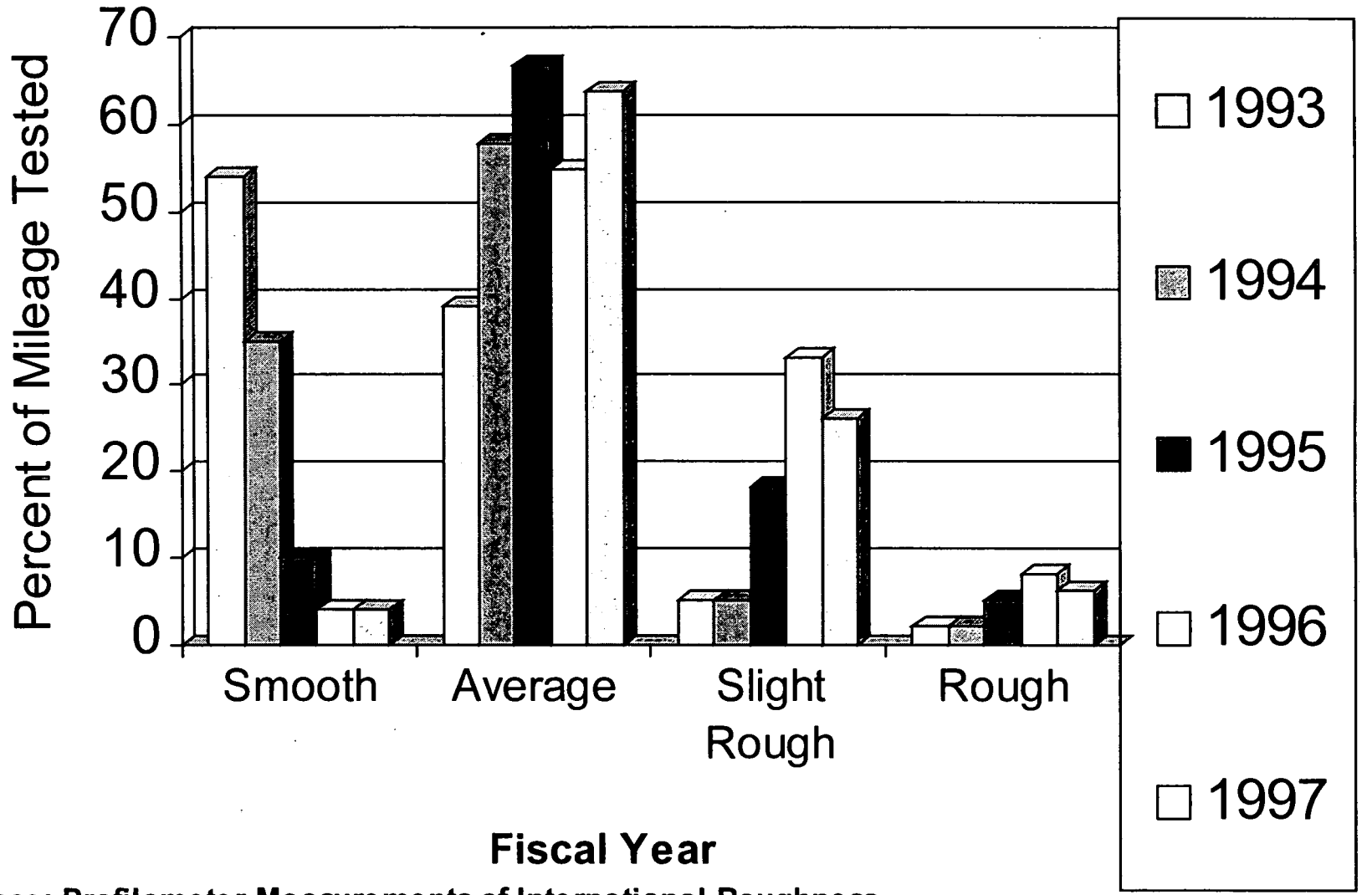


Statewide PCS Needs

Reference: Biannual Pavement Condition Survey



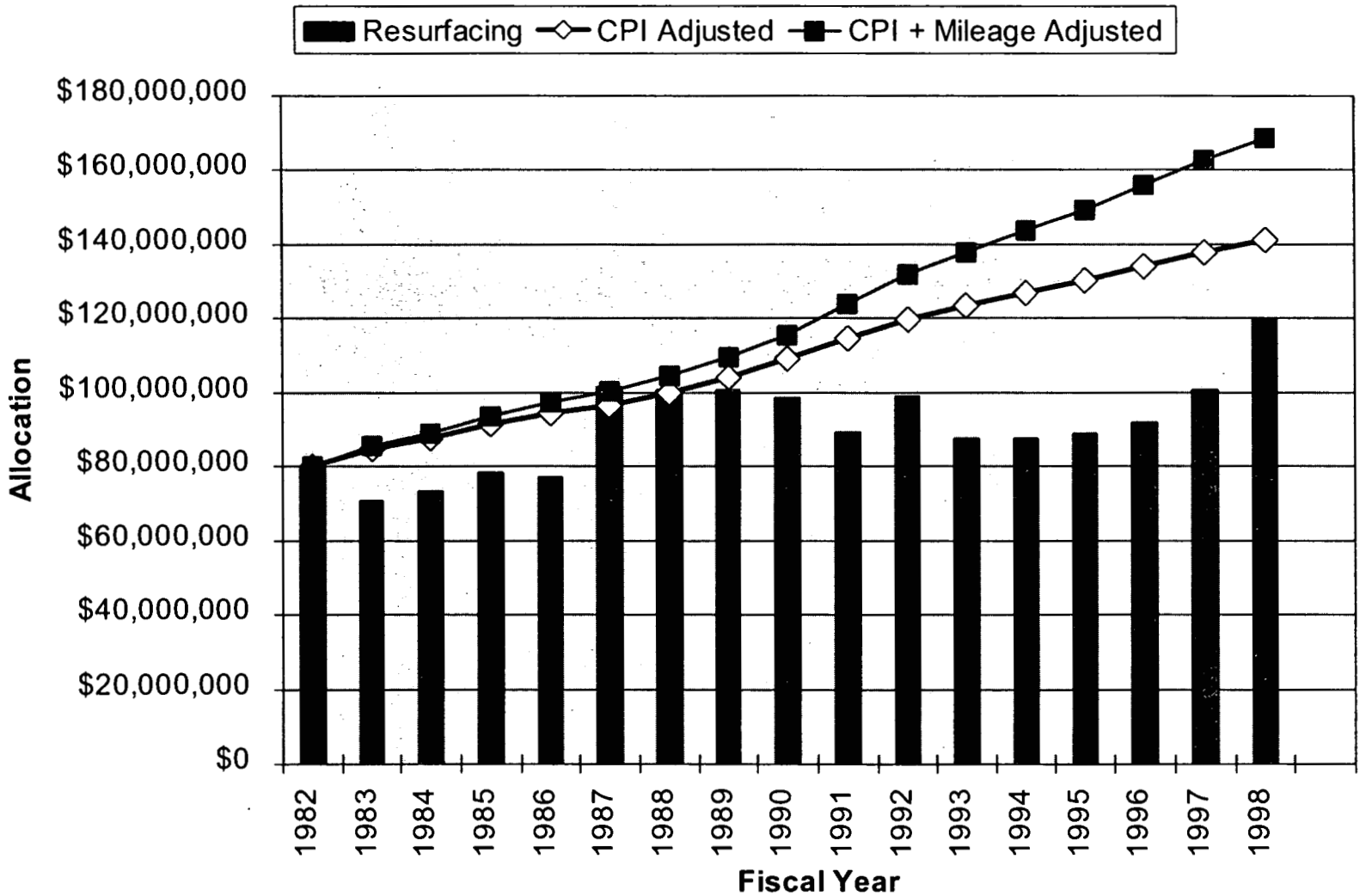
Interstate and Primary System Smoothness



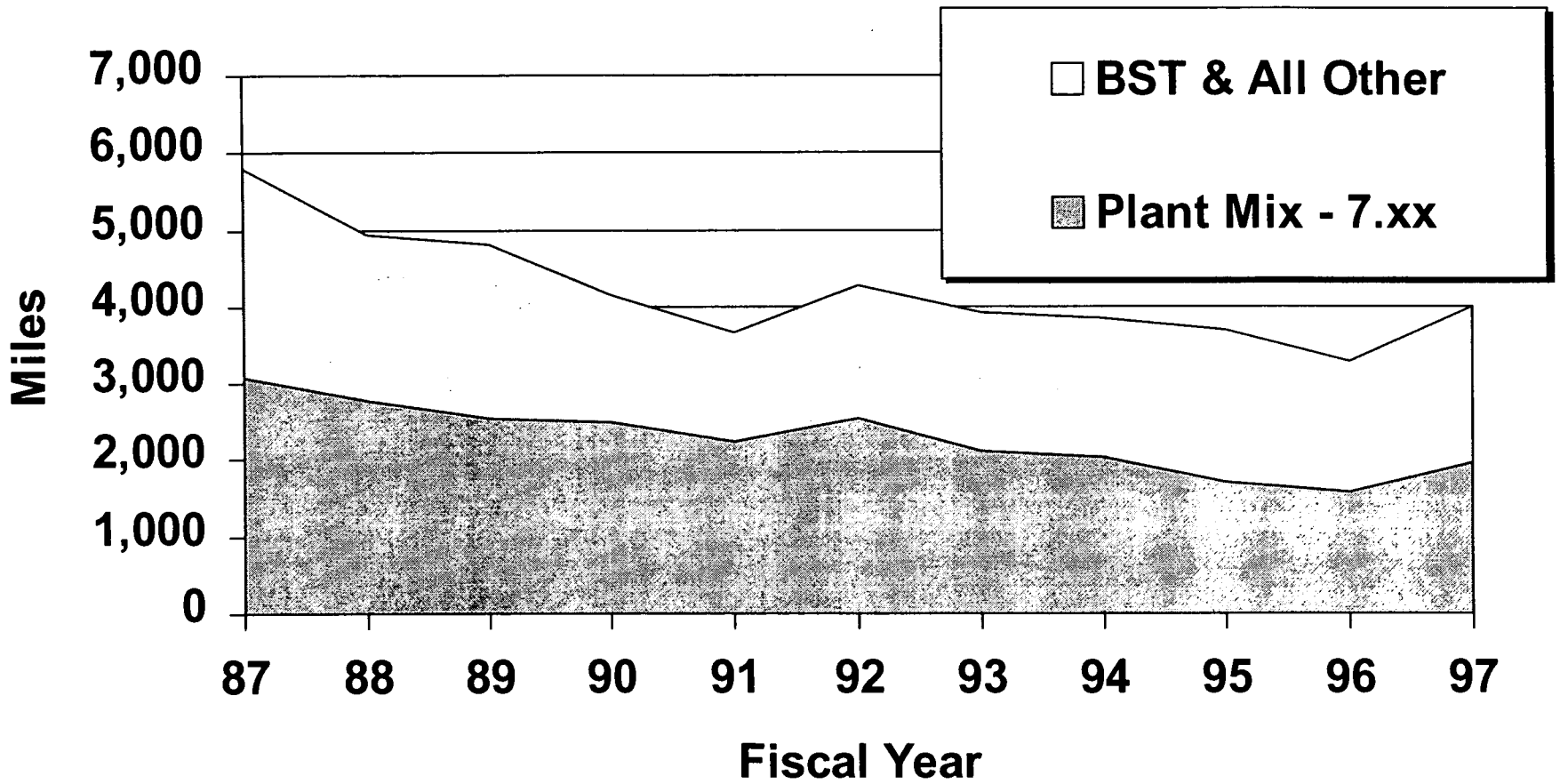
Reference: Profilometer Measurements of International Roughness


Resurfacing Funding History

Resurfacing Allocations



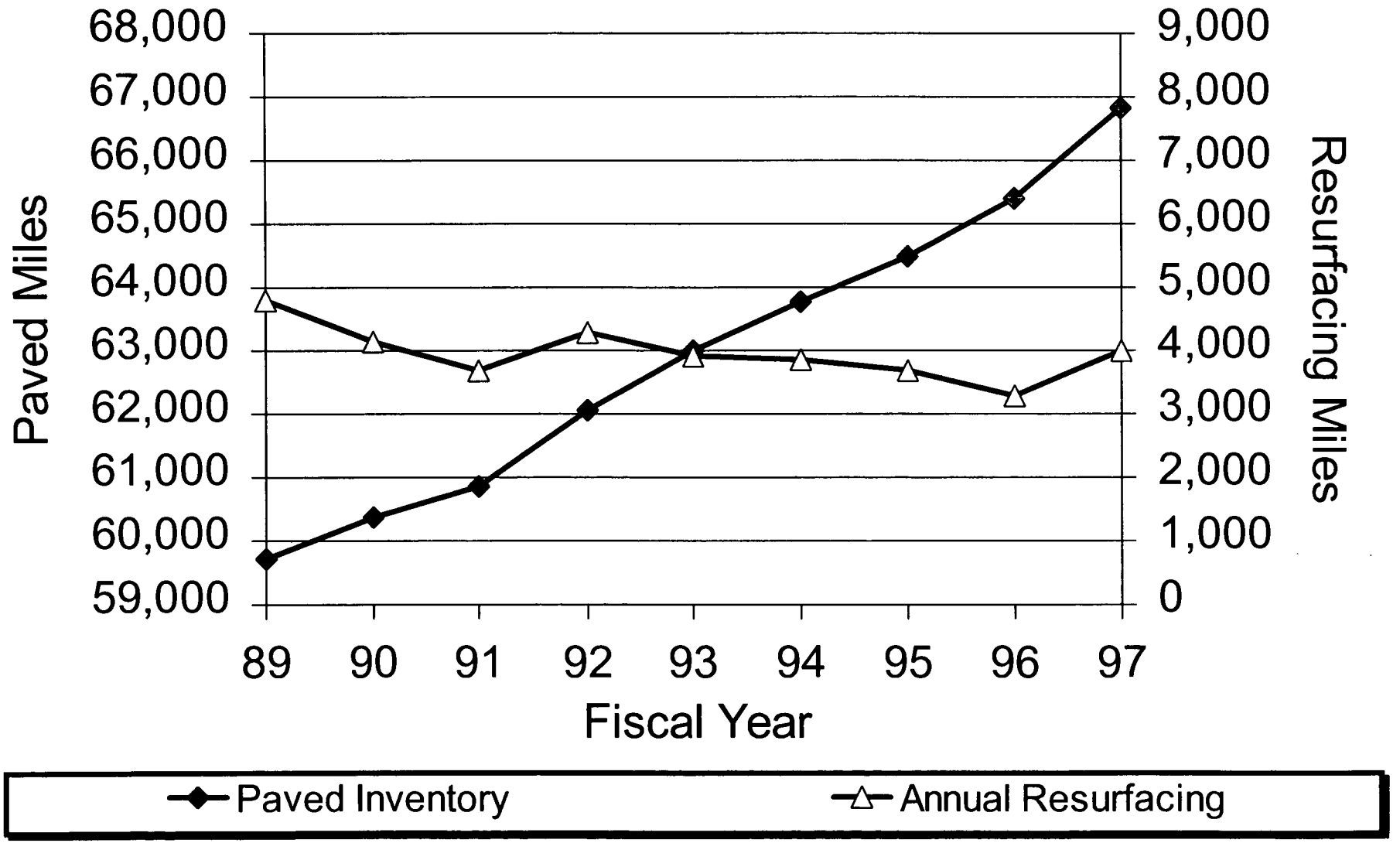
Annual Resurfacing Miles



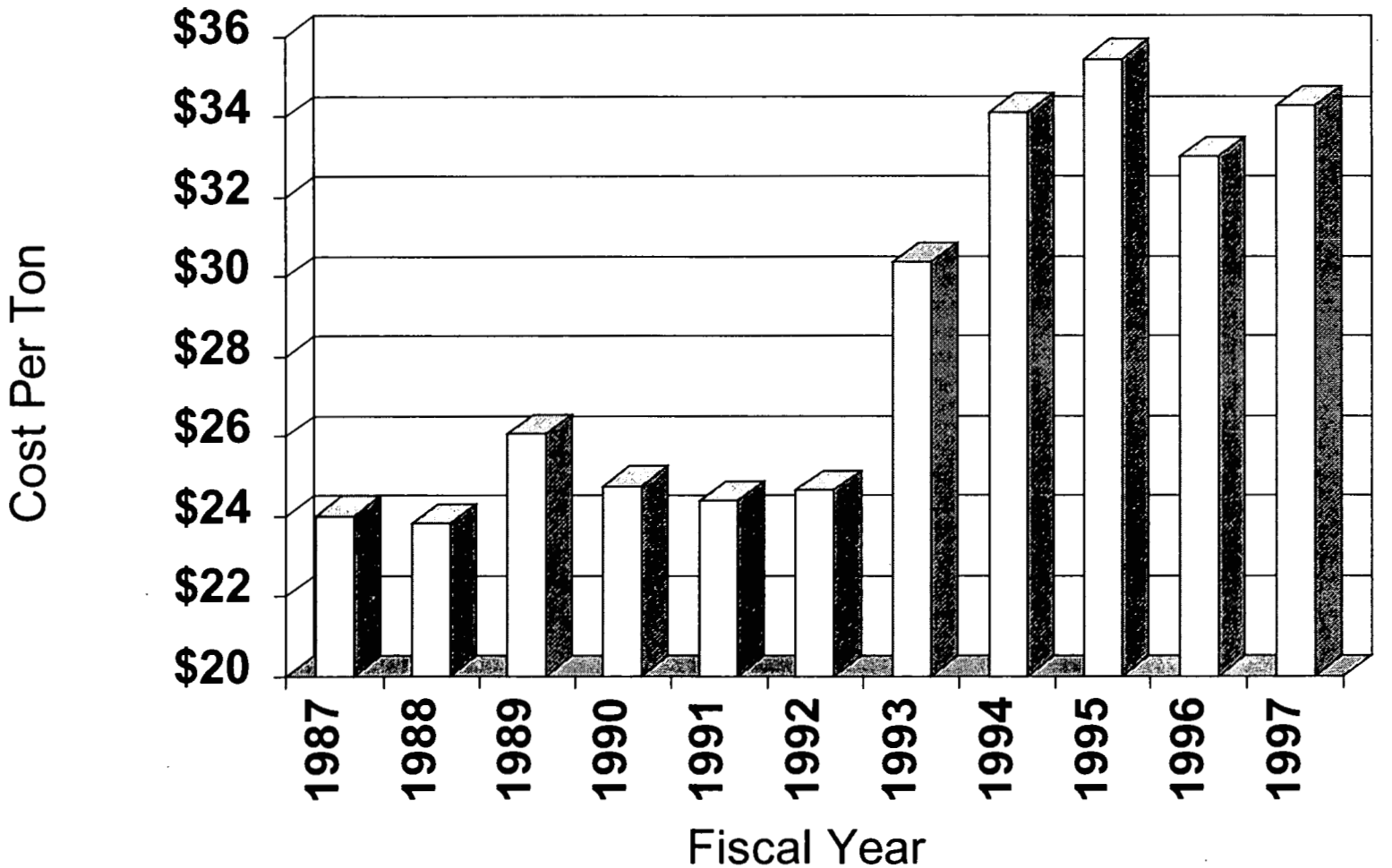
Note: Total Miles includes BST miles by DOT Maintenance Forces

Mileage Inventory VS Resurfacing

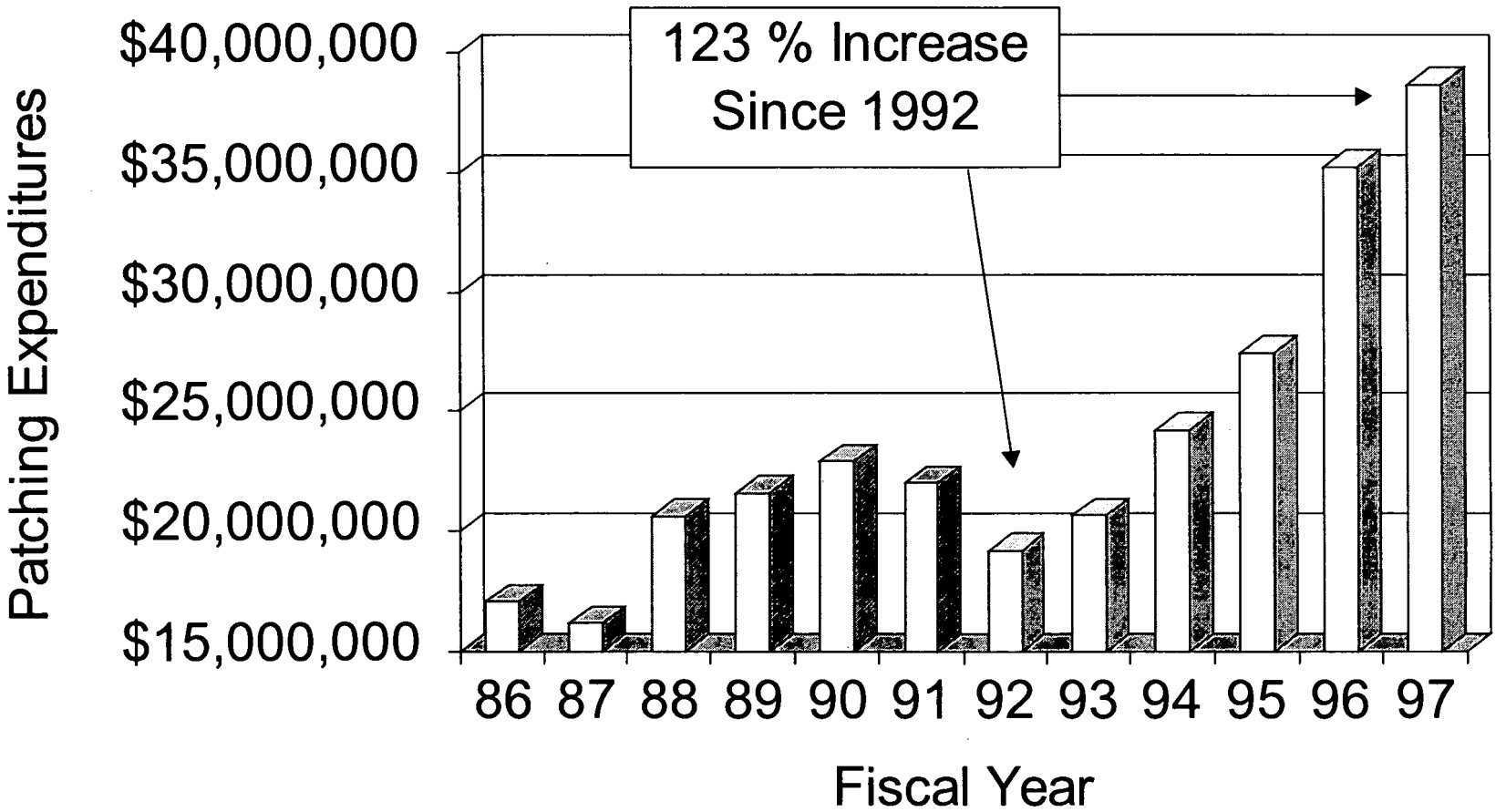
Note: Total Miles includes BST miles by DOT Maintenance Forces



Asphalt Mix Prices



Impact on Annual Pavement Patching Requirements



Resurfacing Needs

Annual Resurfacing Need

System	Miles	Cycle	Required Miles	Unit Costs (1)	Total ($Million)
	11,177	10 years	1,118	$67,350	**$75.3**
	6,271	12 years	523	$95,362	**$49.9**
	29,500	15 years	1,967	$43,817	**$86.2**
	19,032	7 years	2,719	$10,954	**$29.8**
					$240.9

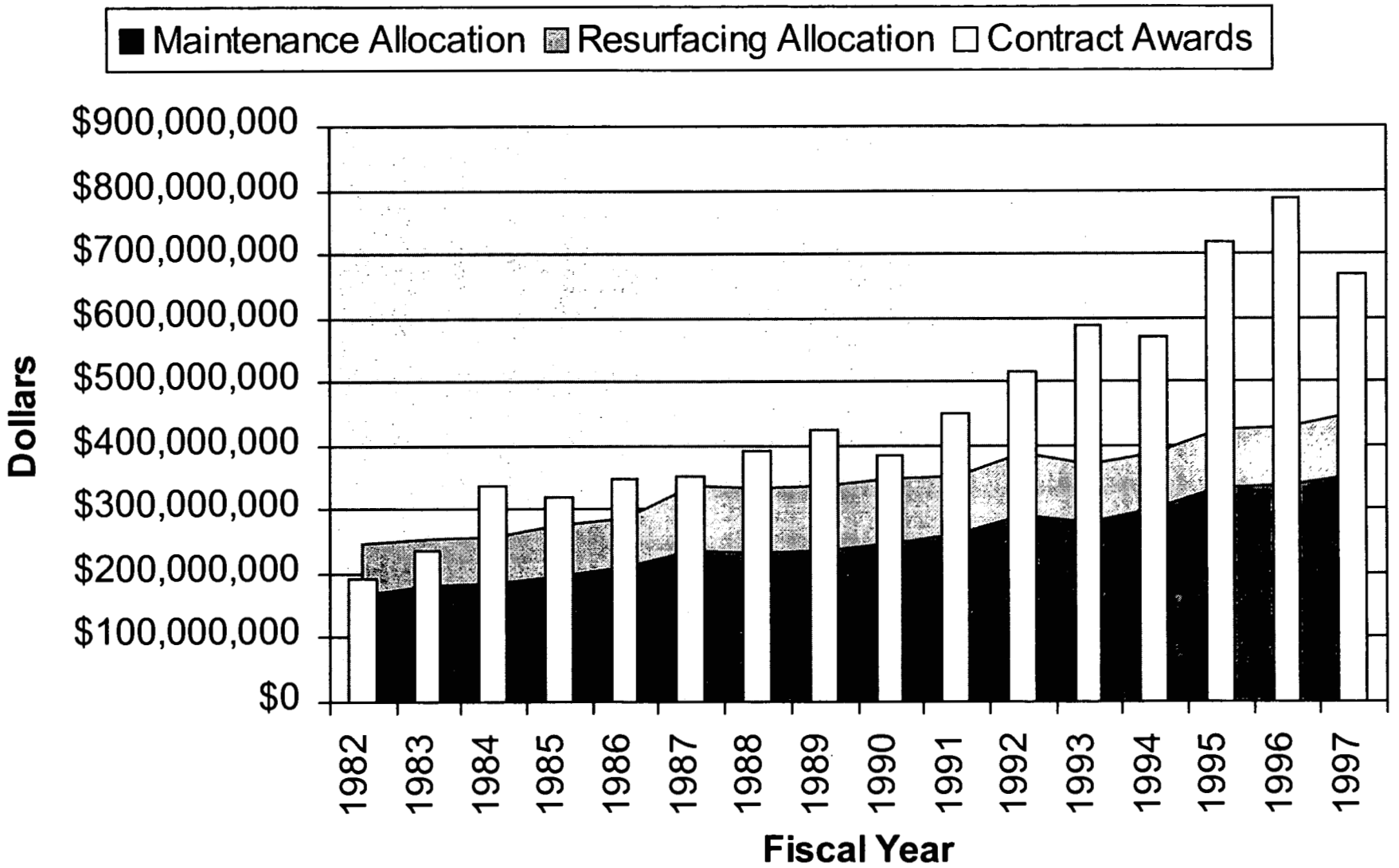
(1) Unit Costs are FY 1997 Average Resurfacing Costs Per Mile

Annual Contract Resurfacing Needs

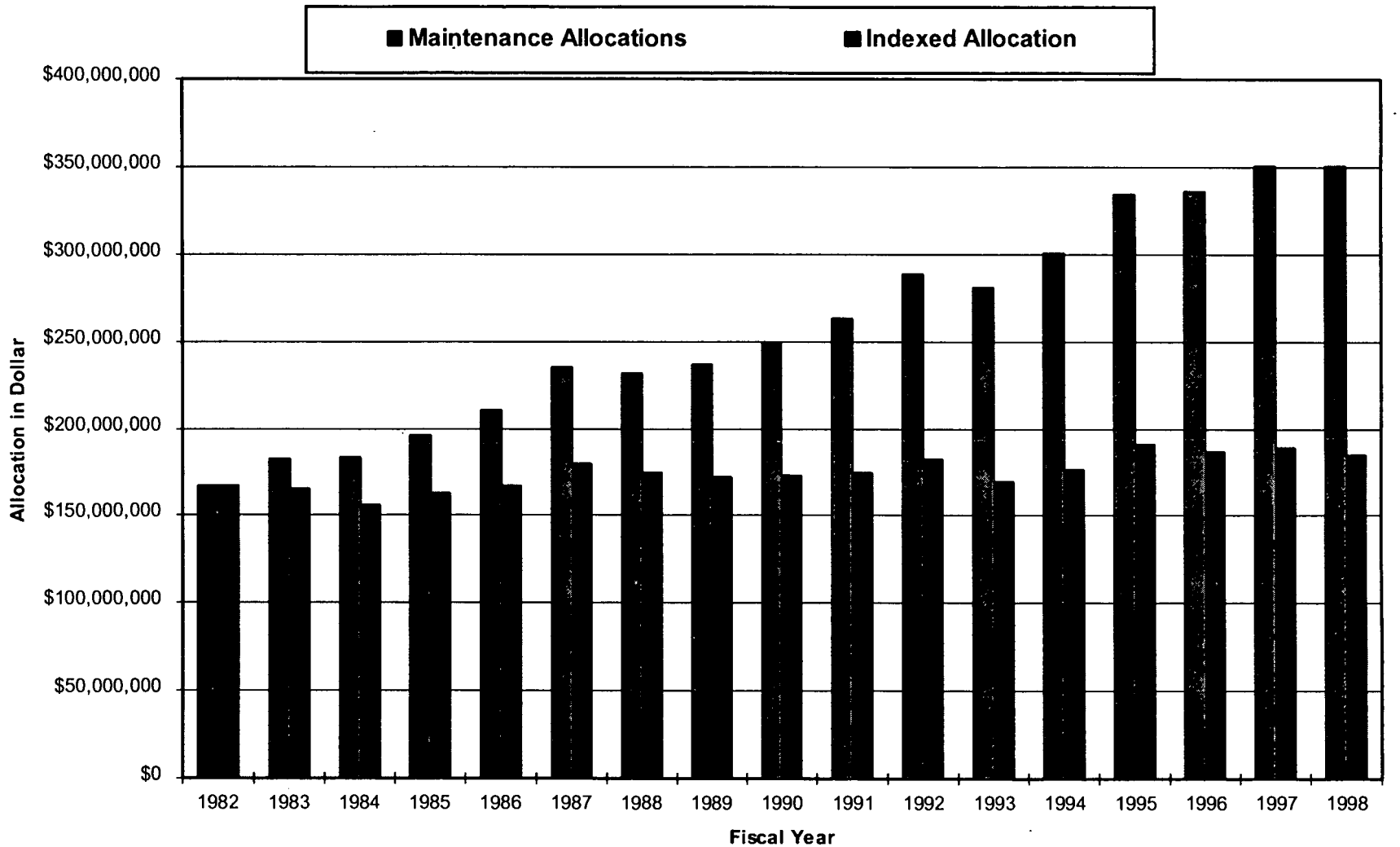
Primary:	$\frac{\text{11,177 Miles x \$67,350}}{\text{10 years}}$	=	\$75.3
	Less 152 miles paved per year from TIP 152 x \$67,350	= -	\$10.2
	Net Annual Cost	=	\$65.1
Urban:	$\frac{\text{6,271 miles x \$95,362}}{\text{12 years}}$	=	\$49.4
	Less 76 miles paved per year from TIP 76 x \$95,362	=	- \$7.2
	Net Annual Cost	=	\$42.7
Secondary:			
Plant Mix	$\frac{\text{29,500 miles x \$43,817}}{\text{15 years}}$	=	\$86.2

Maintenance Funding History

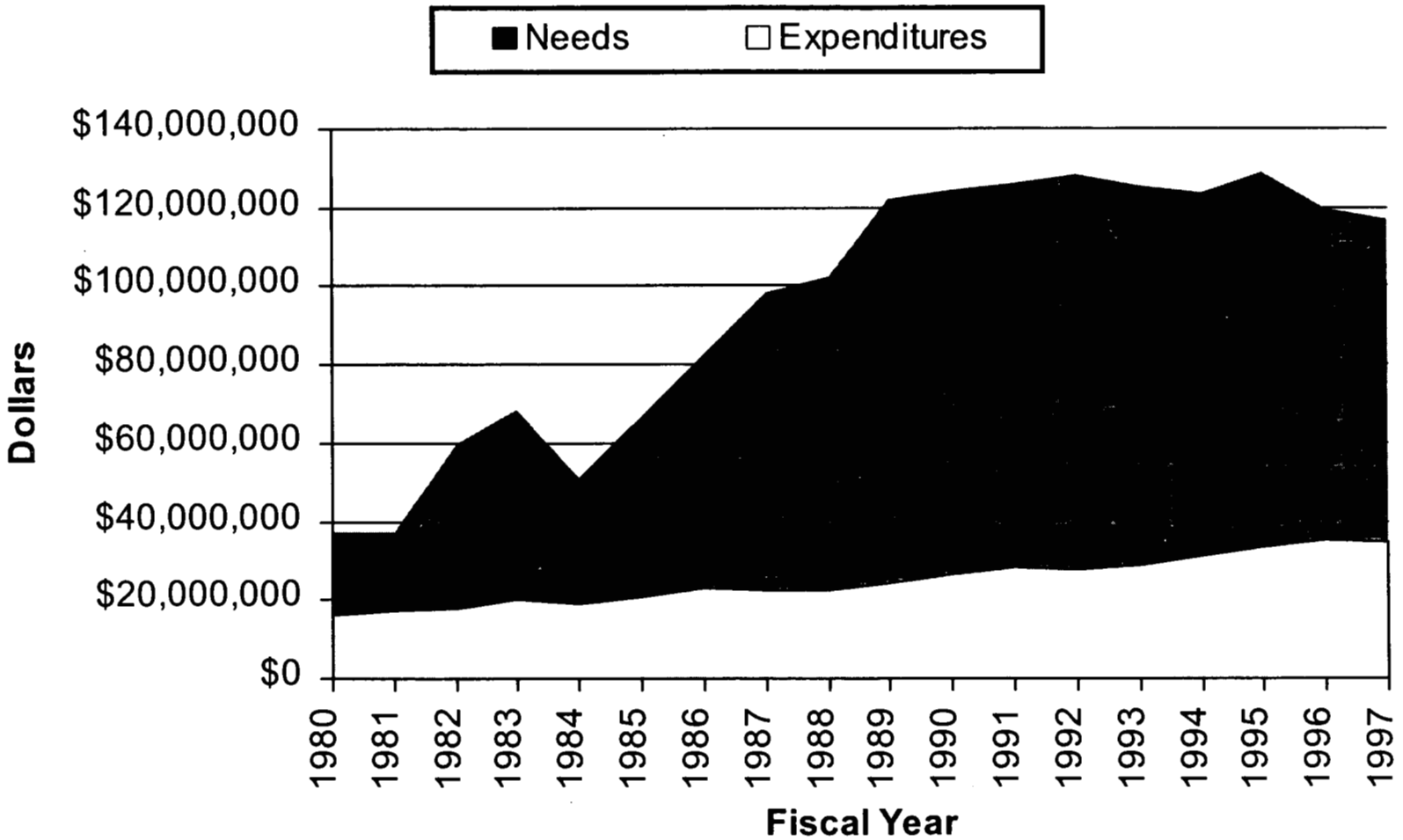
Maintenance Allocations
Versus Contract Awards



Maintenance Allocations



Bridge Maintenance Allocations




Maintenance Needs

1998-99 Maintenance Needs

Activity		Roadway	Bridges	($ Million)
Routine Maintenance				
	Primary	$100	$ 8	
	Secondary	$189	$ 35	
	Urban	$ 40	$ 3	
				$375.0
Backlog				
	1994 Backlog Reduction		**$ 27**	
	Emergency Job Orders		**$ 20**	
Total Maintenance				$422.0



NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
CHIEF ENGINEER'S OFFICE
MAINTENANCE BACKLOG REDUCTION UPDATE [4]

MAINTENANCE CATEGORY	STATEWIDE BACKLOG NEEDS[1]	BACKLOG REDUCTION FY 94-95	BACKLOG REDUCTION FY 95-96	BACKLOG REDUCTION FY 96-97	BACKLOG REDUCTION FY 97-98	BACKLOG BALANCE AS OF FY 97-98	
BRIDGE MAINTENANCE	123,836,000	18,436,144	10,515,621	6,110,843	965,138	87,808,254	[2]
PAVEMENT MAINTENANCE	58,424,000	17,088,860	7,208,878	5,050,169	4,237,457	24,838,636	
ROADSIDE MAINTENANCE	40,220,000	6,310,809	5,208,636	3,525,406	2,406,144	22,769,005	
DRAINAGE	16,683,000	2,608,328	2,771,306	1,618,551	1,018,463	8,666,352	
PAVEMENT MARKING/STRIPING	7,484,000	2,312,397	2,287,734	1,918,336	664,244	301,289	
SIGNS	6,600,000	915,733	951,694	835,719	204,585	3,692,269	
SIGNALS	5,500,000	939,296	1,009,030	566,166	30,470	2,955,038	
REST AREAS & WELCOME CENTERS	1,950,000	167,042	82,417	71,651	1,711	1,627,179	
TOTAL	**$260,697,000**	**$48,778,609**	**$30,035,316**	**$19,696,841**	**$9,528,212**	**$152,658,022**	[3]

[1] **Original backlog needs as targeted by Governor Hunt's Transportation 2001 Plan.**

[2] **Bridge maintenance backlog reduction includes 703 bridges programmed for replacement through 1999 at a cost of $19,894,923. These replacement projects should effectively reduce the Bridge Maintenance backlog by this amount.**

[3] **Maintenance backlog balance does not reflect any backlog generated since 1994 survey.**

[4] **Maintenance backlog update is current through second quarter FY 97-98.**

Budget Projections

	1999	2000	2001	2002	2003
Maintenance (Million)	375	390	405	421	438
Resurfacing (Million)	194	201	209	218	227
Backlog (1) (Million)	27	27	27	27	27
Emergencies (Million)	20	32	5	5	5
Total	616	650	646	671	697

(1) Based on 1994 Backlog Survey. Subject to adjustment when resurveyed based on requirements of Biennial Report on Maintenance - Due November 1998

Other Issues

- Interstate system
-
- Trust fund impact
-
- Biennial report on maintenance requirements
-
- Paving contractor concerns

PRIVATIZATION PLAN

PREPARED
FOR
THE JOINT LEGISLATIVE TRANSPORTATION OVERSIGHT COMMITTEE
BY
THE SCHOOL BUS & TRAFFIC SAFETY SECTION
DIVISION OF MOTOR VEHICLES
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

DESCRIPTION OF SCHOOL BUS DRIVER TRAINING ACTIVITIES

The School Bus and Traffic Safety Section of the Division of Motor Vehicles is responsible for promoting traffic safety and providing professional leadership in driver improvement for the citizens of North Carolina. The Section has two major purposes: (1) to train and certify all school bus drivers in the State; and (2) to provide safety education programs and materials to highway users. The primary work-load for the Section is the training of drivers for the 13,000 public school buses operated daily in the State.

ORGANIZATION

The Section currently employs eighty-five Driver Education Specialists and five Field Supervisors who are stationed throughout the State. Each Driver Education Specialist is responsible for a territory of approximately 160 school buses. State-wide activities are coordinated from the Division of Motor Vehicles Headquarters in Raleigh by an office staff composed of a Director, an Assistant Director, a Program Coordinator, an Administrative Assistant, and two Processing Assistants. The portion of time that each of these positions devotes to functions related to school bus driver training is indicated below:

Position	Time Devoted to School Bus Driver Training
Director (1)	80%
Assistant Director (1)	80%
Driver Education Program Coordinator (1)	15%
Driver Education Field Supervisors (5)	85%
Driver Education Specialists (85)	85%
Administrative Service Assistant (1)	10%
Processing Assistant IV (1)	15%
Processing Assistant III (1)	60%

A current SBTS organizational chart can be seen in the appendix.

SCHOOL BUS DRIVER TRAINING

Of the fifty States, North Carolina ranks thirteenth by number of pupils transported. Geographically, the South seems to have more than its share of

large school bus fleets. Of the top 100 school bus fleets in the nation, the State of Florida has 17, Texas has 11 and North Carolina is the only other State in double figures with 10 school districts in the top one hundred. Recently available statistics indicate that during the 1995-96 school year, North Carolina transported 707,725 public school students.[1] The total expenditure for pupil transportation during that period was $216,938,451.00, or $306.52 per pupil. By comparison, other states having a similar student population reported the following statistics:

State	No. of Pupils Transported	Total Expenditure	Cost Per Pupil	% of Service Contracted
Indiana	713,482	$361,023,326	$506.00	24%
Michigan	747,200	424,671,423	568.35	6%
Minnesota	739,708	309,307,465	418.15	5%
Virginia	849,353	299,162,265	352.22	Less Than 1%

Administration of pupil transportation in North Carolina is divided between the Department of Public Instruction and local Boards of Education. The Division of Motor Vehicles is responsible for the certification of drivers who operate buses and the cancellation of those certifications; however, the local Boards of Education retain full authority with regard to employment of certified drivers. The School Bus and Traffic Safety Section certified 8,395 school bus drivers in 1996-97.

The School Bus and Traffic Safety Section implements a comprehensive school bus driver training program for both pre-service and in-service instruction which includes classroom and behind the wheel training. Classroom work is scheduled for three days and prepares the applicant driver in the knowledge of rules, regulations and laws governing school bus operation. The content and presentation of course material is developed by Section personnel. Several video programs have been incorporated into the program, covering specific topics such as first aid, passenger-stop dangers, prevention of common accidents, and safety at grade crossings.

Candidates for roadwork are selected from those applicants who have passed the classroom work. Roadwork consists of a minimum of three days behind the wheel, with additional days as may be necessary, followed by three tests. Training time in urban areas averages four days behind the wheel while in rural areas the

[1] January, 1998 School Bus Fleet Magazine

average driver can be certified in three days. Behind the wheel instruction is given in the same type and size bus the driver will be operating. If a driver is expected to operate more than one size and type vehicle, instruction is given related to the specific handling characteristics of each. All instruction includes:

a. Familiarization with the bus and its equipment;
b. Procedures for performing pre-trip and post -trip vehicle inspections;
c. Techniques for safe driving, including mirror use and adjustment, smooth starts and stops, shifting, turning, and backing;
d. Defensive driving skills;
e. Procedures for loading and unloading pupils at bus stops including moving the bus only after all children are safely out of the danger zones and are at least 10 feet from the bus;

f. Procedures for railroad crossings and other specialized driving requirements for school bus operations (e.g. stopping at draw-bridges, passing, parking the bus);

g. Techniques for the avoidance of driver-related vehicle abuse;

h. Procedures for en-route emergencies, including driving emergencies, emergency evacuations, and use of emergency equipment;

I. Guidelines for safely running a route, including entrance to and departure from the bus garage and yard, following a route description and map, entrance to and departure from school zones, mechanical difficulties and breakdown.; and

j. School bus drivers are evaluated at regular intervals by SBTS Staff. These evaluations may include:
    a. Written tests;
    b. Post-certification training;
    c. Evaluation interviews; and
    d. Defensive driving courses.

The Section introduced the Commercial Driver License examination for school bus drivers in July of 1990. The CDL course has received wide recognition nationally. North Carolina is one of only twelve states requiring that drivers have school bus specific certifications. In order to conform with Federal Highway Administration regulations and applicable statutes and rules of the State of North Carolina, all SBTS Field Staff are required to be certified as CDL Third Party Testers.

COST OF SCHOOL BUS DRIVER TRAINING PER PERSON TRAINED

Average Medium Gross Income for SBTS Driver Education Specialist (Per Hour)	$ 17.41
Road Work Training Cost (9 hrs per person) (This includes 2 hours of CDL testing)	$156.69
Classroom Training Cost per Person (18 hours)	$ 15.67
TOTAL COST PER DRIVER (NEW SCHOOL BUS DRIVER)	$172.36*
COST TO RENEW A SCHOOL BUS DRIVER CERTIFICATION (Average of 2 hours per person)	$ 34.82
COST FOR POST CERTIFICATION TRAINING (Hours vary for each person)	$ 17.41

*National School Transportation experts estimate that it costs between $500-$700 to train a school bus driver. This figure is based on information appearing in the December, 1997 Issue of SCHOOL TRANSPORTATION NEWS.

NON-PERSONNEL COSTS RELATED TO SCHOOL BUS DRIVER TRAINING (1997-98 BUDGET)

TRANSPORTATION	$206,635.00
OFFICE SUPPLIES	22,428.00
EQUIPMENT	9,063.00
TOTAL NON-PERSONNEL COSTS	$248,126.00

CONVERSION TO CONTRACTED BUS DRIVER TRAINING

Pupil transportation is an essential part of North Carolina's overall school program and requires constant supervision and direction. Perhaps no other phase of the school program is more closely observed by the public or has a greater tendency to mold public opinion about the State's school systems than the operation of school buses. The success of any system's pupil transportation service operation depends largely upon the quality of performance and degree of dedication displayed by those involved in facilitating every phase of the operation. Training school bus drivers must be the highest priority for any provider of transportation services for students. To meet the expectations of the schools they serve, contractors must be able to guarantee that bus drivers are trained to transport children safely and on time. Driver training programs must be coordinated and monitored to ensure that drivers are professionally trained.

If all driver training services are privatized, certain managerial and administrative responsibilities will be required from the Department of Transportation. Principally, these include the following:

1) Contract Management;
2) Creation, administration and oversight of contracted training services;
3) Public relations and policy administration;
4) Data processing;
5) Supervision of Training Curriculum; and
6) Management of the Medical Review Program.

Relinquishing the training of bus drivers to privately owned enterprises will obviously precipitate a change in staffing for field positions. The effective administration of contracted training services would require that the Department maintain a Staff of 25 driver education specialists and five field supervisors. Field staff would be responsible for monitoring bus driver training programs provided by private contractors, issuing bus driver certifications and cancellations, conducting driver improvement clinics and safety rograms, licensing and inspecting commercial driving schools, and issuing restricted driver instruction permits. The workload and the geographics of the five SBTS Districts demand that a minimum of five driver education specialists and one field supervisor be assigned to each district.

To perform all of these functions, the Department would have to maintain an in-house administrative staff of six and and a field staff of 30 employees at a cost to the State of $1,977,075.00. Total costs for vehicles, supplies and equipment would amount to $251,872.00. The total cost of the in-house functions that would continue

under a fully contracted operation is estimated at $2,228,947.00.

In an effort to determine the cost of private contracts to provide school bus driver training services, the Section contacted several commercial driving school owners and requested that they provide us with informal estimates of annual contractor costs involved in providing training for 4,086 bus driver candidates. This total was based on the number of prospective bus drivers completing behind the wheel training in 1997. Of the five owners contacted, we received responses from three operators. Projected costs to train drivers range from $285.00 per student driver (classroom and behind the wheel), to $50.00 an hour per student to $408.00 per student for classroom and roadwork. Additionally, the contractors factored in such additional costs as recruitment of drivers, ownership and maintenance of training vehicle(s), insurance for the trainers and trainees, providing classroom space, fuel for roadwork, workman's compensation and additional personnel. (Please see appendix for copies of estimates.)

CONVERSION SCHEDULE

The optimum schedule for converting to a contracted service would require that the contract be awarded as early as possible in a calendar year with the actual transition occurring during the summer months. Service by the private contractor should begin before the start of the next school year. The Contractor's ability to provide services could be compromised by shortened time frames. In order to develop a plan that is efficient and minimally disruptive, it is recommended that any plan for privatization not go into effect earlier than the school year 2000-2001. If the first stage of the conversion is successful, privatization of all training services could be considered subsequent to 2001.

CONTRACTING TECHNIQUES

A number of different contracting scenarios have been considered. These range from awarding a single year's contract to awarding multi-year contracts; from awarding one contract to a single contractor who would provide services to all five SBTS districts to multiple contractors serving a single district. It appears that it may be more feasible to initiate privatization in two Districts, one of which is largely rural and one of which includes large urban areas. The pilot programs could be set up on a two year basis, which would be a sufficient time period for determining whether privatization is a workable plan for North Carolina.

DETAILED ESTIMATE OF THE PROJECTED COST TO ADMINISTER CONTRACTS FOR SCHOOL BUS DRIVER TRAINING

Position	Pay Grade	Salary
Driver Education Director	75	$ 53,040.00
Driver Education Assistant Director	73	51,678.00
Driver Education Program Developer	70	47,167.00
Driver Education Field Supervisors (5)	70	235,835.00
Driver Education Specialists (25)	69	1,120, 200.00
Administrative Services Assistant	64	31,593.00
Processing Assistant IV	59	28,981.00
Processing Assistant III	57	26,667.00
	TOTAL	1,595,161.00
	FRINGES	381,914.00
	SALARY TOTAL	$ 1,977,075.00

ADDITIONAL EXPENSES

Cars (790,000 Miles per Year @ .23/Mile)	182,000.00
Supplies/Equipment Materials	69,872.00
TOTAL COST TO STATE	$2,228,947.00

PRE-PROPOSAL QUESTIONNAIRE

STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

PRIVATIZATION OF SCHOOL BUS DRIVER TRAINING
PRE-PROPOSAL QUESTIONNAIRE

The following questionnaire is a part of the Request for proposal. The information provided herein will be used for evaluating the qualifications of the contractor to perform the work stipulated in any contract. All questions must be answered accurately and completely, and submitted as explained in the Request for Proposal document. Errors, omissions, or misrepresentation of information may be considered a basis for rejection of the bid proposal and may be grounds for the cancellation of any agreement executed as a result of the request for proposal. If necessary, please attach additional pages to fully answer all questions.

When completed, this questionnaire (and Attachments) shall be considered to be a part of any CONTRACT FOR BUS DRIVER TRAINING SERVICES. If you expect your Firm's policies or practices to change from those it currently uses (if your firm is awarded this contract), you must make explicit the policies and practices your firm will follow in providing services to the North Carolina Department of Transportation.

1. DESCRIPTION OF CONTRACTOR'S ORGANIZATION

A. BUSINESS

Business Name_____
Address _____
_____
Telephone _____

B. TYPE OF ORGANIZATION

_____**Corporation (List Officers and Positions)**

_____
_____
_____

State in which Incorporated_____

_____Subsidiary
(Give Name and Address of Parent Corporation)

_____
_____
_____

Is your firm or a parent firm publicly held? Yes__No__

If not publicly held, what private individual(s) or family (families) owns more than twenty percent (20%) of your firm? If applicable, please list the general partner or the sole proprietor.

___Major Shareholder(s)
___General Partner
___Individual Proprietor

_____
_____
_____

C. DESCRIPTION OF CURRENT OPERATIONS

1. Are you currently engaged in providing school bus driver training services under a contract with a public school system, non-public school system or or any governmental agency?

___Yes___No Number of Years_____

2. List all Transportation Permits (City, State and Federal) under which you currently operate.

_____
_____
_____
_____

3. Have you, at anytime in the past, contracted to provide school bus driver training services for any school system, public or non-public, or any governmental transportation agency?

Yes —No___

D. SCHOOL BUS DRIVER PROGRAM

1. Are school bus driver training programs a part of your current operational procedures?

____Yes____No If yes, please indicate whether you provide training for drivers with no school bus driving experience or in-service training for experienced drivers or both.

_____
_____
_____

2. Describe your current or proposed training program for driver applicants who have no prior experience in driving school buses. Please describe the program components and the content of your training program. In addition, please provide the curricula or course outlines.

_____
_____
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_____
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_____
_____
_____
_____
What is the duration of the training?_____
_____

3. **Describe your in-service driver training and post-certification training. Please include the field supervision component in this program and the content of the training. Please provide course outlines.**

_____
_____
_____
_____
_____
_____
_____
_____

Are any independent reviews of training quality conducted on your training programs?

E. SAFETY PROGRAM AND ACTIVITIES

A. **If you have an established, continuing safety program, please describe the operation, the contents, and requirements of the program.**

_____
_____
_____
_____

B.. **How often are safety meetings held?**_____

C. **Describe any established safety organization activities in which your organization and its key personnel participate.**

_____
_____
_____
_____

F. IMPLEMENTATION PLAN

Please provide a plan and schedule for implementing the Agreement for funishing School Bus Driver Training Services, should you be selected as the successful proposer. Your schedule and plan should address:

- **Recruitment and hiring of management and supervisory personnel**
- **Selection, and training of Trainers**
- **Employee Orientation**

I, the undersigned, hereby certify that I am a representative of the firm named below, and am duly authorized to execute contracts on behalf of the firm. I further hereby certify that all of the information presented in answer to the questions contained in this Proposal Questionnaire is complete and accurate to the best of my knowledge. I understand that, if the North Carolina Department of Transportation awards a Contract for training services to my firm, the information and commitments made within this questionnaire will become an effective part of the Contract between the Department and my firm.

_____

Name of Firm

_____

(Authorized Agent)

Title_____

Date_____

REQUEST FOR PROPOSAL

FOR

PRIVATE CONTRACTS TO PROVIDE ALL

SCHOOL BUS DRIVER TRAINING SERVICES

MARCH 1, 1998

REQUEST FOR PROPOSAL

1. INTRODUCTION

The North Carolina Department of Transportation, hereafter listed as the Department, is seeking proposals from prequalified contractors for the training of school bus drivers. Contracts awarded to contractor(s) will be for one year with an option to renew for two additional two year terms. Sealed proposals must be received in the Office of the Secretary of Transportation located at 1 South Wilmington Street, Raleigh, N. C. 27611 prior to 5:00 pm on _____, 1998. The proposals will be opened at _____on _____, 1998. A decision to accept/reject proposals will not be made at opening time, due to the complexity of the proposal. The Department reserves the right to reject any or all proposals, and is not obligated to accept the lowest priced proposal.

The Department currently trains approximately 8,000 school bus drivers annually in the five School Bus and Traffic Safety Districts across the State, with each Trainer being responsible for the complete training of approximately ----------bus drivers.

2. CONTRACTORS' PRE-QUALIFYING REQUIREMENTS

The Department requires that contractors be pre-qualified. The pre-qualification document must be received by the Department at the address shown above not later than the close of business (5:00 p.m.) on _____.

3. NUMBER OF CONTRACTS

The Department is accepting proposals for the provision of school bus driver training in two School Bus and Traffic Safety Districts, District IV and District V. Composition of these Districts by counties

follows:

DISTRICT IV	DISTRICT V
Chatham	Iredell
Moore	Mecklenburg
Lee	Rowan
Harnett	Cabarrus
Hoke	Stanly
Cumberland	Union
Sampson	Anson
Wayne	Montgomery
Duplin	Richmond
Greene	Lincoln
Lenoir	Gaston
Jones	Cleveland
Onslow	
Pender	
Scotland	
Robeson	
Bladen	
Columbus	
Brunswick	
Carteret	
New Hanover	

A contractor may make a proposal on one or both of the Districts. The proposal form (to be issued to contractors at the pre-proposal conference) permits all, or partial proposals, but each proposal must state clearly what is being proposed.

BUSES AND EQUIPMENT

All vehicles used by the contractor in connection with training must meet all North Carolina Department of Transportation and Federal Motor Vehicle Safety Standards. Behind the wheel instruction

must be given in the same type and size bus the driver will be operating. If a bus driver is expected to operate more than one size and type vehicle, instruction must be given related to the specific handling characteristics of each. If the contractor provides all buses used for training, the contractor must provide an inventory list that includes the VIN, the model, the seating capacity, the year, the body type of all buses used for behind the wheel training. The average vehicle age must be no more than five years old with no vehicle more than 11 years old.

INSTRUCTOR QUALIFICATIONS

A. All instructors must have graduated from a four year college or university with a bachelor's degree. In addition to the minimum education requirement, the instructor must have at least one year's teaching experience or a graduate degreee from an accredited college or university or an equivalent amount of experience in safety education and promotion or transportation.

B. All instructors must be eligible to obtain a "Class B" Commercial Driver's License issued by the State of North Carolina. In addition, instructors must be certified as Commercial Driver License Third Party Testers in order to administer Commercial Driver License skills tests on behalf of the State of North Carolina.

C. Instructors must have the ability to teach, present and communicate motor vehicles laws and safe driving procedures to adult drivers in the classroom and behind the wheel.. Instructors may also be required to inspect school buses as required by federal regulations and will be required to administer visual acuity tests using standard equipment.

D. The Contractor must verify whether each instructor employed by the company has a record of criminal convictions, through both State and national criminal identification agencies, and must establish criteria for rejecting those employees with unacceptable records.

E. The contractor is required to comply with all Federal and State drug testing requirements and must operate a drug free work place. The proposal must include specifics related to how compliance will be achieved.

ADMINISTRATION

The Contractor is solely responsible for the driver training in the area(s) designated in the Contract. This involves communication with all parties, including appropriate personnel in the Department of Transportation, the Department of Public Instruction and local school personnel involved with pupil transportation. The Contractor will designate managers to be the primary point of contact for all communications.

SECURITY

(A) A proposal bond in the amount of 5% of the proposal cost must be submitted with the proposal. This bond will be canceled or returned to unsuccessful proposers.

(B) The successful contractor(s) will post a performance bond for 25% of the contract amount. The 5% proposal bond will be canceled or returned upon receipt of the performance bond. The performance bond may be discontinued for subsequent contract extensions, at the sole discretion of the State.

STATMENT OF NON DISCRIMINATION

The State of North Carolina does not discriminate on the basis of age, color, creed, race, sex, national origin, or handicap condition;therefore, contractors must not discriminate on these bases or any others. Each proposer must state clearly the firm's position and policy and state clearly how they will avoid charges of unlawful discrimination in their proposal.

CONVERSION PROCESS

Each proposer must describe its plans for the transition from State provided training services to contracted services. Proposals must include a listing of proposed steps to include internal, employee and public relations. Proposers must specifically address the issue of a change-over during the school year if the contract does not start at or before the first day of the school year.

CONTRACT

(a) Period of Contract - The initial contract will be for 12 calendar months. If the Department determines that successful performance has been achieved, the contractor may be given two year extensions.

(b) Award of Contract - The assurance of a contract is contingent upon receiving an acceptable proposal, solely determined by the Department, and contingent upon adequate financial resources being available from all sources. The contract is not complete or in force until executed by the the North Carolina Department of Transportation.

(c) It is the intent of the Department to award one or more contracts in due course, and after a reasonable evaluation period, considering all of the requirements set out in this Request for Proposal. Each proposer must hold firm the prices in his proposal for a period of 90 days from closing date of the RFP.

(d) The Department reserves the right to reject any and all proposals. The lowest dollar cost proposal as submitted by each proposer will not be the sole criteria for determining the best proposal. The Department reserves the right to negotiate with any or all proposers, to waive formalities, to issue statements of clarifications, amendments, or otherwise attempt to conclude a contract award. All pre-qualified proposers will be provided copies of all such statements of clarification (or amendments) and shall have 5 days to respond to same.

(e) The Department reserves the right to cease the process at any time, with or without advance notice to all prospective proposers.

(f) Funding Contingencies - It is expressly understood that the performances of this contract, and any extensions shall be contingent upon the availability of funding appropriated by the North Carolina General Assembly. Such funds are appropriated on an annual fiscal year basis. In the event funding is not adequate, the awarding or continuation of the contract(s) will be dependent on the parties reaching mutual agreement through negotiation as to adjustments in the service provided and applicable rates.

(g) Termination

1. The contract will include provisions enabling the Department to terminate the Contract (at its sole discretion) if any of the following occur:

(A) The Contractor's licenses or permits legally required to perform the services called for by this contract are suspended or revoked;
(B) The Contractor fails to provide services specified by the Contract, or is guilty of a substantial violation of the Contract;
(C) When 2% (or more) of the Contractor's instructors fail to meet safety and/or licensing standards on audit or inspection;
(D) The Contractor persistently disregards laws, ordinances, or directions of the State or the Department; or
(E) The Contractor fails or refuses to provide required or agreed upon data or information to the Department in a timely fashion.

(2) In case of contract termination, provisions in the contract will enable the Department to secure replacement services from another contractor or services may be provided by the

Department for the remainder of the contract's duration. If the cost of the replacement service exceeds the cost of services under the rates in the contract, the excess cost will be charged to (and collected from) the Contractor and/or the Contractor's sureties.

(3) If the Contractor fails to comply with and fully perform and strictly adhere to any covenant contained herein, the Department shall give 48 hours notice in writing to the said Contractor of such failure. Failure to exercise the Department's rights within 48 hours does not preclude any subsequent right to exercise at a later date. In the event this Contract is terminated in accordance with any of the provisions contained herein, all rights of the Contractor shall cease.

CONTRACTOR NOT AGENT

The Contractor shall not be held or deemed in any way to be an agent, employee, or official of the Department of Transportation, but as an independent contractor furnishing bus driver training services for the Department.

PAYMENTS BY DEPARTMENT

(a) The Department will pay the Contractor for services provided on a monthly basis in arrears as provided in this contract. No excess charges or extra payments for extra services will be paid. Payment will be made within thirty calendar days of receipt of a properly documented invoice.

(b) The Department's obligation will be payable only and solely from funds appropriated for the purpose of fulfilling the Bus Driver Training Contract. All funds for payment are subject to appropriations for this purpose in the final adopted budget in any given fiscal year. If sufficient funds for a given fiscal year are not appropriated, then the affected service shall be terminated. The Department shall notify the Contractor in writing of such nonappropriation at the earliest possible date, and shall be relieved of all obligations to the extent that funds are not appropriated.

REFERENCES

Each proposer will provide contract information from at least 3 pupil transportation references. References must be from contracts that were executed during the last two years. Provide current names, addresses, and telephone numbers of each reference listed.

A bank reference is required to establish financial stability and capability to undertake this type and size contract.

INDEMNITY

(A) The Contractor shall indeminify, keep and hold harmless the Depatment, its agents, officials and employees against all injuries, deaths, loss, damages, claims, patent claims, suits, liabilities, judgments, costs and expenses, which may in any way accrue against the Department and in consequence of the granting of this contract or which may in any way result therefrom, whether or not it shall be alleged or determined that the act was caused through negligence or omission of the Contractor or his employees, or of the Department or its employees, and the Contractor shall, at his own expense, appear, defend and pay all charges of attorneys and costs and other expenses arising therefrom or incurred against the Department in any such action, the Contractor shall, at his own expense discharge same.

(B) The Contractor expressly understands and agrees that any performance bond or insurance protection required by this contract, or otherwise provided by the Contractor, shall in no way limit the responsibility to indemnify, keep and save harmless and defend the Department as herein provided.

SUBLETTING OR ASSIGNMENT OF CONTRACT OR CONTRACT FUNDS

(A) No contract shall be assigned to any part of the same

subcontracted without written consent of the Department, but in no case shall such consent relieve the Contractor from his obligations, or change the terms of the contract.

(B) The Contractor shall not transfer or assign any contract funds or claims due (or to become due) without the written approval of the District having first been obtained.

(C) The transfer or assignment of any contract funds either in whole or in part, or any interest therein, which shall be due (or to become due the Contractor) shall cause the annulment of said transfer or assignment.

RECORDS AND REPORTS

(A) Contractor shall provide those reports and records which may be reasonably requested by the Department and necessary for proper payment for or evaluation of the training services provided for the Department. All such records shall be open to inspection by the Department or its representative during regular business hours in the Contractor's office. The Contractor shall provide any reports or records requested by the Department in the format and on the forms designated by the Department.

(B) The Contractor shall maintain accurate and reliable records concerning the number of school bus drivers trained. Said records shall be compiled and maintained in the form required by the State of North Carolina and shall be provided to the Department in a timely manner .

APPENDIX

TRANSPORTATION SURVEY

Transportation survey based upon 4,086 bus drivers per year.

PREMIER DRIVING SCHOOL,INC.
161-A West Franklin Blvd.
Gastonia, NC 28056
(704) 866-4083
2/11/97

PROPOSED MANAGEMENT PLAN

Listed below is a proposed estimate of how Premier Driving School, Inc. may provide school bus driver training service in Gaston and Mecklenburg county. This is only an estimate and any figures given within this report could be higher or lower depending on certain factors.

Project Organization

In correspondence with the Department of Transportation, Premier Driving School, Inc. will be responsible for organizing and providing all school bus driver training services in Gaston and Mecklenburg county, District V.

Costs

Classroom Costs Per Class:	$204.00
Driving Costs Per Student:	$204.00
Insurance Costs Per Year:	$14,400.00
Workman Compensation and Benefits Per Year:	$20,000.00
Bus Costs Per Bus (1 year lease):	$8,400.00

Additional Information

*Insurance and driving cost could be more economical if several private companies contracted within their area. Insurance companies wouldn't have to insure such a large volume per company, therefore, allowing lower prices.

*In order to use state buses as a private vendor, State would have to be responsible for insuring the buses or must lease the buses to the vendor. If this can be achieved, bus cost would be significantly reduced.

*Due to school bus driver training students taking the training course at their option, it is difficult to give an exact number of students to be trained.

Jordan Driving School Inc.

[redacted] Camfield Place
[redacted]er, North Carolina 27529
919-772-4877
919-662-2628 Fax

A Quality Program

Lorraine Jordan, President
Thomas Langdon, Vice President

To: Charles Mitchell, Assistant Director
School Bus and Traffic Safety Division, DMV
From: Chuck Lehning, Director of Operations
Jordan Driving School
Re: Possibility of privatizing School Bus Driver Training
Date: February 10, 1998

There are many factors that would have to be taken into consideration in arriving at a dollar amount as to how much it would cost, per trainee, to train school bus drivers privately. In this letter I will attempt to outline the expenses that would be incurred in establishing private training of school bus drivers, both real cost and variable cost.

1. It is our opinion that you would have to hire very qualified, professional individuals to serve as instructors. To attract this type of person you would have to offer an attractive salary package. To attract and keep qualified instructors it is our estimate that the hourly salary rate would have to be in the $15.00 per hour range.
2. It is my understanding that each trainee receives 18 hours of classroom instruction and approximately 9 hours of behind-the-wheel (however, it is my understanding that if a trainee is not ready after 9 hours, their training would be extended - this would make the cost factor of training a driver even higher - this would be an unknown cost).
3. To arrive at a training cost we will use $15.00 per hour. For 9 hours of behind-the-wheel instruction this would be $135.00; for classroom instruction, 18 hours of instruction, we will estimate the class size at 18 trainees - this would mean the cost, per trainee, would be $15.00. This would make the total cost, per trainee, $150.00 for 18 hours of classroom instruction and 9 hours of behind-the-wheel instruction. (It is my understanding that many classes would probably not have 18 trainees in class - this would mean that the fewer trainees in class the more per trainee it would cost - again this would be an unknown cost).
4. The following payroll expenses would have to be factored in when determining the cost factor per trainee: payroll taxes at gross * 7.65%, workmen's compensation at $0.59 per $100.00. To attract a qualified full time instructor it is our feeling that you would have to offer a benefit package - this cost would run approximately $200.00 a month per employee.
5. We have looked at additional cost and these could be described as variable cost. It is felt that there are a lot of unknown factors in these additional costs:
    A. Who would furnish the buses for training? Would a private company have to go to the expense of buying buses for training? Could the buses be leased for training? Would the school system let their buses be used free of charge for training?
    B. Classroom instruction space - Would classroom instruction space be provided or would the private company have to lease space for classroom instruction?
    C. There would be the following vehicle expenses: gas, oil, maintenance, insurance, etc.

D. There would be the following classroom expenses: books, videos, audio-visual aid equipment, etc.
E. A company would need:
    I. Office Space
    II. Office Personnel
    III. Management Personnel
    IV. Computer record keeping capacity, etc.

All of these costs, both known and unknown, would have to be factored in when arriving at a per trainee cost for bus driving training. You would also need to factor in a margin of profit for a private company.

There are several other areas that our staff discussed when evaluating the privatizing of school bus driver training: In larger school systems there would probably be a need for several instructors to train throughout the year although this would always be dictated by the turnover ratio of drivers and the needs of the school system; in a smaller school system or systems with a very low turnover ratio of drivers there might not be the need for a full-time, year round instructor.

There are probably other factors involved that we have not thought about; however the ones we have mentioned are the ones that readily come to mind when discussing the privatizing of school bus driver training.

My final analysis does not come with a total dollar amount that would be required per trainee for training school bus drivers. In talking with the transportation officials of a large major school system they gave are a dollar figure of $750.00 per trainee. It is my opinion that for a private company to factor in all expenses plus a margin of profit it would be an expensive proposition.

In concluding with a personal note, I feel that the instructors with the school bus and traffic safety division of DMV do an excellent job and I find it hard to believe that a private company could give the same quality of instruction at a lower price.

ALL-THE-WAY DRIVING SCHOOL

Frank Horton Aster Terry Telephone 910-875-5348
Certified Driving Instructors
310 Harris Avenue
Raeford, NC 28376

February 4, 1998

Division of Motor Vehicles
ATTN: Joan D. Silver
1100 New Bern Avenue
Raleigh, North Carolina 27697-0001

SUBJECT: TRAINING OF SCHOOL BUS DRIVERS

1. Reference your letter dated 27 January 1998, subject as above.

2. Presently, when our company takes a student on the road for behind the wheel training, we charge $25 per hour for two hour increment or a total $50. That does not include any classroom work. Looking at the hourly figures that you provided in the enclosures, it could only be profitable if we charged by the hour to train school bus drivers at $50 per hour per student. Half of that fee paid during the class room phase and half after the roadwork phase. It would require our company to retain a person to do nothing but that. You will note that the HOKE County Traffic Education Services Representative spent 503 hours, January-December 1997. At $50 per hour, a company would net only $25,150 for services rendered.

3. The charge of $50 per hour will only be possible if the LEA retains the following responsibilities:
a. Recruitment of School Bus Drivers
b. Ownership of the Training Vehicle
c. Maintenance of Training Vehicle
d. Retention of the Insurance Policy for the trainer and trainee
e. Providing the Classroom
f. Furnishing the Fuel for the Roadwork

4. The DOT-DMV would train the school bus instructors at minimal cost to the contractor.

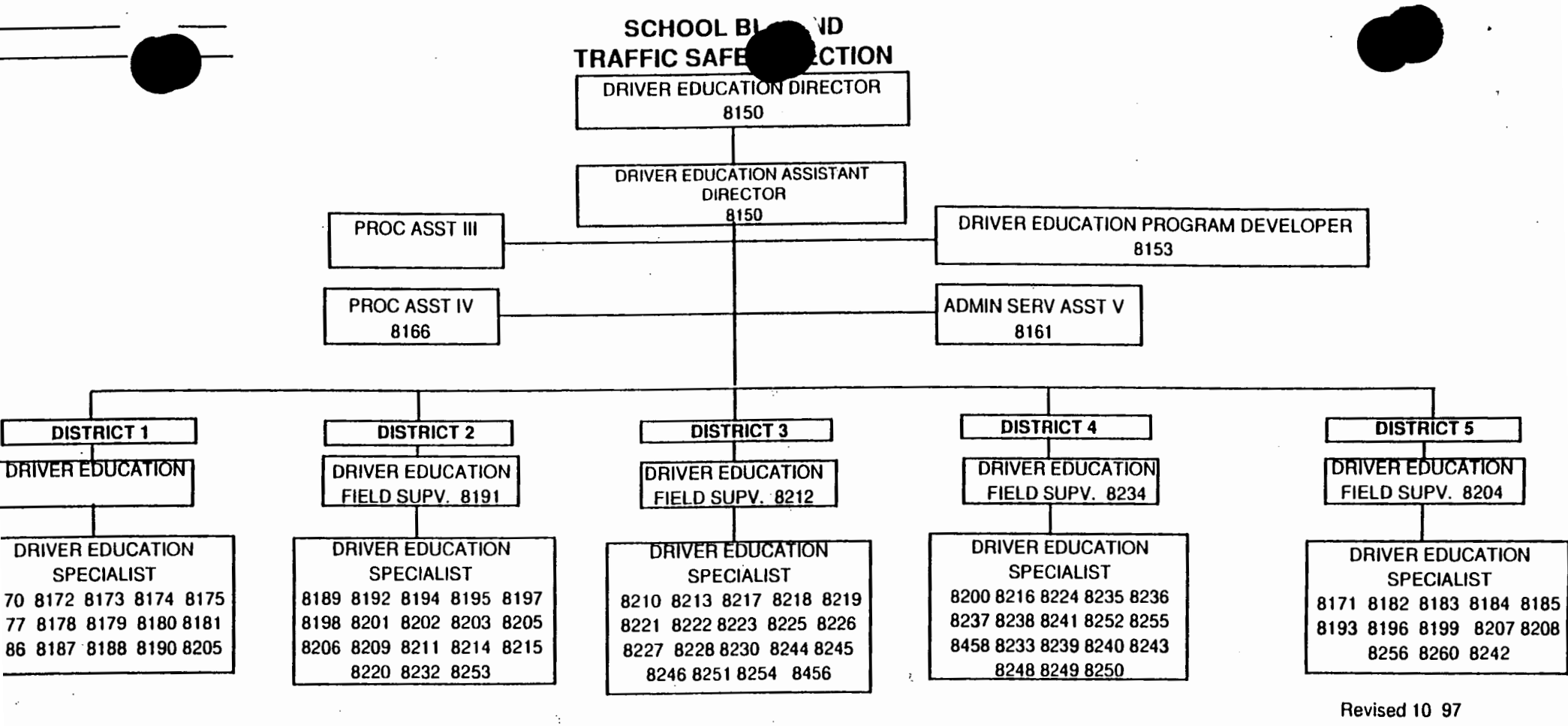
5. My research indicates that it would be cost prohibitive for a Commercial Driving School to have the responsibilities in paragraph 3 above. A standard school bus cost about $40,000. Insurance with just liability to the extent which we now carry would cost $1500. The gas cost to operate would be $3000 per year. Maintenance cost alone appears to be $2 per mile driven or about $7000 per year. Classroom rental cost is unknown since we can only have 5 students in our class room. Recruiting costs are unknown. These figures are based on the 1997 report for the Hoke County Representative and are higher for previous years.

Franklin N. Horton

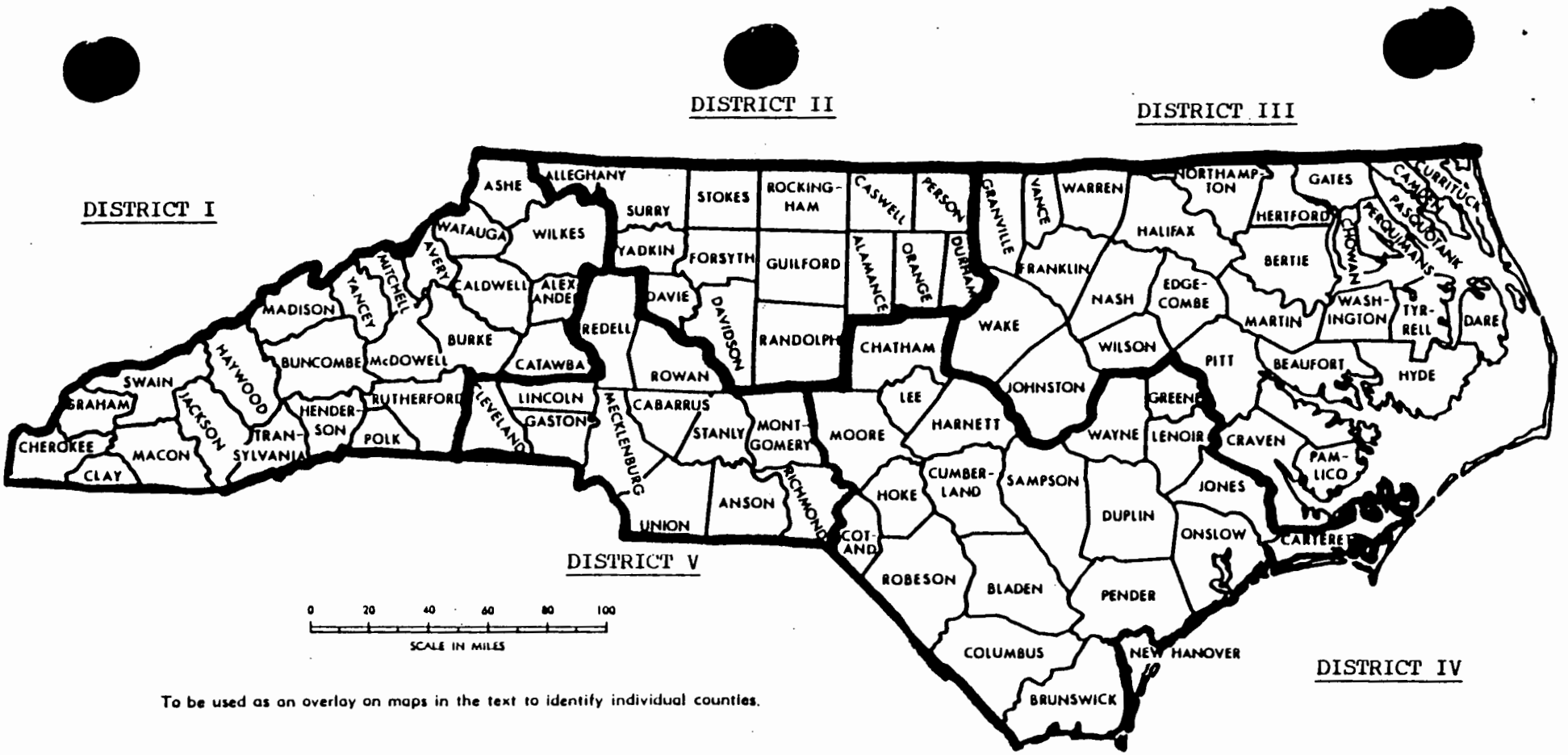
Franklin N. Horton
President
All The Way Driving School
310 Harris Avenue
Raeford, NC 28376

Lt. Charles Mitchell
SBTS

Dwight Jackson
TSES Representative Hoke County



Revised 10 97



To be used as an overlay on maps in the text to identify individual counties.

STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION
JAMES B. HUNT JR.
GOVERNOR
DIVISION OF MOTOR VEHICLES
1100 NEW BERN AVENUE, RALEIGH, N.C. 27697-0001
E. NORRIS TOLSON
SECRETARY

Feasibility Study

of Drivers Education Testing

A Report Prepared by the Driver License Section in collaboration with the Department of Public Instruction for the Joint Legislative Transportation Oversight Committee

Submitted: March 4, 1998

Feasibility Study of Drivers Education Testing

Overview

Senate Bill 352 ("The Current Operations and Capital Improvements Appropriations Act of 1997") included a provision mandating a feasibility study of using Driver Education instructors to conduct some testing currently done by Driver License Examiners. Specifically, the act mandated:

The Department of Transportation and the Department of Public Instruction shall conduct a study of the feasibility of having drivers education instructors, rather than Division of Motor Vehicles examiners, administer the required written and road tests before a student is issued his or her first drivers permit or license.

The Division of Transportation shall report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division by March 1, 1998 on the results of this feasibility study along with any enabling legislation necessary to implement any recommended changes.

Representatives of the Driver License Section of DMV and representatives of Arts, Education and Healthful Living Section of the Department of Public Instruction (SDPI) met several times over the past months to discuss the feasibility of the proposal. In addition, the Section Chief for the Arts, Education and Healthful Living Section, which has oversight responsibility for driver education instruction within SDPI, met on several occasions with driver education instructors and administrators for local school systems to discuss the feasibility.

Both DMV and SDPI concur that:

- Using driver education instructors to conduct some testing is feasible if conducted as part of the not-for-profit umbrella of the school system. It should not be allowed in a situation where the student directly driver education school for training, and then the school tests the student. It should be allowed where a for-profit driver training school is under contract to a school system, provided there is no financial incentive for passing students.
- enabling legislation is needed to allow it to happen;
- some costs may be incurred by the school systems, as the testing would require more time spent with students, more recordkeeping, and some redesign of curriculum.

- A pilot project in two school systems (Cumberland County and Wilkes County) is recommended in order to establish most effective policies and procedures and to determine better costs that would be incurred by local school systems.
- The greatest risk comes from widening opportunities for cheating in the written knowledge test and creating an environment in there is less quality control over road testing.

Review of Existing Law and Practices

Existing law on requirements for obtaining a driver license are established in North Carolina General Statutes 20-7 (a) through (e). By that law, all drivers to earn a license must "demonstrate physical and mental ability" to handle the vehicle for which they are being licensed by passing an examination, which can include:

- vision test
- road sign test
- written test specified by the Division
- road test.

By law, the vision, road signs and written test must be passed prior to issuance of the Limited Learner Permit (Level One under the Graduated License law). After one year on the Limited Learner Permit, the customer takes the road test to qualify for the Limited Provisional License (Level Two under the Graduated License law).

By Administrative Code, Title 19A, Subchapter 3B, Section .0200, the standards for passing the various tests are specified (See Attachment A).

Currently all tests for Classified Licenses are conducted by Driver License Examiners, although nothing in the General Statutes specifies who is to conduct the various examinations. Administrative Code does refer to driver license examiners administering the road test.

For Commercial Driver Licenses, the Driver License Section does utilize third-party testers to administer road test and pre-trip inspections, but not vision, road sign, or knowledge tests. This process is allowed by Federal Highway Administration regulations and authorized by General Statute 20-39, General Statute 20-37.13 and General Statute 20-37.22 and North Carolina Administrative Code, Title 19A, Subchapter 3B, Section .06003 through .0611 and Section .0700. The Section currently has approximately 375 companies or government agencies certified as third-party testers for CDL purposes, and they administer approximately 15 to 20 per cent of the state's CDL tests. About 8-10 testers annually lose their certification due to problems identified in the audit process.

Experience in Other States and Provinces:

The American Association of Motor Vehicle Administrators reported in April 1997 that the following states or Canadian Provinces have outsourced some of their driver license testing to some extent:

WRITTEN CLASSIFIED TESTING: Ten jurisdiction allow it: Alaska, Alberta, Arizona, Florida, Idaho, Iowa, Missouri, Montana, Saskatchewan, and Texas.

VISION SCREENING: Nine jurisdictions allow it: Alaska, Alberta, Arizona, Florida, Idaho, Iowa, Maine, Minnesota, and Montana.

CLASSIFIED SKILLS TESTING: Ten jurisdictions allow it: Alberta, Arizona, Florida, Idaho, Indiana, Iowa, Montana, Pennsylvania, Utah and Vermont.

At the 1997 AAMVA Privatization Symposium, one jurisdiction, Ontario, reported that it had at one time outsourced administration of driver examinations but had stopped that practice due to problems. According to a representative of Ontario's Safety and Regulation Division, "A number of problems were identified in outsourcing the exam functions, i.e. people were paying for and passing exams they never took...." Ontario abolished outsourcing of the driver exams in 1975.

Analysis of Benefits and Risks:

The benefits of allowing Driver Education instructors to conduct certain Driver License certification tests include:

1. Save students (and, to an extent, their parents) the time involved in taking two sets of tests – in driver education and another test at the Driver License office.

2. Free up Driver License examiners to serve other customers.

The time savings could be considerable, depending on the extent of involvement by driver education instructors. An original Classified C Driver License road test takes an average of 12.83 minutes based on a 1997 study by the Driver License Section, and the other tests (vision, signs, administering the written test) take an estimated four to five minutes for the three tests (total time). It is estimated that approximately 100,000 young people will become eligible this year in North Carolina for their first license. In FY1996-97, the Section conducted 195,000 Classified C license road tests.

Possible risks include:

1. Greater potential for cheating on written tests. Currently, the Driver License Section administers tests in 125 Driver License offices around the state, plus 7 mobile sites. The work of the examiners is monitored by Senior Examiners (office manages) and District Supervisors. In addition, in multi-examiner stations, examiners provide a self-policing system to ensure that tests are administered properly. Currently, the Section uses a test with five different variations, and the applicants at random receive a version of the test. This makes it very difficult to applicants to try to copy another applicant's test paper or try to obtain an answer key in advance. With implementation of the new Automated Knowledge Testing System, the Section will be moving in the direction of virtually cheat-proof testing. Testing in the 600+ schools around the state will move in the opposite direction to an environment that is tougher to police.
2. There is some risk that some driver education instructors, in an effort to make sure their students do well (or to avoid re-testing) would be lax in their scoring of students on road tests. In this testing environment it becomes more difficult to monitor the quality of road testing. At present 92.6 per cent of driver education graduates pass the Driver License road test the first time they take the test. That fairly high success rate is a good sign that driver education instructors are preparing their students well, so this may be a needless worry. Some of the 7.4 per cent first-time failure rate on road tests can also be attributed to nervousness on the part of the student or the development of bad habits between the time the student leaves driver education and the time he or she takes the test a year later.
3. Increased staffing requirements for schools that employ their own driver education instructors or greater contract costs for schools that contract with private driver education schools. Conducting these tests will require a commitment of more time and resources by the schools. In some cases, if driver education instructors' time is underutilized, it can result in greater productivity at no greater costs. But where driver education instructors are fully utilized, it would require more staff.
4. Integrating the four Driver License tests into Driver Education curriculum poses several challenges, and in the case of road tests, would clearly increase time demands on the driver education instructor, which could result in costs to the local school system. Integrating signs, vision and written test into the Driver Education curriculum would be easiest since those activities currently take place in the curriculum. The road test is a problem, however, because of requirements of the law. Under the Graduated Driver License law, the student earns his driver education certificate, then applies for the Limited Learner's Permit, at which time the Driver License Examiner administers the vision, signs and written test. The student then must drive a year on the learner's permit before returning to the Driver License office, passing the road test, then received the Level Two, Limited Provisional License. If the road testing were to be delegated to the Driver Education instructor, it would require that the program become re-involved with that student.

These potential risks for cheating or lax testing can be dealt with in a number of ways. The Commercial Driver License Third-Party Program maintains quality control for skills tests and pre-trip inspections by requiring annual audits of all third-party testers and by rules that make it easy to suspend the certificate of a third-party tester at the first hint of

problems. It also mandates regular re-certification of third-party examiners. A variety of procedures can be implemented to reduce the threat of cheating on the written test. In addition, the new Automated Testing System will allow the generation of unique tests on demand that could be disseminated to school systems for tests.

Recommended Action:

Based on the interest expressed by the State Department of Public Instruction and the North Carolina Driver and Traffic Safety Education Association, the Driver License Section recommends the following:

- Development of a pilot project in the Cumberland County and Wilkes County School Systems, based on their interest in such a program
- The pilot projects should focus on using Driver Education instructors to conduct four tests for the Classified 'C' license: (1) vision tests; (2) road signs test; (3) written knowledge test); and (4) road test.
- The vision and road signs tests should use testing equipment consistent with that currently use by Driver License examiners and certification of students will be based on the standards for road signs and visual acuity in the Administrative Code, Subchapter 3B, .0201.
- The written test should be of a type provided by Driver License Section and modeled after standards of the American Association of Motor Vehicle Administrators. Passing rate will be same as required in .0201 of the Code.
- The road test must conform to the requirement of .0201 and must be approved by the Driver License Section.
- Security procedures and a monitoring/audit system will be implemented jointly by the school system and the Driver License Section to protect against cheating or improper testing.
- The Driver License Section will retain the right to lift the testing privilege of an instructor who violates program requirements.
- An agreement similar to that used for the CDL Third Party Tester program will be signed by the Driver License Section and the participating school system.
- No testing will be conducted by an school or tester in a situation where the employer of the instructor stands to benefit financially by passing a student on any of the tests.
- The Driver License Section will provide instruction for Driver Education Instructors in use of vision and road sign testing equipment for the pilot project.
- A pilot project will be launched with the start of the fall 1998 term of school. Evaluation of the pilot project and recommendations for expansion would be provided by the 1999 General Assembly by March 1, 1999.

Cost of Pilot Project:

SDPI COSTS: The State Department of Public Instruction reports (Attachment B) that

"There will be associated costs due to the expanded nature and duties required by the driver education instructors. Funding will be needed to be available for the necessary staff development and training, materials, test development, and salaries....

"There is a critical need to have additional personnel to plan, supervise and monitor the implementation of the program. It is recommended that a full-time consultant and support person be hired to implement the pilot phase of this project."

In the pilot project, we believe some of those costs can be dealt with in other ways. For instance, the Driver License Section is revising its tests as part of implementing Automated Testing, and we recommend the use of that test by SDPI. This would eliminate the need for staff for test development. Our staff could also provide some of the training necessary for the pilot projects.

DMV COSTS: The Driver License Section anticipates that a pilot project could be implemented with minimal costs (under $10,000). Initial costs would include mileage and subsistence involved in providing technical assistance to the two school systems; use of vision testing machines by the school systems; and minor printing costs. In the pilot project, need for computer re-programming could be avoided be relying on some manual practices.

If the program is adopted on a statewide basis, there would be significant costs associated with:

- Travel and subsistence in providing technical assistance and conducting audits of participating school districts.
- Purchase of vision testing machines for school systems, at a cost of about $600 per tester.
- MIS costs for reprogramming of the State Automated Driver License System (SADLS).

COST SAVINGS/COST AVOIDANCE – From a Driver License Section perspective, we believe there would be limited savings to its budgets from implementing this program on a statewide basis. The greatest impact would be on cost avoidance by not having to hire new examiners to handle population growth.

Conclusion:

The Driver License Section of the Division of Motor Vehicles believes it is feasible to allow driver education instructors to administer the written and road tests; in addition, we believe it is also feasible for the driver education instructors, as part of that testing process, to conduct vision and road sign tests. Before embarking on a statewide program, we recommend that two school systems be used as pilot projects to identify any

possible problems and related costs. Two school systems, Cumberland County and Wilkes County, have volunteered to participate in a pilot project. The earliest feasible time for initiating a pilot program is fall semester, 1998.

ATTACHMENT B

Public Schools of North Carolina

State Board of Education
Phillip J. Kirk, Jr., Chairman

http://www.dpi.state.nc.us

Department of Public Instruction
Michael E. Ward, State Superintendent

MEMORANDUM

January 2, 1998

Attachment C

To: Charles Mitchell, Assistant Director
DMV, School Bus and Traffic Safety

From: Artie Kamiya, Section Chief
Arts Education and Healthful Living

Re: Feasibility Study

Background

As you know, the Department of Transportation and the Department of Public Instruction has been requested by the General Assembly to "conduct a study of the feasibility of having driver's education instructors, rather than DMV examiners, administer the written and road tests before a student is issued the first driver's permit or license." This legislation requires DOT to report to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division by March 1, 1998. The report should also address any enabling legislation necessary to implement the recommended changes.

Four Tests

At the present time, there are four tests that are being administered by the DMV examiners:

1.) the eye exam,

2.) the signs test,

3.) the written test, and

4.) the road test.

After numerous conversations with representatives from the North Carolina Driver and Traffic Safety Education Association, I would like to offer the following recommendations to be included in DOT's final report.

Eye Exam

This appears to be a procedure that could be handled by a driver education instructor if there was adequate training regarding the use of the eye exam machine and appropriate numbers of eye exam machines were available.

Signs Test	This test is given using the eye exam machine. Like the eye exam, this test could easily be given by the driver education instructor.
Written Test	We would like to suggest the development of a standardized written exam. This would bring greater accountability to the State's driver education program and could be easily incorporated into the existing classroom phase. The exam would be designed to meet the current requirements of DMV and match the content of the classroom phase. The exam would be co-developed by DPI and the N.C. Driver and Traffic Safety Education Association. Final approval of the exam would be the responsibility of DMV.
Road Test	This test could also be the responsibility of a driver education instructor. However, due to the nature of the road test, there are several factors that need to be explored. These include: scheduling of students, design and approval of the road test course, and quality control issues.
Pilot Testing Sites	It is suggested that several LEAs be used as pilot sites to field-test this project. I have already received a request by Cumberland County Schools to serve as a pilot test site.
Enabling Legislation	There are two recommendations regarding enabling legislation. The first one is in the area of funding and the second is in the area of monitoring and accountability. **Funding:** There will be associated costs due to the expanded nature and duties required by the driver education instructors. Funding will need to be available for the necessary staff development and training, materials, test development, and salaries. **Monitoring:** There is a critical need to have additional personnel to plan, supervise, and monitor the implementation of the program. It is recommended that a full-time consultant and support person be hired to implement the pilot phase of this project.

AKK

c: Dr. Henry Johnson
Dr. June Atkinson
Dr. Norm Camp
Ann Berlam

SUBCHAPTER 3B – DRIVER LICENSE SECTION

SECTION .0100 – GENERAL INFORMATION

.0101 PURPOSE

This Section provides information on the following:

(1) the four tests that may be required of an applicant for a driver's license;

(2) the medical evaluation program;

(3) driving records;

(4) classified driver's license.

HISTORY NOTE

Statutory Authority G.S. 20–1; 20–7(a) to (e); 20–9; 20–15; 20–17.1; 20–24; 20–26; 20–27; 20–39; 111–28;
Eff. July 1, 1978;
Amended Eff. June 5, 1981.

.0102 DEFINITIONS

HISTORY NOTE

Statutory Authority G.S. 20–4.01; 20–7(c);
Eff. July 1, 1978;
Amended Eff. June 5, 1981;
Repealed Eff. July 1, 1982.

.0103 FORMS

The forms used by the driver license section of the Division of Motor Vehicles are on file in the commissioner's office and are available for review during normal working hours.

HISTORY NOTE

Statutory Authority G.S. 20–7; 20–39;
Eff. July 1, 1978;
Amended Eff. November 1, 1991; June 5, 1981.

.0104 RE–EXAMINATION FOR TRAFFIC VIOLATIONS

.0105 RE–EXAMINATION MAY BE REQUIRED

.0106 SPECIAL OPERATOR'S LICENSE

.0107 TEMPORARY LEARNER'S PERMITS

.0108 DESCRIPTION

.0109 MINORS

.0110 DUPLICATE LICENSE FEE

.0111 EXEMPTIONS FROM LICENSE REQUIREMENTS

.0112 AGE LIMITS

.0113 PERSONS NOT TO BE LICENSED

.0114 ADDRESS CHANGE

.0115 PUBLIC PASSENGER DRIVER'S AGE LIMIT

.0116 CA[illegible]

Attachment A

.0117 SP[illegible]IAL IDENTIFICA[illegible] CARD

.0118 FORMS ON FILE

HISTORY NOTE

Statutory Authority G.S. 20–1; 20–7; 20–7.1; 20–7(f),(l),(n); 20–8(1) to (7); 20–9(a) to (f); 20–10; 20–11(a) to (c); 20–12; 20–15(a),(b); 20–29.1; 20–37.1; 20–37.7(a) to (h);
Eff. July 1, 1978;
Repealed Eff. June 30, 1981.

.0119 FEE FOR DRIVER IMPROVEMENT CLINIC

A twenty–five ($25.00) fee shall be charged to persons who are assigned and attend the driver improvement clinic. Payment must be made to a driver license representative prior to attending the first class. A certified check, money order or cash will be required, and a receipt for payment, in any form, will be issued. Personal checks will not be accepted.

HISTORY NOTE

Statutory Authority G.S. 20–1; 20–16(c); 20–16(e); 20–39;
Eff. October 1, 1982;
Amended Eff. November 1, 1991.

SECTION .0200 – DRIVER'S LICENSE ISSUANCE

.0201 DRIVER'S LICENSE EXAMINATION

The Division shall issue a driver's license to any person who passes the driver license examination and is otherwise eligible to hold a license. Applicants for a driver's license are subject to the following tests:

(1) Written Test. This is a test on knowledge of rules of the road. A pictorial or oral test is used for applicants who cannot read, upon request. Seventy percent of the questions must be answered correctly.

(2) Road Signs. This is a test on knowledge of highway signs and their meanings. Applicants for a Class "C" license must correctly identify nine of twelve road signs. Applicants for "A" or "B" licenses must correctly identify all road signs.

(3) Visual Acuity. Applicant's visual acuity must be 20/40 or better in each eye to receive an unrestricted license. License is restricted accordingly if acuity is less than 20/40.

(4) Road Test. The road test measures the applicant's ability to operate a motor vehicle safely in actual traffic situations. The required maneuvers are: down shift, quick stop, turn about, stop on grade, start on grade, backing, approach corner, right turns, left turns, traffic lights, use of controls, starts, clutch, use of lanes, use of brakes, following and attention. Approval or disapproval is determined by the driver license examiner. Applicants with expired out–of–state licenses and applicants with North Carolina licenses expired more than one year will be required to take the complete examination.

HISTORY NOTE

Statutory Authority G.S. 20–1; 20–7(a) through (e); 20–39;
Eff. July 1, 1978;
Amended Eff. December 1, 1993; July 1, 1982; June 5, 1981.

.0202 MEDICAL CONDITION REFERRAL

.0203 MEDICAL REVIEW BOARD

HISTORY NOTE

Statutory Authority G.S. 20–1; 20–9(a) to (h); 20–9(1) to (4); 20–9(4)(a) to (h); 20–15; 20–17.1(a) to (f); 111–28;
Eff. July 1, 1978;
Repealed Eff. June 30, 1981.

SECTION .0300 – MEDICAL EVALUATION

.0301 ACUTE OR CHRONIC ILLNESSES

(a) Certain illnesses such as uncontrolled epilepsy, diabetes, severe vision problems, certain forms of mental illness, alcoholism and others, may make driving unadvisable either temporarily or permanently. Drivers suffering from such an illness may be referred to the Division for evaluation by any one of the following:

(1) driver license examiner,

(2) driver license hearing officer,

(3) driver education specialist,

(4) law enforcement officers,

(5) court officials,

(6) physicians,

(7) citizens.

(b) Reports of chronic illness will be evaluated by a Division of Health Services physician and may be reviewed by a panel of practicing physicians. The panel of physicians may recommend approval of the subject's driving privilege, approval with restrictions or disapproval. A driver receiving an unfavorable decision may appeal the decisions to the Medical Review Board.

HISTORY NOTE

Statutory Authority G.S. 20–1; 20–9; 20–17.1;
Eff. July 1, 1978;
Amended Eff. November 1, 1991; June 5, 1981.

.0302 NEGLIGENT DRIVERS

.0303 DRIVER IMPROVEMENT CLINIC

.0304 MANDATORY SUSPENSION

.0305 NONCOMPLIANCE

.0306 CHEMICAL TEST REFUSAL

.0307 REVOCATIONS

.0308 DRIVING WHILE LICENSE REVOKED OR SUSPENDED

.0309 PREARRANGED SPEED COMPETITION

.0310 WILLFUL SPEED COMPETITION

.0311 MOTOR VEHICLE CONVICTION IN ANOTHER STATE

.0312 PRIVILEGE TO DRIVE

.0313 LICENSE PICKED UP BY COURT

.0314 APPEAL TO COURT

.0315 RESTORATION FEE

.0316 FORMS ON FILE

.0317 HABITUAL OFFENDERS

HISTORY NOTE

Statutory Authority G.S. 20–1; 20–4; 20–4.20; 20–7; 20–7(i)(l); 20–9; 20–16(a)(2); 20–16(a)(4) to (10); 20–16(a)(7); 20–16(a)(10a); 20–16(a)(11); 20–16(c); 20–16(d); 20–16.1; 20–16.2; 20–16.2(a)(1 to 4); 20–16.2(b) to (h); 20–16.3; 20–17.1; 20–17(1) to (4),(6) to (8); 20–19(d) to (f); 20–23; 20–23.1; 20–23.2; 20–24; 20–25; 20–28; 20–28.1; 20–141.3(a),(b),(e); S.L. 1977, c. 243;
Eff. July 1, 1978;
Repealed Eff. June 30, 1981.

SECTION .0400 – RECORDS

.0401 CONVICTIONS REPORTED BY COURT

.0402 OUT OF STATE VIOLATION

HISTORY NOTE

Statutory Authority G.S. 20–1; 20–24(a) to (d); 20–26(a);
Eff. July 1, 1978;
Repealed Eff. June 30, 1981.

.0403 DRIVING RECORDS

North Carolina G.S. 20–26(c) provides for copies of driver license records to be furnished, upon prepayment of the appropriate fee, to persons, firms or corporations for uses other than official. The record check will contain only public information concerning the subject of the driver license check. Collision reports are not public information and shall not be a part of the driver license record check. Information on a specific collision may be obtained from the Collision Reports/General Services Section of the Division of Motor Vehicles, 1100 New Bern Avenue, Raleigh, North Carolina 27697.

HISTORY NOTE

Statutory Authority G.S. 20–1; 20–26(b),(c); 20–39;
Eff. July 1, 1978;
Amended Eff. December 1, 1993; November 1, 1991; July 1, 1982.

.0404 RECORDS AVAILABLE TO PUBLIC

HISTORY NOTE

Statutory Authority G.S. 20–1; 20–27;
Eff. July 1, 1978;
Repealed Eff. June 30, 1981.

SECTION .0500 – FORMS

.0501 FORMS: DRIVER SERVICES SECTION

.0502 FORMS ON FILE

HISTORY NOTE

Statutory Authority G.S. 20–1; 20–3;
Eff. July 1, 1978;
Repealed Eff. June 30, 1981.

SECTION .0600 – CLASSIFIED DRIVERS' LICENSE

.0601 GENERAL INFORMATION

Where provisions of this Section .0600 (Classified Drivers' License) may be in conflict with the provisions of Section .0700 (Commercial Drivers' License) or those of 19A NCAC 3J (Rules and Regulations Governing the Licensing of Commercial Truck Driver Training

Schools and Instructors), the provisions of Section .0700 and those of 19A NCAC 3J will prevail.

History Note

Statutory Authority G.S. 20–7; 20–39; S.L. 1979, c. 667, s. 40;
Eff. June 5, 1981;
Amended Eff. December 1, 1993; November 1, 1991.

.0602 GROSS VEHICLE WEIGHT

(a) Gross vehicle weight shall be the actual weight of a vehicle as may be determined by weighing the vehicle at a permanent weigh station or by use of portable scales provided, however, that for the purposes of Article 2 of G.S. 20 the registered weight of the vehicle shall be considered the gross weight.

(b) Gross vehicle weight of motor vehicles bearing permanent registration plates or other plates for which no weight is required to be shown on the registration card shall be the actual scale weight of the vehicle provided, however, for the purposes of Article 2 of G.S. 20 the gross vehicle weight of any single motor vehicle so registered having three axles or more and designed as a property hauling vehicle shall be deemed to be over 30,000 pounds.

(c) The gross vehicle weight of a towed vehicle shall be the actual scale weight of the vehicle.

History Note

Statutory Authority 20–39; S.L. 1979, c. 667, s. 40;
Eff. June 5, 1981.

.0603 COMPANY ADMINISTERED ROAD TEST AND CERTIFICATION

For Class "A" or "B" driver's license:

(1) Companies desiring authorization to certify road test for their employees must meet the following qualifications:

(a) Employees must be applicants for a Class "A" or "B" license, either original or renewal.

(b) Company must make application to the Division for company certification approval.

(c) Company must appoint a safety officer and an examiner.

(d) Transporting people or property in a motor vehicle must be an essential part of the company's operation.

(e) Company must operate motor vehicles of the type requiring a Class "A" or "B" license.

(2) Companies approved for the program will be assigned a certification number to be used on all certificates issued to their employees. One number will be assigned to each company and this number is to be used by the examiner at any of his companies' offices or terminals. The company number as well as the signatures of the company safety officer and the examiner must appear on the road test certificate. Each company shall report to the Division, by the tenth of each month, all employees certified by their examiner during the preceding month. Negative reports are not required.

(3) The duties and requirements of a company examiner are as follows:

(a) The company examiner shall be a full–time employee.

(b) The examiner shall have a valid driver's license of the class for which he conducts road tests.

(c) The examiner's application for certification must be endorsed by the company safety officer and approved by the Division of Motor Vehicles.

(d) The examiner must sign a statement attesting to, or demonstrate to a designated Division of Motor Vehicles' official, his ability to operate a motor vehicle of the type for which he is conducting road tests.

(e) The examiner shall determine that the applicant has a valid learner's permit of the proper class. Out–of–state employees holding a valid license comparable to the type applied for do not have to have a learner's permit.

(f) The examiner shall place the approval form in a sealed envelope and instruct the applicant to deliver the envelope, unopened, to a driver's license examining station within 30 days.

(4) An applicant whose license renewal card reflects a driving record indicating the need for a road test may be certified by a company examiner. Reflection of the need for a road test is indicated by an asterisk (*), adjacent to the letters RT appearing on the renewal card.

(5) Any company road test certification inadvertently issued to a person whose license is in a state of suspension or revocation shall be returned to the Division of Motor Vehicles with a note of explanation to the issuing company.

(6) Recertification is required when a company safety officer or company examiner changes employment. The Division must be notified within 15 days when either the safety officer or the examiner is terminated or changes places of employment.

History Note

Statutory Authority G.S. 20–7(c); 20–39;
Eff. June 5, 1981;
Amended Eff. December 1, 1993; July 1, 1981.

.0604 DEFINITIONS

As used in this Section:

(1) "Company" means a corporation, partnership, joint venture, sole proprietorship or a federal, state, county or municipal agency. Schools as defined by this section are not companies.

(2) "Company Examiner" means a person selected by a company and certified by the Division to administer road tests for Class "A" or "B" license applicants.

(3) "Company Safety Officer" means the person or persons selected by a company to supervise the company's examiners and be responsible for the maintenance of records and submission of forms to the Division.

(4) "Full–time Employee" means a person who works for a company a minimum average of 37 1/2 hours per week.

(5) "Student" means any individual who is enrolled in a commercial driver training school or school on a full–time basis. The number of hours required to complete such school shall be at least 163 hours. Students may attend school on a part–time basis to obtain the necessary hours. Correspondence courses are not included in the number of hours needed for the purpose of administering road tests.

History Note

Statutory Authority G.S. 20–4.01; 20–7(c); 20–321;
Eff. July 1, 1982;
Amended Eff. December 1, 1993.

.0605 REQUEST FOR PROGRAM APPROVAL

.0606 COMPANY CERTIFICATION CRITERIA

.0607 COMPANY CERTIFICATION

History Note

Statutory Authority G.S. 20–7(c);
Eff. July 1, 1982;
Repealed Eff. December 1, 1993.

.0608 COMPANY ROAD TEST CERTIFICATE

The road test certificate must be on a form approved by the Division (Form CL–1).

History Note

Statutory Authority G.S. 20–7(c); 20–39;
Eff. July 1, 1982;
Amended Eff. December 1, 1993.

.0609 COMPANY OR EXAMINER CHANGE IN STATUS

When a company examiner or a company safety officer changes employment, he must be recertified by the Division. If a company ceases operation and reopens for business, the company must be recertified. If the company or school's business address changes, it must be reinspected prior to administering road tests.

History Note

Statutory Authority G.S. 20-7(c); 20-39;
Eff. July 1, 1982;
Amended Eff. December 1, 1993.

.0610 REPORTS BY COMPANY OR ITS EMPLOYEES

.0611 COMPANY EXAMINER REQUIREMENTS AND DUTIES

History Note

Statutory Authority G.S. 20-7(c);
Eff. July 1, 1982;
Repealed Eff. December 1, 1993.

.0612 ROAD TESTING OF COMPANY EMPLOYEES FOR CLASSIFIED LICENSE

(a) An employee for a company certified by this Section applying for an original license must pass a road test in a vehicle of the same class as the license for which he has applied. If the applicant has no apparent health problems or physical disabilities, the driver license examiner may allow the company examiner to administer the road test.

(b) If an asterisk (*) appears on the driver license renewal application adjacent to the letters RT, the applicant may be required to take a road test. The driver license examiner will determine if a road test will be administered, the type vehicle to be used and whether he or the company examiner will administer the road test.

(c) A company examiner may conduct road tests in vehicles requiring a Class "A" or "B" license only. Applicants given the road test by the company examiner must:

(1) be referred to the company by the driver license examiner;

(2) have either a valid Class "A" or "B" license or a Class "A" or "B" learner's permit;

(3) be employed (either full-time or part-time) by the company;

(4) be tested for either a Class "A" or "B" license.

History Note

Statutory Authority G.S. 20-7; 20-39; S.L. 1979, Ch. 667, s. 40;
Eff. July 1, 1982;
Amended Eff. December 1, 1993.

.0613 REVOCATION OR SUSPENSION OF A COMPANY OR COMPANY EXAMINERS

If any company, company safety officer or company examiner is alleged to be in violation of any provision of these Rules, the company, safety officer or examiner shall be notified by registered or certified mail (addressee only) setting forth the alleged violation. The company, through its owner or an officer, may request in writing a hearing. This request must be made within ten days of receipt of the registered or certified letter. The hearing shall be conducted by a Division official designated by the commissioner. The company may be represented by counsel. Upon completion of the hearing, the Division shall notify the company within ten days of the decision of the Division official as to suspension, revocation or other action. This decision may be appealed as provided by G.S. 150B. Recertification will be required if any company or company examiner's certification is revoked or cancelled.

History Note

Statutory Authority G.S. 20-7(c); 20-322;
Eff. July 1, 1982;
Amended Eff. December 1, 1993.

.0614 APPLICATION FOR COMMERCIAL SCHOOL OR COMMUNITY COLLEGE

Commercial driver training schools or community colleges wishing to certify that their students are qualified to operate vehicles in either Class "A" or "B" category must be approved by the Division for that purpose. Certification may be requested by submitting forms numbered CL-2, CL-2A, and an Application for Commercial Driver Training School certification.

If the school or community college is approved, it must designate a person responsible for the Classified Driver License Program. If the school or community college is notified that it has been disapproved, it may request an administrative hearing to review the decision. The request must be made in writing to the Driver License Section of the Division of Motor Vehicles in Raleigh within ten days of the notification.

History Note

Statutory Authority G.S. 20-7; 20-39; 20-321; S.L. 1979, Ch. 667, s. 40;
Eff. July 1, 1982.

.0615 CRITERIA: COMMERCIAL SCHOOL OR COMMUNITY COLLEGE APPROVAL

A commercial driver training school or community college which applies for the authority to administer road tests and certify that its students are qualified to drive the type vehicle in either Class "A" or "B" category must:

(1) make application to the Division for a license;

(2) have students who are applicants for either Class "A" or "B" license;

(3) appoint a school safety officer and an examiner;

(4) own, rent, or lease vehicles that require Class "A" or "B" license to be operated in North Carolina;

(5) road test only students enrolled in the school on a full-time basis or enrolled in the full-time course on a part-time basis (This does not include correspondence courses.);

(6) require all instructors to be licensed by the School Bus and Traffic Safety Section of the Division of Motor Vehicles before applying for a license as a school examiner;

(7) have teaching facilities adequately designed to conduct classes as outlined in 19A NCAC 3I (Rules and Regulations Governing the Licensing of Commercial Driver Training Schools and Instruction).

History Note

Statutory Authority G.S. 20-7; 20-321; S.L. 1979, Ch. 667, s. 40;
Eff. July 1, 1982;
Amended Eff. December 1, 1993.

.0616 APPROVAL: COMMERCIAL SCHOOL: COMMUNITY COLLEGE INSTRUCTORS

An instructor at a commercial driver training school must:

(1) be a full-time employee;

(2) have a valid driver's license of the class for which he wishes to conduct road tests;

(3) have his application for a license endorsed by the school safety officer and approved by the Division. Form CL-3, Form 3A, and a Classified Driver License Commercial School Instructor Application must be completed:

(4) sign a statement attesting to or demonstrate to a designated Division official his ability to operate a motor vehicle of the class for which he is conducting road tests;

(5) sign a statement that specifies his responsibility as school examiner and adherence to the rules that govern the Classified Driver License Program.

HISTORY NOTE

Statutory Authority G.S. 20-7; 20-39; 20-321; 20-323; S.L. 1979, Ch. 667, s. 40;
Eff. July 1, 1982;
Amended Eff. December 1, 1993.

.0617 COMMERCIAL SCHOOL: EMPLOYEE RECERTIFICATION REQUIREMENTS

If an instructor at a commercial driver training school resigns, transfers, changes employment or is terminated, the school must notify the Division within 15 days. If a school instructor changes employment or has his license revoked or cancelled, he must apply for a new license. Certification of a safety officer or examiner cannot be transferred to another person. If a commercial school ceases operation, it must apply for a new license prior to resuming operation.

HISTORY NOTE

Statutory Authority G.S. 20-7; 20-321; S.L. 1979, Ch. 667, s. 40;
Eff. July 1, 1982;
Amended Eff. December 1, 1993.

.0618 ADVERTISING BY SCHOOLS

A commercial driver training school may advertise by any method or medium except:

(1) No advertisement shall show a telephone number for a school unless it also shows a valid address for the principal place of business of the school.

(2) No advertisement shall indicate in any way that a school can or will issue or guarantee the issuance of a driver's license or imply that preferential or advantageous treatment from the Division can be obtained.

(3) A school may state in an advertisement that it has been approved and licensed by the Division.

HISTORY NOTE

Statutory Authority G.S. 20-322 through 20-324;
Eff. July 1, 1982.

.0619 INSPECTION OF SCHOOLS

The Division shall make periodic inspections (at least annually) of schools and branches to determine compliance with laws and rules of the Driver License Program. The inspection shall be made during regular business hours by authorized representatives of the Division. Authorized representatives of the Division for this purpose are the classified driver license administrative officer, zone chiefs, district supervisors and assistant district supervisors. Inspections shall include examination of all school records including student files and contracts, classroom facilities, training devices, instructional materials, vehicles, and any other items required by law, or rule, or considered appropriate for inspection by the representative (Form TSE-604). Each owner, partner, associate, corporate officer, or employee of any commercial driver training school shall cooperate with the Division's representative and, upon demand, shall furnish all records, instructional aids and equipment, and any other items which are required for the inspection. Refusal to permit inspections may result in the revocation of the license.

HISTORY NOTE

Statutory Authority G.S. 20-321 through 20-324;
Eff. July 1, 1982;
Amended Eff. December 1, 1993.

.0620 GROUNDS FOR REVOCATION OR DENIAL/CERT. OF A CO./LICENSING OF A SCHOOL

(a) A company certification may be suspended or denied for the following reasons:

(1) Company has no employees (cannot certify yourself);

(2) Company has no training program or no driver selection program;

(3) Company refuses to maintain or fails to submit proper records required by the Division;

(4) Company refuses to permit an authorized representative of the Division to conduct inspection of equipment or records;

(5) Company allows unauthorized personnel to conduct road tests;

(6) Company not engaged in a business in which the transportation of persons or property is an essential part of its operation;

(7) Company does not own, lease or rent equipment, for its own use, that requires either a Class "A" or "B" license;

(8) Company allows employee or school allows student to be certified knowing the driver is not qualified to operate vehicle requiring either Class "A" or "B" license;

(9) Company allows driver not employed by the company to be certified;

(10) Company fails to report termination or transfer of employee within the required 15 days.

(b) A school license may be suspended or denied for the following reasons:

(1) School refuses to maintain or fails to submit proper records required by the Division;

(2) School refuses to permit an authorized representative of the Division to conduct inspection of equipment or records;

(3) School allows unauthorized personnel to conduct road tests;

(4) School does not own, lease or rent equipment, for its own use, that required either a Class "A" or "B" license;

(5) School allows person not enrolled as student to be certified;

(6) School fails to report termination or transfer of employee within the required 15 days.

HISTORY NOTE

Statutory Authority G.S. 20-7; 20-321; S.L. 1979, Ch. 667, s. 40;
Eff. July 1, 1982;
Amended Eff. January 1, 1994.

.0621 DENIAL/REVOCATION: COMPANY EXAMINER: SCHOOL INSTRUCTOR

A company examiner's certification or a school instructor's license may be revoked or denied if he:

(1) is not properly licensed in North Carolina (he must have and maintain a valid North Carolina Class "A" or "B" license for the class vehicles for which he wishes to be certified to administer road tests);

(2) holds more than one license issued by more than one state unless it has been approved by the Division;

(3) has had cancellation, revocation, suspension or denial of a license in North Carolina or any other state in the past five years (this does not include voluntary surrender);

(4) has more than three convictions of moving violations, bond forfeitures or PJC's (prayer for judgement continued) in the previous four years;

(5) has been convicted of driving under the influence of alcoholic beverages or drugs, driving with a blood alcohol content of 0.10 percent or more by weight, or reckless driving within the previous five years;

(6) has a physical impairment that in the judgement of the Division would impair his ability to safely operate a motor vehicle of the class required to certify others;

(7) is not a full-time employee;

(8) has been convicted of authorizing, or knowingly permitting, a motor vehicle owned by him or under his control to be driven by any person who has no legal right to do so;

(9) signs a road test certificate without observing the road test;

(10) signs a road test certificate for anyone not employed by the company for which he has been certified to administer road tests or enrolled as a student in the school for which he has been certified to administer road tests;

(11) has not been recommended by his company to serve as company examiner;

(12) cannot sign an affidavit of driving experience or cannot pass road test;

(13) falsifies an application and/or affidavit; or

(14) for any reason the Division deems to be in the best interest of the State.

HISTORY NOTE

Statutory Authority G.S. 20-7; 20-321; S.L. 1979, Ch. 667, s. 40;
Eff. July 1, 1982;
Amended Eff. January 1, 1994.

SECTION .0700 – COMMERCIAL DRIVERS' LICENSE

.0701 GENERAL INFORMATION

(a) The purpose of the rules in this Section is to establish policies and procedures to permit persons other than employees of the North Carolina Division of Motor Vehicles to conduct the skills test required of commercial driver license applicants.

(b) Authority to administer skills tests will be granted only to Third Party Testers under agreement with the North Carolina Division of Motor Vehicles and utilizing Third Party Examiners recognized and deemed qualified by the North Carolina Division of Motor Vehicles.

HISTORY NOTE

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990;
Amended Eff. December 1, 1993.

.0702 DEFINITIONS

The following words and terms, when used in these requirements, shall have the following meaning:

(1) "Division" – The North Carolina Division of Motor Vehicles.

(2) "Commissioner" – The North Carolina Commissioner of Motor Vehicles.

(3) "CDL" – Commercial Drivers License.

(4) "FHWA" – Federal Highway Administration.

(5) "FMCSR" – The Federal Motor Carrier Safety Regulations promulgated by the U.S. Department of Transportation.

(6) "Approved Testing Program" – The skills tests required by the Division which shall be administered by a Third Party Tester.

(7) "Tester Certificate" – The document issued to a Third Party Tester authorizing them to administer the approved testing program on behalf of the Division.

(8) "Third Party Tester" – A government entity, association, educational institution or business entity engaged in the use of commercial motor vehicles, licensed by the Division to administer the approved testing program for CDL applicants in accordance with these requirements.

(9) "Third Party Examiner" – An individual who is a payroll employee of a Third Party Tester and who has been issued an examiner certificate to conduct the skills tests required for a CDL.

HISTORY NOTE

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990.

.0703 REQUIREMENTS FOR THIRD PARTY TESTERS

(a) To be certified as a Third Party Tester a person must:

(1) Make application to and enter into an agreement with the Division as provided in Rule .0706 of this Section.

(2) Maintain a place of business with at least one permanent regularly occupied structure within the state of North Carolina.

(3) Ensure its place of business meets all requirements of state law and local ordinances.

(4) Have at least one qualified and approved Third Party Examiner in its employ.

(5) Allow FHWA, its representative(s), and the Division to conduct random examinations, inspections and audits without prior notice.

(6) Allow the Division to conduct periodic, but at least annual on-site inspections.

(7) Maintain at each third party testing location, for a minimum of two years, a record of each driver for whom the Third Party Tester conducts a skills test, whether or not the driver passes or fails the test. Each such record shall include:

(A) The complete name and address of the driver;

(B) The driver's social security number, driver's license number and the name of the state or jurisdiction that issued the license held by the driver at the time of the test;

(C) The date the driver took the skills test;

(D) The test score sheet(s) showing the results of the test;

(E) The name and identification number of the Third Party Examiner conducting the skills test;

(F) The record of all receipts and disbursements;

(G) The make, model and registration number of the commercial motor vehicle(s) used to conduct the testing; and

(H) The written contract (copy), if applicable, with any person or group of persons being tested.

(8) Maintain at each approved testing location, a record of each Third Party Examiner in the employ of the Third Party Tester at that location. Each record shall include:

(A) A valid Examiner Certificate indicating the Examiner at that location;

(B) A copy of the Third Party Examiner's current driving record, which must be updated annually; and

(C) Evidence that the Third Party Examiner is a payroll employee of the Third Party Tester.

(9) Retain all Third Party Examiner records for at least two years after the Third Party Examiner leaves the employ of the Third Party Tester.

(10) Ensure that the skills tests are conducted in accordance with the requirements of this Section.

(11) Provide documented proof (using a form provided by the Division) to each driver applicant who takes and passes the required skills tests. The driver applicant in turn will present the form to the Division as evidence that they successfully passed the driving tests administered by the Third Party.

(12) To maintain certification the Third Party Tester must administer skills tests to a minimum of five different driver applicants annually, in accordance with the requirements of this Section.

(b) In addition to the requirements listed in Paragraph (a) of this Rule, all Third Party Testers who are not governmental entities or associations must:

(1) Truck and Bus Companies:

(A) Employ at least 25 North Carolina licensed drivers (full-time, part-time, or seasonal) of commercial motor vehicles.

(B) Employ an individual who would be responsible for the organization's third party testing operation.

(C) Have been in operation in North Carolina a minimum of six months. (If in operation less than six months under current company name, identify previous company name(s) to cover the six month period.)

(2) Educational Institutions:

(A) Have an established commercial motor vehicle training program.

(B) Have been in operation in North Carolina a minimum of six months.

HISTORY NOTE

Statutory Authority G.S. 20-37.13; 20-37.22;
Eff. September 1, 1990;
Amended Eff. August 1, 1994; December 1, 1993.

.0704 REQUIREMENTS FOR THIRD PARTY EXAMINERS

(a) Third Party Examiners may conduct skills tests on behalf of only one Third Party Tester at any given time. If a Third Party Examiner leaves the employ of a Third Party Tester he/she must reapply in order to conduct tests on behalf of a new Third Party Tester.

(b) To qualify as a Third Party Examiner, an individual must:

(1) Make application on a form provided by the Division;

(2) Be a payroll employee of the Third Party Tester;

(3) Possess a valid North Carolina Driver's License with classification and endorsements required for operation of the class and type of commercial motor vehicle used in the skills tests conducted by the Examiner; and

(4) Have successfully completed the CDL Examiner Training Course conducted by the Division. Persons who were certified as Third Party Examiners prior to August 1, 1994 who did not successfully complete the CDL Examiner Training Course conducted by the Division must successfully complete that course prior to January 1, 1995 to maintain certification as Third Party Examiners. At a minimum upon completion of the training the Third Party Examiner shall have acquired and demonstrated the following knowledge and skills:

(A) A comprehensive understanding of North Carolina G.S., Chapter 20 Article 2C and the rules adopted pursuant thereto;

(B) A working knowledge of the CDL testing procedures and forms;

(C) Ability to administer and score correctly each of the CDL skills test; and

(D) Knowledge of testing site and route requirements.

(5) Take part in all Division required advanced training courses, workshops and seminars;

(6) Within ten years prior to application have had no convictions for Driving While Impaired (DWI);

(7) Within five years prior to application have had no driver's license suspensions, revocations, cancellations or disqualifications;

(8) Be at least 21 years of age;

(9) Conduct skills tests on behalf of the Third Party Tester, in accordance with these Rules and in accordance with current instructions provided by the Division.

HISTORY NOTE

Statutory Authority G.S. 20-37.13; 20-37.22;
Eff. September 1, 1990;
Amended Eff. August 1, 1994; December 1, 1993.

.0705 CERTIFICATES

(a) A certificate will be issued allowing the Third Party Tester to operate an approved testing program to give skills tests to applicants for a CDL.

(b) An examiner certificate will be issued to qualified employees of the Third Party Tester.

(c) A copy of the Examiner's Certificate must be displayed in the office of the Third Party Tester.

(d) The certificate issued by the Division to operate a Third Party Testing Program will be effective on the date of issuance and shall be prominently displayed in the place of business of the Third Party Tester until cancelled or revoked.

(e) The Examiner's certificate will be effective on the date of issuance and remain in effect unless the Examiner must surrender the certificate to the Division when that Examiner becomes inactive or, until the certificate has been revoked or cancelled by the Division.

(f) A certificate to operate a Third Party Testing program shall be non-transferable.

HISTORY NOTE

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990.

.0706 APPLICATION FOR THIRD PARTY TESTER CERTIFICATION

(a) Before any certificate is issued, an application shall be made in writing to the Division on a form prepared and furnished by the Division. The application shall include the following:

(1) The official name, address, and telephone number of the principal office or headquarters.

(2) Name, title, address and telephone number of the individual who has been designated the applicant's contact person.

(3) Description of the type of organization that is applying (governmental entity, association, motor carrier, educational institution), as well as the length of time they have been in business in North Carolina, if applicable.

(4) A description of the vehicle fleet owned or leased by the applicant, including a complete equipment roster as listed for insurance purposes.

(5) The class of testing for which the applicant is applying.

(6) The total number of North Carolina licensed drivers employed to operate commercial motor vehicles, and the number of such drivers who are full-time, part-time, and seasonal.

(7) Name, driver's license number, social security number and home address of those payroll employee(s) who wish to be approved as Third Party Examiners.

(8) Proof the Third Party Tester meets the insurance requirements as stated in Rule .0714 (a) - (d).

(9) The address of each North Carolina location where the applicant intends to conduct the skills tests as well as a description of the off-road facilities including a map, drawing or written description of the road test route that will be used for the on-road portion of the skills test.

(b) Educational Institutions must submit with their application a description of their facilities, equipment and training curriculum. The

number of applications for the previous year and the percent graduated must also be included.

(c) An applicant for a certificate shall also execute an agreement form provided by the Division in which the applicant agrees, at a minimum, to comply with the requirements and instructions of the Division for Third Party Tester, including audit procedures, and agrees to hold the Division harmless from liability resulting from the Third Party Tester's administration of its CDL Skills Test Program.

HISTORY NOTE

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990;
Amended Eff. December 1, 1993.

.0707 APPLICATION FOR THIRD PARTY EXAMINER CERTIFICATION

Application for an Examiner Certificate shall be made on a form supplied by the Division. The form shall require at least the following information:

(1) Full name, home and business addresses and telephone numbers;

(2) Driving history, including class of current license and any endorsements, and restrictions;

(3) Name, address and telephone number of the applicant's employer who has applied for or received a certificate as a Third Party Tester; and

(4) Employer's recommendation of the applicant for and examiner certificate, as well as proof that the applicant is a payroll employee.

HISTORY NOTE

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990.

.0708 ADVERTISING

(a) No advertising shall indicate in any way that a program can issue or guarantee the issuance of a commercial driver's license, or imply that the program can in any way influence the Division in the issuance of a commercial driver's license or imply that preferential or advantageous treatment from the Division can be obtained.

(b) No advertising shall show a telephone number unless it also shows a valid address for the principal place of business for the Third Party Tester.

(c) Third Party Tester may state in advertising that it has been approved and certified by the Division.

HISTORY NOTE

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990.

.0709 ON-SITE INSPECTIONS AND AUDITS

(a) All applicants for a Third Party Tester Certificate shall permit the FHWA or the Division to inspect and audit its operations, facilities and records as they relate to its Third Party Testing program, for the purpose of determining whether the applicant is qualified to be certified.

(b) Third Party Testers who have been certified shall permit the Division or FHWA to periodically inspect and audit its Third Party Testing program to determine whether it remains in compliance with the certification requirements.

(c) The Division and FHWA will perform inspections and audits with or without prior notice to the Third Party Tester.

(d) Inspections and audits will include, at a minimum, an examination of:

(1) Records relating to Third Party Testing program;

(2) Evidence of compliance with the FMCSR's;

(3) Skills testing procedures practices and operations;

(4) Vehicles used for testing;

(5) Qualifications of Third Party Examiners;

(6) Effectiveness of the skills test program by either testing a sample of drivers who have been issued skills test certificates by the Third Party Tester or having Division employees take the skills tests from a Third Party Examiner; and

(7) Any other aspect of the Third Party Tester's operation that the Division determines is necessary to verify that the Third Party Tester meets the requirements for the certification.

(e) The Division will prepare a written report of each inspection and audit report of the results of each inspection and audit. A copy of the report will be provided to the Third Party Tester.

HISTORY NOTE

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990;
Amended Eff. December 1, 1993.

.0710 NOTIFICATION REQUIREMENTS

(a) Third Party Tester must:

(1) Notify the Division in writing 30 days prior to any change in the Third Party Tester's name or address.

(2) Notify the Division in writing within ten days of any change in:

(A) The Third Party Examiners who are employed by the Third Party Tester; and

(B) The driving status of any Third Party Examiner.

(3) Notify the Division in writing within ten days of any of the following occurrences:

(A) The Third Party Tester ceases business operations in North Carolina.

(B) The Third Party Tester fails to comply with any of these Division requirements.

(C) Any Third Party Examiner receives notice from the Division of their license suspension, revocation, disqualification, or cancellations or DWI conviction.

(D) Any Third Party Examiner fails to comply with any of these Division requirements.

(4) Be recertified if a Third Party Tester ceases operation and reopens for business.

(5) Be reinspected prior to administering road tests if a Third Party Tester's business address changes.

(6) Request and obtain approval from the Division of any proposed changes in the skills test route, test content, or examiner/administrative procedures.

(b) Third Party Examiners shall notify the Division within ten days of leaving the employ of the Third Party Tester and must be recertified by the Division before testing elsewhere.

HISTORY NOTE

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990.

.0711 EVALUATION OF APPLICANTS BY THE DIVISION

(a) The Division will evaluate the materials submitted by the Third Party Tester applicant, and if the application materials are satisfactory, the Division may schedule an on-site inspection and audit of the applicant's Third Party Testing Program to complete the evaluation.

(b) The Division will evaluate the materials submitted by the Third Party Examiner applicant including the applicant's driving record, qualification questionnaire, and certificate of training.

History Note

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990.

.0712 CERTIFICATION BY THE DIVISION

(a) Upon successful application and evaluation, a Third Party Tester will be issued a certificate which must be prominently displayed at the approved testing facility giving them the authority to administer a Third Party Testing program for the classes and types of vehicles listed.

(b) Upon successful application, evaluation and training, a Third Party Examiner will be issued a certificate which must be prominently displayed at the approved testing facility giving him/her the authority to conduct skills tests for the classes and types of commercial motor vehicles listed.

(c) Certificates will remain valid until canceled by the Division or voluntarily relinquished by the Third Party Tester or Examiner.

History Note

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990.

.0713 PROFESSIONAL CONDUCT

(a) No examiner, employee, or agent of the Third Party Tester will be permitted to accompany any Commercial Driver License applicant into any examining office rented, leased, or owned by the Division for the purpose of taking a written or skills test driver examination given by the Division.

(b) No examiner, employee, or agent of the Third Party Tester will be permitted to personally solicit any individual on the premises rented, leased, or owned by the Division for the purpose of enrolling that individual in any Third Party Testing program.

History Note

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990.

.0714 INSURANCE REQUIREMENTS

(a) All Third Party Testers shall maintain bodily injury and property damage liability insurance on motor vehicles used in driving tests, insuring the liability of the testing program, the Examiner and any person taking tests in the amount required by state law.

(b) Evidence of such insurance coverage, in the form of a certificate from the insurance carrier, shall be filed by the Tester with the Division. The certificate shall stipulate that the insurance contract carried by the Tester provides for cancellation only upon 30 days prior written notice to the Division. The certificate shall include the make, model, year and motor or serial number of every vehicle covered by the policy.

(c) When a vehicle is added to, exchanged or deleted from coverage under a fleet insurance plan, the Third Party Tester shall provide the Division a copy of a policy rider issued by the insurance carrier showing the addition or exchange, with complete descriptions of the vehicles involved.

(d) If the Third Party Tester is self-insured, an appropriate certificate shall be filed with the Division.

History Note

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990.

.0715 TEST ADMINISTRATION

(a) Skills tests shall be conducted strictly in accordance with the provisions of these requirements and with current test instructions provided by the Division. Such instructions may include information on skills test content, route selection/revision, test forms, examiner procedures, and administrative procedures and/or changes.

(b) Skills test shall be conducted:

(1) On test routes approved by the Division.

(2) In a vehicle that is representative of the class and type of vehicle for which the CDL applicant seeks to be licensed and for which the Third Party Examiner is qualified to test.

(3) Using Division approved content, forms, and scoring procedures.

History Note

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990.

.0716 DENIAL/TERMINATION OF THIRD PARTY TESTING PROGRAM/CERTIFICATION

(a) The Division may deny any application for a Third Party Tester or Examiner's Certificate, if the applicant does not qualify for the certificate under provisions of these Rules. Misstatements or misrepresentation may be grounds for denying a certificate.

(b) Any Third Party Tester or Examiner may relinquish certification upon 30 days notice to the Division.

(c) The Division may revoke the certificate of a Third Party Tester or Examiner upon the following grounds:

(1) Failure to comply with or satisfy any of the provisions of these Rules, the Division instructions or the Third Party Tester Agreement;

(2) Falsification of any record or information relating to the Third Party Testing program;

(3) Commission of any act which compromises the integrity of the Third Party Testing program;

(4) For Third Party Examiner: driver license suspension, revocation, cancellation, or disqualifications; and

(5) For Third Party Examiner: conviction of driving while impaired (DWI);

(6) Possessing more than one license;

(7) Having a physical impairment that in the judgment of the Division would impair his ability to safely operate a motor vehicle of the class required to certify others.

(d) If the Division determines that grounds for cancellation exist for failure to comply with these Rules or the Third Party Tester Agreement, the Division may postpone cancellation and allow the Third Party Tester or Examiner 30 days to correct the deficiency.

(e) If Third Party Examiner or Tester is alleged to be in violation of any provisions of these Rules, the Examiner or Tester:

(1) Shall be notified by registered or certified mail;

(2) May request a hearing. The request must be within ten days of receipt of the registered or certified letter; and

(3) May be represented by counsel.

(f) Upon completion of the hearing, the Division shall notify the Third Party Tester or Examiner within ten days of its decision which may be appealed.

(g) Recertification will be required if any Third Party Tester or Examiner, or Third Party Tester's or Examiner's certification is revoked or cancelled.

History Note

Statutory Authority G.S. 20-37.22;
Eff. September 1, 1990;
Amended Eff. December 1, 1993.

MEMORANDUM

Date: March 2, 1998

To: Interested Parties

From: Senator Luther Jordan, Co-Chair
Representative Joanne Bowie, Co-Chair
Representative Jerry Dockham, Co-Chair
Representative Ed McMahan, Co-Chair

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE MEETING

DATE: Tues., March 17, 1998 - 10AM
Weds., March 18, 1998 - 9AM
Thurs., March 19, 1998 - 9AM

PLACE: ROOM 1228 LEGISLATIVE BUILDING

If you have questions, please contact one of the following:

Karl Knapp, Fiscal Research	733-4910
Tony Goldman, Fiscal Research	733-4910
Ken Levenbook, Staff Attorney	733-6660
Gloria Haywood, Senate Clerk	715-3034
Sharon Gaudette, House Clerk	733-5853
Sharon Cram, House Clerk	733-5732

Posted: March 2, 1998
Press_____
Legislative Services Office_____
Committee Record ✓

JOINT APPROPRIATIONS
TRANSPORTATION SUBCOMMITTEE

March 17 & 18, 1998

Agenda

Wednesday, February 18

1. **Contract Agent Cost Analysis**
   Glenn Dennison, Management Analyst
   Productivity Management Secton

2. **Online Dealer Registration**
   Carol Howard, Director
   Vehicle Registration, DMV

3. **Asphalt Plant Site Cleanup**
   Follow-up
   Duane MacEntee, Director
   Safety and Loss Control Section

4. **Public Transportation**
   David King, Deputy Secretary
   Department of Transportation

5. **Budget Preparation**
   Tony Goldman, Staff
   Fiscal Research Division

JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Minutes

March 18, 1998

Room 1228 Legislative Building

9:00AM

The Joint Appropriations Subcommittee on Transportation met on Wednesday, March 18, 1998 in room 1228 of the Legislative Building at 9:00AM. One Senator attended. The following members of the House attended:

Rep. Joanne Bowie	Rep. Jerry Dockhan
Rep. Bobby Barbee	Rep. Thomas Hardaway
Rep. Bill Hiatt	Rep. Mary McAllister
Rep. Drew Saunders	Rep. Ronnie Sutton

Rep. Jim Crawford

Representative Jerry Dockham chaired the meeting. He introduced Mr. Glenn Dennison, Productivity Management Section of the Division of Motor Vehicles. Mr. Dennison distributed a study report, Contract Agent Analysis. A cost survey was sent to the tag agencies. The average cost per transaction according to the survey is $1.35 and the average revenue collected per transaction is $1.79. All tag agencies received more revenues than cost. Renewal of plate or sticker represents 43.01% of all transactions. Issue plate or sticker represents 16.42% of all transactions. The other registration services represent 17.83% of all transactions Mr. Dennison introduced Mr. Walt Thompson who performed the time study. Mr. Thompson noted there are 93 possible services that can be performed by STARS (State Titling and Registration System). 55 of those services can be provided by branch agents. A total of 21 days of field observation was provided in 15 different locations across the State. During this time 1760 transactions were observed ranging in time from 38 minutes to 40 minutes. Title Transactions represent 22.74% of all transactions.

In response to a question by Rep. Saunders, they did compare Branch Agents with State employees and found no difference in the time needed for each transaction.

Mr. Dennison noted from the studies it appears that four options are available to compensate transaction complexity: a single rate for all transaction types; two rates, one for all registration services and one for all title services; or eight rates based on the time required per transaction. Mr. Dennison reviewed typical costs and revenues for tag agencies. The smallest office is earning $17,000 per year. He further observed that the average wait per customer was five minutes and the tax block issue prevented 60% of customers from completing a transaction. Many customers are unaware of the tax blocks. Ms. Carol Howard of DMV commented that counties have the ability to remove tax blocks and they have been asked to do so.

Ms. Carol Howard was introduced. She distributed a handout, On Line Dealer System Feasibility Study, from which she spoke. On line registration is a process that would allow dealers to add information to DMV computer which would enable the dealer to

fully service the customer. This would allow the customer to receive the title and plate for the vehicle at the time of purchase. This would be optional for the dealer as they would have to pay an approved service provider a fee per transaction. On line registration would allow the customer to purchase a vehicle and receive the registration and plate at the same time. It benefits DMV as well. The revenue collected by the dealer for DMV will be transferred to the state treasurer sooner and the need for temporary markers will be greatly reduced. Information would be available regarding tax blocks, bad check writers, and delinquent child support. This will enhance services without the need to request an appropriation. The goal is to have 200 dealers on line at the end of 24 months. DMV is looking at ways to prevent revenue loss to the tag agents. One way to prevent loss is to allow the agents to process additional work for DMV, IRP transactions, sales of inspection stickers to inspection stations as well as collecting fines and penalties, and for hire transactions. DMV is currently working on a pilot with 8 to 10 dealers, work out any problems before beginning the program state wide. She stated that computer security would be enhanced. About 15 states are already providing on line services.

Ms. Howard answered Rep. Saunders that the up front costs to the dealer would depend on the computer that the dealer has. The estimated cost to the service provider would be approximately $8. In response to Rep. Hiatt, it is similar to the online programs in Virginia, Florida and Massachusetts.

Mr. Tony Goldman, staff, was the next speaker. He distributed a handout titled Budget Preparation. The estimated Highway Fund revenue for 1998-99 is $1,144,625,737. There will be a short fall, and in April he will present to the probable shortfalls to the committee. One reason for the shortfall is the decreasing price of gas. The tax on fuel is a variable rate and it too is decreasing. The motor fuel revenue is the gas tax. The motor vehicle use tax is not a variable rate. The state has to match federal highway aid. The US senate passed a budget for transportation and if it holds, it will be around $650 million. The money would assist North Carolina in construction projects and public transit but the state has to match the funds.

Capital Improvements have no budget for 1998-99. State aid for Public Transportation and Railroads is $13.4 million less for 98-99 (see page 5 of handout). State Maintenance budget for 98-99 has been reduced from $453,235,321 to $441,395,548. Contract resurfacing took the cut. Primary maintenance projected need is $108 million. Secondary maintenance needs $224 million. $35 million less was budgeted. Contract resurfacing also needs more. $120 to $130 million less has been budgeted. Backlog maintenance needs another $27 million. $20 million is needed for emergencies. $60 million was taken from the Highway Fund for disasters that will not be reimbursed. Maintenance needs $616 million for 1998-99, of which $441 has been appropriated. In all likelihood additional funding will also be requested for the year 2000 computer upgrade, as well as New Financial System, Disaster receivables, DMV Enforcement Equity Pay Plan, Highway Maintenance, Highway Patrol, Transit Funding, SIP's Charges, and DOT Wage Increase.

The Highway Patrol needs were under calculated for 1998-99. There was an increased usage of SIPs and the department has not been paying. $15 million would allow them to catch up, $8 million of which would not be recurring. There is no additional revenue growth in the highway fund. The committee needs to start considering how to address the additional needs. The committee and the committee on Crime Control need to schedule a joint meeting.

Mr. C. A. Gardner was asked about the asphalt plant clean up status in lieu of Mr. Duane MacEntee who had a scheduling conflict. Mr. Gardner said that DOT and DENR had met. They learned that 28 sites had significant problems, 4 of which are adjacent to superfund sites. 24 will therefore be worked on. The first 7 landowners have been notified. It takes 60 to 90 days to develop corrective action plans. It is expected they will proceed with clean up and negotiate later who will bear the costs. The plants that are not threatening the water supply will not be cleaned.

Rep. Sutton commented that the earlier people who need to pay get on board the better. Mr. Gardner agreed but stated they do not know the exact costs. Rep. Barbee wondered if they don't pay, could they be stopped from supplying the asphalt. Mr. Gardner said yes but it would hurt.

There were no further questions. Representative Dockham adjourned the meeting at 3:30PM.

Representative Jerry Dockham
Co-Chair

Gloria Haywood
Senate Committee Clerk

VISITOR REGISTRATION SHEET

Joint Appropriations Transportation Subcommittee
Name of Committee

Date 3/18/98

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Donald Crooke	DOT - Productivity Management
Ruth Sappie	NCDOT
Carol Howard	DMV
[illegible]	DMV
Wayne Stallings	NCDOT
Mitch Alford	OSBM
David Herbing	OSPL

North Carolina Department of Transportation
Productivity Management Section

Study Report

Division of Motor Vehicles
Vehicle Registration Section

Contract Agent Analysis

March 1998

For: Legislative Transportation Oversight Committee

By: Productivity Management Section Team
Glenn Dennison, CM
Donald Crooke
Walt Thompson, CM

Final Report

NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION
PRODUCTIVITY MANAGEMENT

MISSION

Provide management studies to support decision making and other organizational needs. Assist all Department of Transportation units in the development, management and/or implementation of effective and efficient processes, technologies, and special programs.

VISION

The members of the Productivity Management Section will be considered by our customers as their first choice for conducting management studies and process improvements.

VALUES

We are Dedicated to Serving our Customers

We view our internal and external customers as our reason for being. In fulfilling our customers' requirements, we treat all people with respect. We exhibit trustworthy and objective behavior at all times. Our services are delivered in a timely, efficient manner while keeping the customer informed of on-going progress.

We Work as a Team

We believe team work is a key element to our success. We support one another and work as a team while respecting the uniqueness of each individual. Each member commits and contributes to common goals to the best of their ability. We enjoy working together in an environment of sharing, open communication, trust, and mutual respect.

We Continuously Learn, Adapt and Improve

As a learning organization, we stay well-informed about emerging technologies and work processes through a combination of formal and informal learning and shared knowledge. We constantly pursue opportunities for personal, professional, and organizational development. We apply knowledge and skills to adapt to constantly changing environments.

We Work with Integrity

To be successful as individuals and as a team, we demonstrate ethical and professional behavior embracing honesty, objectivity, integrity, and trust.

We Focus on Value-Added Results

Our services provide customers with knowledge or information to make cost-conscious, value-added decisions. Recommendations focus on results that provide positive impact on the organization as a whole.

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I. INTRODUCTION

A. PURPOSE OF STUDY

The purpose of this study was to develop a report for the Joint Legislative Transportation Oversight Committee of transaction time standards and cost data for the various transactions performed by tag agencies.

B. BACKGROUND, SCOPE, & STUDY OBJECTIVES

This study was directed by the General Assembly of North Carolina Session 1997 which states:

CONTRACT AGENT TRANSACTION ANALYSIS

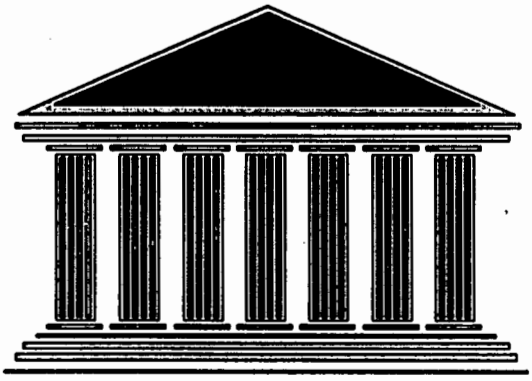
Section 29.23. The Office of Productivity Management in the Administrative Division of the Department of Transportation shall study the transactions performed by tag agents pursuant to the Commission Contracts authorized by G.S. 20-63(h). The study shall:

(1) Analyze and weight the relative complexity and time required to complete the various transactions so that a scale can be established to provide reimbursement based on those factors.

(2) To the extent possible, determine the costs of performing the transactions based on a review of the actual costs of operating a sample of tag agencies across the State.

The Department shall not recommend a particular reimbursement rate for each transactions.

The Department shall report the results of this study to the Joint Legislative Transportation Oversight Committee by March 1, 1998.



C. STUDY RESPONSIBILITIES

The Productivity Management Section conducted the study in close coordination and consultation with the Vehicle Registration Section of the Division of Motor Vehicles. Personnel directly involved were:

Name	Section
Glenn Dennision, CM	Productivity Management
Donald Crooke	Productivity Management
Walt Thompson, CM	Productivity Management
Carol Howard	DMV Vehicle Registration
Tony Spence	DMV Vehicle Registration
Peggy McKoy	DMV Vehicle Registration
Diane Johnson	DMV Vehicle Registration
Field Supervisors	DMV Vehicle Registration

D. APPROACH

The study approach included the following major phases for achieving both study objectives.

Preliminary Research. During this phase, historical data related to workload and agency size was collected and reviewed. Productivity Management personnel met with DMV Vehicle Registration personnel to obtain and review data and to coordinate the data collection strategy.

Data Gathering and Site Visits. A total of fifteen (15) tag agency offices were visited as well as both State run offices to observe operations and gather information related to time required to accomplish various transactions. Tag agency personnel were timed performing various transactions in order to develop average times of each type transaction. In the absence of the ability to observe all possible transactions, time standards were simulated in a training environment for those not observed during site visits. Site visits were selected and coordinated with DMV Vehicle Registration field supervisors and tag agency personnel based on the size and geographic area.

Transaction times were measured with a stopwatch and recorded on forms along with the appropriate service codes. Times were analyzed as decimal values of minutes rounded off to two decimal points (1/100 of a minute).

A questionnaire was used to request cost data from all tag agency offices. The questionnaire was coordinated with DMV Vehicle Registration and tag agency personnel prior to distribution. Some cost data, when not available from contractors, was based on technical estimates with clearly defined assumptions.

Data Analysis. After the data were collected, a detailed analysis was used to develop average times and typical cost factors. Statistical measures such as standard deviation were used to identify data which exceeded (high or low) what would be expected considering normal variance in data samples. These extreme points were then investigated to determine the cause of variance. If there were no reason to exclude the data, they were left in the final computations. If research revealed data corrections were needed, these were corrected prior to final analysis and computations.

Correlation and regression analysis was used to compare costs reported in the survey with workload (transactions) reported in the State Titling and Registration System (STARS). This was primarily to evaluate the variability and reliability of survey data.

Data Reliability. In order to statistically examine the reliability of the survey data, correlation and regression analysis was completed. The correlation compared the relationship between total annual transactions and total reported costs. The coefficient of correlation was 0.97. Perfect positive correlation would have produced a coefficient of 1.00. Thus, the overall data do represent a high degree of reliability in the reported relationship between workload and costs.

In order to evaluate the reliability of transaction time data collected, confidence levels were tested for the most frequently occurring transaction services. There is 95% confidence that the total population mean/average would vary from the sample mean by only:

Renew Plate/Sticker (43% of all transactions)	.09 minutes
Issue Plate/Sticker (16% of all transactions)	.20 minutes
NC Title Transfer (11% of all transactions)	.42 minutes
Turn In Plate (6% of all transactions)	.12 minutes

Study Reporting. This report documents the results of data collection and analysis and presents the information requested by the Legislative Transportation Oversight Committee. Additional information is included which is relevant to use and understanding of the results of the study.

A formal presentation of these findings, if desired, can be made for either the Legislative Transportation Oversight Committee or for appropriate DMV personnel.

E. FOLLOW-ON SUPPORT.

The Department of Transportation Productivity Management Section is available to assist with the development and evaluation of options to enhance the current tag agency compensation system. The Director, Ron Oates, may be contacted at 733-2083 to determine analyst availability.

II. EXECUTIVE SUMMARY

A. BRANCH AGENT TRANSACTION ANALYSIS

There are 55 vehicle titling and registration services performed by branch agents. During this study, delivery of those services (transactions) ranged from .38 minutes for a Renew Plate/Sticker to over 40 minutes for a North Carolina Title Transfer. The **average** transaction times ranged from .91 minutes to 7.55 minutes. Average times for "registration" services generally were less than average times for "title" services. The average times required to perform these services are graphically summarized in Figure II.A.1 and further details are in Section III.A.

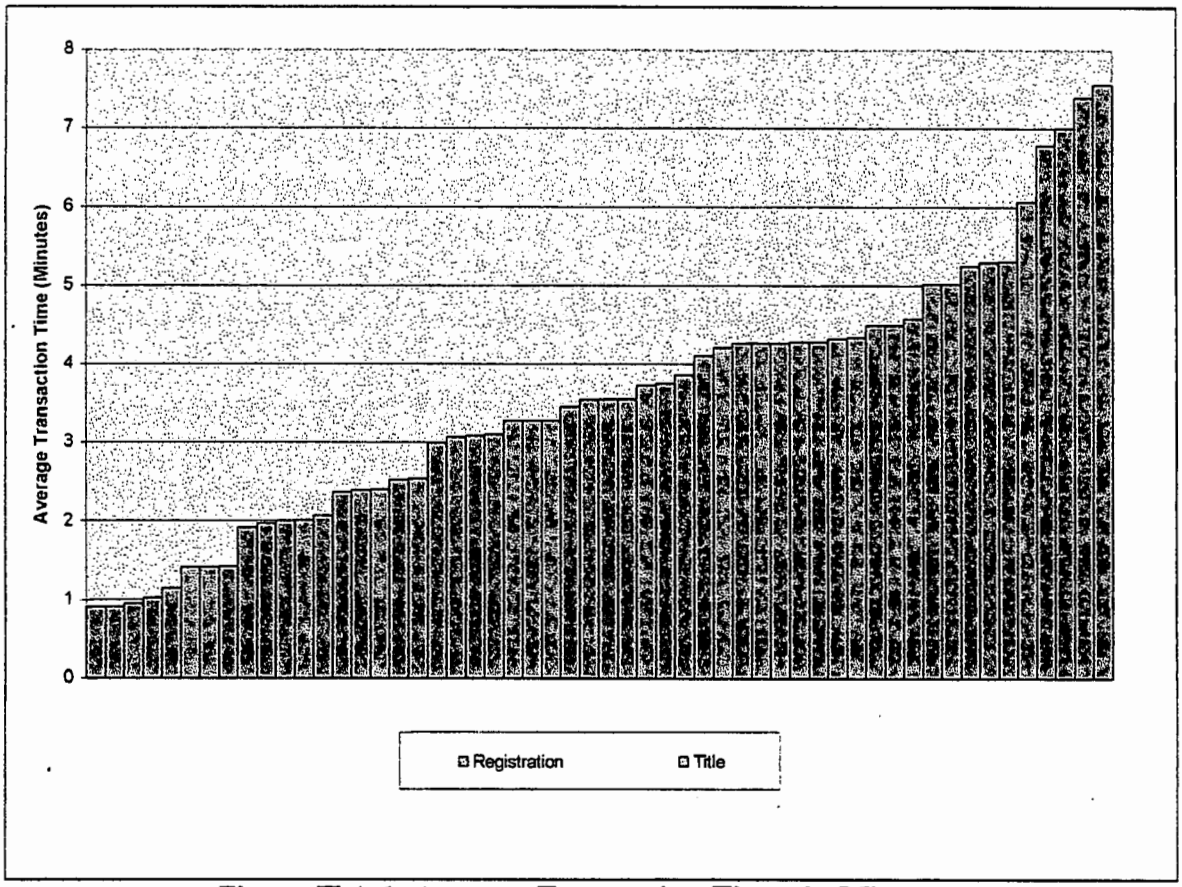


Figure II.A.1 Average Transaction Times in Minutes

The data collected on individual transaction times can be used to develop compensation rates ranging from a single rate (present system) to 55 individual rates representing one for each type of service. Various options are presented in Section III.B.

B. BRANCH AGENT COST OF OPERATION ANALYSIS

A cost survey was sent to 128 tag agencies. Sixty-eight responses were received of which 57 contained sufficient detail to enable use and analysis for this report Some data were adjusted after careful coordination with Area Supervisors or follow-up communications with the tag agencies. Most change involved adding the contracting agent to the list of staff where they were omitted and entering a salary for the contracting agent based upon the average salary rate of tag agency Branch Managers.

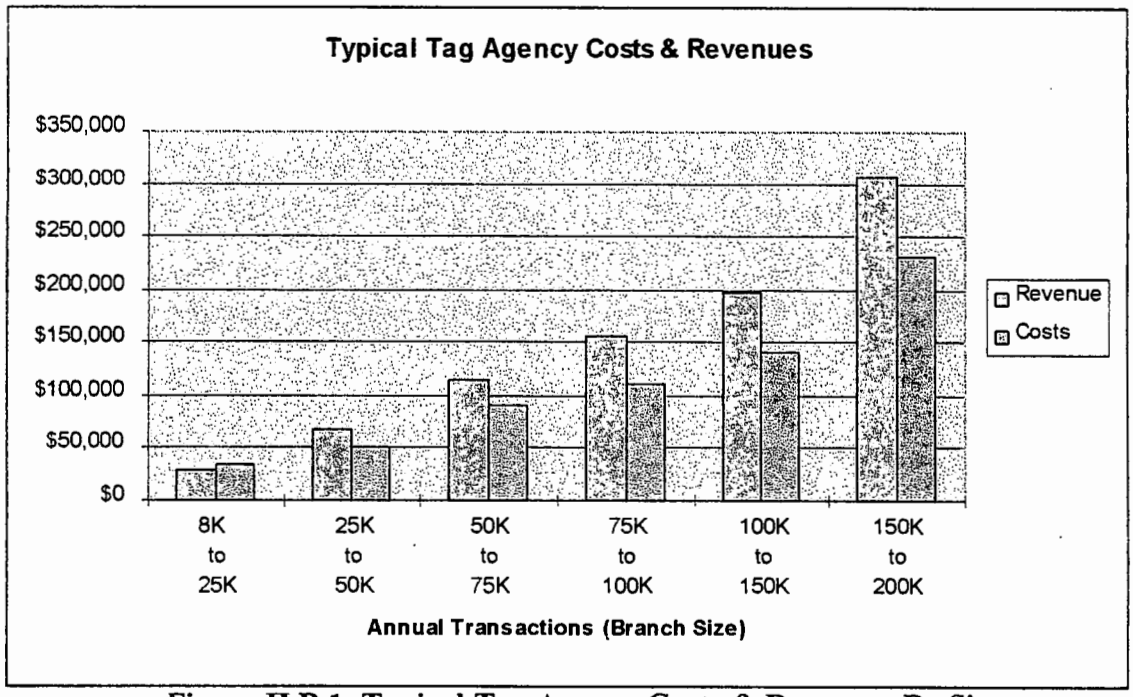


Figure II.B.1 Typical Tag Agency Costs & Revenues By Size

The average cost per transaction according to the survey data is $1.35 while the average revenue (including HUT collection compensation and notary fees) per transaction is $1.79. These costs and revenues varied by location depending on their staffing levels and facility costs. Nonetheless, all size tag agencies received more revenues (State compensation and notary fees) than costs except for the smallest group of 25,000 or less transactions per year.

It is important to note that "costs" in this analysis include a salary for all contracting agents who were involved in delivery of services. This salary was based on survey salary rates for tag agency branch managers. Thus, a one person agency was credited for about $22,000 in annual payroll costs even if none were reported in the survey. Therefore, where these offices show costs exceeding revenues the contractor "salary" will actually be less than the $22,000 entered into the database. Thus, the perceived "loss" is actually a "reduced income" rather than a net loss. These small offices are typically, but not always, included within another business enterprise as allowed for in the License Office Contract. Detailed data are shown in Section III.B.

C. SUMMARY OF OBSERVATIONS

1. Customer Waiting Lines. The number of customers in all lines waiting for service were recorded every 30-minutes throughout the day. The average waiting time was approximately five minutes. See Section IV.A. for details.

2. Customer Contact Transaction Rates. Of all customers arriving for service, 15.9% did not result in a transaction. The most common reasons for no transactions were tax blocks, insurance stops, insufficient documentation, and missing signatures. See Section IV.B. for details.

3. Tax Block Issue. Under the current system, counties place tax blocks on vehicle registration records, but often are not removed in a timely manner when required taxes are paid by citizens. This results in high numbers of customer contacts that do not result in a transaction. Customers are required to supply a tax receipt in order to have the blocks removed by tag agency personnel. See Section IV.C. for details.

4. STARS (State Titling and Registration System) Acceptance. In conversations with tag agents and title clerks, most were initially concerned about the new system, but after a year of use they all like the system much better than the old system. It streamlines their activities, reduces errors, improves customer service, and aids in reporting. See Section IV.D. for details.

III. DETAILED FINDINGS

A. BRANCH AGENT TRANSACTION ANALYSIS

1. General. The STARS (State Titling and Registration System) system contains provision for the delivery of 93 specifically defined services. Of those 93 services, a total of 55 services can be rendered by tag agencies. See *Appendix 1* for STARS service codes. The 55 services can be performed by tag agencies through selection of appropriate options from the three registration/title screens. See *Appendix 2* for screen options.

2. Data Collection. A plan was developed to collect data on transactions at 15 of the 126 tag agencies and both State-owned branches. The criteria for selection of measurement sites was:

- Two tag agencies from each of the seven field supervisor areas representing all parts of the State
- Seven small tag agencies (one from each area) and seven medium or large (one from each area) offices.
- Two offices that performed other business services in addition to vehicle registration services.
- All selected tag agencies were agreeable to data collection at their locations.

Data were collected for two days at each medium and large office and one day at each of the small offices. There were a total of 21 data collection days that allowed for the timing of 1760 transactions. Transaction times ranged from a minimum of .38 minutes to a maximum of 40.47 minutes.

3. Data Analysis. Data were analyzed based on individual service codes, then grouped by transaction type. Registration service average times ranged from .91 minutes up to 5.3 minutes. Title service average times ranged from .95 minutes to 7.55 minutes.

The distribution of measured observations correlated with the actual distribution when compared with the three months of data available. The service of *Renew Plate/Sticker*, the most common transaction type, accounted for 43.01% of all transactions. In study observations, 50.11% of all transactions measured were Renew Plate/Sticker.

For 11 of the 55 services, there were no observations. In those cases, average times were generated based on time estimates by vehicle registration personnel, or by comparing one service type with another that was a similar type service. All of these were low volume transactions.

4. Registration Transactions. Registration transactions represent 77.26% of all transactions. A breakdown summary of Registration services is:

- *Renew Plate/Sticker* represents 43.01% of all transactions.
- *Issue Plate/Sticker* represents 16.42% of all transactions.
- All other registration services combined represent 17.83% of all transactions.
- See *Appendix 3* for detailed data.

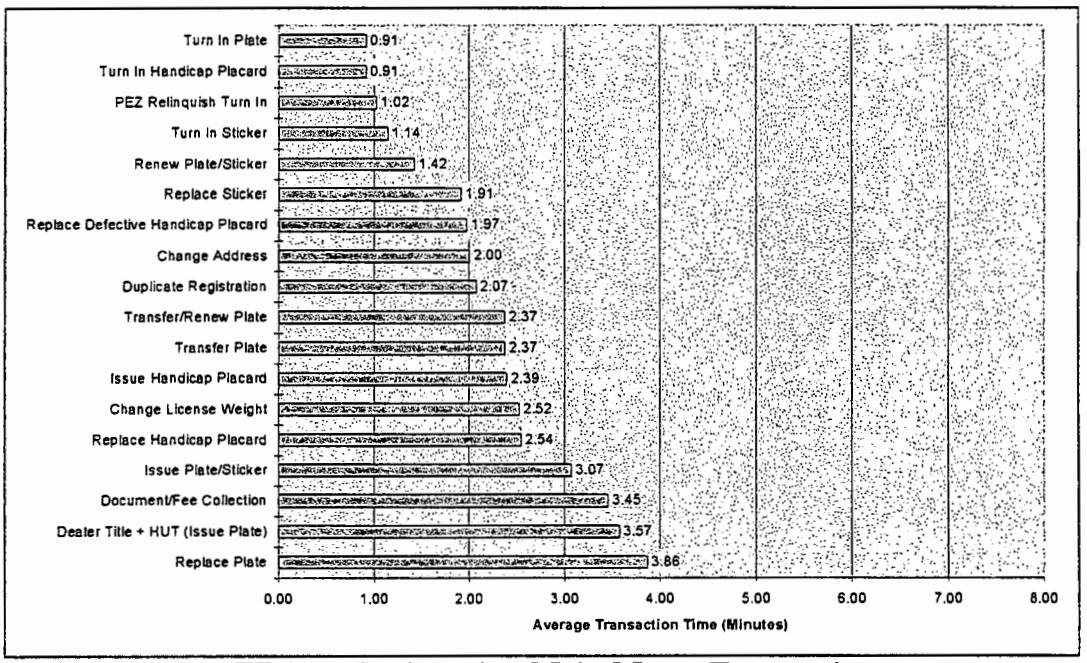


Figure III.A.1. Registration Main Menu Transactions

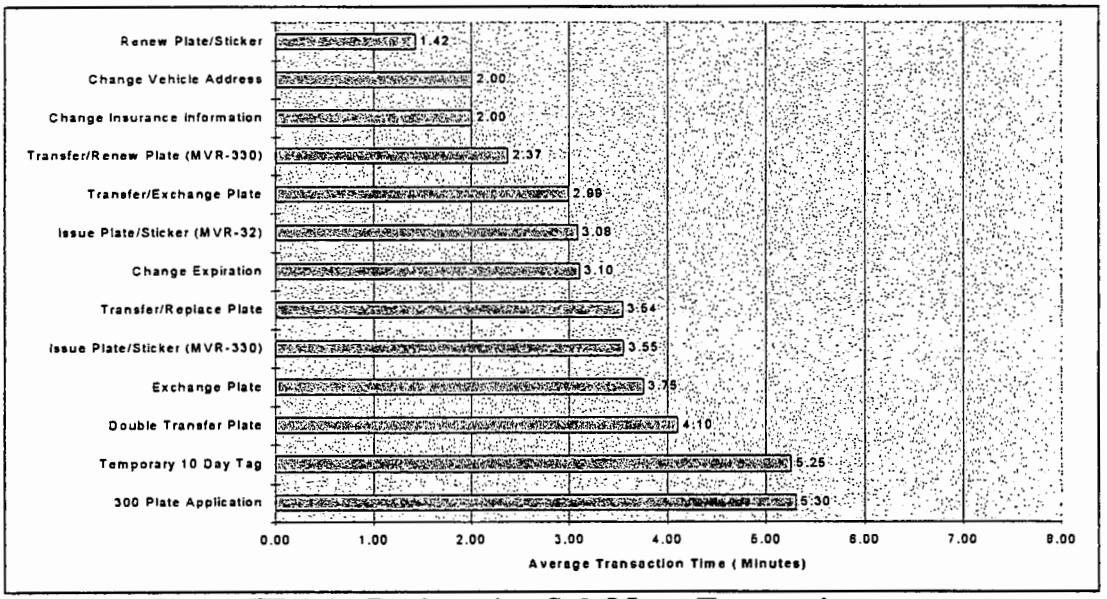


Figure III.A.2. Registration Sub Menu Transactions

5. Title Transactions. Title transactions represent 22.74% of all transactions. A breakdown summary of Title transactions is:

- *North Carolina Certificate of Title* represents 10.87% of all transactions.
- *MCO Certificate of Title* or new car sales with a manufacturer certificate of origin (MCO) represents 5.25% of all transactions.
- All other title services combined represent 6.56% of all transactions.
- See *Appendix 3* for detailed data.

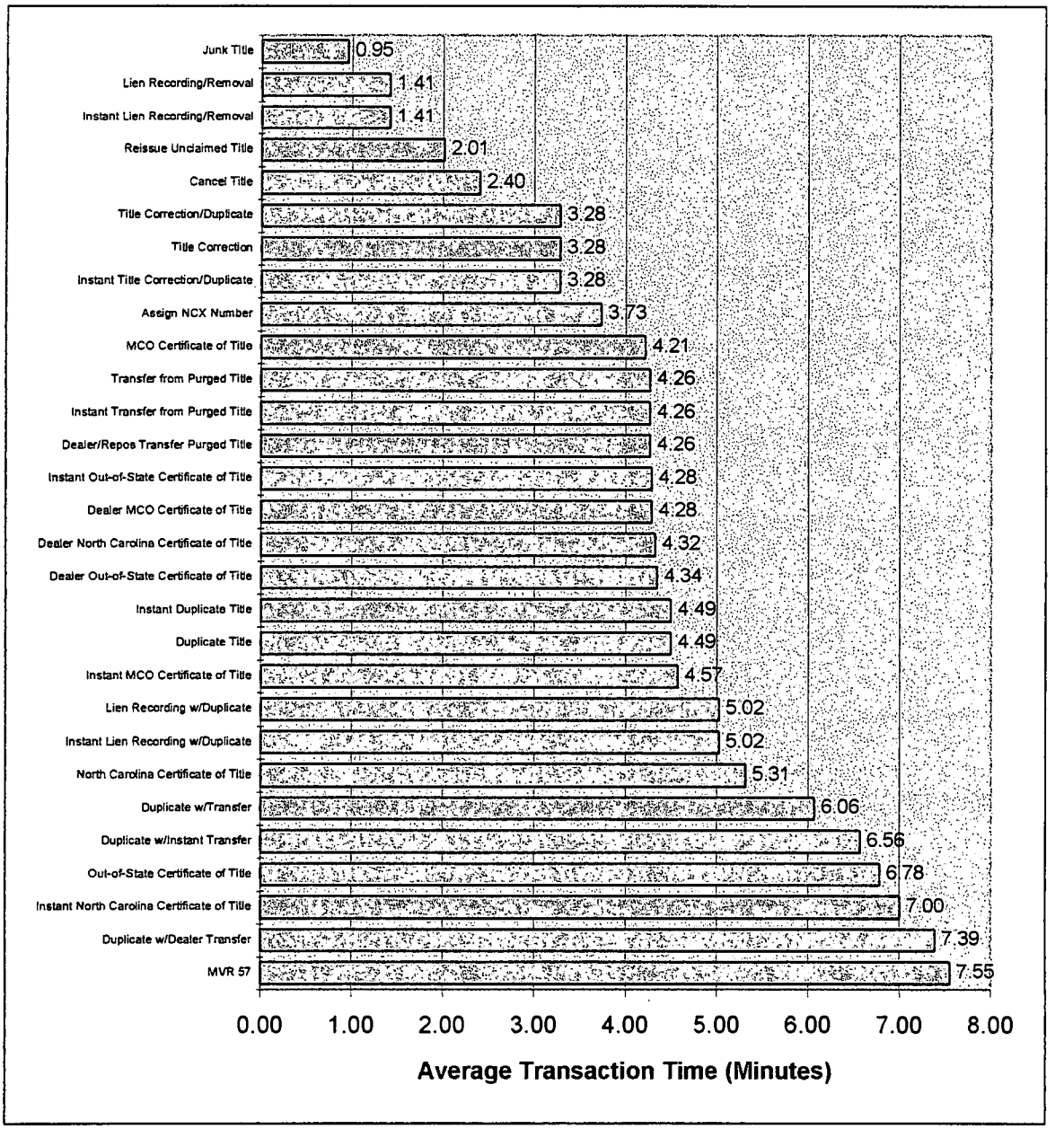


Figure III.A.3. Title Main Menu Transactions

6. All Transactions. The weighted average transaction time for all transactions is 2.65 minutes. The weighted average time for registration transactions is 1.57 minutes and for title transactions 4.85 minutes. Based on data collected, the 2,517,011 transactions recorded during June through August of 1997 would have taken a total of 111,167 hours to complete with 77.26% of that time devoted to registration and 22.74% for title work. See *Appendix 3* for details.

7. Compensation Options. The existing system compensates all types of transactions at same rate with additional compensation paid for title transactions that include collection of HUT (Highway Use Tax). While HUT transactions are a factor in the current system, the complexity of collecting these taxes does not directly correlate with the amount of compensation for the service. The STARS system determines when the tax is due and computes the amount to be collected

There are four options that could be used to compensate based on transaction complexity. A range of options is outlined below:

Option 1, Single Rate. A single rate for all transaction types regardless of complexity. (Present method)

Advantages:
- Is the most simple to administer
- No changes are required

Disadvantages:
- Treats all transactions the same
- Does not provide a means to adjust compensation when there are shifts in the types of services provided
- Compensates all tag agencies the same regardless of the distribution of services they provide

Option 2, Two Rates. Two rates, with one for all registration services and another for all title services.

Advantages:
- Is fairly simple to administer
- Provides some degree of recognition in compensation for the more complex title services

Disadvantages:

- May not provide adequate flexibility to adjust to changes in the distribution of services provided by tag agencies
- Would require STARS reprogramming and understanding/acceptance by the tag agencies

Option 3, Eight Rates. Eight rates based on the time required for each transaction. Each service would be placed in one of the eight *rate groups*. Rates Groups would be: 0-1 minute, 1-2 minutes, 2-3 minutes, 3-4 minutes, 4-5 minutes, 5-6 minutes, 6-7 minutes, and 7-8 minutes. A compensation rate would be computed based on the frequency of occurrence and time required to perform the service (weighted average).

Advantages:

- Provides for more accurate compensation for varied complexity of transactions
- Would provide more flexibility to adjust to changes in the distribution of services provided by tag agencies
- Could be reasonably updated as needed

Disadvantages:

- Is more complex to administer and update
- Would require STARS reprogramming and understanding/acceptance by the tag agencies

Option 4, Fifty-Five Rates. Multiple compensation rates. Each service would be compensated based on its own relative complexity measured as average transaction time.

Advantages:

- Would compensate branch agents most accurately based on the complexity of each service (transaction) type provided
- Could be reasonably updated when additional services are added or when complexity changes

Disadvantages:

- Would be the most complex to administer
- Would require STARS reprogramming and understanding/acceptance by the tag agencies
- May be subject to frequent and unnecessary requests for update which would take time and resources

B. BRANCH AGENT COST OF OPERATION ANALYSIS

1. General. A cost survey was developed and sent to 128 Tag Agencies. Sixty-eight responses were received of which most included complete and useable cost information. The final analysis used 57 of the agencies representing 45 percent of the total of all agencies. The primary reason for excluding responses was incomplete or insufficient detail of data sent. Since there was a strong response to the survey, there was no reason to go back to the agencies to attempt to acquire missing information or obtain a useable breakout of costs.

2. Data Analysis/Adjustments. Basic statistical data analysis was used to identify elements which were statistically out of the normal range either high or low. These agencies were then contacted to either verify or correct the data elements. Verified values were left unchanged and errors identified were corrected. Very few data adjustments were needed. The survey data was typically in useable form as reported.

In addition, all inputs were reviewed with the DMV Area Supervisors to help identify areas for further verification or clarification. These areas (very few) were then addressed with each tag agency concerned.

Some tag agencies did not include the contracting agent when reporting payroll costs. With the aid of the Area Supervisors, these were identified and added to the database. Salaries for all contracting agents were entered at the average rate reported for Branch Managers. The rate was $9.10 per hour plus $1.30 per hour for additive payroll costs. The hours entered were those reported or, when not reported, those provided by the Area Supervisors. This put all Tag agencies at the same level of salary for the contractor. Of the 57 input locations, 81 percent had active participation by the contracting agent in providing services.

Some positions reported were vacant and did not have salaries listed. In these few cases, the average rate reported for Title Clerks was used. The rate was $7.83 per hour plus $.95 per hour for additive payroll costs.

Annualized Transactions and Compensation were computed based on data from May through October 1997. The compensation was adjusted based on the rates of $1.35 per transaction and the additive $1.20 per Highway Use Tax transaction.

Revenues from notary fees were added at the computed rate of 11.73 percent of Net Compensation. The rate was developed using actual compensation and notary fee data extracted from the State Titling and Registration System from September through November of 1997.

Since tag agencies use a mix of full and part time employees, staffing was computed using Full Time Equivalents (FTE). An FTE is equivalent to 40 hours of work per week. Thus, an office which has a staff that produces 100 hours of work in a week would be shown as 2.5 FTEs for staffing.

3. Profit Versus (Loss). Several tag agencies show a loss when comparing revenues with costs. These losses do not necessarily mean that the agency is loosing money. As previously mentioned, contractor salaries were built into the cost data at the rate paid to the average agency manager. Thus, a "loss" actually represents a situation where that Agent is not able to achieve the typical average salary of Tag Agency Managers. These are typically one-person agencies where the annual number of transactions is below the quantity needed to generate an average income. The loss reported would be the difference between an average salary for the agent and what they were able to generate with their workload volume.

4. Results. The survey data were used to develop "Typicals" for various size tag agencies. Six sizes were used which were taken from those listed in the DMV Standard Operating Procedures as well as the License Office Contract. The details of these Cost Typicals are documented in a table in Appendix 4. Graphical presentations of these Typicals are shown on the following pages.

The below figure depicts the average revenues, costs and profits for tag agencies grouped according to volume of annual transactions. Revenues were based on six months of data which were then annualized. Costs were based on inputs from 57 tag agencies.

While the smallest sized agencies show a "Loss" it might better be described as a **"reduced profit level."** Since an average salary rate for all contractors who work at the agency is included in arriving at costs for all agencies, **no tag agency is actually operating at a real loss**. See the discussion of Profit Versus (Loss) in Paragraph III.B.4 and also in Part IV.

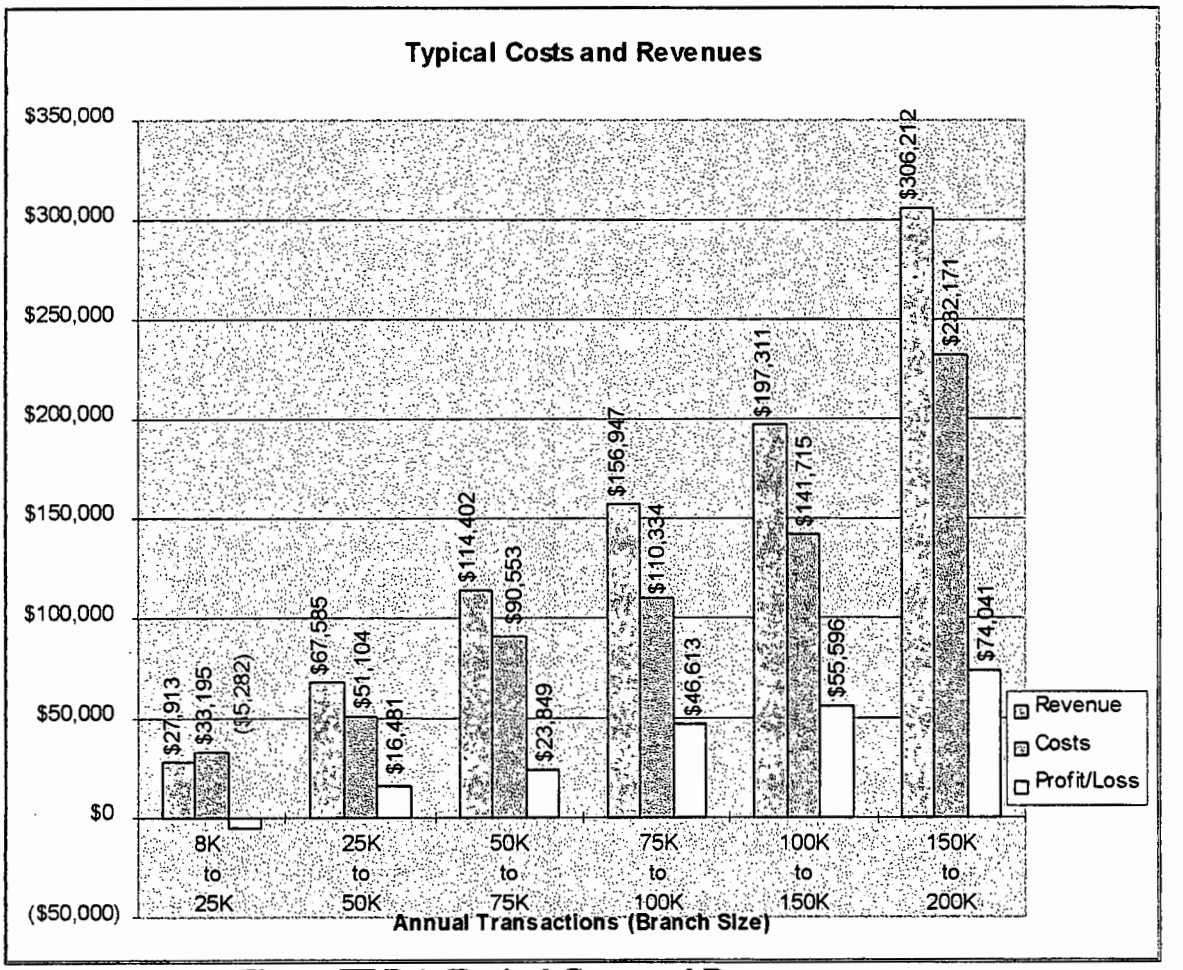


Figure III.B.1 Typical Costs and Revenues

Figures III.B.2 and III.B.3 on the next page help to show the causes of lessor profit at the smallest tag agencies. The high payroll cost per transaction at these small offices is related to both low transaction volume and to a lessor extent on what appeared to be overstaffing for the volume. The productivity at these agencies is significantly less than the larger offices as shown by the lower annual transactions completed per staff equivalent.

Bottom line is that there is not sufficient work to keep the staff as productive as larger offices. It is important to note that in our sample the majority of these offices operated within another business.

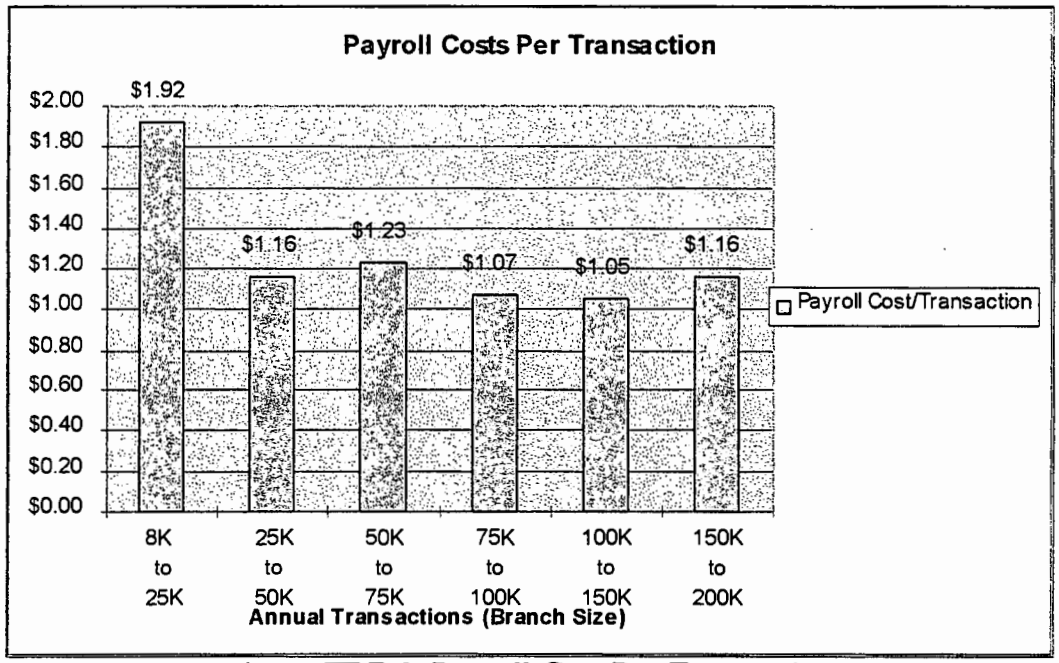


Figure III.B.2 Payroll Cost Per Transaction

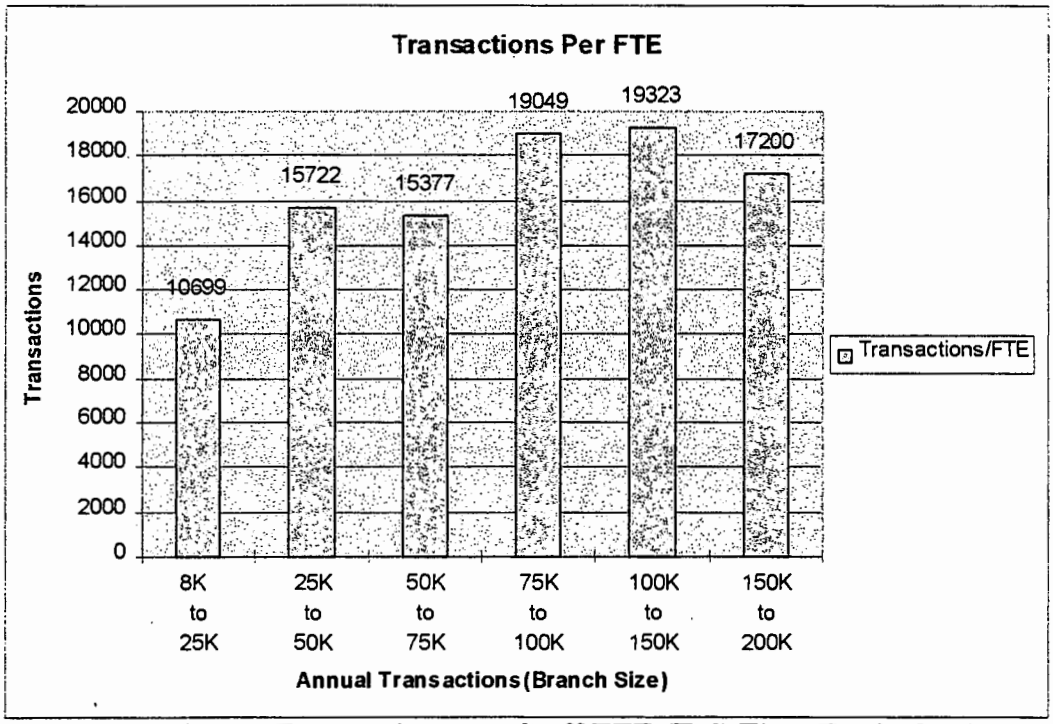


Figure III.B.3 Transactions Per Staff FTE (Full Time Equivalent).

The graph below represents costs if the DMV were to perform the same work using the data in the "Cost Typicals." The DMV costs are driven higher than tag agencies due to wide salary differences. The tag agencies average payroll cost for a Title Clerk is $18,262. The DMV cost for a Title Clerk (Grade 63) is $28,539.

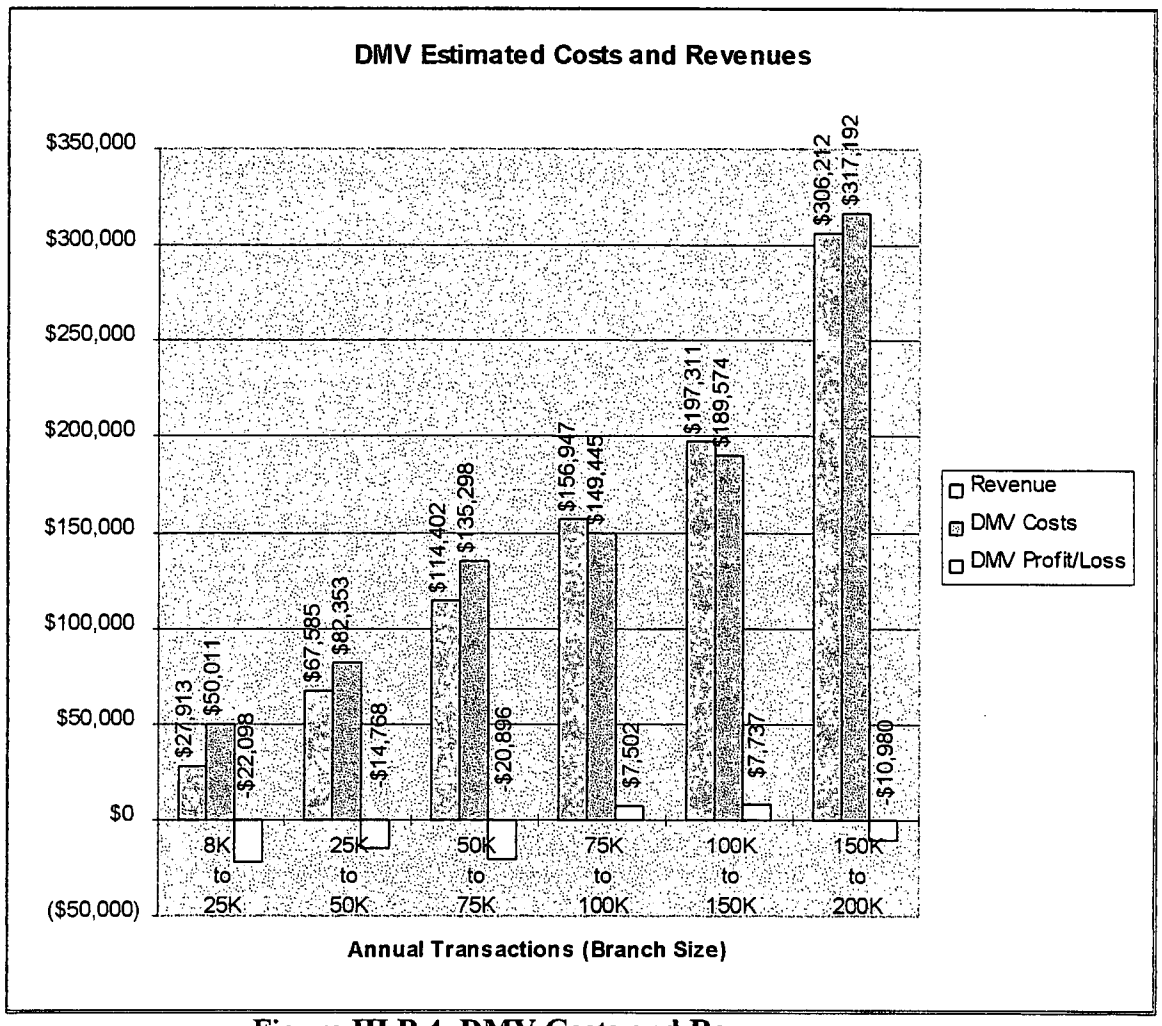


Figure III.B.4 DMV Costs and Revenues

DMV payroll costs include one Grade 67 at all levels of workload. Then a mix of predominately Grade 63 was used to fill staffing needs. Grade 59 was used where either less than full time was anticipated or at the larger office where lesser skills could be more fully utilized. Specific grades are shown in the chart below.

Pay Grade	8K to 25K	25K to 50K	50K to 75K	75K to 100K	100K to 150K	150K to 200K
Grade 67	1	1	1	1	1	1
Grade 63	0	1	3	3	4	8
Grade 59	0.5	0.5	0.2	0.7	0.9	1.1

IV. GENERAL OBSERVATIONS

A. CUSTOMER WAITING LINES

During the planning for data collection, it was decided that while timing transactions it would be relatively simple to measure customer waiting lines. At all fifteen locations, counts were taken of the number of clerks on duty and the number of customers in the office. These counts were recorded at 30 minute intervals throughout the day. A conclusion that could be drawn from the data collected indicates that customer waiting times, on average would be approximately five minutes. See below figure for details.

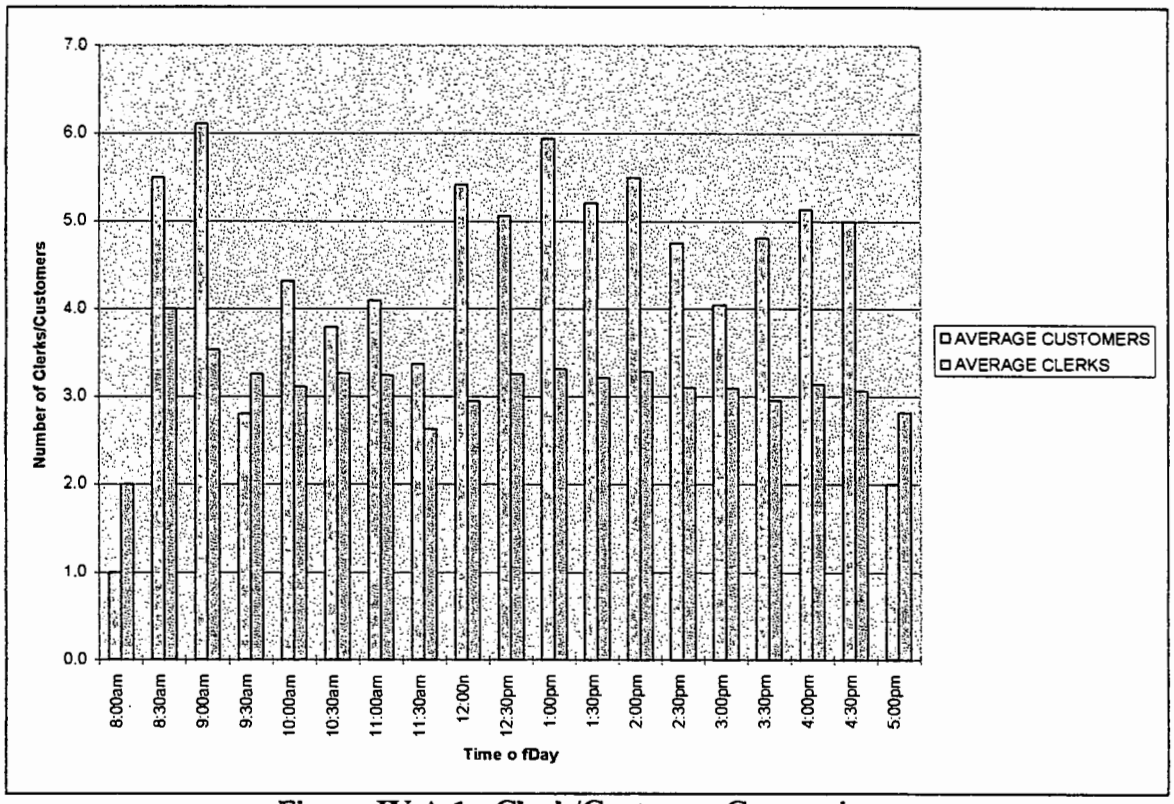
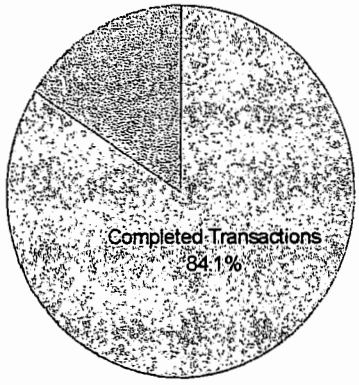


Figure IV.A.1. Clerk/Customer Comparison

B. CUSTOMER CONTACT TRANSACTION RATES

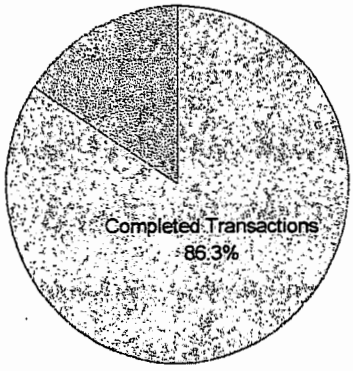
During the planning for data collection, it was decided that while timing transactions it would be relatively simple to measure the number of customer contacts that did not result in the completion of a transaction. A simple system of data collection was developed to measure these "non-transaction" customer contacts.

Of the 2019 customer contacts observed, 321 or 15.9% of all customer contacts did not result in a transaction. The most common reasons for a customer contacts not resulting in a transaction include:



- Tax blocks issued by counties
- Insurance stops reported by insurance companies
- Appropriate signatures not present on documents
- Missing notarization of signatures on documents
- Liens not released
- Lack of required documentation
- Customer unable to pay highway use tax

Dealer folders (groups of title work submitted by automobile dealers) were also measured to determine the relative amount of work which did not result in a completed transaction . Of the 253 dealer folder transactions measured, 13.7% were returned to the dealer uncompleted. Reasons for return included:



- No power of attorney
- Incorrect entries
- No driver's license number included
- No title assignment
- Title assignment not notarized

C. TAX BLOCK ISSUE

Under the current system counties place tax blocks on vehicle registration records but, often do not release those blocks when required taxes are paid by citizens. This results in a high number of customer contacts that do not result in a transaction. Although not measured within this study, an estimate of 60% of customer contacts not resulting in a transaction were for tax blocks. Under the current system, customers are required to return to the taxing authority to obtain a tax receipt in order to have the blocks removed by tag agency personnel.

D. STARS ACCEPTANCE

Prior to the start of transaction timings at all fifteen locations selected, an informal interview was conducted by the Management Engineer. During those interviews, branch agents were asked about their opinions of the new STARS system. All shared an initial concern about the ease of operation, accuracy, and speed of the new system. However, after a year of use, they reported that it streamlined their work, reduced errors, improves customer service, and aids in reporting. No one indicated a desire to return to the prior system.

E. PROFIT AND LOSS

It was apparent that the smallest tag agencies were not generating sufficient revenue to compensate the agent at the average salary rate paid to the typical Agency Managers. However, these offices are frequently located and/or operated within another business. Data for these smallest offices show (1) either too many staff for the annual transactions or (2) insufficient annual transactions to create a productive use of staff where only one person was involved. The average annual transactions per FTE for these offices was only 10,699. The state-wide average was 16,740. Thus, productivity within these small offices is 36 % below the average.

APPENDIX 1
CONTRACT AGENT ANALYSIS
STARS SERVICE CODES

APPENDIX 1 contains a listing of STARS service codes used by the system to (1) determine services delivered and (2) maintain historical data on services delivered.

SERVICE CODE is the three letter code for each service.

SERVICE DESCRIPTION is a brief description of the service.

BRANCH SERVICE indicates whether a service is rendered by branch agents. Those services that indicate NO are services provided only by DMV personnel in the Raleigh headquarters.

STARS SERVICE CODES

SERVICE CODE	*SERVICE -DESCRIPTION*	BRANCH SERVICE
300	300 Plate Application	YES
ACT	Add/Modify Customer	NO
AHC	Add Hold Code	NO
ANX	Assign NCX Number	YES
ASX	Assign NCS or MCMS Number	NO
CHA	Change Address	YES
CHD	Change Trans/Driveaway	NO
CII	Change Insurance Information	YES
CLO	Close Correspondence	NO
CLR	Clear Correspondence	NO
CLW	Change License Weight	YES
CRS	Continuance Resolution	NO
CTF	Certification	NO
CTL	Cancel Title	YES
CVA	Change Vehicle Address	YES
CXP	Change Expiration	YES
DHD	Dup Trans/Driveaway	NO
DLR	Dealer Title + HUT	YES
DOC	Document/Fee Collection	YES
DSV	Duplicate Salvage Title	NO
DTP	Double Transfer Plate	YES
DUI	Instant Duplicate Title	YES
DUP	Duplicate Registration	YES
DUT	Duplicate Title	YES
DWD	Duplicate w/Dealer Transfer	YES
DWI	Duplicate w/Instant Transfer	YES
DWT	Duplicate w/Transfer	YES
EDT	Edit Title Info	NO
EXP	Exchange Plate	YES
FAD	Fee Adjustment	NO
INT	Draft Interest	NO
IPS	Issue Plate/Sticker	YES
IRP	IRP Service	NO
IUT	Reissue Unclaimed Title	YES
JKT	Junk Title	YES
LDI	Instant Lien Recording w/Duplicate	YES
LDU	Lien Recording w/Duplicate	YES
LRI	Instant Lien Recording/Removal	YES
LRR	Lien Recording/Removal	YES
MCD	Dealer MCO Certificate of Title	YES
MCI	Instant MCO Certificate of Title	YES
MCT	MCO Certificate of Title	YES
MOO	Overage	NO
MOR	Overage Eligible for Refund	NO
MOS	Shortage	NO
MVR	MVR 57	YES
NCD	Dealer North Carolina Certificate of Title	YES
NCI	Instant North Carolina Certificate of Title	YES

STARS SERVICE CODES

SERVICE CODE	*SERVICE DESCRIPTION*	BRANCH SERVICE
NCT	North Carolina Certificate of Title	YES
OCD	Dealer Out-of-State Certificate of Title	YES
OCI	Instant Out-of-State Certificate of Title	YES
OCT	Out-of-State Certificate of Title	YES
PDL	VR45 Delete Placards	NO
PET	VR45 Edit Placards	NO
PLC	Correct Handicapped Placards	NO
PLD	Replace Defective Handicap Placard	YES
PLI	Issue Handicap Placard	YES
PLR	Replace Handicap Placard	YES
PRI	Print Instant Title	NO
PRT	PEZ Relinquish Turn In	YES
PSF	VR45 Switch From	NO
PST	VR45 Switch To	NO
RCP	Remittance Processor Update	NO
REP	Replace Plate	YES
RGI	Registration Information Inquiry	NO
RHC	Remove Hold Code	NO
RHD	Replace Transporter/Driveaway	NO
RPS	Renew Plate/Sticker	YES
RPT	Rebuild Purged Title	NO
RUP	Return Unclaimed Plate	NO
RUS	Return Unclaimed Sticker	NO
RUT	Return Unclaimed Title	NO
SVT	Salvage Title	NO
T10	Temporary 10 Day Tag	YES
TCD	Title Correction/Duplicate	YES
TCI	Instant Title Correction/Duplicate	YES
TCR	Title Correction	YES
TEX	Transfer/Exchange Plate	YES
THD	Transporter/Hwy Patrol Issue	NO
TIH	Turn In Transporter	NO
TIP	Turn In Plate	YES
TIS	Turn In Sticker	YES
TMI	Instant Title from MVR-57	NO
TMV	Title from MVR-57	NO
TPD	Dealer/Repos Transfer Purged Title	YES
TPI	Instant Transfer from Purged Title	YES
TPL	Transfer Plate	YES
TPR	Turn In Handicap Placard	YES
TPT	Transfer from Purged Title	YES
TRE	Transfer/Replace Plate	YES
TRP	Transfer/Renew Plate	YES
UPS	Reissue Unclaimed Plate/Sticker	NO
V43	Plate Edit	NO

APPENDIX 2
CONTRACT AGENT ANALYSIS
STARS TRANSACTION CODES

APPENDIX 2 contains a listing of STARS menu options grouped under the three main menu screens used for registration/title services.

OPTION is the menu option used to record a service.

DESCRIPTION is a brief menu option description.

SERVICE CODES are the services offered within a menu option.

STARS TRANSACTION MENUS

OPTION	*DESCRIPTION*	*SERVICE CODES*
	Registration Main Menu	
1	ISSUE/RENEW PLATE	DLR, IPS, RPS
2	TRANSFER PLATE	DLR, TPL
3	TRANSFER AND RENEW	TRP
4	REPLACE PLATE	REP
5	REPLACE STICKER	REP
6	CHANGE WEIGHT	CLW
7	TURN IN PLATE STICKER	PRT, TIP, TIS
8	PLACARDS	PLD, PLI, PLR, TPR
9	CHANGE CUSTOMER ADDRESS ONLY	CHA
10	DOCUMENT/FEE COLLECTION	DOC
11	DUPLICATE REGISTRATION	DUP
12	RENEWAL CARDS ONLY	RPS
	Registration Sub Menu	
1	CHANGE PLATE CLASS	EXP
2	EXCHANGE AND TRANSFER	TEX
3	REPLACE AND TRANSFER	TRE
4	DOUBLE TRANSFER	DTP
5	10 DAY TEMP TAG	T10
6	CHANGE EXPIRATION DATE	CXP
8	BUILD OS MVR-330 ISSUE PLATE	IPS
9	BUILD OS MVR-330 TRANSFER PLATE	RPS
10	BUILD OS MVR-330 TRANSFER AND RENEW	TRP
11	BUILD OS MVR-32 ISSUE PLATE	IPS
12	CHANGE VEHICLE/CUSTOMER ADDRESS	CVA
13	ACCEPT '300' APPLICATIONS	300
15	CHANGE INSURANCE INFORMATION	CII
	Title Main Menu	
1	NC TITLE TRANSFER	NCD, NCI, NCT
2	TITLE FROM MCO	MCD,MCI, MCT
3	TITLE FROM OUT OF STATE	OCD, OCI, OCT
4	MVR-57	MVR
5	DUPLICATE TITLE	DUI, DUT
6	DUPLICATE WITH TRANSFER	DWD, DWI, DWT
7	TITLE CORRECTION	TCR
8	TITLE CORRECTION WITH DUPLICATE	TCD, TCI
9	LIEN RECORDING	LRI, LRR
10	LIEN RECORDING WITH DUPLICATE	LDI, LDU
11	REISSUE UNCLAIMED TITLE	IUT
12	TRANSFER FROM PURGED NC TITLE	TPD, TPI, TPT
13	JUNK TITLE	JKT
14	CANCEL TITLE	CTL
15	ASSIGN NCX NUMBER	ANX

APPENDIX 3
CONTRACT AGENT ANALYSIS
TRANSACTION ANALYSIS

APPENDIX 3 contains survey results grouped by main menu options. Raw data was transferred from data bases used to record individual transaction measurements.

SERVICE DESCRIPTION is the service measured during the survey.

JUN-AUG TRANS. is the number of times each service was delivered during a three month period from June through August of 1997.

% OF TRANSACTIONS is the percentage of all services delivered during the three month period. This percentage is used to compare the relative frequency of each service.

OBSERVED COUNT is the number of times a service was measured during the survey period.

% OF COUNT is the percentage of all measured services during the survey period.

AVG. TIME is the calculated average time to perform the service listed.

TRANSACTION ANALYSIS

SERVICE DESCRIPTION	JUN-AUG TRANS.	% OF TRANS	OBSERVED COUNT	% OF COUNT	AVG. TIME
Registration Main Menu					
Renew Plate/Sticker	1,082,650	43.01%	882	50.11%	1.42
Issue Plate/Sticker	413,279	16.42%	50	2.84%	3.07
Turn In Plate	158,189	6.28%	127	7.22%	0.91
Transfer Plate	136,808	5.44%	9	0.51%	2.37
Duplicate Registration	34,217	1.36%	20	1.14%	2.07
Issue Handicap Placard	30,980	1.23%	17	0.97%	2.39
Document/Fee Collection	28,327	1.13%	21	1.19%	3.45
Replace Plate	17,533	0.70%	10	0.57%	3.86
Change Address	9,753	0.39%	8	0.45%	2.00
Transfer/Renew Plate	8,530	0.34%	0	0.00%	2.37
Change License Weight	885	0.04%	1	0.06%	2.52
Replace Handicap Placard	568	0.02%	5	0.28%	2.54
Turn In Handicap Placard	535	0.02%	0	0.00%	0.91
Turn In Sticker	417	0.02%	5	0.28%	1.14
Replace Defective Handicap Placard	110	0.00%	1	0.06%	1.97
PEZ Relinquish Turn In	83	0.00%	1	0.06%	1.02
Dealer Title + HUT (Issue Plate)	20	0.00%	0	0.00%	3.55
Replace Sticker	0	0.00%	9	0.51%	1.91
Registration Sub Menu					
Temporary 10 Day Tag	12,898	0.51%	4	0.23%	5.25
Exchange Plate	3,701	0.15%	5	0.28%	3.75
Change Insurance Information	3,336	0.13%	0	0.00%	2.00
Change Vehicle Address	1,234	0.05%	0	0.00%	2.00
Change Expiration	328	0.01%	1	0.06%	3.10
Double Transfer Plate	182	0.01%	1	0.06%	4.10
300 Plate Application	97	0.00%	1	0.06%	5.30
Transfer/Exchange Plate	64	0.00%	1	0.06%	2.99
Transfer/Replace Plate	20	0.00%	1	0.06%	3.54
Issue Plate/Sticker (MVR-32)	0	0.00%	0	0.00%	3.08
Issue Plate/Sticker (MVR-330)	0	0.00%	1	0.06%	3.55
Renew Plate/Sticker	0	0.00%	0	0.00%	1.42
Transfer/Renew Plate (MVR-330)	0	0.00%	0	0.00%	2.37
Title Main Menu					
North Carolina Certificate of Title	273,701	10.87%	226	12.84%	5.31
MCO Certificate of Title	132,252	5.25%	34	1.93%	4.21
Out-of-State Certificate of Title	94,854	3.77%	63	3.58%	6.78
Lien Recording/Removal	22,284	0.89%	39	2.22%	1.41
Duplicate w/Transfer	13,937	0.55%	7	0.40%	6.06
MVR 57	8,125	0.32%	9	0.51%	7.55
Duplicate Title	5,159	0.20%	9	0.51%	4.49

TRANSACTION ANALYSIS

SERVICE DESCRIPTION	JUN-AUG TRANS.	% OF TRANS	OBSERVED COUNT	% OF COUNT	AVG. TIME
Title Correction	5,054	0.20%	15	0.85%	3.28
Assign NCX Number	3,478	0.14%	3	0.17%	3.73
Transfer from Purged Title	3,139	0.12%	1	0.06%	4.26
Reissue Unclaimed Title	3,056	0.12%	2	0.11%	2.01
Instant North Carolina Certificate of Title	1,631	0.06%	8	0.45%	7.00
Junk Title	1,593	0.06%	1	0.06%	0.95
Dealer North Carolina Certificate of Title	721	0.03%	26	1.48%	4.32
Duplicate w/Dealer Transfer	619	0.02%	2	0.11%	7.39
Cancel Title	488	0.02%	1	0.06%	2.40
Instant Out-of-State Certificate of Title	460	0.02%	1	0.06%	4.28
Dealer Out-of-State Certificate of Title	413	0.02%	27	1.53%	4.34
Duplicate w/Instant Transfer	340	0.01%	1	0.06%	9.45
Lien Recording w/Duplicate	333	0.01%	1	0.06%	5.02
Title Correction/Duplicate	263	0.01%	0	0.00%	3.28
Instant MCO Certificate of Title	125	0.00%	2	0.11%	4.57
Dealer MCO Certificate of Title	96	0.00%	98	5.57%	4.28
Instant Duplicate Title	86	0.00%	0	0.00%	4.49
Instant Transfer from Purged Title	43	0.00%	1	0.06%	4.26
Dealer/Repos Transfer Purged Title	8	0.00%	1	0.06%	4.26
Instant Title Correction/Duplicate	8	0.00%	0	0.00%	3.28
Instant Lien Recording/Removal	1	0.00%	0	0.00%	1.41
Instant Lien Recording w/Duplicate	0	0.00%	1	0.06%	5.02
TOTAL TRANSACTIONS	2,517,011		1,760		2.65
REGISTRATION TRANSACTIONS	1,944,744	77.26%	1,181	67.10%	1.57
TITLE TRANSACTIONS	572,267	22.74%	579	32.90%	4.85

APPENDIX 4
CONTRACT AGENT ANALYSIS
COST AND REVENUE TYPICALS

APPENDIX 4 contains survey results grouped by tag agency size. Size was determined only by the number of transactions recorded during the survey year.

SERVICE INPUTS is the number of survey respondents within each grouping.

STAFF EQUIVALENTS is a calculation of the number of full-time employees for each grouping. Two employees each working 20 hours per week is equal to 1 staff equivalent.

REVENUE is a total of all revenues gained from the operation of a tag agency. Included is compensation for transactions, HUT compensation, and collection of notary fees.

COSTS reflects all the costs of operation for each tag agency grouping.

PROFIT/(LOSS) is the total revenues less total costs.

PAYROLL COST/TRANS is the payroll costs attributed to each transaction. Is equal to total payroll costs divided by the number of transactions during the survey period.

TRANSACTIONS/STAFF FTE is the number of transactions completed per full time staff equivalent. It is equal to the number of transactions completed divided by the staff equivalent.

DMV COST reflects all costs associated with DMV operation of an "average" branch in each grouping.

DMV PROFIT/(LOSS) total profit/loss for DMV operation of an "average" branch in each grouping.

COST AND REVENUE TYPICALS

Annual Transactions		8K to 25 K	25K to 50K	50K to 75K	75K to 100K	100K to 150K	150K to 200K
Number of Inputs		7	20	7	9	9	5
Staff Equivalents	Range	0.9 to 2.1	1.6 to 3.6	3.3 to 5.1	3.7 to 6.0	4.0 to 8.0	7.2 to 11.9
	Average	1.5	2.5	4.2	4.7	5.9	10.1
Revenue	Range	$16.0K to $38.5K	$52.9K to $85,2K	$101.7K to $131.8K	$141.5K to $172.4K	$178.8K to $249.8K	$277.8K to $362.3K
	Average	$27.9K	$67.6K	$114.4K	156.9K	$197.3K	$306.2K
Costs	Range	$21.2K to $43.0K	$33.7K to $71.6K	$68.2K to $103.3K	$91.1K to $144.9K	$109.0K to $177.1K	$189.3K to $314.7K
	Average	$33.2K	$51.1K	$90.6K	$110.3K	$141.7K	$232.1K
Profit/(Loss)	Range	($9.7K) to $2.5K	($13.5K) to $35.7K	$13.4K to $36.3K	$19.9K to $62.9K	$19.7K to $80.0K	$47.7K to $107.0K
	Average	($5.3K)	$16.5K	$23.8K	$46.6K	$55.6K	$74.0K
Payroll Cost/Transaction	Range	$1.46 to $2.30	$0.78 to $1.94	$0.87 to $1.42	$0.84 to $1.29	$0.87 to $1.21	$0.95 to $1.38
	Average	$1.92	$1.16	$1.23	$1.07	$1.05	$1.16
Transactions/Saff FTE	Range	7,876 to 17,012	9,474 to 22,928	12,467 to 17,967	13,773 to 22,305	14,498 to 26,789	12,706 to 23,330
	Average	10,699	15,722	15,377	19,049	19,323	17,200
DMV Cost	Range	NA	NA	NA	NA	NA	NA
	Average	$50.0K	$82.4K	$135.3K	$149.4K	$189.6K	$317.2K
DMV Profit/(Loss)	Range	NA	NA	NA	NA	NA	NA
	Average	($22.0K)	($14.8K)	($20.9K)	$7.5K	$7.7K	($11.0K)

Productivity Management Section

Core Services

Space Study/Layout Analysis
Cost/Benefit Analysis
Process Analysis
Project Management
Work Distribution Analysis
Staffing Analysis
Organization Structure Analysis
Team Facilitation
General Problem/Opportunity Analysis
Process Management and Improvement Systems
Job Analysis
Strategic Planning
Inventory Management
Microcomputer Application Development
Americans With Disabilities Act (ADA)
Workshop Facilitation
Continuous Process Improvement (CPI) Program

North Carolina Department of Transportation

Productivity Management Section

Staff

Ron Oates, CM- Director
Gayle Hicks-Secretary

Management Engineers

Donald Crooke
Glenn Dennison, CM
James Forte
Odessa McGlown
Walt Thompson, CM

Contact

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Courier: 51-31-00

North Carolina Department of Transportation
Division of Motor Vehicles
Vehicle Registration Section

Report For

Joint Legislative Transportation Oversight Committee

On-Line Dealer System Feasibility Study



Carol Howard, Director
Vehicle Registration Section

March, 1998

ON LINE DEALER SYSTEM

REPORT PURPOSE

In the 1997 Legislative Session, the Division of Motor Vehicles was directed to study the feasibility of a system that would allow motor vehicle dealers to enter information into STARS (State Title and Registration System) that would be necessary for the issuance of certificates of titles, registration plates, or both for new vehicles sold by them. The report issued by the Division as a result of this study must include the advisability of a pilot program and any necessary legislation to implement the program as appropriate with the report due to the Joint Legislative Transportation Oversight Committee by March 1, 1998.

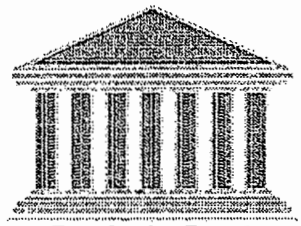
OBJECTIVE

The objective of an on-line system for dealers is to provide an automated process for approved automobile dealers to access and update the DMV data base though an approved third-party service provider that will establish the connection with the Division of Motor Vehicles to enable the dealer to conduct real-time transactions for the Division.

PROGRAM DEFINITION

Approved automobile dealers will be allowed to title and license vehicles through the automated system at their place of business. After title and licensing information is collected, dealers will issue permanent license plates, validation stickers and permanent registration cards to their customers at the point of sale. Transactions are completed through the dealer's computerized system, which communicates with DMV through the third-party service provider host computer. The host computer translates transaction data to the DMV mainframe for processing, eliminating duplication of processing. The dealer forwards documents to DMV for imaging, however, DMV will continue to control the centralized issuance of title through headquarters in Raleigh. The third-party service provider charges the dealer a per transaction fee for the processing service. See the attached On-Line Dealer Information Flow Chart (page 2).

On-Line Dealer Information Flow



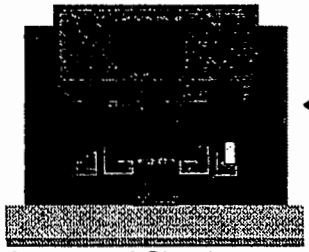
Dealer's Bank

Taxes & fees collected by Dealer



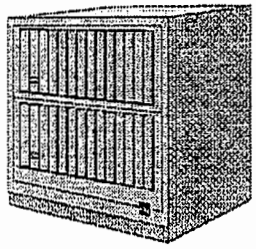
Dealer

Plate/Sticker Inventory



Automated Clearing House

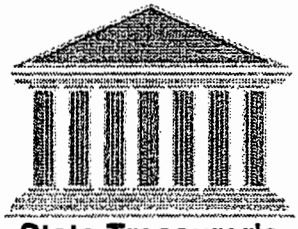
Transfer instructions



Service Provider

Inquiry

Batch transmission



State Treasurer's Bank Account

Verification of fee transaction



DMV

★★★ EXPECTED BENEFITS ★★★

FOR THE CUSTOMER

✓ One Stop Shopping: Allows customer to purchase vehicle and complete titling and registration at the dealership. Customer walks away with permanent plate and registration.

✓ No Temporary Tag: Customer is not inconvenienced with a temporary tag nor is he required to return to the dealership to pick up permanent plate and registration.

✓ Enhancement of Service Delivery: Since dealers in high-volume areas should be most interested in the program, services should be enhanced in areas where the need is greatest. DMV will be responding to the specific needs of a demographic region by reducing wait times in tag offices.

FOR DMV

✓ Improved Customer Service: Citizens will have the benefit of "one-stop shopping" for title and registration when they purchase cars and will leave the dealership satisfied that their business with DMV is complete.

✓ Revenue Enhancement: Through an electronic fund transfer state revenue collected by the dealer for DMV will be transferred to the State Treasurer sooner.

✓ Vehicle Information on Line: At the conclusion of the sale, information will be on-line. Beneficial to law enforcement agencies across the state.

✓ Third Party Service Provider Assumes Program Cost: Costs passed on to participating dealers through the service provider in a transaction fee.

✓ Reduction in Temporary Markers: Need for temporary markers will be greatly reduced.

✓ Customer Service Opportunity At No Cost To DMV: Since the third-party service provider and the participating dealer will assume costs, excellent opportunity for DMV to enhance and expand services at "no cost" and with no additional personnel.

FOR THE DEALER:

✓ Increased Customer Satisfaction: Citizens will have the benefit of "one-stop shopping" at participating dealerships, thereby improving the CSI (customer satisfaction index) for the dealer.

✓ Time/Cost Savings: Dealer will save time and money by not having to send an employee to a local tag office. Dealer will also save money by a reduction in number of temporary markers required.

✓ Reduction in Paperwork and Forms Storage: The automated program will allow dealers to print forms on-line thereby reducing forms inventory in the dealership.

• PROGRAM GOAL:

There are currently approximately 700 licensed new car dealers in North Carolina averaging 40,000 new car sales per month. After the program has been tested, the Division would systematically approve dealers for participation with the goal set at 200 On-Line Dealers at the end of 24 months. The program should allow participation by large independent dealers also and transactions should include both new and used vehicles. It should be noted that both Virginia and Maryland had 300 dealers on-line after 24 months.

EFFECT ON CONTRACT AGENTS:

While contract agents may see a gradual reduction in dealer transactions over the 24 month period, the Division will offset that reduction by allowing contract agents to process additional work for DMV. Offering expanded services to the public should increase the value of the contract agent to his community. Contract agents will be allowed to offer the following services:

- IRP Transactions - Currently processed only in Raleigh and Charlotte State Offices.
- Sale of Inspection Stickers to Inspection Stations - Currently only sold by DMV Enforcement.
- Collection of Fines and Penalties - Resulting from violations of the Emissions Program.
- For Hire Transactions - Currently processed by Raleigh and Charlotte State offices only.

LEGISLATIVE REQUIREMENTS:

Legislative changes will be necessary to authorize the on-line program for North Carolina. The Department of Transportation will present legislative proposals to the April Joint Legislative Transportation Oversight Committee and authorization for this program will be one item for consideration.

Affected Statutes

G.S. 20-63(h)
G.S. 20-50
G.S. 20-52

IN SUMMATION:

On-line programs are successful because they are customized to meet the needs of motor vehicle administrators. This is not new technology, but proven technology used by many other jurisdictions; Virginia, Florida, Maryland, California, Wisconsin, Ohio to name a few. Not only are motor vehicle dealers on-line, but major financial institutions, leasing companies, fleet owners, auto auctions and others participate in the program.

This is an excellent opportunity for DMV and it is our position that the On-Line Dealer Program will support our mission by allowing us to offer expanded services to the citizens of North Carolina.

THE DMV MISSION

"The DMV Team delivers quality motor vehicle services, promotes highway safety, and furnishes timely and accurate information by providing excellent customer service, enforcing motor vehicle laws, and maintaining the integrity of official DMV records."

JOINT APPROPRIATIONS

TRANSPORTATION SUBCOMMITTEE

BUDGET PREPARATION

(7)	Secretary of State Fee Increase (S727)	1.5	1.7
(8)	Treasurer's Banking and Local Government Commission	0.5	0.5
(9)	Revenue-Corporate Filing Charge	0.3	1.2
(10)	Disproportionate Share Receipts	-	83.0
(11)	Highway Fund Transfer	12.6	13.4
(12)	Revenue Assessments for Additional Interstate Auditors	2.6	7.9
(13)	State Health Plan Purchasing Alliance Board-Transfer Cash Balance	0.6	-
(14)	Earmarked Refunds for Federal Retirees	(35.5)	(35.5)
Total Availability		11,513.5	11,858.4

Requested by: Representatives Holmes, Creech, Esposito, Crawford

HIGHWAY FUND AVAILABILITY

Section 6.1. The Highway Fund appropriations availability used in developing the 1997-99 Highway Fund budget is shown below:

	1997-98	1998-99
Beginning Credit Balance	$ 33,669,547	$ -
Estimated Revenue	1,118,651,752	1,144,625,737
Total Highway Fund Availability	$1,152,321,299	$1,144,625,737

PART VII. GENERAL PROVISIONS

Requested by: Senators Plyler, Perdue, Odom, Representatives Holmes, Esposito, Creech, Crawford

SPECIAL FUNDS, FEDERAL FUNDS, AND DEPARTMENTAL RECEIPTS/AUTHORIZATION FOR EXPENDITURES

Section 7. (a) There is appropriated out of the cash balances, federal receipts, and departmental receipts available to each department, sufficient amounts to carry on authorized activities included under each department's operations. All these cash balances, federal receipts, and departmental receipts shall be expended and reported in accordance with provisions of the Executive Budget Act, except as otherwise provided by statute, and shall be expended at the level of service authorized by the General Assembly. If the receipts, other than gifts and grants that are unanticipated and are for a specific purpose only, collected in a fiscal year by an institution, department, or agency exceed the receipts certified for it in General Fund Codes or Highway Fund Codes, then the Director of the Budget shall decrease the amount he allots to that institution, department, or agency from appropriations from that Fund by the amount of the excess, unless the Director of the Budget finds that the appropriations from the Fund are necessary to maintain the function that generated the receipts at the level anticipated in the certified Budget Codes for that Fund. Funds that become available from overrealized receipts in General Fund Codes and Highway Fund Codes, other than gifts and grants that are unanticipated and are for a specific purpose only, shall not be used for new permanent employee positions or to raise the salary of existing employees except:

(1) As provided in G.S. 116-30.1, 116-30.2, 116-30.3, 116-30.4, or 143-27; or

HIGHWAY FUND FORECAST

The Highway Fund is supported from three primary revenue sources: three-fourths of the motor fuels tax; license and fee revenues collected by the Division of Motor Vehicles; and interest earned from investment of highway funds by the State Treasurer.

FY 1996-97 REVENUE COLLECTIONS

Highway Fund collections totaled $1.076 billion in FY 1996-97, a 6.6% increase over FY 1995-96 collections of $1.049 billion, and $12.8 million (1.2%) above the certified budget level. Motor fuels tax collections exceeded the certified budget by just under $5 million (0.7%). The difference was due largely to a higher than forecasted tax rate as a result of increased gas prices. Although overall revenue was above the certified budget level, not all revenues performed ahead of projections. Investment income was significantly below , $6 million (31.6%), the certified budget level. This difference was due to a reduction to Highway Fund cash balances that occurred when those balances were use to fund the cost incurred by DOT as part of Hurricane Fran clean-up efforts. The cash balances were to be replenished by reimbursements from the Federal Emergency Management Agency, but the reimbursements did not occur during the fiscal year.

1997-99 FORECAST

Compared to actual collections in FY 1996-97, Highway Fund revenues are projected to grow 42.5 million (4.0%) in FY 1997-98, and an additional $26 million (2.3%) in 1998-99. Motor fuel tax revenue represents the largest portion of this increase, and is projected to grow by $29.8 million (4.0%) into 1997-98. Statewide fuel consumption is expected to grow by 2.5% into 1997-98, and the variable component of the State motor fuel tax is expected to remain at an average of 22.6 cents. Driver license fees are projected to decrease by $5.3 million (7.6%) from 1997-98 to 1998-99. This decrease is projected because the revenue windfall that was gained from the change to a five-year license renewal period will begin to subside in 1998-99.

HIGHWAY FUND REVENUE
(Millions)

	1996-97 Actual	1997-98 Projected	1998-99 Projected
Fuels Taxes:			
Motor Fuels Tax	$730.9	$760.3	$779.7
Gasoline Inspection Fee	11.7	12.4	12.7
Highway Use Registration Fee	0.2	0.3	0.5
Total Fuels Taxes	**$742.8**	**$773.0**	**$792.9**
Licenses, Fees, and Penalties:			
Staggered Vehicle Registration	$131.5	134.8	$136.2
Truck Licenses	54.0	55.2	54.8
International Registration Plan	41.5	43.0	47.4
Drivers Licenses	68.1	70.2	64.9
Other	25.1	25.5	26.2
Total Licenses, Fees, and Penalties	**$321.2**	**$328.7**	**$330.5**
Investment Income	**13.1**	**17.0**	**21.2**
TOTAL HIGHWAY FUND REVENUE	**$1,076.1**	**$1,118.7**	**$1,144.6**

HIGHWAY TRUST FUND FORECAST

The 1989 Session of the General Assembly established the Highway Trust Fund, whose revenues are used almost exclusively for highway construction. This fund was created with new State revenues in addition to highway taxes and fees traditionally deposited into the State Highway Fund. The primary revenue sources are: one-fourth of the motor fuel taxes; a 3% use tax levied whenever a motor vehicle title is transferred (unless specifically exempt by general statute); title fees and various registration fees collected by the Division of Motor Vehicles,; interest earned from investment of the Trust Fund cash balance; and, an annual transfer from the Highway Fund equal to the reduction in highway bond debt service relative to the level of debt service in 1989.

FY 1996-97 REVENUE COLLECTIONS

Highway Trust Fund revenues for FY 1996-97 totaled $772.8 million, representing a 4.4% increase over FY 1995-96 revenues of $739.6 million. Highway use tax revenues exceeded the certified budget by $41.8 million (11.4%), and Treasurer's investments exceeded projections by $8.2 million (29.7%) due to higher than expected cash balances being available for investment.

1997-99 BIENNIUM FORECAST

Highway Trust Fund revenues are expected to increase in FY 1997-98 by 4.3% to $805.8 million, and in FY 1998-99 by 3.3% to $832.7 million.. Continued growth at current rates is expected for revenues from taxes and fees, but investment income is expected to decrease into 1997-98 as cash balances are spent down.

HIGHWAY TRUST FUND REVENUE
(Millions)

	1996-97 Actual	1997-98 Projected	1998-99 Projected
Revenues			
Motor Fuels Revenue	$243.7	$253.4	$259.9
Motor Vehicle Use Tax	407.6	437.4	455.5
Title Fees:			
Certificates of Title	73.0	73.3	74.7
Miscellaneous Title Fees	12.7	13.3	13.6
Treasurer's Investments	35.7	28.4	29.0
Total Revenue	$772.7	$805.8	$832.7
Amount Required to be Transferred to the General Fund	(170.0)	(170.0)	(170.0)
Amount Required to be Transferred from the Highway Fund	32.3	38.0	38.0
BALANCE AVAILABLE	**$635.0**	**$673.8**	**$700.7**

University	35,630,746	36,325,468
19. North Carolina School of the Arts	11,842,424	11,889,783
20. North Carolina School of Science and Mathematics	9,519,375	9,582,725
21. UNC Hospitals at Chapel Hill	35,615,701	35,615,701
Total University of North Carolina - Board of Governors	1,443,168,168	1,455,260,484
Department of Community Colleges	517,690,489	504,200,909
State Board of Elections	1,552,787	2,135,381
Contingency and Emergency	1,125,000	1,125,000
Reserve for Compensation Increase	344,716,757	343,409,871
Retirement Rate Adjustment	(20,331,500)	-
Reserve for Salary Adjustments	9,073,829	9,573,829
Debt Service	117,326,552	205,373,699
Reserve for Structured Sentencing	400,000	400,000
Postage Reduction	(300,000)	(300,000)
Debt Service - Federal	1,155,948	1,155,948
GRAND TOTAL CURRENT OPERATIONS -- GENERAL FUND	$11,243,076,181	$11,532,022,416

PART III. CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND

Section 3. Appropriations from the Highway Fund of the State for the maintenance and operation of the Department of Transportation, and for other purposes as enumerated, are made for the biennium ending June 30, 1999, according to the following schedule:

Current Operations - Highway Fund	1997-98	1998-99
Department of Transportation		
01. Administration	$ 57,934,614	$ 58,109,718
02. Operations	34,667,278	34,723,375
03. Construction and Maintenance		
a. Construction		
(01) Primary Construction	-	-
(02) Secondary Construction	78,620,024	83,283,000
(03) Urban Construction	14,000,000	14,000,000
(04) Access and Public Service Roads	2,000,000	2,000,000
(05) Discretionary Fund	10,000,000	10,000,000
(06) Spot Safety Construction	9,100,000	9,100,000
b. State Funds to Match Federal		

	Highway Aid	12,158,062 23,954,740	36,112,802
c.	State Maintenance	453,235,320 (11,839,772)	441,395,548
d.	Ferry Operations	18,098,290	18,098,290
e.	Capital Improvements	12,100,000 (12,100,000)	0
f.	State Aid to Municipalities	78,620,024	83,283,000
g.	State Aid for Public Transportation & Railroads	42,846,921 (13,400,000)	29,446,921
h.	OSHA - State	925,000	425,000
04.	Governor's Highway Safety Program	311,609	312,080
05.	Division of Motor Vehicles	89,007,931	89,071,677
06.	Reserves and Transfers	238,696,226	235,264,326
GRAND TOTAL CURRENT OPERATIONS AND EXPANSION		$1,152,321,299	$1,144,625,737

PART IV. HIGHWAY TRUST FUND

Section 4. Appropriations from the Highway Trust Fund are made for the fiscal biennium ending June 30, 1999, according to the following schedule:

Highway Trust Fund		1997-98	1998-99
01.	Intrastate System	$381,880,586	$397,487,432
02.	Secondary Roads Construction	71,497,038	73,700,275
03.	Urban Loops	154,416,605	160,727,363
04.	State Aid - Municipalities	40,068,181	41,705,703
05.	Program Administration	25,918,895	27,072,575
06.	Transfer to General Fund	170,000,000	170,000,000
GRAND TOTAL - HIGHWAY TRUST FUND		$843,781,305	$870,693,348

PART V. BLOCK GRANT FUNDS

Requested by: Senator Martin of Guilford, Representatives Gardner, Cansler, Clary

DHR BLOCK GRANT PROVISIONS

Section 5. (a) Appropriations from federal block grant funds are made for the fiscal year ending June 30, 1998, according to the following schedule:

COMMUNITY SERVICES BLOCK GRANT		
01.	Community Action Agencies	$ 11,546,034
02.	Limited Purpose Agencies	641,446
03.	Department of Human Resources to administer and monitor the activities of the Community Services Block Grant	641,446
TOTAL COMMUNITY SERVICES BLOCK GRANT		$ 12,828,926
SOCIAL SERVICES BLOCK GRANT		
01.	County departments of social services	$ 30,395,663
02.	Allocation for in-home services provided	

BUDGET PREPARATION SYSTEM
APPROPRIATION ADVICE (BD307) 15:00:48 09/17/97
SUMMARY BY PURPOSE

4230 PAGE 1

84230 DOT-CONSTRUCT& MAINT

DESCRIPTION		1997-98		1998-99
REQUIREMENTS				
5120 CONSTRUCTION-SECONDARY		78,620,024		83,283,000
5130 CONSTRUCTION-URBAN		14,000,000		14,000,000
5140 CONSTRUCTIN-PUB SRVC RDS		2,000,000		2,000,000
5170 CONSTRUCTION-SPOT SAFETY		9,100,000		9,100,000
5180 CONSTRUCT-DISCRETIONARY		10,000,000		10,000,000
5210 MAINTENANCE-PRIMARY		109,635,113		109,635,113
5220 MAINTENANCE-SECONDARY	453,235,320	187,394,152	441,395,548	187,394,152
5230 MAINTENANCE-URBAN		36,414,035		36,414,035
5240 MAINTENANCE-CONTR RESURF		119,792,020		107,952,248
5300 FERRY OPERATIONS		18,098,290		18,098,290
5400 CAPITAL IMPROVEMENTS		12,100,000		0
5500 FED HIWAY ACT-PLAN&RSRCH		11,819,032		11,819,032
5600 FEDERALLY AIDED CONSTRTN		480,905,478		504,860,218
5910 STATE AID-MUNICIPALITIES		78,620,024		83,283,000
5940 RAILROAD PROGRAM		18,800,000		12,100,000
5950 AIRPORTS PROGRAM		26,087,916		26,724,507
5970 PUBLIC TRANSPORTN PROGRM		30,874,978		24,174,978
5980 OSHA PROGRAM		925,000		425,000
TOTAL REQUIREMENTS		1,245,186,062		1,241,263,573
ESTIMATED RECEIPTS				
5500 FED HIWAY ACT-PLAN&RSRCH		8,859,383		8,859,383
5600 FEDERALLY AIDED CONSTRTN		471,707,065		471,707,065
5950 AIRPORTS PROGRAM		26,087,916		26,724,507
5970 PUBLIC TRANSPORTN PROGRM		6,828,057		6,828,057
TOTAL RECEIPTS		513,482,421		514,119,012
HIGHWAY FUND APPROPRIATION		731,703,641		727,144,561

DEPARTMENT OF TRANSPORTATION
SPENDING PRESSURES

($millions)

ITEM	FY 98/99	
Year 2000	$ 13.7	(NR)
New Financial System	30.0 - 40.0	(NR)
Disaster Receivables	64.8	(NR)
DMV Enforcement Equity Pay Plan	2.8	(R)
Highway Maintenance	78.2	(R)
Highway Patrol	2.8	(R)
Transit Funding	13.4	(R)
SIP's Charges	15.0	(8 NR - 7R)
DOT Wage Increase @ 4%	16.0	(R)
Total	$236.7 - 246.7	

FRD 1/21/98

1997-99

The North Carolina State Budget

Guide

to

Performance/Program Budgeting

Office of State Planning

Office of State Budget and Management

GUIDE
TO
PERFORMANCE/PROGRAM BUDGETING

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Steps to Peformance/Program Budgeting

1. **Identify program areas**, representing the major service commitments of state government. The North Carolina Constitution and the General Statutes provided the basis for identifying program areas. There are ten (10) areas:

    - Corrections
    - Cultural resources
    - Commerce and Economic Development
    - Education
    - Environment
    - General Government
    - Health
    - Human Services
    - Justice and Public Safety
    - Transportation

2. **Delineate each program area into hierarchical outline of programs, subprograms and elements** to provide greater insight into legislative intent and state policies. The North Carolina Constitution and the General Statutes provided the basis for developing the outlines.

3. **Classify all state government services/activities and supporting budget funds to a program, subprogram, or element.** Develop a program classification accounting code to delineate each program, subprogram, and element. Assign all state government funds with a program classification code. Requirements, receipts, expenditures, objectives, and outcomes will be tracked by program classification codes.

4. **Conduct strategic/performance planning.** Department operations planning is conducted in concert with program planning (by Program Area). Department operation planning is the foundation used to do program planning. Strategic/performance planning is an eight step process incorporating the following tasks:

    a) **Convene departments serving similar client needs or expected outcomes** to improve collaboration and help avoid gaps and overlap in services. Identify target populations and expected outcomes.

    b) **Identify emerging trends and factors** and the effects these trends and factors have on workload, program operations and expected outcomes.

    c) **Identify objectives and outcome measures.** Departments set their own objectives and outcome measures, then collaborate with other departments serving similar client needs or expected outcomes for the purpose of coordination.

    d) **Identify strategies, activities, and innovations** for achieving objectives and improving services. Strategies show the different types of activities used to accomplish objectives. Innovations represent new ideas (within current funding levels) for making services more effective or efficient.

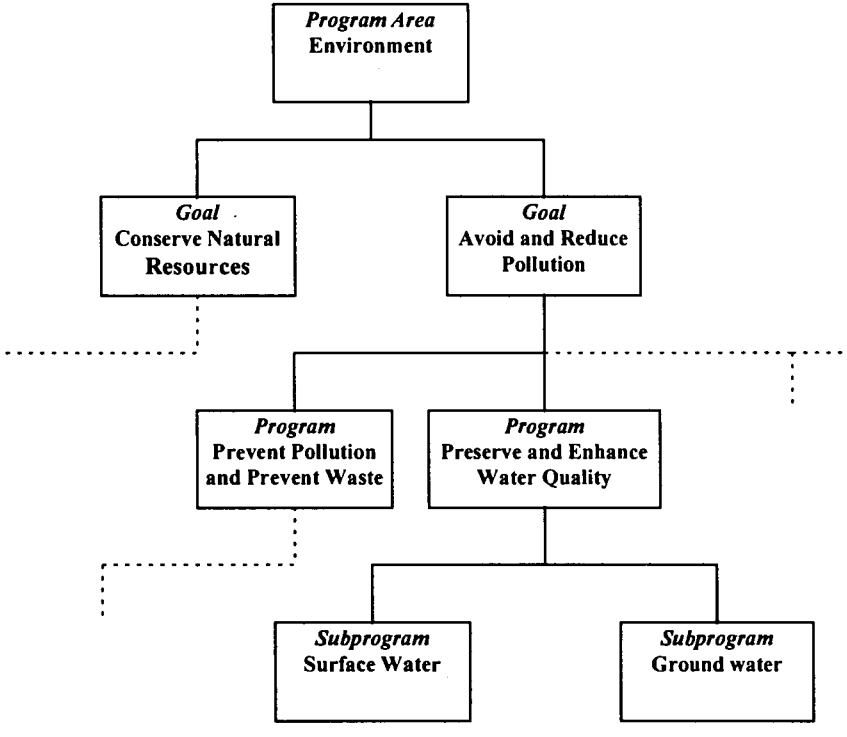
Planning Outputs for Performance/Program Budgeting

The Performance Planning process produces 11 outputs that are incorporated in the Department Operations Plan and the Performance/Program Budget Documents. Three outputs are incorporated in each of the documents and provide a link between them: program objectives, outcome measures, and funds supporting objectives.

Performance Planning Outputs	Department Operations Plans	Program Budget (Volume 7)	Line-Item Budget (Volumes 1-6)
Mission statement	X		
Department Goals	X		
Trends and Implications	X	X	
Customers		X	
Expected Outcomes		X	X
Program Objectives	X	X	X
Administrative Objectives		X	X
Outcome Measures	X	X	X
Performance Measures		X	X
Funds Supporting Objectives	X	X	X
Strategies/Activities	X	X	
Innovations	X		

Classification Structure of Performance/Program Budgeting

The Performance Budget provides information in an orderly presentation progressing from the general concept to a specific focus.



* **"Program"** refers to a *group* of *activities* sharing a common purpose. Also, these activities are not limited to any one state organization; they may involve several agencies working together toward the achievement of a single outcome.

Here is an example of how levels in a program area may be divided:

Program Area:	**Environment**
Goal:	**Avoid and Reduce Pollution**
Program:	**Preserve and Enhance Water Quality**
Subprogram:	**Ground water**

Note that some programs have *no* further division into subprograms, while others have subprograms that are further divided into *elements*. The specific breakdowns of the programs depend upon the purposes expressed in the associated General Statutes and regulations.

The intention is to make program categories broad enough to encompass activities that:

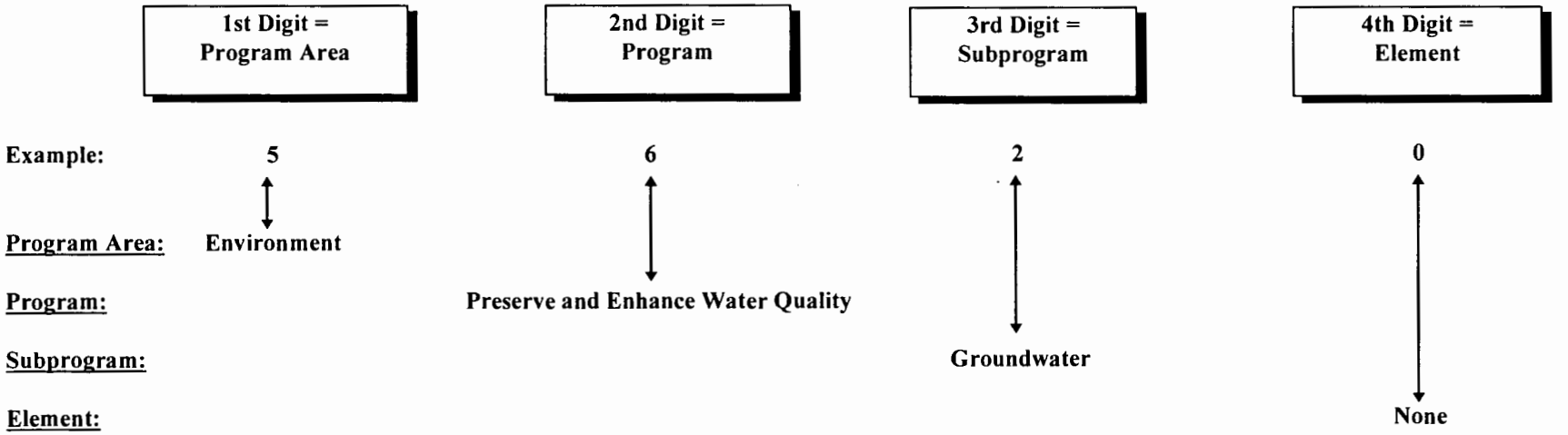
- share a common purpose,
- have common or similar customers or clients,
- have common or similar outcome measures, and
- can be analyzed by similar methods.

Accounting
for
Performance/Program Budgeting

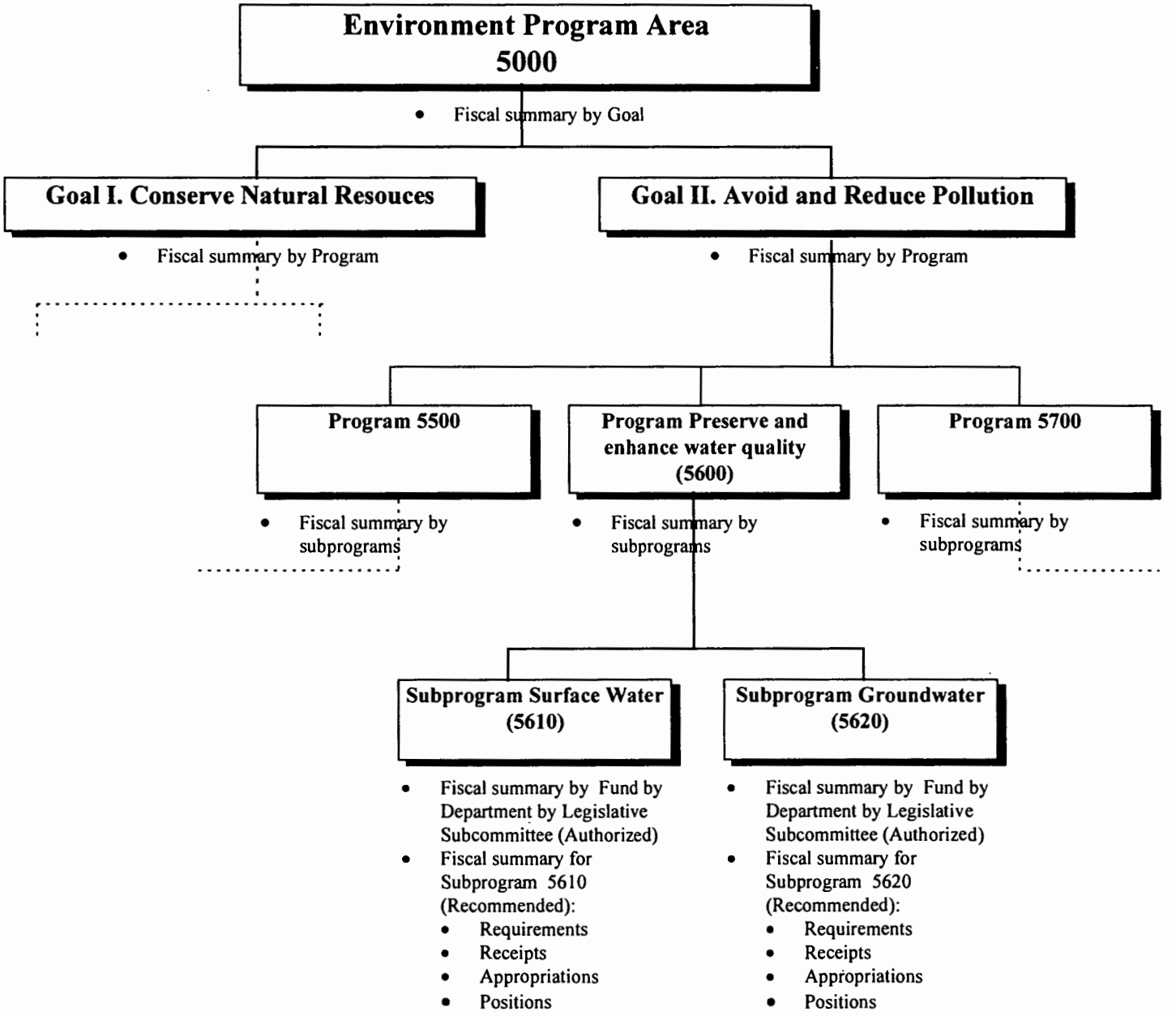
The Office of State Planning and the Office of State Budget and Management, in cooperation with the Office of State Controller, has implemented a four-digit program number that will enable budgetary reporting across organizational boundaries and by Program Area. Four-digit program numbers correspond to levels within in the program classification outlines. As of the 1997-99 biennium, every budget fund has been linked to a program number with no split funds occurring. This change accomodates a new accounting system implemented by Office of the State Controller. The change will not affect the former budget and accounting for Performance Budget Accounting. The **first digit** identifies the **Program Area**; the **second digit** identifies the **Program**; the **third digit** identifies the **Subprogram** (if applicable); and the **fourth digit** identifies the **Element** (if applicable).

The program number does not replace the operating fund number used in the traditional budget, but enhances the reporting capabilities associates with common purpose and outcomes. The program number has been incorporated into all phases of budget and accounting to reflect the reporting and budgetary control.

PROGRAM NUMBER



A diagram of the hierarchical outline of the Groundwater Subprogram within the Environment Program Area



Key Documents
of
Performance/Program Budgeting

Three documents support Performance/Program Budgeting:

1. **Performance/Program Budget, by department (Volumes 1-6)**
   These documents are known as the traditional line-item budget. There are six (6) volumes, which include all of the budget funds used to support state government services. The six volumes correspond to six (6) legislative committees set up to examine the Governor's recommended budget. The funds in each volume are grouped by department, and include line-by-line objects of expenditure, providing the basis for fiscal control. All of the funds are also cross-referenced to the programs they support. There are approximately 1,350 budget funds.

2. **Performance/Program Budget, by program (Volumes 7a -7b)**
   These documents group budget information by program area and provide policy-related information on the purpose and intent of funds. There are ten (10) program areas, each representing a broad sector of public services--education, economic development and commerce, corrections, etc. Within each program area, funds are classified by program, subprogram or element, each addressing a type of policy issue, such as "Communicable disease" or "Access to health care." Fiscal information is presented by "categories of expenditure" rather than by specific "objects of expenditure." If funds were actually appropriated by categories rather than by objects, departmental managers would have greater flexibility in administering their funds. In the program presentation, funds from different departments are sometimes classified together if they address a similar policy issue.

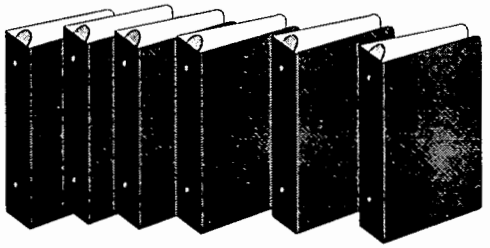
3. **Departments Operations Plan**
   This document provides department operations plans for each of the principle departments in state government. Plans included in this document describe specifically how (through strategies and activities) each department's program objectives are being addressed by the department. In addition, each plan shows what new innovations are planned over the next six years to improve the performance of department or program activities. Both the departmental (volumes 1-6) and program (volumes 7a-7b) budget documents are cross-referenced to the department plan.

Cross-references

Certain reference points are used to link the *Performance/Program Budget* documents with each other and with the *Departments Operations Plan.* Reference points include: program objectives, outcome measures (values are only shown in the budget volumes), supporting funds, and P/PB codes.

Documents of Performance/Program Budgeting

Three sets of documents support the 1997-99 State Performance Budget

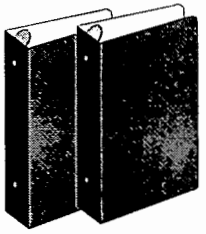


6 budget volumes

Organizationally

Structured

+



2 budget volumes

Programmatically

Structured

+



1 planning volume

Organizationally

Structured

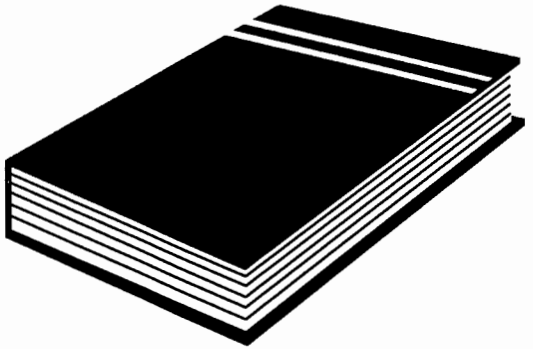
Elements to Volumes 1-6

Volumes 1-6 have been modified to include the following elements of information:

- **programmatic information by legislative subcommittee**

  ***Modified** **

- **programmatic information by department and by fund**



- **fund objectives**

- **fund outcome and efficiency measures**

The following pages provide sample presentations of the modified volumes.

Volumes 1 thru 6 - A recommended budget summary is provided for each subcommittee.

1997-98 Recommended Continuation Budget Summary
for
Natural and Economic Resources Subcommittee
(in millions)

Program Areas	Health	Human Services	Corrections	Justice & Public Safety	Environ.	Econ. Devl & Com.	Education	Transport.	Cultural Resources	General Govern.	Total
Departments											
• Agriculture	9.29	2.66	-	-	4.71	59.11	-	-	-	-	75.77
• Commerce	0.29	178.92	-	-	-	174.04	-	0.03	-	2.20	355.48
• Environment, Health, and Natural Resources	362.89	-	0.60	-	218.71	7.10	-	-	-	1.09	590.39
• Wildlife Resources	-	-	-	-	48.09	-	-	2.29	-	-	50.38
• Labor	18.42	4.18	-	-	-	1.94	-	-	-	-	24.54
Total Requirements	390.89	185.76	0.60	-	271.51	242.19	-	2.32	-	3.29	1,096.56
Receipts/Cash Balances	239.40	176.12	0.00	-	156.46	154.71	-	2.32	-	0.37	729.38
General Fund Appropriation	151.49	9.64	0.60	-	115.05	87.48	-	0.00	-	2.92	367.18
Highway Fund Appropriation	0.00	0.00	0.00	-	0.00	0.00	-	0.00	-	0.00	0.00
Number of Positions	2,264.00	2,197.00	9.00	-	3,352.00	2,001.00	-	36.00	-	25.00	9,884.00

These are the departments reviewed by the NER Subcommittee. Each department's recommended budget is broken down by program area.

This is the total amount for the Health program area reviewed by the NER Subcommittee.

This is the amount recommended for EHNR in the Environment program area.

This is the total amount for all departments reviewed by the NER Subcommittee.

Volume 5 - This is a fund presentation from Volume 5 reviewed by the Natural and Economic Resources Subcommittee.

This fund contributes to the Groundwater subprogram (P/PB 5620)

Of the ten funds that contribute to P/PB 5620, Fund 1660 contributes $641,981 or 4.09% of the total.

Objectives and their related outcome measures, with values, to which this fund contribute are listed.

Other performance measures relevant to this fund are also listed.

1660 Groundwater Protection Grant — **P/PB 5620 Groundwater**

PURPOSE: This fund provides federal support for state groundwater protection activities and includes programs to prevent, reduce, and eliminate sources of groundwater pollution. The work includes the development groundwater standards and pollution prevention regulations, assisting local governments in protecting the quality of groundwater resources that are sources of water supply, preventing groundwater contamination from pesticides, and protecting groundwater from nonpoint sources of contamination. This grant also funds efforts to promote a comprehensive state-federal approach to groundwater quality protection .

PROGRAM INFORMATION:

This is one of 10 funds that contribute to program number 5620, Groundwater The total 1996-97 certified budget for P/PB 5620 is $15,681,912 of which this fund is $641,981, or 4.09% of the total. A programmatic presentation which groups all funds that contribute to specific program levels throughout state government according to similar outcomes, objectives, and outcome measures may be found in Volume 7. Following is a complete list of departmental accounting funds which contribute to P/PB 5620.

AGRICULTURE	1090 PESTICIDE CONTROL AND AN	23.25%	EHNR	1670 UND STORAGE TANKS-STATE	9.00%
EHNR	1500 ON-SITE WASTE WATER	5.48%	EHNR	1671 UST-COMPLIANCE,INSP,PERM	13.25%
EHNR	1655 GROUNDWATER MANAGEMENT	17.52%	EHNR	1675 UNDERGROUND INJECT CTL	.68%
EHNR	1660 GROUNDWATER PROTECTION	4.09%	EHNR	2332 GROUNDWATER PROT PERMIT	1.44%
EHNR	1665 GRNDWATER STOR TANKS-LEA	25.25%	EHNR	2355 REIMBURSEMENT CLEANUP	.03%

Objectives:

- Reduce violations of groundwater standards at nondischarge facilities.
- Prevent groundwater contamination from pesticides.

Outcome Measures:

	1993-94 Actual	1994-95 Actual	1995-96 Actual	1996-97 Estimated	1997-98 Estimated	1998-99 Estimated
- The percentage of violations of groundwater standards at permitted nondischarge facilities.	3%	11%	6%	10%	10%	10%
- Percent of pesticide monitoring well samples with concentrations of pesticides that exceed groundwater quality standards.	3.0%	3.1%	3.3%	3.6%	3.9%	4.2%

Other Performance Measures:

- Number of strategies, plans, or regulations developed for the protection of groundwater resources in the state.	8	12	9	10	10	10

Fund detail is provided for the actual, authorized and recommended budget amounts.

- Number of groundwater samples containing inorganic contamination (nitrate, sodium, iron, etc.) in excess of standards.	58	254	35	50	50	50
- Number of watersheds mapped for vulnerability and recharge-discharge characteristics.	2	2	2	2	2	1
- Number of technical assistance and training sessions provided to water suppliers and other interested parties.	4	9	12	5	5	5
- Number of wellhead protection program plans submitted by public water supply systems.	0	0	1	25	75	200
- Number of wellhead protection program plan submittals approved.	1	0	0	20	65	175

PURPOSE DETAIL:

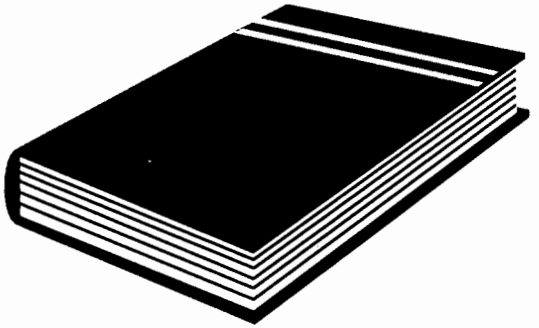
Description	1995-96 Actual	1996-97 Authorized	1997-98 Inc/Dec From Authorized	1997-98 Total Recommended	1998-99 Inc/Dec From Authorized	1998-99 Total Recommended
1660 NUMBER OF POSITIONS	11.00	11.00	.00	11.00	.00	11.00
REQUIREMENTS						
53 1200 SPA SALARIES	266,145	318,537	0	318,537	0	318,537
53 1300 TEMPORARY SALARIES	6,830	7,114	0	7,114	0	7,114
53 1400 SUPPLEMENT TO REG. WA	925	2,356	0	2,356	0	2,356
53 1500 EMPLOYEE BENEFIT COST	65,702	78,434	390-	78,044	390-	78,044
53 1600 OTHER PERSONAL SERVIC	106	0	0	0	0	0
53 2000 REIMB-COMPUTER SERVIC	46,935	78,630	0	78,630	0	78,630
53 3000 SUPPLIES	22,550	26,338	0	26,338	0	26,338
53 4000 PROPERTY, PLANT & EQU	69,391	81,645	0	81,645	0	81,645
53 5000 OTHER EXPENSES & ADJU	22,376	31,314	0	31,314	0	31,314
53 6929 OTHER CONT/GRT-ED-INS	4,945	15,000	0	15,000	0	15,000
53 8010 DEPENDENT CARE-OP TFR	36	0	0	0	0	0
53 8129 TFR TO REG FIELD OFFI	2,613	2,613	0	2,613	0	2,613
TOTAL REQUIREMENTS	508,554	641,981	390-	641,591	390-	641,591
ESTIMATED RECEIPTS						
43 7000 MISCELLANEOUS	21,216	29,714	0	29,714	0	29,714
43 8000 INTRA GOVERNMENTAL TR	487,334	612,267	390-	611,877	390-	611,877
TOTAL RECEIPTS	508,550	641,981	390-	641,591	390-	641,591
NET APPROPRIATION	4	0	0	0	0	0

Elements of Volume 7

Volumes 7a and 7b provide the following additional elements of information:

- **statewide programmatic information**
- **programmatic information by Program Area**
- **programmatic information by Program, Subprogram, and Element**
- **comprehensive listing of funds by Program, Subprogram, and Element**
- **comprehensive listing of objectives and outcome measures by Program, Subprogram, and Element**

New



The following pages provide sample presentations of the new volumes.

Volum[illegible] Budget summary for all program areas in state gc[illegible]ment.

This is the total amount recommended for the funds of the Department of Agriculture that are contributing to objectives in the Health Program Areas

This is the total recommended amount for all departments and agencies contributing to objectives in the Health Program Area.

This is the total number of positions recommended for the Health Program Area.

1997-98 Recommended Continuation Budget Summary by Program Area

(in $ millions)

Program Areas	Health	Human Services	Corrections	Justice & Public Safety	Environ.	Econ. Devl & Com.	Education	Transport.	Cultural Resources	General Govern.	Total
Departments											
Administration	0.23	23.18	-	-	0.94	1.15	-	-	-	90.37	115.87
Office of Administrative Hearings	-	-	-	-	-	-	-	-	-	2.34	2.34
Agriculture	9.29	2.66	-	-	4.71	59.11	-	-	-	-	75.77
Board of Elections	-	-	-	-	-	-	-	-	-	1.04	1.04
Commerce	0.29	178.92	-	-	-	174.04	-	0.03	-	2.20	355.48
Community Colleges	-	6.19	-	-	-	13.75	537.48	-	-	-	557.42
Correction	-	-	917.33	-	-	-	-	-	-	-	917.33
Crime Control and Public Safety	-	-	-	191.41	-	-	-	-	-	-	191.41
Cultural Resources	-	-	-	-	-	-	-	-	58.04	-	58.04
Environment, Health, and Natural Resources	362.89	-	0.60	-	218.71	7.10	-	-	-	1.09	590.39
General Assembly	-	-	-	-	-	-	-	-	-	31.12	31.12
Human Resources	5,316.86	1,696.11	52.72	-	-	-	34.28	-	-	-	7,099.97
Insurance	10.18	-	-	-	-	38.94	-	-	-	-	49.12
Judicial	-	-	-	347.82	-	-	-	-	-	-	347.82
Justice	-	-	-	72.54	-	-	-	-	-	-	72.54
Labor	18.42	4.18	-	-	-	1.94	-	-	-	-	24.54
Governor's Office	-	-	-	-	-	-	-	-	-	5.40	5.40
Office of State Budget and Management	-	-	-	-	-	-	-	-	-	3.74	3.74
Office of State Planning	-	-	-	-	-	-	-	-	-	4.25	4.25
Housing Finance Authority	-	45.20	-	-	-	-	-	-	-	-	45.20
Office of the Lieutenant Governor	-	-	-	-	-	-	-	-	-	0.59	0.59
Public Instruction	-	-	-	-	-	-	4,705.88	-	-	-	4,705.88
Revenue	-	-	-	-	-	-	-	-	-	70.08	70.08
Secretary of State	-	-	-	-	-	4.80	-	-	-	0.44	5.24
State Auditor	-	-	-	-	-	-	-	-	-	10.57	10.57
State Controller	-	-	-	-	-	-	-	-	-	141.08	141.08
State Treasurer	-	-	-	-	-	-	-	-	-	29.26	29.26
State Major Health Plan	-	-	-	-	-	-	-	-	-	17.27	17.27
Rules Review Commission	-	-	-	-	-	-	-	-	-	0.28	0.28
Transportation	-	-	-	-	2.63	-	-	2,413.59	-	-	2,416.22
University of North Carolina	412.75	-	-	-	-	-	1,820.30	-	-	-	2,233.05
Wildlife Resources Commission	-	-	-	-	48.09	-	-	2.29	-	-	50.38
Special Boards and Commissions	-	-	-	-	-	2.35	-	-	-	-	2.35
Compensation Increase	16.65	3.25	22.18	12.01	1.88	2.65	228.79	-	0.89	14.41	302.71
Debt Service / Federal Debt	0.77	-	23.61	0.12	42.98	-	78.35	-	-	0.43	146.26
Other Reserves	-	-	-	0.40	-	-	-	-	-	14.06	14.46
Total Requirements	**6,148.33**	**1,959.69**	**1,016.44**	**624.30**	**319.94**	**305.83**	**7,405.08**	**2,415.91**	**58.93**	**440.02**	**20,964.47**
Receipts/Cash Balances	4,111.43	1,499.43	103.29	218.17	159.49	181.89	1,071.98	540.05	6.42	209.80	8,101.95
General Fund Appropriation	2,036.90	460.26	913.15	406.13	160.45	123.94	6,333.10	0.00	52.51	230.22	10,716.66
Highway Fund Appropriation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,875.86	0.00	0.00	1,875.86
Number of Positions	20,089.69	5,582.36	20,355.05	8,670.88	3,406.51	2,452.85	28,197.46	14,334.60	718.63	3,350.05	107,158.08
Community College / Public School Employees	0.00	0.00	0.00	0.00	0.00	0.00	133,172.77	0.00	0.00	0.00	133,172.77

This is the total 1997-98 recomended continuation budget amount for all ten program areas.

DEHNR has $97.64 million of the $125.16 million recommended for Goal 1 - Conserve natural resources.

The total recommended amount for subprogram 5620 Groundwater is $12.11 million.

DEHNR's total recommended amount for 1997-98 is $218.71 million.

The total recommended budget for the Environment Program Area for 1997-98 is $3,406.51 million.

Environment Program Area
Continuation Budget Summary by Department
(in millions)

	1997-98						1998-99					
Program Area: Environment	Agri.	DOA	DEHNR	Wildlife	DOT	Total	Agri.	DOA	DEHNR	Wildlife	DOT	Total
Conserve natural resources	0.79	0.00	97.64	26.73	0.00	125.16	0.79	0.00	98.05	26.72	0.00	125.56
• Promote environmental education	0.79	-	23.95	-	-	24.74	0.79	-	26.03	-	-	26.82
• Protect natural areas and critical habitats	-	-	23.89	26.73	-	50.62	-	-	22.94	26.72	-	49.66
• State parks	-	-	19.78	-	-	19.78	-	-	18.83	-	-	18.83
• Wildlife resources	-	-	-	26.73	-	26.73	-	-	-	26.72	-	26.72
• Coastal resources	-	-	4.11	-	-	4.11	-	-	4.11	-	-	4.11
• Manage natural resources of economic value for substained use	-	-	49.80	-	-	49.80	-	-	49.08	-	-	49.08
• Marine fisheries	-	-	13.75	-	-	13.75	-	-	13.49	-	-	13.49
• Forest resources	-	-	33.68	-	-	33.68	-	-	33.22	-	-	33.22
• Water resources	-	-	2.31	-	-	2.31	-	-	2.31	-	-	2.31
• Mining	-	-	0.06	-	-	0.06	-	-	0.06	-	-	0.06
Avoid and reduce pollution	3.92	0.94	111.27	0.00	2.63	118.76	3.87	0.94	111.02	0.00	2.64	118.47
• Prevent pollution and reduce waste	-	-	2.22	-	-	2.22	-	-	2.22	-	-	2.22
• Ensure the proper management of waste	-	0.94	11.42	-	-	12.36	-	0.94	11.43	-	-	12.37
• Solid and hazardous waste	-	-	11.42	-	-	11.42	-	-	11.43	-	-	11.43
• Radioactive waste	-	0.94	-	-	-	0.94	-	0.94	-	-	-	0.94
• Preserve and enhance water quality	3.92	-	64.38	-	-	68.30	3.87	-	64.12	-	-	67.99
• Surface water	-	-	52.27	-	-	52.27	-	-	52.06	-	-	52.06
• Ground water	3.92	-	12.11	-	-	16.03	3.87	-	12.06	-	-	15.93
• Preserve and enhance air quality	-	-	33.25	-	2.63	35.88	-	-	33.25	-	2.64	35.89
Support services and administration	-	-	6.88	2.15	-	9.03	-	-	6.91	2.15	-	9.06
Reserves, transfers and other accounting funds	-	-	2.92	19.20	-	22.12	-	-	2.92	19.20	-	22.12
Total Requirements	4.71	0.94	218.71	48.09	2.63	275.08	4.65	0.94	217.89	48.08	2.64	274.20
Receipts/Cash Balances	1.02	0.40	107.35	48.09	2.63	159.49	1.01	0.40	107.34	48.08	2.64	159.47
General Fund Appropriation	3.69	0.54	111.36	0.00	0.00	115.59	3.64	0.54	110.55	0.00	0.00	114.73
Number of Positions	89.25	8.00	2,803.26	460.00	46.00	3,406.51	89.25	8.00	2,803.26	460.00	46.00	3,406.51

For each of the ten program areas, the introduction page gives the goals, major subdivisions, and other background information.

A budget summary by goal for each year of the biennium is provided.

ENVIRONMENT PROGRAM AREA

North Carolina's environment is rich in natural resources: clean air, majestic mountains, miles of rivers and beaches, an abundance of fish and wildlife, many unique natural areas, as well as beautiful places to live, retire and visit.

The Environment Program Area includes state policies and activities that are directed towards two goals: Conserving natural resources, and avoiding and reducing pollution of the environment.

Note: *Human and health-related activities are included in the Health Program Area (PDB 1000).*

Conserving natural resources. The General Statutes of North Carolina imply that to conserve natural resources is to protect and to carefully control the use of resources, recognizing the need to find a balance between human activity and nature. In conserving the state's natural resources, the state has committed efforts towards:

- environmental education and conservation,
- protection of natural areas and habitats, and
- management of natural resources of economic value for sustained use.

Avoiding and reducing pollution. The growth in the number of people, households, industries, businesses, and automobiles strains the capacity of North Carolina's rivers, streams, lakes, air, and land to absorb the wastes and by-products of modern life. By committing to avoid and reduce pollution, the state has committed efforts towards:

- prevention of pollution and reduction of waste,
- proper management of waste,
- preservation and enhancement of water quality, and
- preservation and enhancement of air quality.

The challenges facing state agencies working towards objectives in the Environment Program Area include:

- increasing urbanization and development,
- decreasing size and fragmentation of forest land and natural areas, and
- pressure to maintain economic growth through expansion of agriculture, mining, manufacturing, and high technology industries.

Growing urban areas increase the amount of impervious surface resulting in more storm water runoff carrying pollutants such as sedimenst, oil, and grease. Smaller, more fragmented natural areas decrease the quantity and quality of habitat for wildlife and threaten unique natural areas. Expansion of agriculture, particularly high density animal operations, has had an impact on surface water and groundwater resources. Relocation of business and industry may bring jobs, but it also creates waste and by-products (some of which are hazardous) that must be properly managed. Population and economic growth are putting increasing pressure on natural resources such as water, forests and fisheries.

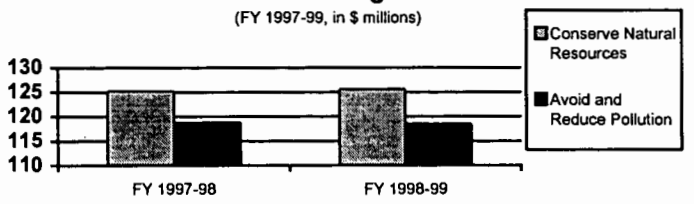
The environment is a very integrated resource. That means an impact on land can also impact water resources and air quality. Because of this, it is nearly impossible to protect, regulate, or restore a single part of the environment without having a positive and/or negative impact on the other aspects. Likewise, the costs and economic impacts of all environmental activities, both conservation and environmental protection, are of growing importance.

Budget by Goal (in millions)

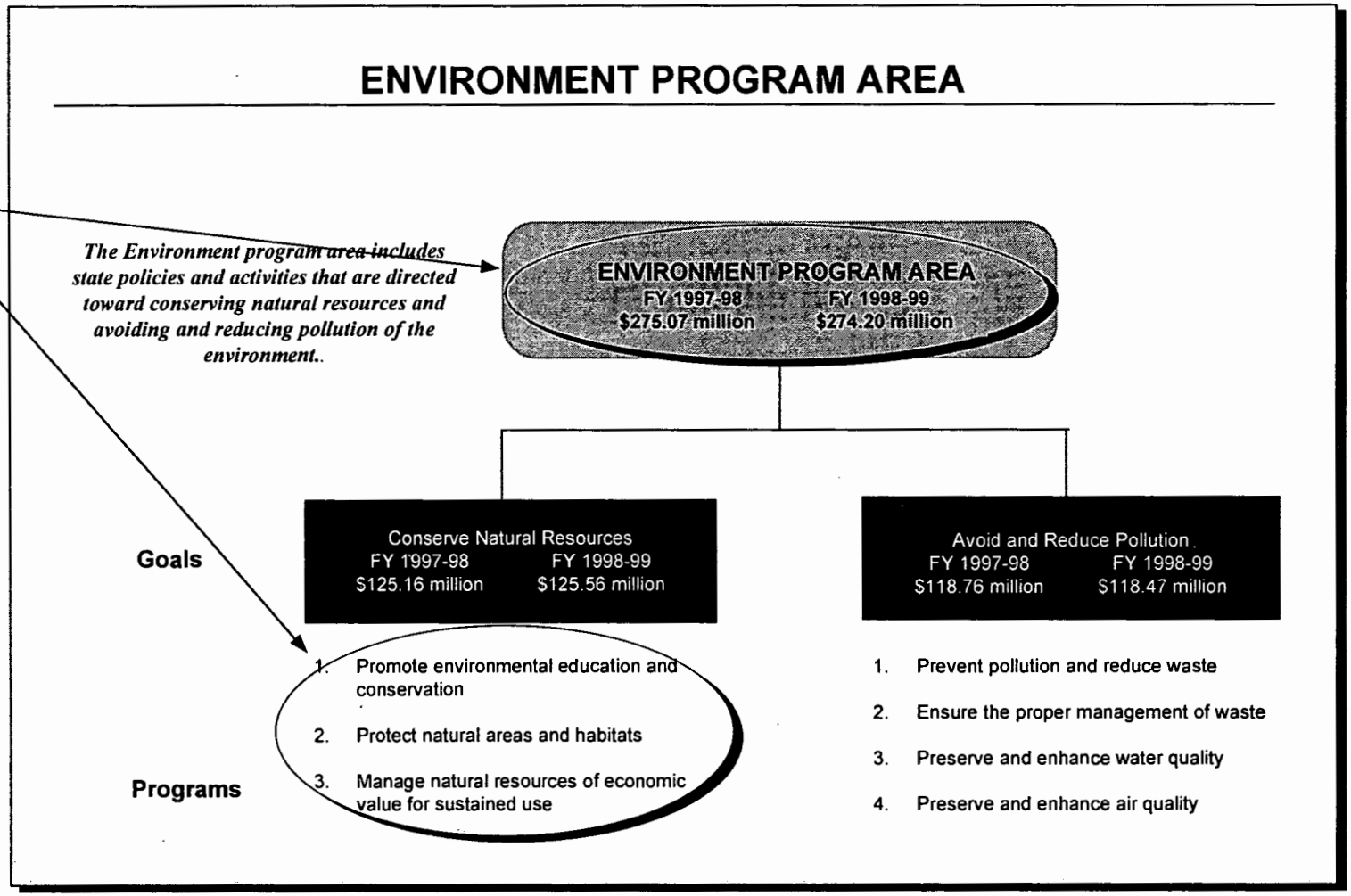
Goal	1997-98	1998-99
Conserve Natural Resources	$125.16	$125.56
Avoid and Reduce Pollution	$118.76	$118.47

Environment Program Area

(FY 1997-99, in $ millions)



A diagram is presented for each of the ten Program Areas listing the goals and the major subdivisions (progams) in each goal.



For each program subdivision the following are given:

purpose statement,

expected outcomes,

budget summary by each subprogram in the program subdivision, and

Background and trends.

5600 Preserve and enhance water quality

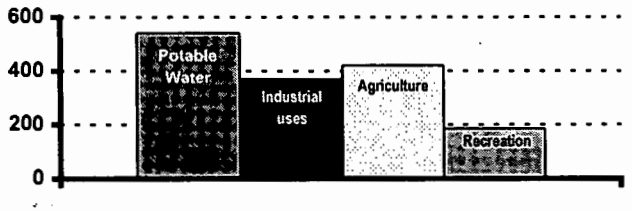
Purpose

The purpose of this program is to preserve and enhance the state's water quality by protecting surface and ground water (including watersheds, river basins, coastal areas and aquifers) through an integrated approach.

Expected Outcomes

The expected outcome of this program is clean water. Clean water is necessary for drinking, household uses, industry, irrigation, recreation, and wildlife habitat. Clean water contributes to public health, economic development, and the health of the rest of the natural environment.

Major Uses of Surface and Ground Water
(in millions of gallons)



Budget by Subprogram (in millions)

Subprogram	1997-98	1998-99
Surface Water (5610)	$52.57	$52.06
Ground Water (5620)	$16.03	$15.93

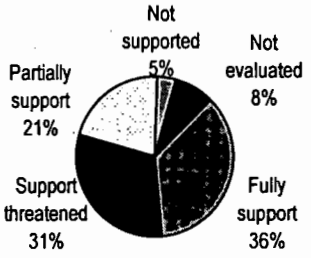
Background and Trends

The water resources of the state consist of both surface water and ground water. These two sources are linked in one large resource with a similar purpose, since groundwater enters surface water through springs and seepage along streams and rivers. Despite this link, they face different treats which require them to be monitored and protected in different manners.

Many surface waters of the state continue to face threats from pollution. The greatest threat to surface water is non-point source discharges, primarily sediment and nutrients, especially nitrogen. These and other pollutants have resulted in the loss of habitat for aquatic organisms, algal blooms, oxygen depletions, and fish kills.

Surface waters are classified according to their designated uses. Surface waters are rated as either fully supporting , support-threatened, partially supporting, or not supporting based on their classified use. Streams rated as either partially supporting or not supporting are considered impaired. A body of water is fully supporting but threatened for a particular designated use when it fully supports that use now but may not in the future unless pollution prevention or control action is taken, and although these waters are currently supporting uses, they are treated as a separate category from water fully supporting uses. Streams that have no data to determine their use support are listed as not evaluated. In 1994, only 36 percent of surface waters fully supported their uses.

Designated Use Status of N.C. Freshwater Streams and Rivers



The suspected major source (75%) of use impairment is nonpoint source pollutants. These break down into runoff from agricultural activities (55%), urban runoff (12%), and runoff from construction areas (10%). Point sources are permitted dischargers, such as municipal wastewater plants and industries. These account for only 11 percent.

Water quality is expected to decline unless there is improved oversight of the expanding animal industry in the state and reductions in nonpoint pollutants (such as sediment and nutrients) are achieved through the use of buffers and wetland restoration.

Ground water is the primary source of drinking water for more than 50 percent of the residents of North Carolina. This is particularly important in the coastal plain of the state where over 90 percent of the residents rely on groundwater as their sole source of potable water. Leaking underground storage tanks are a leading cause of groundwater contamination in the state and clean up and restoration of contaminated ground water is often very expensive and time-consuming. Contamination from agricultural activities is another growing concern.

This page provides a diagram of the subprograms and the associated objectives in each program subdivision.

5600 Preserve and enhance water quality

Purpose: *protect surface water and ground water from pollution by an integrated approach to water quality in watersheds, river basins and aquifers.*

Expected outcome: *clean water for drinking, swimming, boating, fishing, wildlife, and economic growth.*



Subprograms

Surface Water
FY 1997-98 $52.27 million
FY 1998-99 $52.06 million

Ground Water
FY 1997-98 $16.03 million
FY 1998-99 $15.93 million

Objectives

1. Increase waters meeting their designated uses by 20% by 2002.
2. Develop basinwide water quality plans for all river basins in the state.
3. Issue all wastewater permits within 180 days.
4. Develop a comprehensive wetlands plan to minimize loss of wetlands.

1. Increase the number of underground storage tanks in compliance.
2. Ensure Class V injection well facilities are in compliance.
3. Reduce violations of groundwater standards at non-discharge facilities.
4. Maintain septic tank system failure rate below 10%.
5. Prevent groundwater contamination from pesticides.

The number "5620" indicates Groundwater is a subprogram of 5600 Protect and enhance water quality.

5620 Ground water

Purpose

The purpose of this subprogram is to preserve and enhance the quality of the state's ground water.

Expected Outcomes

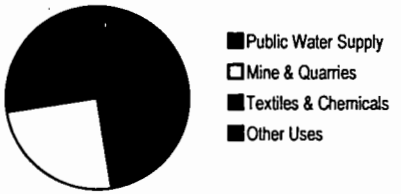
The expected outcome for this subprogram is clean ground water.

Important trends affecting the Groundwater Subprogram. Graphs may be included to illustrate key trends or important data.

Background and Trends

Groundwater is the source of drinking water for more than 3.2 million people, or about 55 percent of North Carolina's population. The economic significance of groundwater is substantial, particularly in the Coastal Plain region, where high-yielding aquifers supply water to most municipalities, industries, and farms. In the Piedmont and Mountain regions groundwater is the drinking water source for most small towns and rural residents.

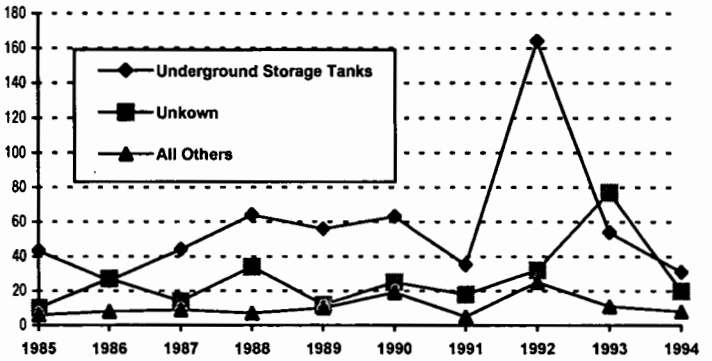
Uses of Groundwater Withdrawals



Current or potential sources of groundwater pollution are leaking underground storage tanks, municipal and industrial waste treatment and disposal facilities, agricultural chemicals, and household septic tanks. Nearly 1.2 million residences use septic tanks, a number that increases by 40,000 to 50,000 each year.

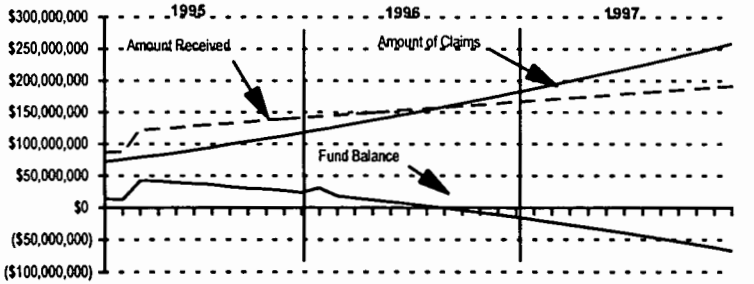
Users of groundwater need uncontaminated drinking water; owners of leaking underground storage tanks need assistance in cleaning up leaking tanks; and point and nonpoint dischargers into groundwater need allowance for gainful economic activity as well as encouragement to reduce discharge of pollutants.

Number of Contaminated Wells by Source



Reductions in the federal UST program of approximately 27 percent in FY 1996-97 will significantly effect the state's ability to address this major pollution source. In addition, the state trust fund is projected to have a zero balance by late fall of 1997, i.e. payments to UST owners and operators will have reduced the trust fund balance to zero.

State Commercial Trust Fund Balance Through 1997



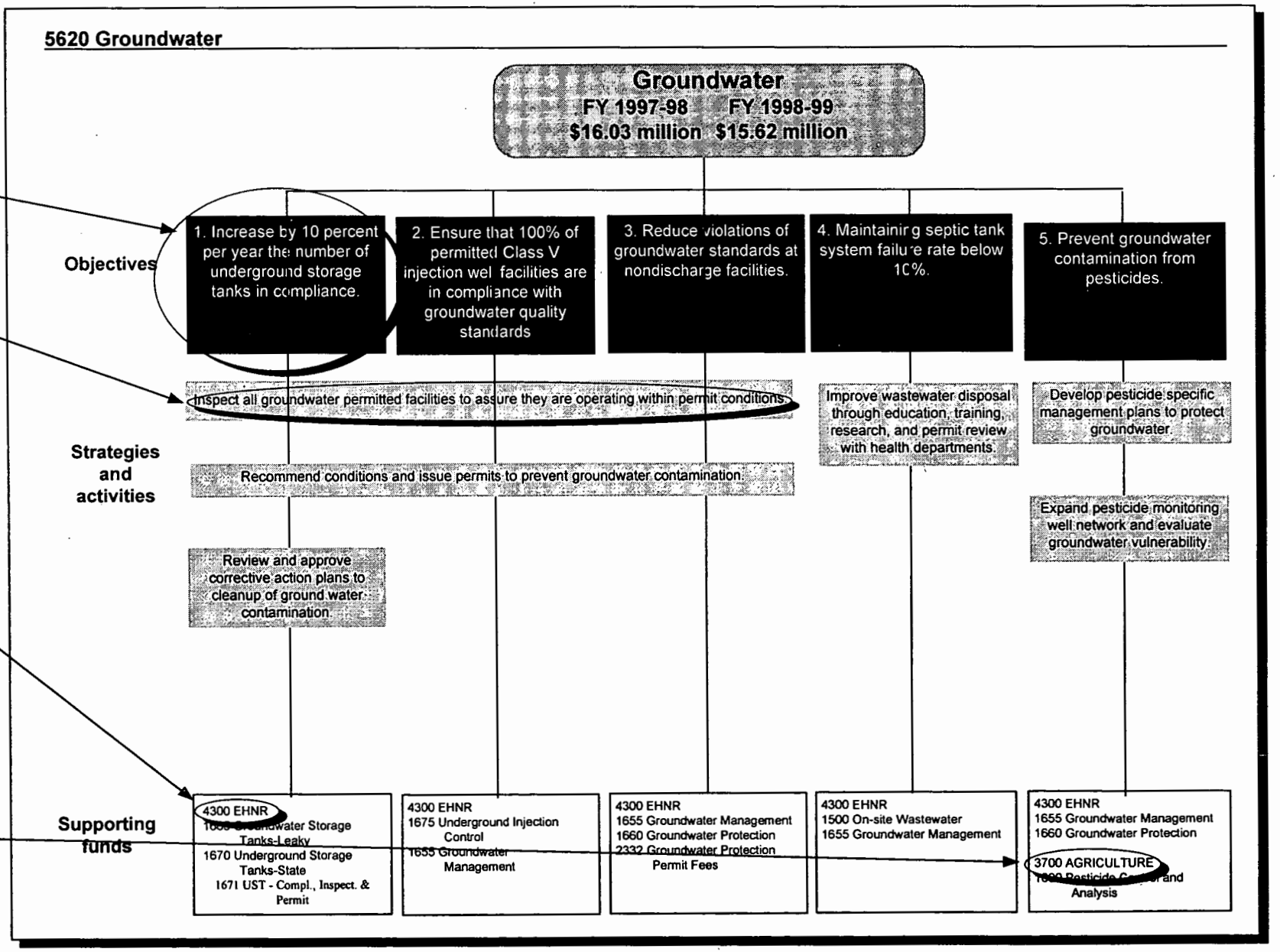
Volume 7 - A diagram is provided to illustrate the relationship among the objectives, strategies and activities, and the funds in a program or subprogram.

Objectives of the Groundwater Subprogram.

This strategy for the Groundwater Subprogram applies to multiple objectives.

Most of the funds supporting this subprogram are in the Department of Environment, Health and Natural Resources.

However, a fund from the Department of Agriculture also contributes to one of the objectives in the subprogram.



Volume 7 - This is an objective page with its associated outcome measure, performance measures, as well as supporting funds. A current situation statement may be included to provide additional information about the objective.

This is the fifth objective in the Groundwater subprogram. Each objective is listed with its associated outcome measure followed by performance measures related to the objective.

5620 Ground water

Objective 5: Prevent groundwater contamination from pesticides.

Measure	Actual 1991-92	1992-93	1993-94	1994-95	1995-96	*Estimated 1996-97*	*Expected 1997-98*	*Expected 1998-99*
Outcome Measure:								
Percent of pesticide monitoring well samples with concentrations of pesticides that exceed health-based standards.	n/a	n/a	3.0%	3.1%	3.3%	*3.6%*	*3.9%*	*4.2%*
Performance Measures:								
Number of pesticide product lots removed from sale.	395	395	406	175	117	*170*	*190*	*200*
Number of pesticides registered.	11,600	12,262	12,380	11,862	11,802	*11,700*	*11,500*	*11,500*
Pounds of pesticides disposed during year.	33,000	26,467	47,978	54,279	96,104	*100,000*	*105,000*	*110,000*
Number of pesticide inspections.	8,623	6,133	8,132	9,886	12,817	*13,372*	*13,372*	*13,372*
Number of reported pesticide incidents investigated within 24 hours.	192	216	216	207	198	*200*	*200*	*200*
Number of commercial pesticide applicators.	7,472	8,302	8,411	9,050	9,990	*10,900*	*11,500*	*12,500*
Number of pesticide dealers.	1,032	990	995	1,048	982	*1,050*	*1,050*	*1,050*
Number of private pesticide applicators (farmers).	29,139	29,582	26,903	29,820	26,680	*29,400*	*29,000*	*29,000*
Number of groundwater samples monitored for pesticide contamination.	n/a	n/a	n/a	n/a	87	*50*	*60*	*70*

A current situation statement may be included to provide additional information about the objective and outcome measure.

Current Situation:

The Interagency Pesticide and Groundwater Study which establishes the baseline and identifies areas in need of further evaluation has been completed. We are testing a monitoring protocol which uses citizen participation to reduce the state's resources required to obtain valid water samples at the county level. We are evaluating proposed federal rules which will require the state to establish a management plan for five specific pesticides.

Funds:

4300 EHNR
1660 Groundwater Protection
3700 AGRICULTURE
1090 Pesticide Control and Analysis

Funds are listed for each department contibuting to an objective. In this case, funds from the Department of Environment, Health and Natural Resources as well as the Department of Agriculture contribute the objective.

Volume 7 - This page lists the authorized expenditures and includes the number of positions, requirements, receipts, and appropriations by department and fund for the subprogram.

Included here are the 1996-97 Authorized Expenditures for the 5620 Groundwater Subprogram.

All funds of 5620 Groundwater are reviewed by the NER Appropriations Subcommittee. The funds from the two departments contributing to this subprogram are listed by fund number and name.

~~5620~~ Ground water

1996-97 Authorized Expenditures

Funds Supporting Subprogram 5620–Ground Water	Number of Positions	Total Requirements	Total Receipts	Total Appropriation	Percent of Total Requirements
Funds reviewed by NER Appropriations Subcommittee:					
3700 AGRICULTURE:					
1090 PESTICIDE CONTROL AND AN	72.00	3,658,203.00	941,688.00	2,716,515.00	23.27
4300 EHNR					
1500 ON-SITE WASTE WATER	15.00	882,172.00	0.00	882,172.00	5.61
1655 GROUNDWATER MANAGEMENT	55.00	2,752,745.00	53,298.00	2,699,447.00	17.51
1660 GROUNDWATER PROTECTION	15.00	641,981.00	641.981.00	0.00	4.08
1665 GROUNDWATER STORAGE TANKS-LEA	31.00	3,959,184.00	3.959.184.00	0.00	25.18
1670 UND STORAGE TANKS-STATE	31.00	1,411,568.00	1,411,568.00	0.00	8.98
1671 UST COMPLIANCE, INSP, PERM	37.00	2,077,903.00	2,077,903.00	0.00	13.22
1675 UNDERGROUND INJECT CTL	2.00	107,175.00	107,175.00	0.00	0.68
2332 GROUNDWATER PROT PERMIT	3.00	225,317.00	225,317.00	0.00	1.43
2355 REIMBURSEMENT CLEANUP	0.00	5,000.00	5,000.00	0.00	0.03
TOTAL FOR 5620 FUNDS	257.00	$15,721,248.00	$9,423,114.00	$6,298,134.00	100.00

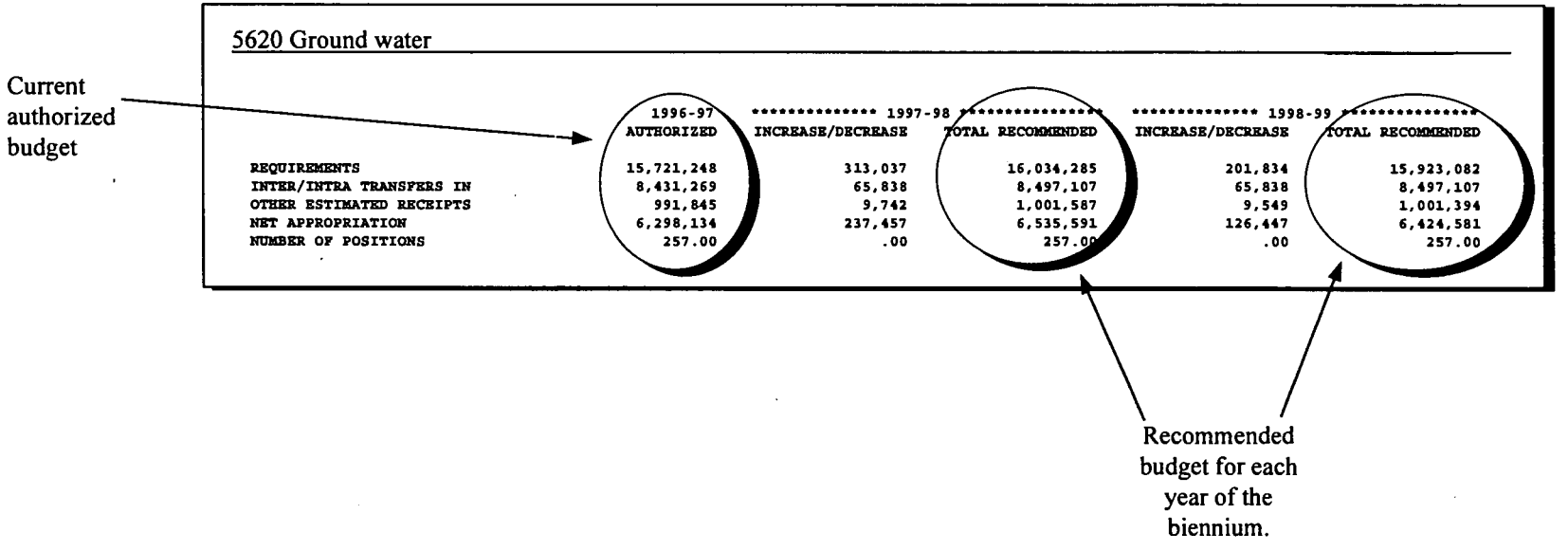
The total number of positions requested for the Groundwater Subprogram.

The total requirements requested for the Groundwater Subprogram.

The total receipts for the Groundwater Subprogram.

The total appropriation requested for the Groundwater Subprogram.

Volume 7 - Requirements, transfers, receipts, total appropriations and the number of positions are listed on this page for the next two fiscal years as well as the current fiscal year.

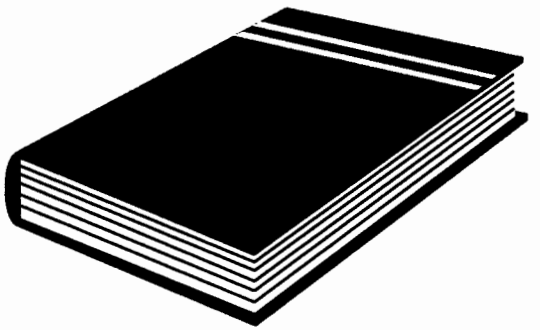


Elements of Department Operations Plan

The Department Operations Plan is organized by department and has been modified to provide the following information:

- **mission statement and goals by department**
- **current and emerging trend information by department by Program Area**
- **organizational chart by department**
- **comprehensive listing of objectives and outcome measures by P/PB code by department**
- **comprehensive listing of strategies, activities, and innovations by objective by department**

Modified



The following page provide a sample presentation of the planning volume.

Each departmental objective is listed by the program area, P/PB goal, program, subprogram, and element (when applicable).

This is the 79th EHNR objective and it is the 5th objective in subprogram 5620 Groundwater.

The department fund(s), and organizational unit(s)contributing to this objective are listed.

A description of strategies and activities that will be conducted to achieve the objective are listed along with the supporting funds.

Innovations are listed when available and are new ways of conducting strategies and activities with current funding.

Program Area:	Environment
P/PBGoal II:	Avoid and reduce pollution
Program:	Preserve and enhance water quality
Subprogram:	**Groundwater**

P/PB Objective #79 (5620.05):
Prevent groundwater contamination from pesticides.

Funds contributing to objective:
4300-5620-1660: Groundwater Protection

Organizational unit contributing to objective:
Division of Water Quality

Description of strategies or activities directed toward this objective:

- Develop pesticide specific management plans to protect Groundwater under differing environmental conditions and production programs (Agriculture fund 1090; DEHNR funds 1655, 1660)
- Expand pesticide monitoring well network and evaluate Groundwater vulnerability to provide the basis for implementation of pesticide
- management plans (Agriculture fund 1090; DEHNR funds 1655, 1660)

Innovations:

- (no innovations have been identified)

Key Terms of Performance/Program Budgeting

Activity-- An action or service performed by state agencies.

Continuation Budget-- Budget request of recurring appropriation to fund current programs or projects.

Customers-- A persons or group of persons who receive goods or services. State activities have customers. Customers vary by activity. Customers are specific to the related policy commitment. Customers have needs, conditions or behaviors that the state is trying to affect.

Effectiveness-- Degree to which program activities produce desired outcomes.

Efficiency-- Degree to which program activities minimize resources.

Element-- Component of a subprogram that is narrower in scope and focus.

Expansion Budget-- Budget request for new appropriation to fund new programs or projects.

Fund-- An accounting unit currently used for budget control. (In addition to the fund number, a program number is used in budgeting and accounting to represent the classification of funds and activities in performance classifications.)

Goal-- Represents a broad policy commitment to get desired results. A goal encompasses programs, subprograms, elements and activities directed toward achieving that goal.

Innovation-- New and creative strategies for improving current services within current funding levels.

Objective-- A clearly defined, quantifiable target.

Outcome-- A result of a service.

Outcome Measure-- A program statistic that helps in assessing the achievement of objectives.

Key Terms
of
Performance/Program Budgeting

Performance Measure- A yardstick for assessing he effectiveness and efficiency of state government.

Program Area-- Ten classifications of the state's broad policy purposes as defined in the General Statutes and the North Carolina Constitution. Each program area groups together specific goals that are related.

Program Classification An outline of program areas based on the intent expressed in the General Statutes and the North Carolina Constitution. Program areas are subdivided into goals, programs, subprograms and elements. A four-digit program number, which corresponds to the hierarchy in the outline, is assigned for budgeting and accounting purposes.

Program Number-- An accounting unit used for budget control by each department. Fund numbers are assigned program numbers, so that expenditures can be tracked by program as well as by department. (See program classification above.)

Program Statistic-- A measure of program resources (inputs), activities and outputs.

Program-- A grouping of state activities with a common purpose, common clients and/or common outcomes. A program is part of a goal but is narrower in scope. Depending on the purpose expressed in the state statutes and regulations, a program may be divided into a subprogram.

Strategy-- A way to reach objectives and get desired results.

Subprogram-- Component of a program that is narrower in scope and focus.

1998

JOINT APPROPRIATIONS - TRANSPORTATION COMMITTEE

MINUTES

NORTH CAROLINA GENERAL ASSEMBLY

JOINT APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION

SHORT SESSION
5-11-98 ---- 10-29-1998

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May 1998

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Rep. Ed McMahan, Co-Chair	✓	✓	✓	✓	✓	✓	✓
Rep. Bobby Barbee	✓	✓	A	A	✓	✓	✓
Rep. Dan Blue	A	A	✓	A	A	✓	✓
Rep. Thomas Hardaway	✓	✓	A	✓	A	✓	A
Rep. Bill Hiatt	A	A	A	✓	✓	✓	✓
Rep. Jim Gulley	✓	✓	✓	✓	✓	✓	✓
Rep. Mary McAllister	A	A	A	A	A	✓	✓
Rep. Mickey Michaux	A	A	A	A	A	A	A
Rep. Jane Mosley	A	A	A	A	A	A	A
Rep. Richard Morgan	A	A	A	A	A	A	A
Rep. Drew Saunders	✓	✓	✓	✓	✓	✓	✓
Rep. Ronnie Sutton	✓	✓	A	✓	✓	✓	✓
Rep. Jim Crawford, Liaison	✓	✓	A	✓	A	A	A
Sen. Luther Jordan, Co-Chair	✓	✓	A	✓	✓	✓	✓
Sen. Charlie Albertson, V-Chair	✓	✓	✓	✓	✓	✓	A
Sen. Robert Carpenter	✓	✓	✓	✓	✓	✓	✓
Sen. Eric Reeves	A	✓	✓	A	✓	✓	A
Sen. Robert Rucho	✓	✓	A	✓	✓	✓	A
Ex. Officio Members:							
Rep. Leo Daughtry							
Rep. Steve Wood							
Rep. Julia Howard							

HOUSE MEETINGS ONLY

APPROPRIATIONS

SUBCOMMITTEE ON TRANSPORTATION

1998

June 24, 1998
June 30, 1998
July 01, 1998
July 06, 1998
July 08, 1998
July 09, 1998
July 14, 1998
July 16, 1998
Aug 11, 1998

A record of these meetings can be found in the House Appropriations Subcommittee On Transportation 1998 Short Session Notebook filed in the Legislative Library.

APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

SENATE MEETINGS

June 11, 1998
June 25, 1998

A record of these meetings can be found in the Senate Appropriations Subcommittee on Transportation 1998 Session notebook filed in the Legislative Library.

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE

You are hereby notified that the Committee on **JOINT APPRO/SUB TRANS COMMITTEE** will meet as follows:

DAY & DATE: **Tuesday, May 12, 1998**
Wednesday, May 13, 1998
Thursday, May 14, 1998

TIME: **9 am - 11 am**

LOCATION: **Room 1228/1337**

Respectfully,

Representatives Bowie, Dockham, McMahan
Co-Chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **3 pm** on **May 11, 1998**.

___Principal Clerk
___Reading Clerk - House Chamber

Sharon Gaudette (Committee Clerk)

AGENDA

Joint Appropriations Subcommittee
on
Transportation

May 12, 1998
Room 1228
9:00 A.M.

Chairman: Senator Luther Jordan

Highway Fund Revenue Projections

Paul Zipin
Office of State Budget and Management

Projected Highway Fund Spending

Tony Goldman
Legislative Staff

Overview of Governor's Recommended Reductions and Expansion Items

Wayne Stallings
Department of Transportation

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

Minutes

May 12, 1998

Room 1228 LB

9:00A.M.

The Joint Appropriations Transportation Subcommittee met on May 12, 1998 at 9:00AM in room 1228 of the Legislative Building. The meeting was chaired by **Senator Luther Jordan.** Four of the Senate Committee members attended. The following House members attended:

Rep. Jerry Dockham	Rep. Ed McMahan
Rep. Bobby Barbee	Rep. Jim Gulley
Rep. Thomas Hardaway	Rep. Bill Hiatt
Rep. Drew Saunders	Rep. Ronnie Sutton

Rep. Jim Crawford

Mr. Paul Zipin from the Office of State Budget and Management was introduced. Mr. Zipin distributed a handout titled *Highway Fund Revenue*, from which he spoke. A growth of 5.3% is projected for the Highway Fund for 1998-99. 70% of the fund comes from Motor Fuels tax. The growth projected is lower because a slower economy is anticipated and the wholesale price of motor fuels is declining. Senator Jordan asked is the motor fuel tax is tied to the Powell bill. Staff was requested to bring information regarding the Powell bill and options for smaller towns that may lose. In response to Rep. McMahan, the tax is paid by the wholesaler at the point of origin. The consumer price is about 17.75 cents per gallon. There have been extra expenditures from the Highway Fund due to storms, and lowered investments.

Mr. Zipin continued to speak from the handout regarding Highway Trust Fund Revenue. The Highway use tax is strong due to industry sales of cars and trucks. In response to a question by Senator Rucho, Mr. Ziplin said the 1996 growth was higher than projected. $50 million was carried from 1996 to 1997. Attention was called to page 6 of the handout, the general fund grows faster than personal income, the highway fund grows less than personal income.

Senator Jordan requested staff to look at the Powell Bill and at the Leaking Underground Storage Tank (LUST) fund as far as clean up costs, options and the resulting effect on the environment. Rep. McMahan requested staff to provide committee with a fuel tax comparison and highway use tax in other states.

Mr. Tony Goldman, staff spoke regarding the Highway Fund. Revenue is growing at about 3% which creates a structural deficit as it is insufficient to meet all needs. (See page 7 of handout). In response to Senator Rucho, Mr. Goldman spoke of the $33.670 million which was in surplus plus reversions. $1,152,790 was the total available. Mr. Goldman highlighted the Projected Spending Legal Mandates on page 7 of the handout. Under the Highway maintenance and Construction, there is a reduction in contract

resurfacing for 1998-99. In response to a question by Senator Albertson, $150 million was requested for contract resurfacing. $119 was appropriated for 1997 and $107,952 million for 1998. It is part of the overall maintenance issue. Non-highway modes were reduced by about $13 million. Governor Hunt has suggested that $13.4 million be applied to Public Transit instead of transferring to the General Fund. $17,514 million is available for new spending. Mr. Goldman then reviewed the potential expansion items for 1998-99 still in the handout.

Mr. Goldman then reviewed Mr. C. A. Gardner's need for about $616 million for maintenance. $441 million was appropriated for maintenance but and additional $155 million is needed plus $20 million in disaster relief, as well as $32 million for 1999-00. If the money is not appropriated, that will be the money not available for maintenance. The amount of backlog money needed will increase.

Rep. McMahan requested details regarding federal aid match. Mr. Goldman responded that it is covered by a transfer from the Highway Trust fund to the Highway fund.

In response to Senator Albertson, all contract resurfacing is contracted out. Each department will come forth and explain what they do. Senator Albertson's follow up question concerned the extent of use of Hot Mix. Mr. Goldman said the department is going to make an effort to do more.

Mr. Wayne Stallings, DOT, was next on the agenda. He referred to page 8 in the same handout which shows the Governor's proposals. Prior to discussing the handout, Mr. Stallings commented that even though funding for LUST would be reduced by $189,000 as mentioned by Senator Jordan, LUST also is funded by ½ cent from the gas tax.

Mr. Stallings continued, referring to the section on page 8 titled Legal mandates. The Governor proposed two changes to the general statute. The first would eliminate the transfer from the Highway Fund to the Highway Trust fund of $38 million which would go instead into contract resurfacing. He second proposed change would eliminate payment in lieu of sales tax in the amount of $13.4 million which would go into public transit. The third major budget adjustment would be to reduce the Federal aid match in the Highway Fund to zero.

Further, in the Governor's expansion budget is $11.3 million which represents $1.3 million for telecommunication lines and $10 million for SIPS charges. Of the SIPS charges, approximately 78% represents new services for customers services, licenses, vehicle registrations etc. Senator Albertson commented that it is still difficult to actually speak to a person when calling DMV. Senator Rucho wondered if the new technology has actually raised costs. Mr. Stallings said the new technology has enabled them to reduce personnel and that the system is more accurate and faster and therefore has value. Mr. Stallings pointed out that no money had been allocated for forty new troopers. Mr. Stallings discussed the remainder of the handout, pages 10 and 11. In response to Senator Albertson and to Senator Rucho, Mr. Stallings said he believes our bid index is slightly

higher than the national but he will try and obtain the national bid index for the committee.

At 10:30AM, Senator Jordan adjourned the meeting. The next meeting will be on May 13, 1998 at 9AM.

Senator Luther Jordan
Senate Chairperson

Gloria Haywood
Senate Committee Clerk

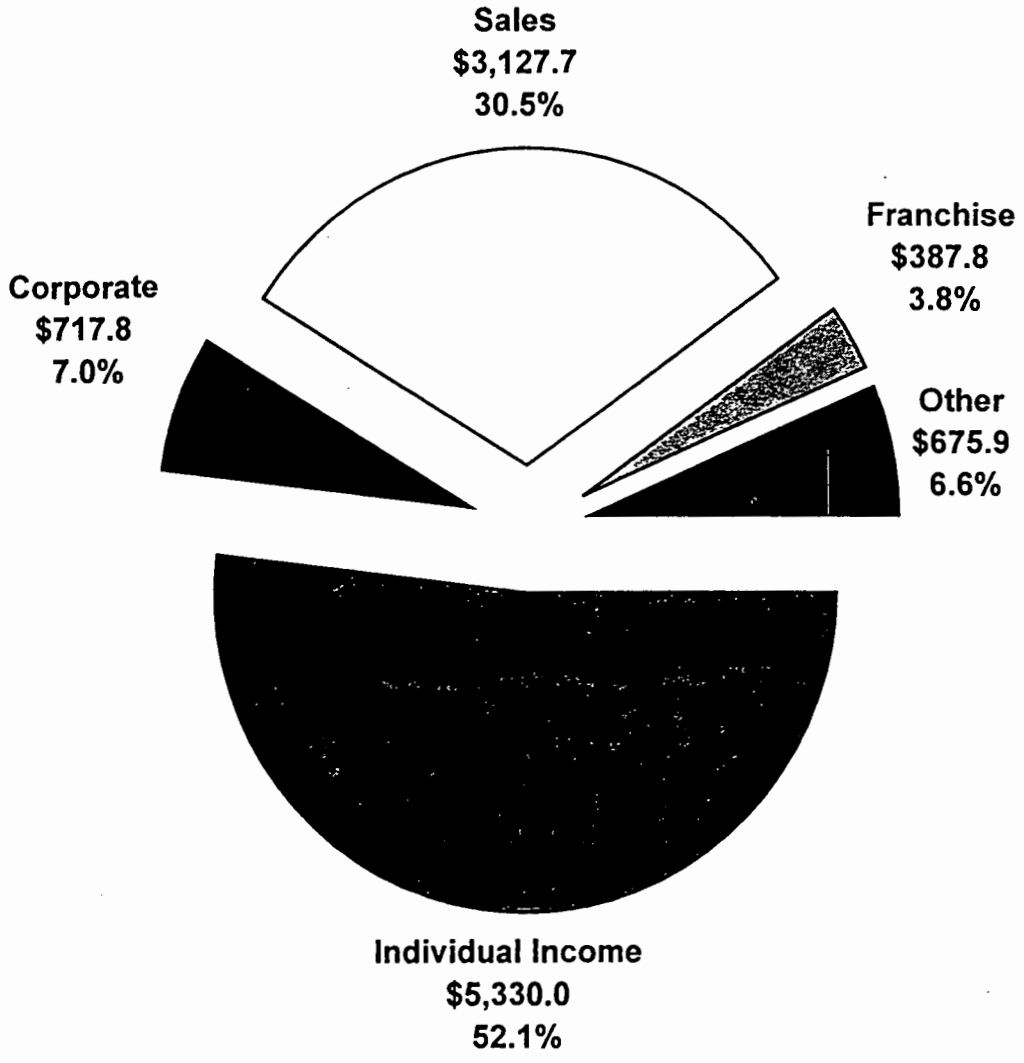
Highway Fund Revenue
1997-99

	1996-97 Actual	1997-98 Recommended	1998-99 Recommended
Motor Fuels Taxes:			
Motor Fuels Tax	$ 730,926,355	$ 764,870,000	$ 779,270,000
Inspection Fee	11,676,667	12,020,000	12,510,000
Highway Use Registration Fee	207,775	250,000	300,000
Total Motor Fuels Tax	$ 742,810,797	$ 777,140,000	$ 792,080,000
Licenses and Fees:			
Staggered Registration Plan	$ 131,363,098	$ 134,930,000	$ 139,250,000
International Registration Plan	41,479,027	43,660,000	45,620,000
Drivers License Fees	68,124,912	69,600,000	71,350,000
Truck Licenses	54,046,254	54,110,000	56,010,000
Other Licenses and Fees	24,703,661	27,680,000	28,930,000
Total Licenses and Fees	$ 319,716,952	$ 329,980,000	$ 341,160,000
Investment Income	13,145,612	12,000,000	12,610,000
Total Highway Fund Revenue	$1,075,673,361	$1,119,120,000	$1,145,850,000

Highway Trust Fund Revenue
1997-99

	1996-97 Actual	1997-98 Authorized	1998-99 Authorized
Anticipated Collections:			
Motor Fuel Taxes	$ 243,731,232	$ 254,930,000	$ 259,731,000
Highway Use Tax	407,577,335	436,643,000	457,602,000
Title Fees:			
Certificates of Title	73,029,553	76,388,000	78,680,000
Miscellaneous Title Fees	12,687,795	12,234,000	12,506,000
Treasurer's Investments	35,719,382	33,100,000	31,445,000
Total Highway Trust Fund Revenue	$ 772,745,297	$ 813,295,000	$ 839,964,000

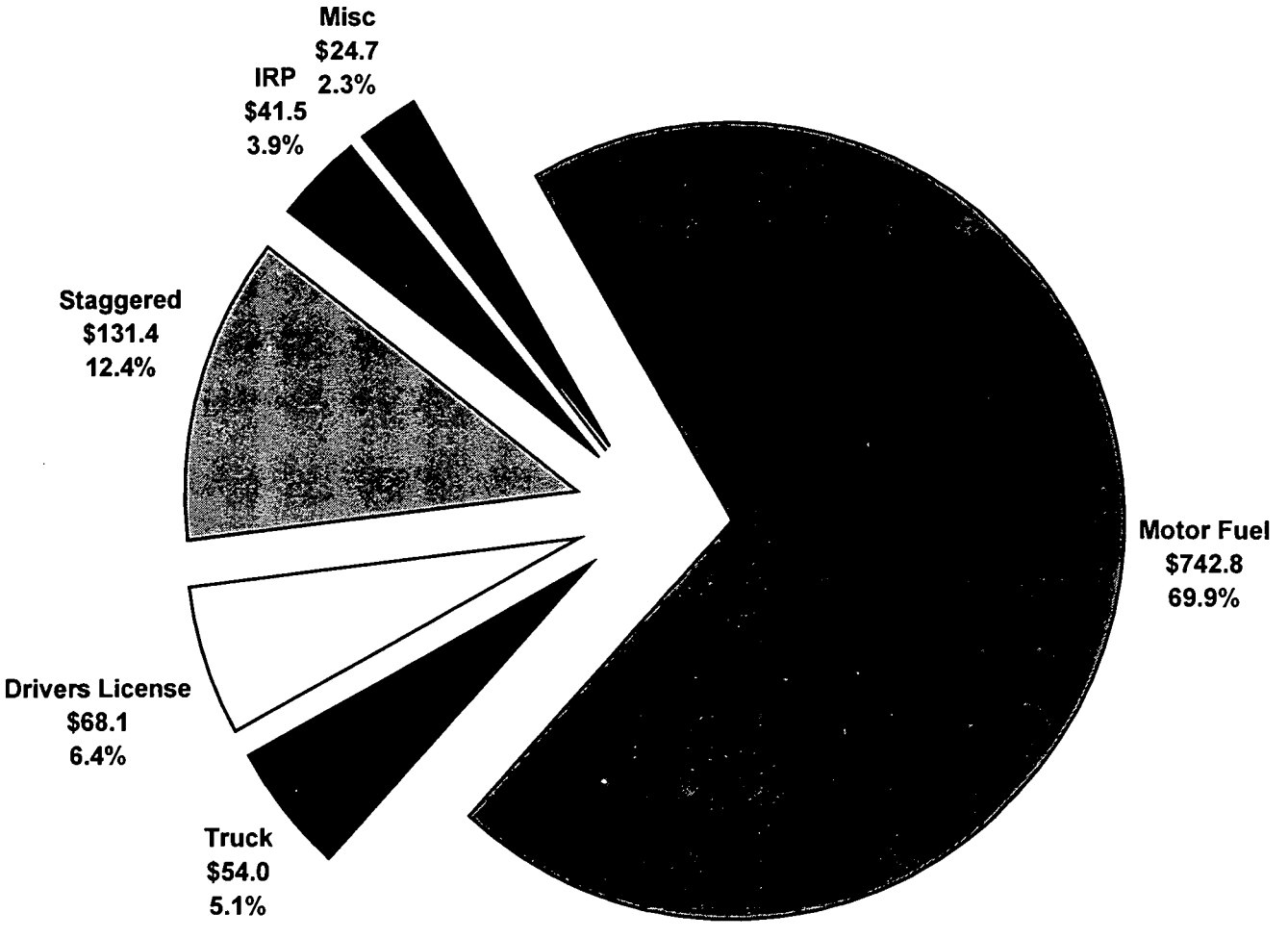
North Carolina Actual General Fund Tax Collections (millions)
Fiscal Year 1996-97



Source: OSBM
Updated: May 11, 98

Total General Fund Tax = $10,239.1 million

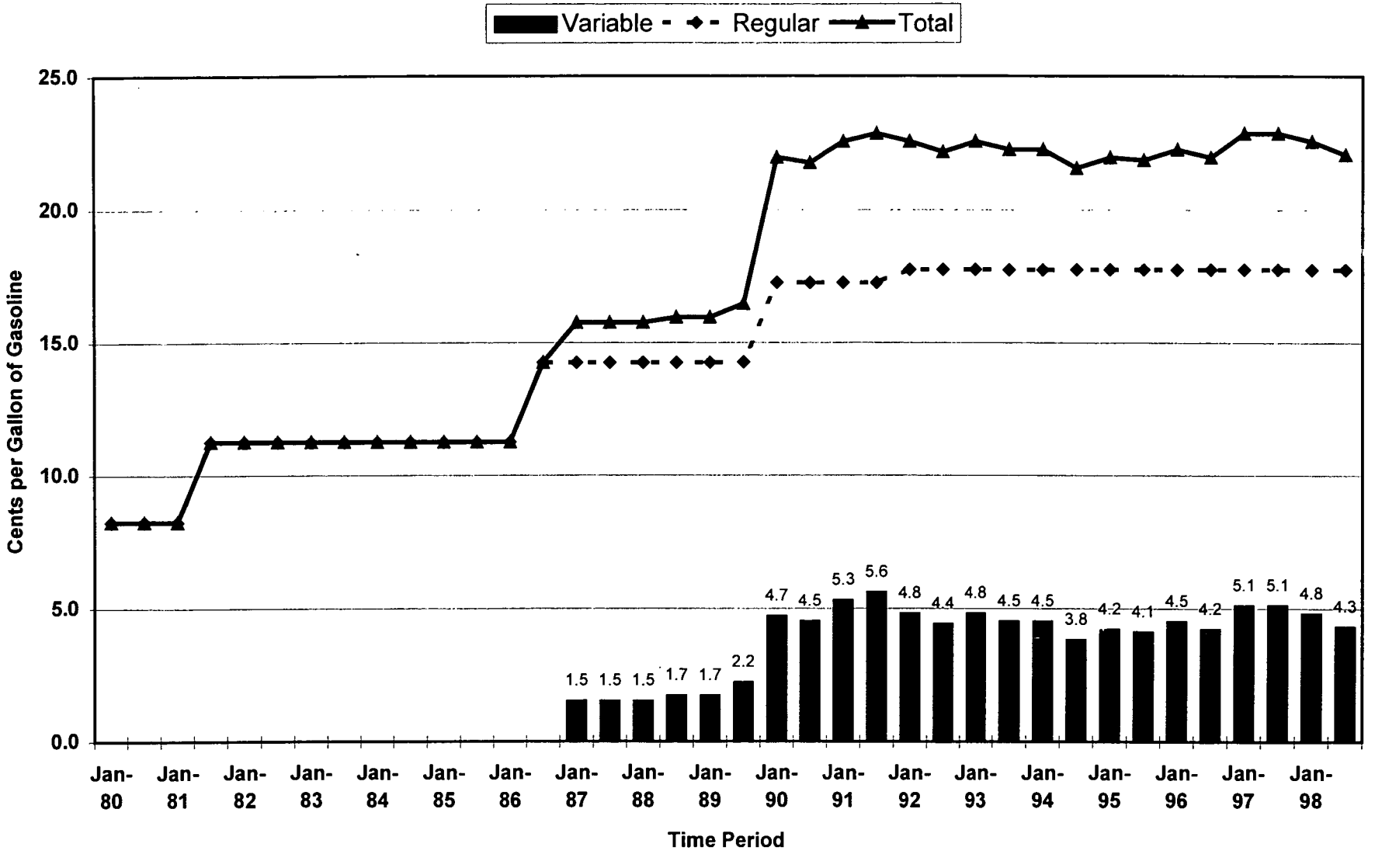
North Carolina Actual Highway Fund Tax Collections (millions): Fiscal Year 1996-97



Source: OSBM
Updated: April 22, 98

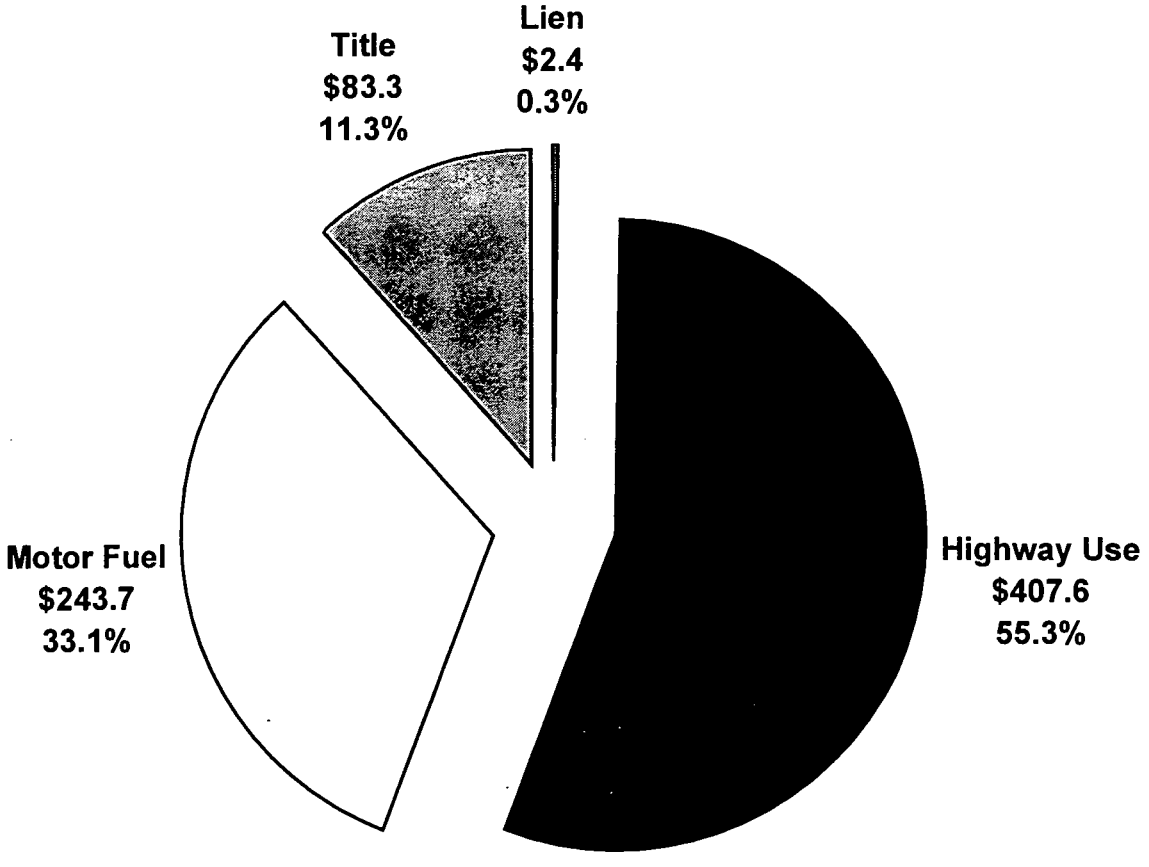
Total Highway Fund Tax = $ 1,062.5 million

North Carolina Motor Fuels Tax Rate Changes



Source: OSBM
Updated: April 98

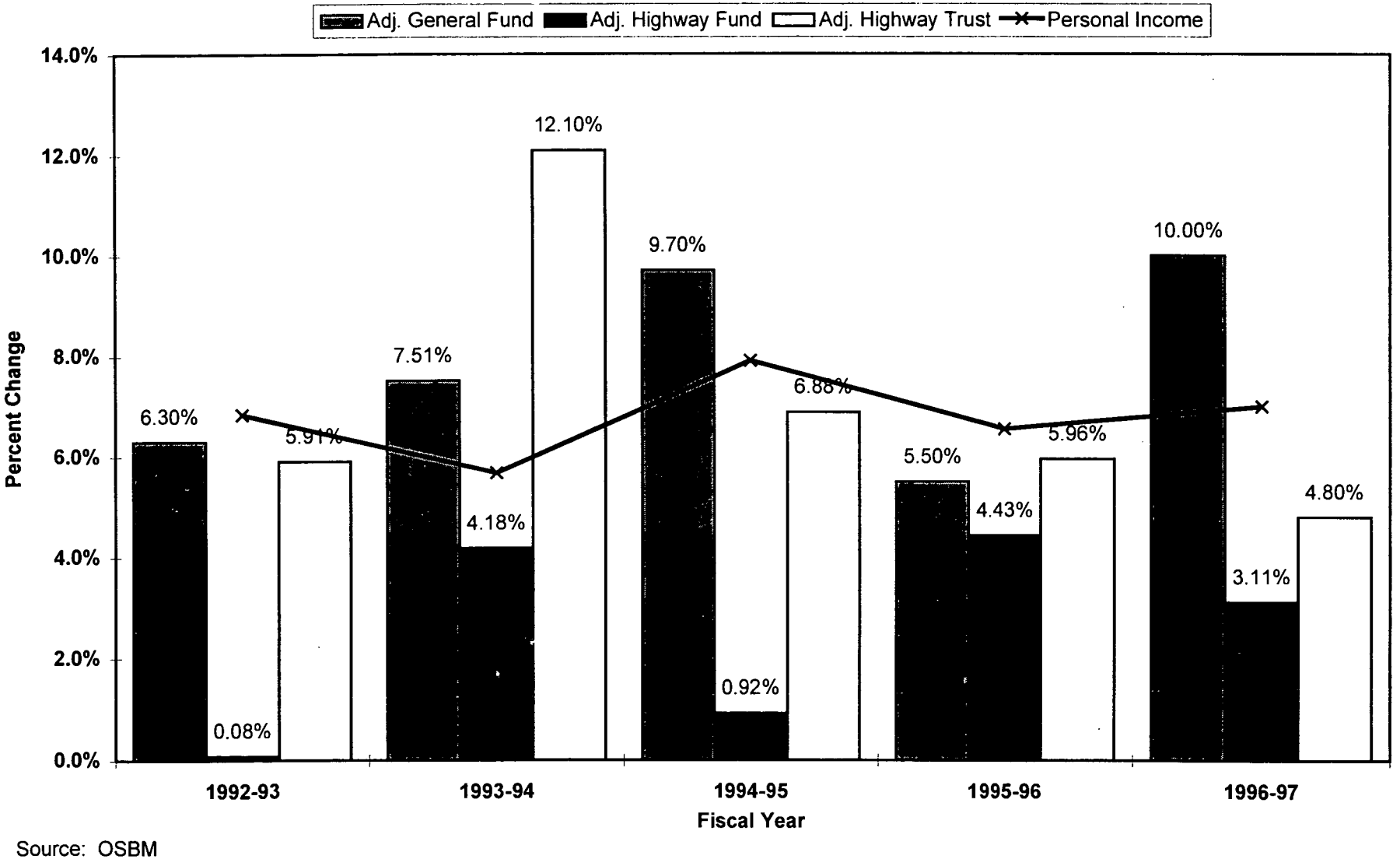
North Carolina Actual Highway Trust Fund Tax Revenue (millions): Fiscal Year 1996-97



Source: OSBM
Updated: April 21, 98

Total Highway Trust Tax = $737.0 million

North Carolina State Personal Income, Adj. General, Adj. Highway, & Adj. Highway Trust Fund Percent Changes 1992-93 Through 1996-97



Source: OSBM
Updated: April 21, 98

MODEL OF ESTIMATED HIGHWAY FUND REVENUES AND EXPENDITURES 1996-2002: SITUATION AS OF MAY, 1998							
$ IN MILLIONS							
FUNDS AVAILABLE	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-.03	2003-04
GAS TAX	764.870	779.270	815.060	840.860	871.720	898.690	928.510
INSPECTION FEE	12.020	12.510	12.910	13.250	13.580	13.910	14.240
Y USE REGISTRATION FEE	0.250	0.300	0.300	0.300	0.300	0.300	0.300
AGGERED REGISTRATION	134.930	139.250	142.870	146.440	150.100	153.410	156.780
RUCK LICENSES	54.110	56.010	57.410	58.780	60.140	61.460	62.810
INTERNATIONAL REGISTRATION	43.660	45.620	46.770	47.930	48.990	50.070	51.170
DRIVER LICENSE	69.600	71.340	72.620	73.930	75.110	76.320	77.460
OTHER	27.680	28.930	29.650	30.390	31.150	31.930	32.730
TREASURER INVESTMENTS	12.000	12.620	13.230	13.760	14.310	14.880	15.480
TOTAL REVENUE ESTIMATE	1,119.120	1,145.850	1,190.820	1,225.640	1,265.400	1,300.970	1,339.480
SURPLUS/REVERSIONS	33.670	12.000	12.000	12.000	12.000	12.000	12.000
TOTAL AVAILABLE	1,152.790	1,157.850	1,202.820	1,237.640	1,277.400	1,312.970	1,351.480
PROJECTED SPENDING							
LEGAL MANDATES							
TRANSFER TO HWY TRUST/DEBT	38.000	38.000	38.000	38.000	38.000	38.000	38.000
POWELL BILL	78.620	81.233	84.611	87.319	89.589	91.829	94.033
SECONDARY ROADS PAVING	78.620	81.233	84.611	87.319	89.589	91.829	94.033
REVENUE, AGRICULTURE, LUST TRUST	12.020	12.510	12.910	13.250	13.580	13.910	14.240
PAYMENT IN LIEU OF SALES TAX	12.600	13.400	14.204	15.056	15.960	16.917	17.932
TRANSFERS TO NON DOT AGENCIES							
HIGHWAY PATROL	116.793	112.031	114.031	116.031	118.031	120.031	122.031
DRIVER EDUCATION	22.375	22.573	23.702	24.887	26.131	27.438	28.810
DEHNR, CHEMICAL TEST	0.397	0.397	0.397	0.397	0.397	0.397	0.397
GLOBAL TRANSPARK	0.750	0.750	0.750	0.750	0.750	0.750	0.750
ADMINISTRATIVE BUDGETS							
DEPT. OF TRANSPORTATION ADMN	57.935	58.110	58.348	58.591	58.841	59.097	59.359
DIVISION OF HIGHWAYS MANAGEMENT	34.667	34.723	34.752	34.782	34.812	34.844	34.876
DIVISION OF MOTOR VEHICLES	89.008	89.072	88.800	89.513	90.246	91.000	91.776
GOV. HWY. SAFETY PROGRAM	0.312	0.312	0.312	0.312	0.312	0.312	0.312
HIGHWAY MAINTENANCE AND CONSTRUCTION							
PRIMARY MAINTENANCE	109.635	109.635	109.635	109.635	109.635	109.635	109.635
ECONDARY MAINTENANCE	187.394	187.394	187.394	187.394	187.394	187.394	187.394
RBAN MAINTENANCE	36.414	36.414	36.414	36.414	36.414	36.414	36.414
CONTRACT RESURFACING	119.792	107.952	107.952	107.952	107.952	107.952	107.952
OSHA SAFETY	0.425	0.425	0.425	0.425	0.425	0.425	0.425
SMALL URBAN	14.000	14.000	14.000	14.000	14.000	14.000	14.000
DISCRETIONARY	10.000	10.000	10.000	10.000	10.000	10.000	10.000
PUBLIC ACCESS	2.000	2.000	2.000	2.000	2.000	2.000	2.000
SPOT SAFETY	9.100	9.100	9.100	9.100	9.100	9.100	9.100
FEDERAL AID MATCH, CONSTRUCTION	9.198	33.153	33.153	33.153	33.153	33.153	33.153
FEDERAL AID MATCH, HWY RESEARCH	2.960	2.960	2.960	2.960	2.960	2.960	2.960
ASPHALT PLANT ASSESSMENT	0.500						
NON HIGHWAY MODES							
PUBLIC TRANSIT	24.047	17.347	17.347	17.347	17.347	17.347	17.347
RAIL	18.800	12.100	12.100	12.100	12.100	12.100	12.100
FERRY	18.098	18.098	18.098	18.098	18.098	18.098	18.098
1996-98 SALARY CONTINUATION	31.485	30.405	30.405	30.405	30.405	30.405	30.405
SALARY ADJ FUND(CUMULATIVE)	0.200	0.200	0.400	0.400	0.600	0.600	0.800
OTHER RESERVES	3.696	4.808	1.000	1.000	1.000	1.000	1.000
CAPITAL OUTLAY	12.100						
TOTAL BASE SPENDING	1,151.941	1,140.336	1,147.811	1,158.590	1,168.821	1,178.936	1,189.332
AVAILABLE FOR NEW SPENDING	0.849	17.514	55.009	79.050	108.579	134.034	162.148
POTENTIAL EXPANSION ITEMS							
PAY RAISES(4% 1998-9, 3% THEREAFTER		16.000	28.000	40.000	52.000	64.000	76.000
HIGHWAY PATROL SALARIES, 1997 ERROR		2.787	2.787	2.787	2.787	2.787	2.787
HEALTH BENEFITS INCREASES			7.400	9.900	22.900	27.300	27.300
MAINTENANCE		155.000	177.000	205.000	230.000	256.000	285.000
DISASTER REC.		20.000	32.000				
PUBLIC TRANSIT		13.400	13.400	13.400	13.400	13.400	13.400
SIPS CHARGES		15.000	7.000	7.000	7.000	7.000	7.000
YEAR 2000		13.700					
DMV ENFORCEMENT EQUITY PAY		2.800	2.800	2.800	2.800	2.800	2.800
CAPITAL							
CJIN							
HIGHWAY PATROL TROOP EXPANSION							
NET BALANCE AVAILABLE		(221.173)	(215.378)	(201.837)	(222.308)	(239.253)	(252.139)

GOVERNORS HIGHWAY FUND BUDGET ESTIMATE 1997-98 THROUGH 2003-04

$ IN MILLIONS

FUNDS AVAILABLE	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-.03	2003-04
GAS TAX	764.870	779.270	815.060	840.860	871.720	898.690	928.510
INSPECTION FEE	12.020	12.510	12.910	13.250	13.580	13.910	14.240
[illegible]Y USE REGISTRATION FEE	0.250	0.300	0.300	0.300	0.300	0.300	0.300
[illegible]AGGERED REGISTRATION	134.930	139.250	142.870	146.440	150.100	153.410	156.780
TRUCK LICENSES	54.110	56.010	57.410	58.780	60.140	61.460	62.810
INTERNATIONAL REGISTRATION	43.660	45.620	46.770	47.930	48.990	50.070	51.170
DRIVER LICENSE	69.600	71.340	72.620	73.930	75.110	76.320	77.460
OTHER	27.680	28.930	29.650	30.390	31.150	31.930	32.730
TREASURER INVESTMENTS	12.000	12.620	13.230	13.760	14.310	14.880	15.480
TOTAL REVENUE ESTIMATE	1,119.120	1,145.850	1,190.820	1,225.640	1,265.400	1,300.970	1,339.480
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TOTAL AVAILABLE	1,152.790	1,157.850	1,202.820	1,237.640	1,277.400	1,312.970	1,351.480
PROJECTED SPENDING							
LEGAL MANDATES							
TRANSFER TO HWY TRUST/DEBT	38.000						
POWELL BILL	78.620	81.233	84.611	87.319	89.589	91.829	94.033
SECONDARY ROADS PAVING	78.620	81.233	84.611	87.319	89.589	91.829	94.033
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PAYMENT IN LIEU OF SALES TAX	12.400						
TRANSFERS TO NON DOT AGENCIES							
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DRIVER EDUCATION	22.375	22.573	23.702	24.887	26.131	27.438	28.810
DEHNR, CHEMICAL TEST	0.397	0.397	0.397	0.397	0.397	0.397	0.397
GLOBAL TRANSPARK	0.750	0.750	0.750	0.750	0.750	0.750	0.750
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GOV. HWY. SAFETY PROGRAM	0.312	0.312	0.312	0.312	0.312	0.312	0.312
HIGHWAY MAINTENANCE AND CONSTRUCTION							
[illegible]RIMARY MAINTENANCE	109.635	109.635	109.635	109.635	109.635	109.635	109.635
[illegible]ECONDARY MAINTENANCE	187.394	187.394	187.394	187.394	187.394	187.394	187.394
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CONTRACT RESURFACING	119.792	107.952	107.952	107.952	107.952	107.952	107.952
OSHA SAFETY	0.425	0.425	0.425	0.425	0.425	0.425	0.425
SMALL URBAN	14.000	14.000	14.000	14.000	14.000	14.000	14.000
DISCRETIONARY	10.000	10.000	10.000	10.000	10.000	10.000	10.000
PUBLIC ACCESS	2.000	2.000	2.000	2.000	2.000	2.000	2.000
SPOT SAFETY	9.100	9.100	9.100	9.100	9.100	9.100	9.100
FEDERAL AID MATCH, CONSTRUCTION	9.198						
FEDERAL AID MATCH, HWY RESEARCH	2.960	2.960	2.960	2.960	2.960	2.960	2.960
ASPHALT PLANT ASSESSMENT	0.500						
NON HIGHWAY MODES							
PUBLIC TRANSIT	24.047	17.347	17.347	17.347	17.347	17.347	17.347
RAIL	18.800	12.100	12.100	12.100	12.100	12.100	12.100
FERRY	18.098	18.098	18.098	18.098	18.098	18.098	18.098
1996-98 SALARY CONTINUATION	31.485	30.405	30.405	30.405	30.405	30.405	30.405
SALARY ADJ FUND(CUMULATIVE)	0.200	0.200	0.400	0.400	0.600	0.600	0.800
OTHER RESERVES	3.696	4.808	1.000	1.000	1.000	1.000	1.000
CAPITAL OUTLAY	12.100						
TOTAL BASE SPENDING	1,151.741	1,055.783	1,062.454	1,072.381	1,081.709	1,090.866	1,100.247
AVAILABLE FOR NEW SPENDING	1.049	102.067	140.366	165.259	195.691	222.104	251.233
GOVERNOR'S EXPANSION BUDGET							
HIGHWAY PATROL SALARIES, 1997 ERROR		2.787	2.787	2.787	2.787	2.787	2.787
PAY RAISES (3% AFTER 1998-99)		20.000	16.000	16.000	16.000	16.000	16.000
MAINTENANCE		38.000	38.000	38.000	38.000	38.000	38.000
PUBLIC TRANSIT		13.400	13.400	13.400	13.400	13.400	13.400
SIPS CHARGES AND TELECOMMUNICATIONS		11.300	7.300	7.300	7.300	7.300	7.300
DMV ENFORCEMENT EQUITY PAY		1.000	1.000	1.000	1.000	1.000	1.000
CAPITAL		4.070					
CJIN & COMPUTERS IN PATROL CARS		4.656					
HIGHWAY PATROL TROOP EXPANSION		2.552	0.968	0.968	0.968	0.968	0.968
OTHER ITEMS		4.302	3.800	3.800	3.800	3.800	3.800
NET BALANCE AVAILABLE		0.000	57.111	82.004	112.436	138.849	167.978

HIGHWAY TRUST FUND
1998-99

AVAILABILITY

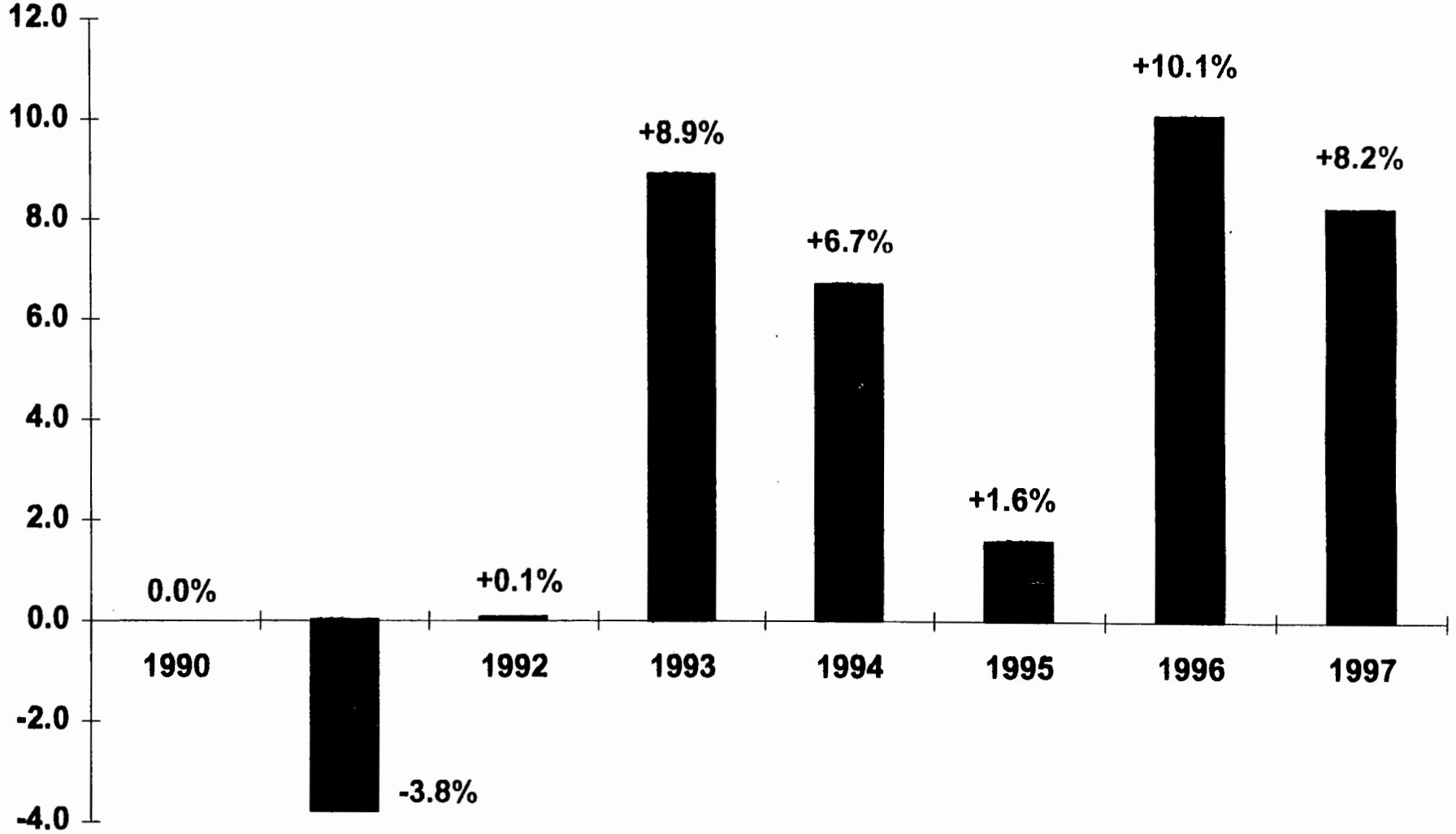
REVENUE PROJECTIONS	1998-99 EST. REV.	%	1997-98 PROJECTION	DIFFERENCE
GASOLINE TAX	$ 259,731,000	30.9%	$ 254,930,000	*$ 4,801,000*
USE TAX	$ 457,602,000	54.5%	$ 441,873,000	*$ 15,729,000*
TITLE FEES	$ 78,680,000	9.4%	$ 75,341,000	*$ 3,339,000*
LIEN RECORD	$ 2,552,000	0.3%	$ 2,475,000	*$ 77,000*
MISC.	$ 9,954,000	1.2%	$ 9,759,000	*$ 195,000*
INVESTMENT INCOME	$ 31,445,000	3.7%	$ 33,100,000	*$ (1,655,000)*
TOTAL REVENUE PROJECTIONS	$ 839,964,000	95.7%	$ 817,478,000	*$ 22,486,000*
TRANSFER FROM HIGHWAY FUND	$ 38,000,000	4.3%		
TOTAL AVAILABILITY	$ 877,964,000			

ALLOCATION

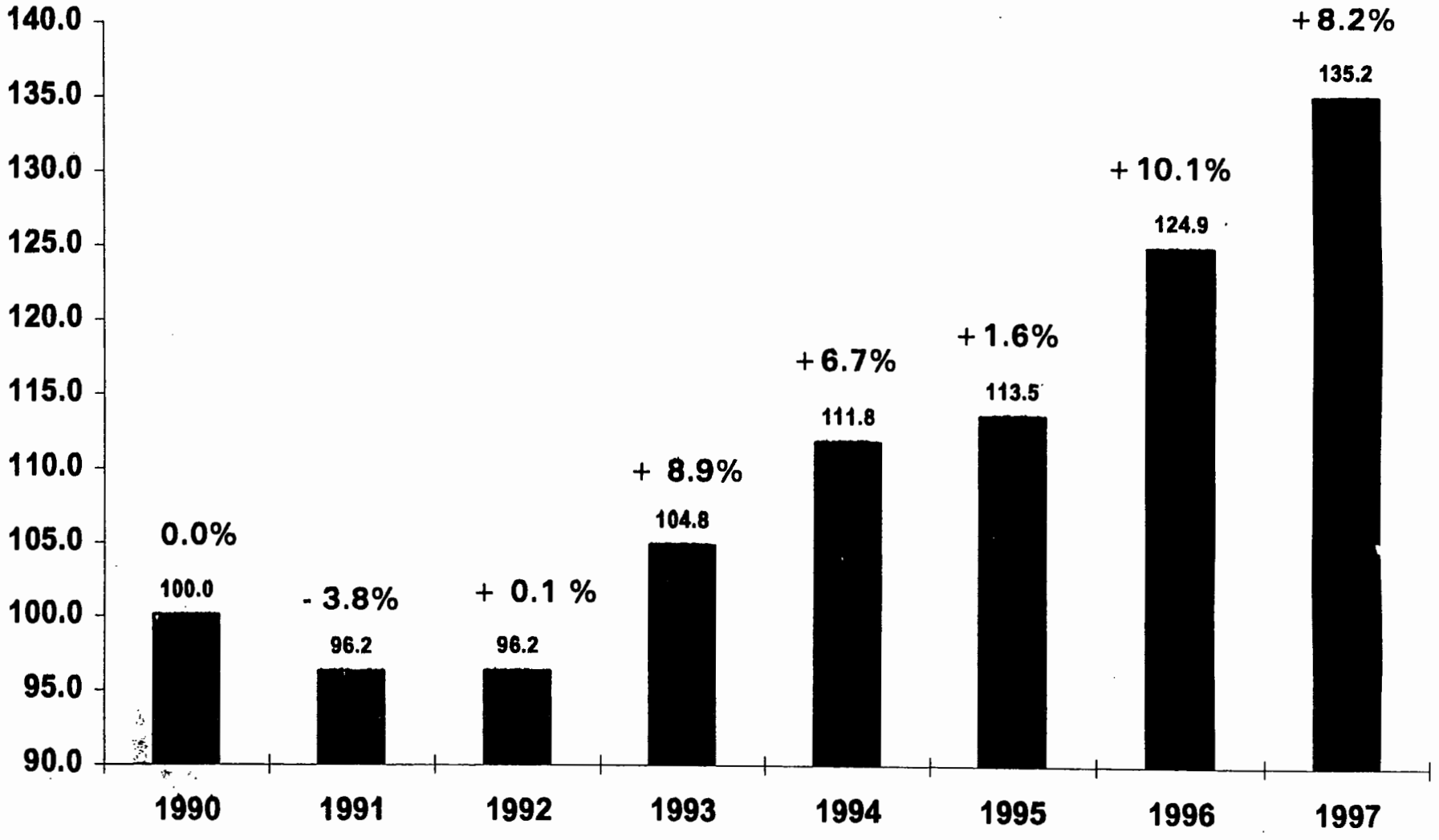
INTRASTATE	$ 23,541,000	$ 377,292,874	44.9%	$ 400,833,874
URBAN LOOPS	$ 9,519,000	$ 152,561,525	18.2%	$ 162,080,525
MUNICIPAL STREETS	$ 2,470,000	$ 39,586,823	4.7%	$ 42,056,823
SECONDARY ROADS	$ 2,470,000	$ 73,306,823	8.7%	$ 75,776,823
PROGRAM ADMINISTRATION		$ 27,215,955	3.2%	$ 27,215,955
GENERAL FUND		$ 170,000,000	20.2%	$ 170,000,000
TOTAL ALLOCATION	$ 38,000,000	$ 839,964,000		$ 877,964,000
TOTAL INCLUDING $38 MILLION		$ 877,964,000		

THE REASON FOR SHOWING THE HIGHWAY TRUST FUND THIS WAY IS TO REFLECT A RECOMMENDATION TO ELIMINATE A $38 MILLION TRANSFER TO THE TRUST FUND FROM THE HIGHWAY FUND.

North Carolina Highway Construction Cost Index
Percent Change in the Composite Index from Year to Year



North Carolina Highway Construction Cost Index
Annual Indices -- 1990 Base Year (1990 = 100)



VISITOR REGISTRATION SHEET

Joint Appropriations Transportation Subcommittee
Name of Committee **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Wayne Stallings	Department of Transportation
Carol Simon	DMV
Paul Zoo	OSBM
A.B. Swindell	BTI
Ruth Sappie	NCDOT
Dennis Patterson	AP
David Knight	NC Public Transportation Assoc., Sierra Club
V.L. McBride	[illegible]
Lee Myers	Mayor - Town of Matthews
[illegible]	WCSR
John M. Moy	NC CWA

VISITOR REGISTRATION SHEET

JOINT APPRO/SUBCOMMITTEE ON TRANSPORTATION , 1998

Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Milton Alford	OSBM
BERRY Jenkins	CAROLINAS AGC

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE

You are hereby notified that the Committee on **JOINT APPRO/SUB TRANS COMMITTEE** will meet as follows:

DAY & DATE: **Tuesday, May 12, 1998**
Wednesday, May 13, 1998
Thursday, May 14, 1998

TIME: **9 am - 11 am**

LOCATION: **Room 1228/1337**

Respectfully,

Representatives Bowie, Dockham, McMahan
Co-Chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **3 pm** on **May 11, 1998**.

___Principal Clerk
___Reading Clerk - House Chamber

Sharon Gaudette (Committee Clerk)

AGENDA

Joint Appropriations Subcommittee
on
Transportation

May 13, 1998
Room 1228
9:00 A.M.

Chairman: Senator Luther Jordan

Department of Transportation Maintenance Operations

C. A. Gardner, Jr.
Deputy Chief Engineer - Operations

Funding for Contract Resurfacing
(See Recommended Changes to the 1998-99 State Budget, p. 90, Item 11)

C. A. Gardner, Jr.
Deputy Chief Engineer - Operations

Expansion Items for Management Information Systems Section
(See Recommended Changes to the 1998-99 State Budget, pp. 88-90, Items 4, 5, 6, 8, and 9. Also p. 81, Item 4)

Paul Roberts
Director of Management Information Systems

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

Minutes

May 13, 1998

Room 1228 LB

9:00A.M.

The Joint Appropriations Transportation Subcommittee met on May 13, 1998 at 9:00A.M. in room 1228 of the Legislative Building. The meeting was chaired by **Senator Luther Jordan**. All Senate members attended. The following House members attended:

Rep. Joanne Bowie	Rep. Jerry Dockham
Rep. Ed McMahan	Rep. Bobby Barbee
Rep. Jim Gulley	Rep. Thomas Hardaway
Rep. Drew Saunders	Rep. Ronnie Sutton

Rep. Jim Crawford

Senator Jordan introduced Mr. C. A. Gardner from DOT maintenance operations. Mr. Gardner distributed a handout titled *Budget Analysis*. Mr. Gardner said that resurfacing is part of maintenance though the money is allocated separately. Mr. Gardner said that primary highways are paved in a 10 year cycle. Rep. Bowie wanted to know if technology had sufficiently increased to warrant a change in cycle. Mr. Gardner thought the technology had increased but at the same time, traffic has also increased. In response to Rep. Bowie's question about truck weight, Mr. Gardner said that the roads are designed for truck weight. Senator Carpenter wondered if we are able to do better regarding overweight vehicles. Mr. Gardner said that weigh stations can only intercept a few trucks and as many as perhaps 96% get through. Rep. Bowie requested DMV Enforcement to give the committee a report regarding weigh stations. Mr. Gardner said that efforts are underway to improve weighing. For example, there are currently 22 sites where trucks can be weighed as they travel.

Mr. Gardner returned to the handout. The total annual resurfacing goal is 6,325 miles. They are in the process of completing the 1998 pavement ratings. 15,000 miles of road need pavement work right now. New figures will be available in June. In the past year, we were able to resurface about 4,000 miles. Roads continue to increase along with asphalt prices. There is a 123% increase in patching. That figure could be minimized with more timely resurfacing. In response to a question by Senator Carpenter, asphalt prices have increased about 60%, liquid asphalt prices have also increased. $194 million is needed for net annual contract resurfacing.

Mr. Gardner said bridge maintenance is lacking but progress is being made. In response to a question from Senator Jordan, some of the bridges included in the Triple A report will be replaced. The report includes bridges that are too narrow for today's traffic. Mr. Gardner will provide the committee with the number of bridges to be replaced.

In response to Rep. Sutton, Mr. Gardner said the bridges are rated by the amount of cracking, rutting and slick pavement. The rating is somewhat subjective. Bridges are

also rated on capacity, structure and timber. Ratings are performed every two years. They try to replace bridges that are rated below 50. In response to Senator Jordan, 210 bridges are replaced per year. In response to a question by Senator Rucho, Mr. Gardner said preventive maintenance is performed, but lack of funds prevents a comprehensive prevention program. The state paves 800 dirt roads per year and uses over 8 million tons of asphalt per year. On 11/30/98 a report is due to the Oversight committee regarding paving needs.

In response to a question by Senator Carpenter, the price of asphalt from 1987 to 1992 was constant and then they jumped. According to Ms. Christie Barbee, asphalt prices jumped worldwide at the same rate. The demand for asphalt cement has increased and hat is causing the rise in price. It is difficult to get permits for asphalt plants and there are few refineries in the country producing asphalt so there is little competition.

Senator Jordan moved the agenda to the *Recommended Changes to the 1998-99 State Budget,* page 90 (see handout). Concrete lives about 20 years before significant maintenance is needed. In the short term, asphalt is cheaper. The volume of traffic and the number of trucks determine the use of asphalt or concrete.

Mr. Paul Roberts, MIS director was introduced. (See page 88 of the Budget handout, item 4.) Payments to other agencies for 1100% increase in computer usage for a 478% cost increase. The request is for $10 million. DOT's use of the system is approximate 80%. Rep. McMahan would like accurate information re other agency usage of the system so it can be looked at and the billing of those agencies considered. The arrears in SIPS payment is $7 million. The last six years they have not paid the complete SIPS billing. Senator Carpenter asked Mr. Roberts what efforts were being made to cut costs. Mr. Roberts said they are looking at billing efforts and reconfiguring systems. The have reduced the imaging storage rates by 2/3. In response to Senator Rucho, Mr. Roberts said we should see a flatening of growth rate since STARS and DMV are on so growth will not spike. Costs will continue to increase. Graduated drivers licenses along will increase CPU action threefold.

Mr. Roberts returned to the budget handout, page 89, item 5. Re item 6, 7,000 individual PC's across the state have been contracted. There was discussion regarding Y2K. Senator Carpenter said that some people are tired of DOT expenditures for computer upgrades when people still cannot talk to a person in DMV. Mr. Roberts said that DOT is about 60% complete with their Y2K conversion and he believes the whole project will come in at around 14 million instead of the $28 million originally projected. In response to Rep. Dockham, Mr. Roberts said that we cannot recoup money due to the Y2K problem which is a worldwide problem. Mr. Roberts said that DOT is remediating systems as well a purchasing new.

The meeting was adjourned at 10:30A.M.

Senator Luther Jordan
Senate Chairperson

Gloria Haywood
Senate Clerk

North Carolina Department of Transportation

Maintenance Operations



May 13, 1998



Resurfacing

- ★ Background
- ★ Pavement conditions
- ★ Funding history
- ★ Needs

Maintenance

- ★ Funding history
- ★ Needs
- ★ Backlog
- ★ Other issues

Background

NC pavement inventory

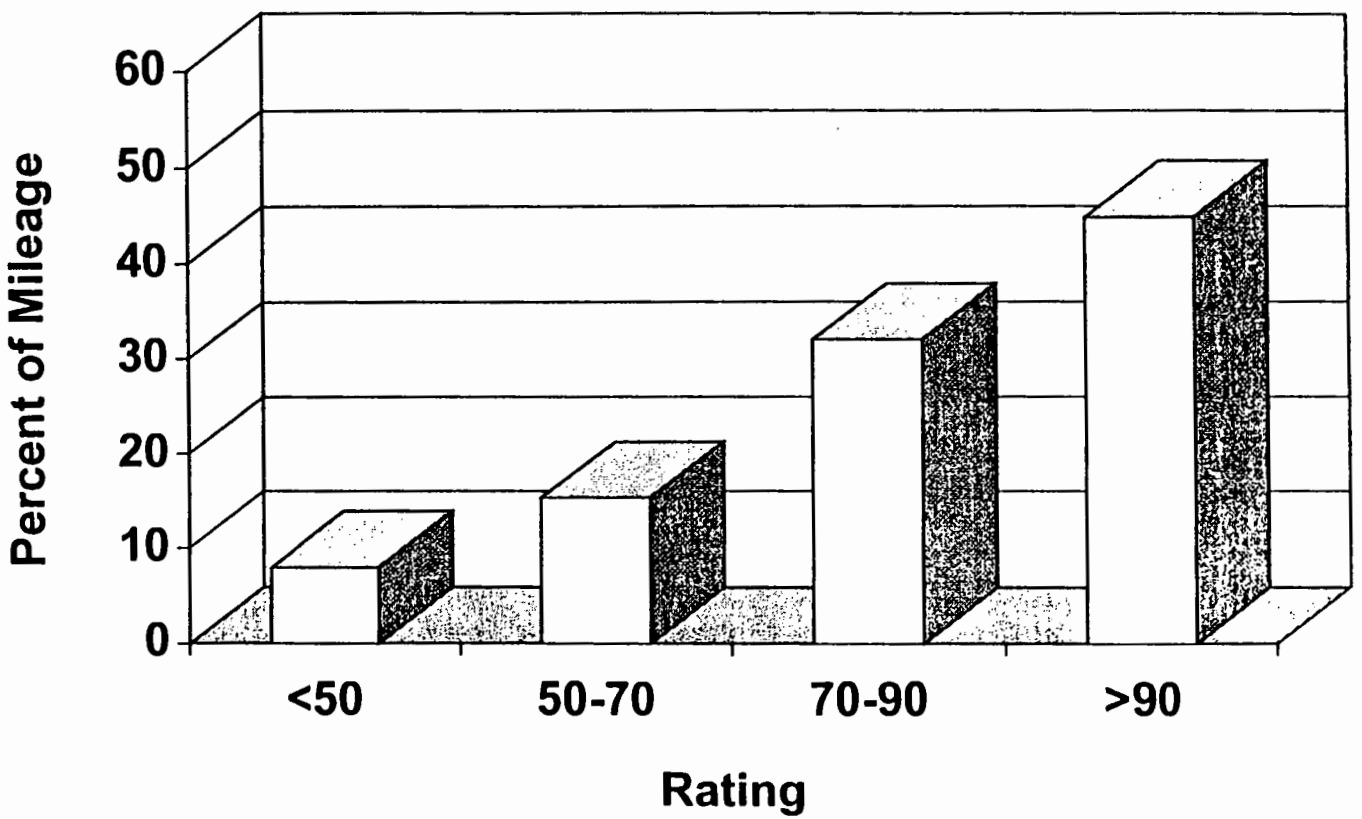
- *Interstate system - 983 miles*
- *Primary system - 11,177 miles*
- *Urban system - 6,271 miles*
- *Secondary paved system - 48,532 miles*
- *Secondary unpaved system - 10,791 miles*
- *Total system - 77,754 miles*

Pavement Maintenance Strategies

- Primary highways - preventive maintenance overlays on a 10 year cycle
  - *1,117 miles per year resurfaced*
- Urban highways - preventive maintenance overlays on a 12 year cycle
  - *523 miles per year resurfaced*
- Secondary roads - preventive maintenance overlays on a 15 year cycle for hot mix asphalt roads and 7 year cycle on bituminous surface treatment roads
- *1,967 miles per year resurfaced HMA*
  - *2,718 miles per year resurfaced BST*
- Total annual resurfacing goal - *6,325 miles*
  - (Does not include interstate system)

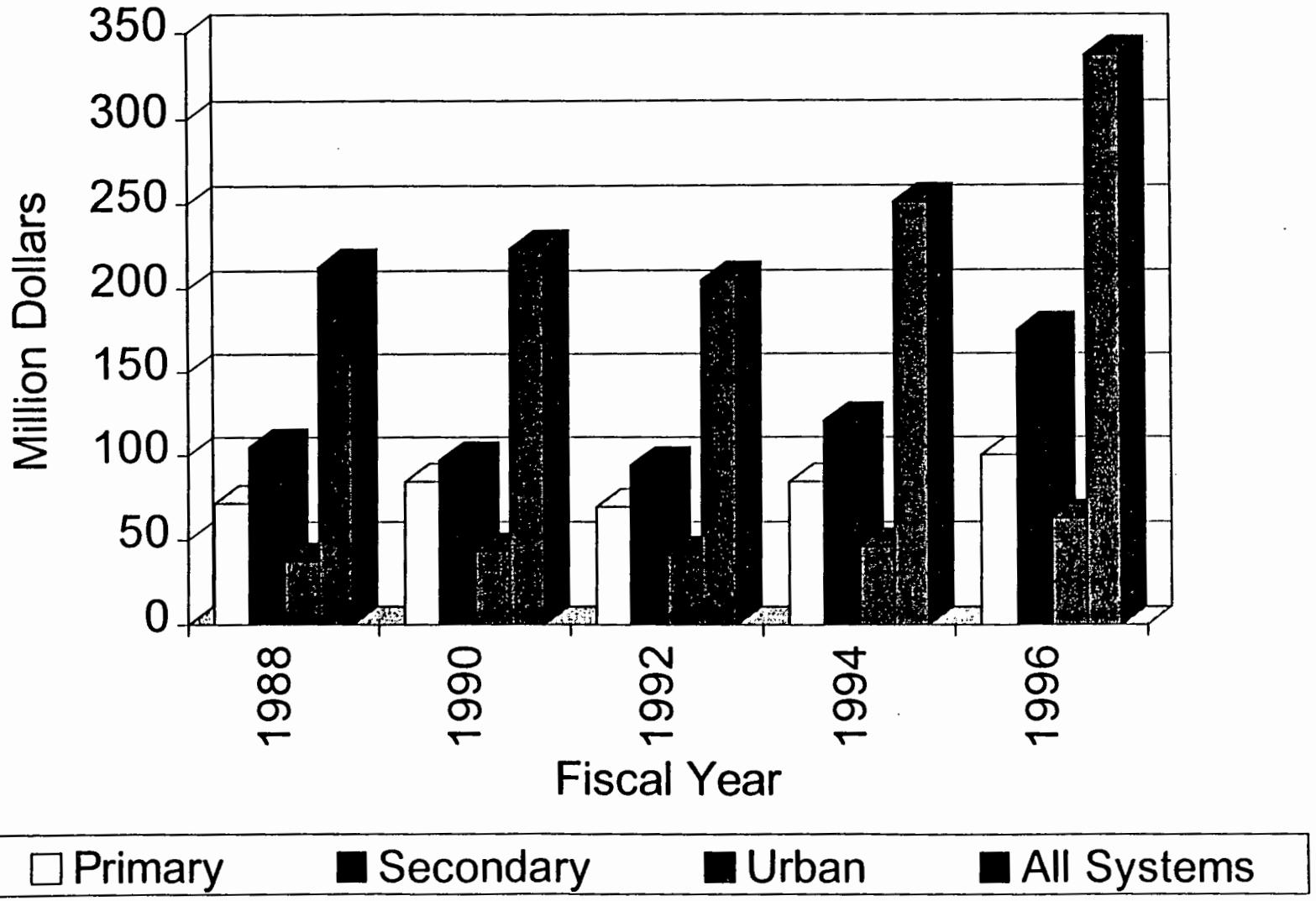

Pavement Condition

1996 Pavement Ratings

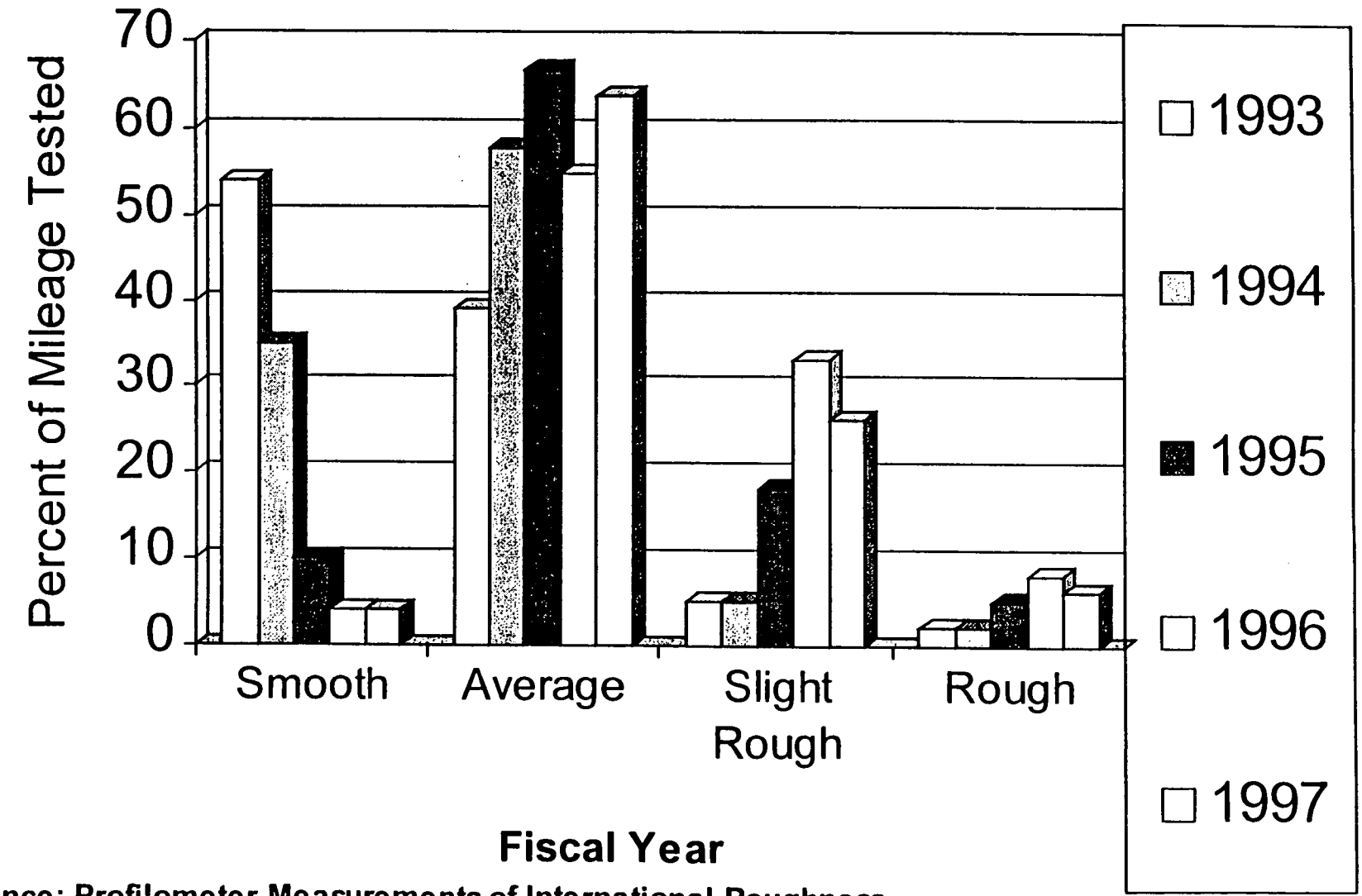


Statewide PCS Needs

Reference: Biannual Pavement Condition Survey



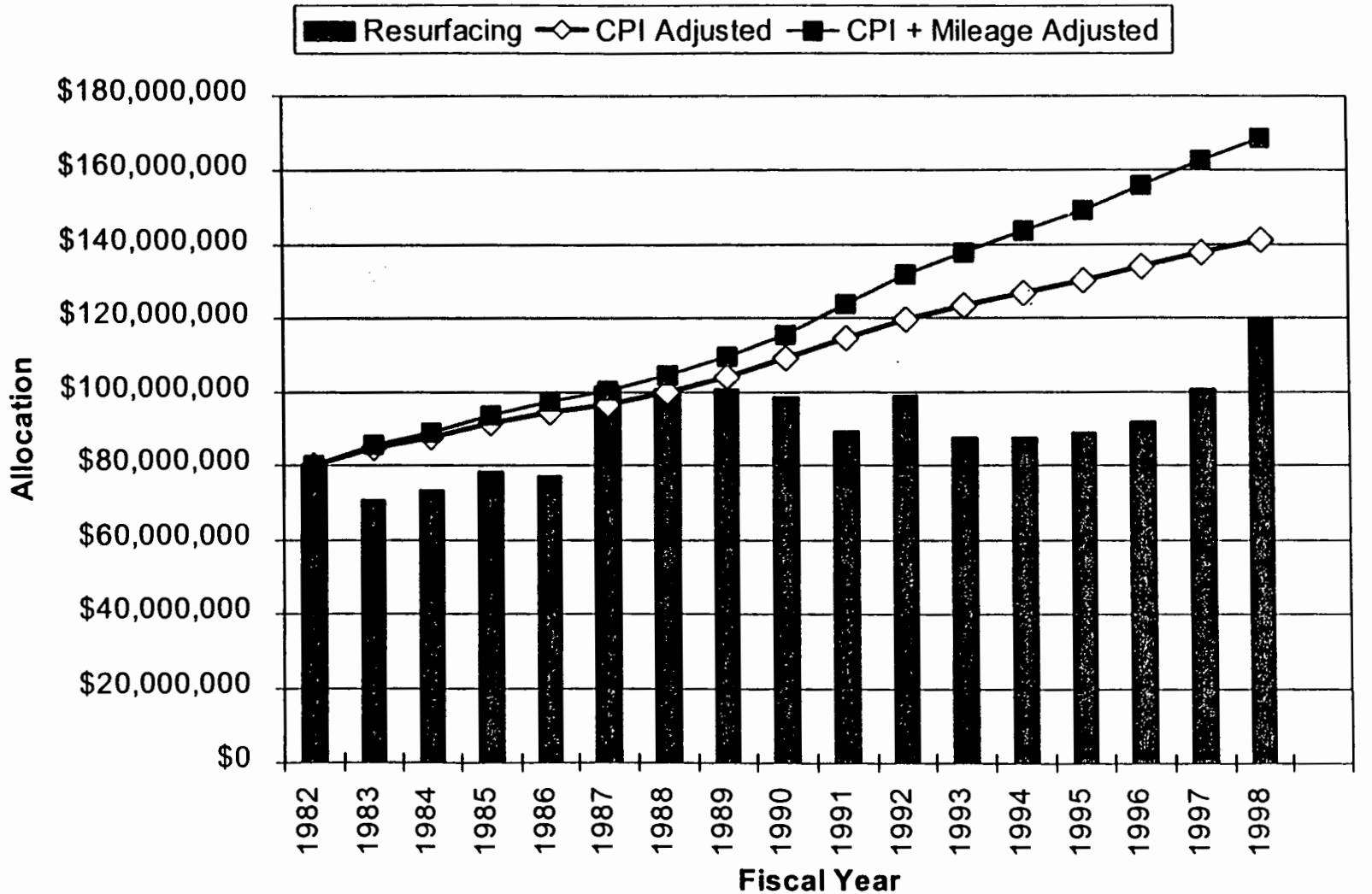
Interstate and Primary System Smoothness



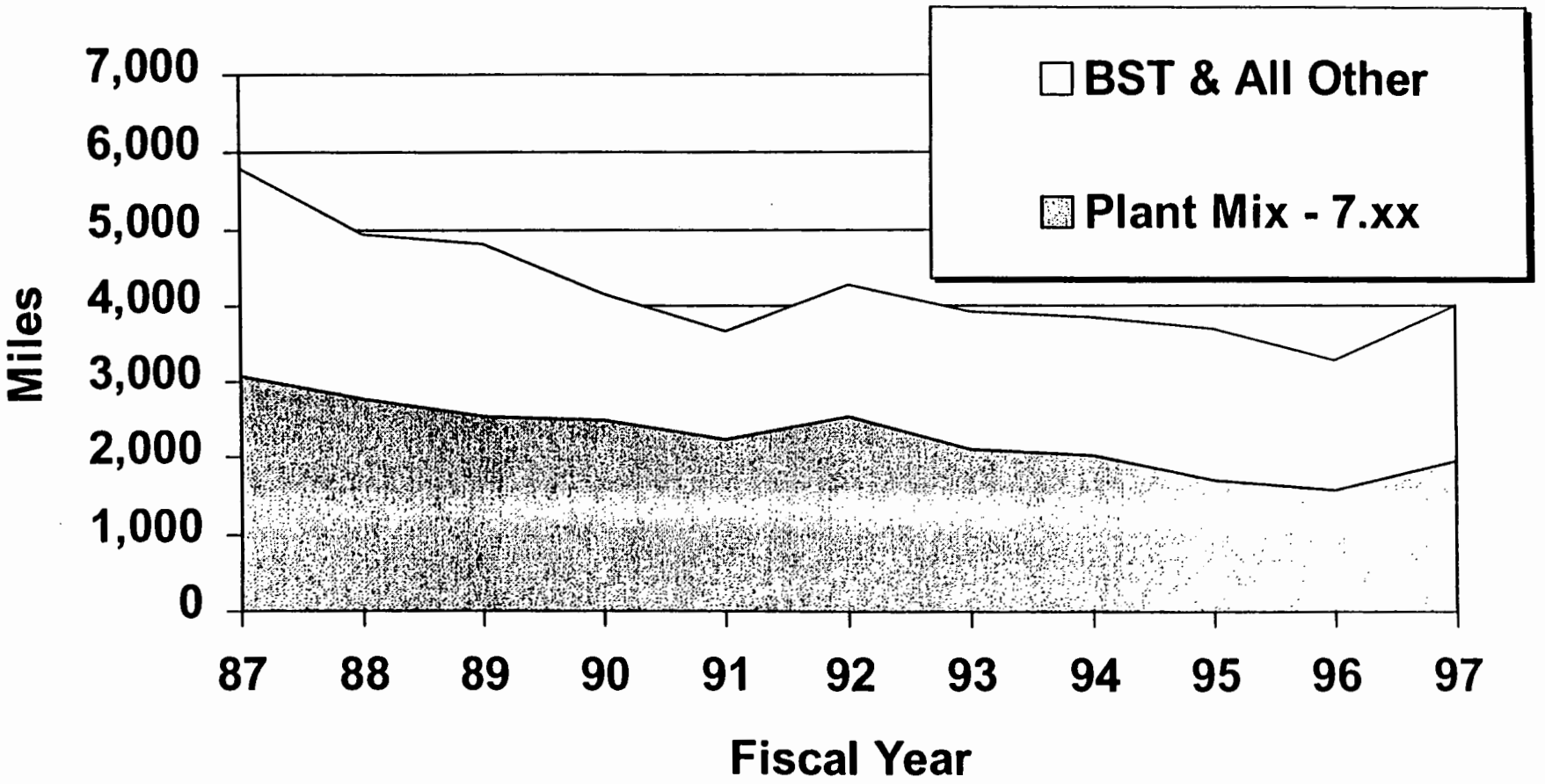
Reference: Profilometer Measurements of International Roughness

Redesigning
Buffalo

Resurfacing Allocations



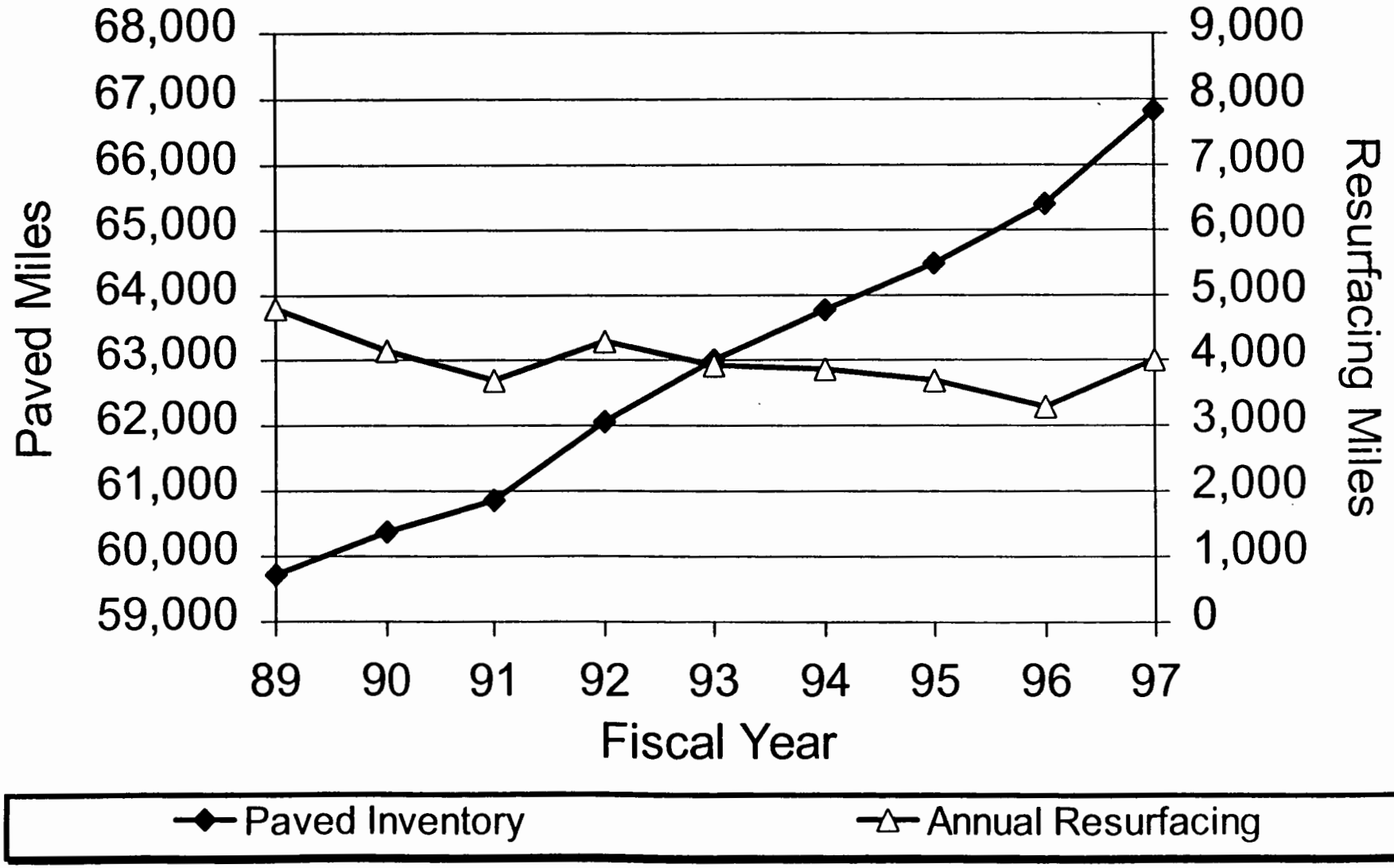
Annual Resurfacing Miles



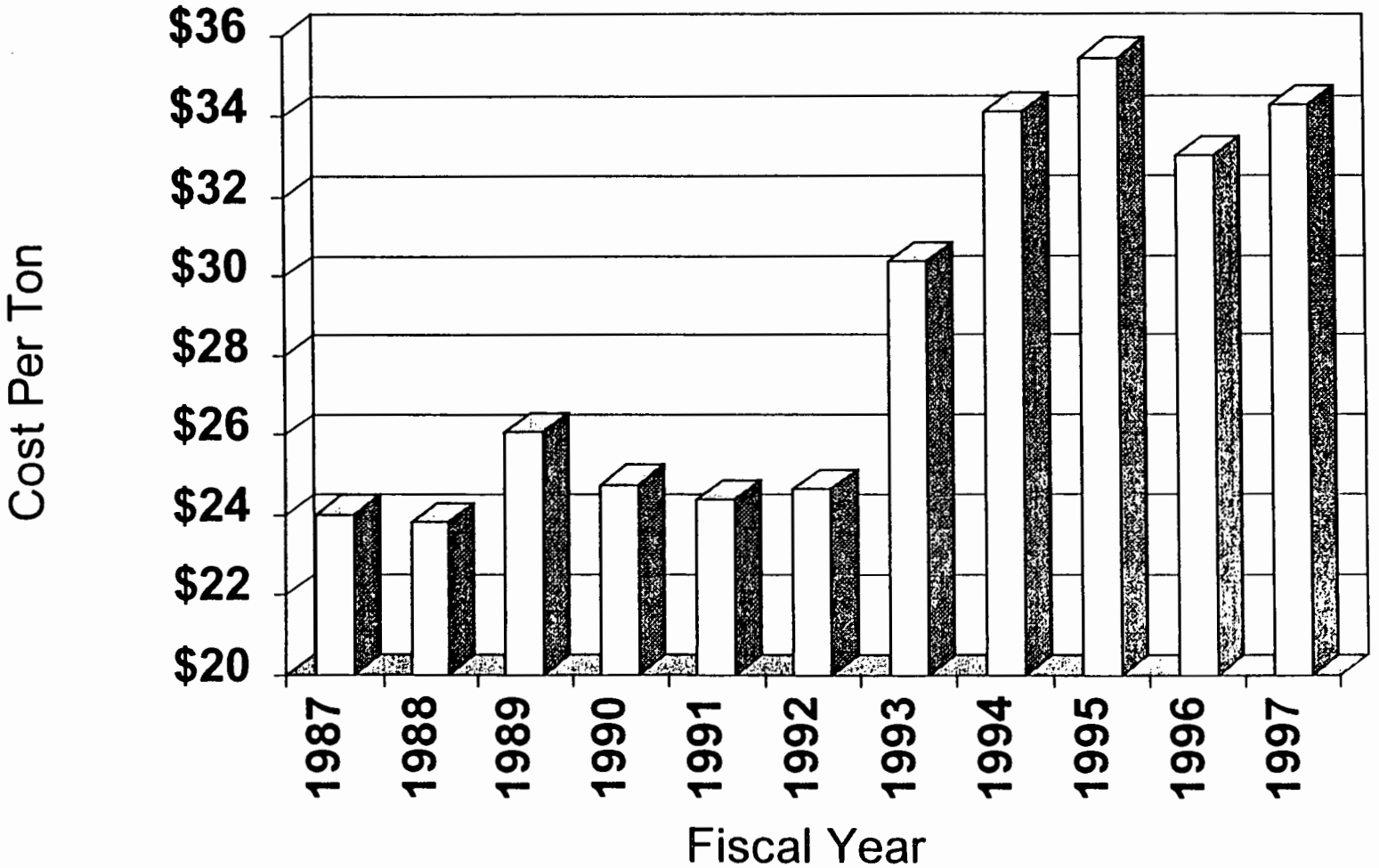
Note: Total Miles includes BST miles by DOT Maintenance Forces

Mileage Inventory vs Resurfacing

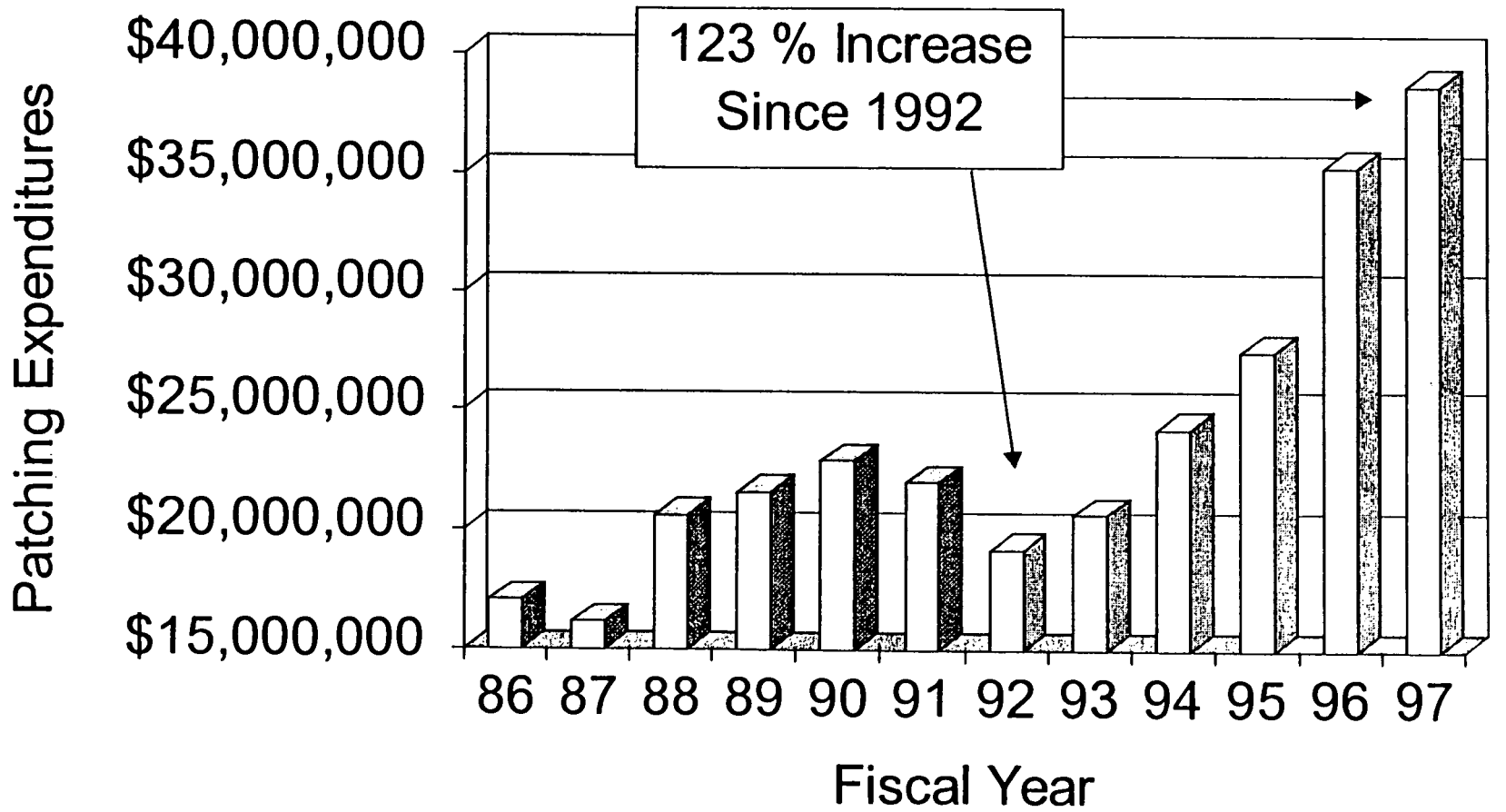
Note: Total Miles includes BST miles by DOT Maintenance Forces



Asphalt Mix Prices



Impact on Annual Pavement Patching Requirements



Regulation
Bond
Bond
Bond

Annual Resurfacing Need

System	[illegible] Miles	[illegible]	[illegible] Miles	[illegible]	[illegible] ($ Million)
[illegible]	11,177	10 years	1,118	$67,350	**$75.3**
[illegible]	6,271	12 years	523	$95,362	**$49.9**
[illegible]	29,500	15 years	1,967	$43,817	**$86.2**
[illegible]	19,032	7 years	2,719	$10,954	**$29.8**
[illegible]					**$240.9**

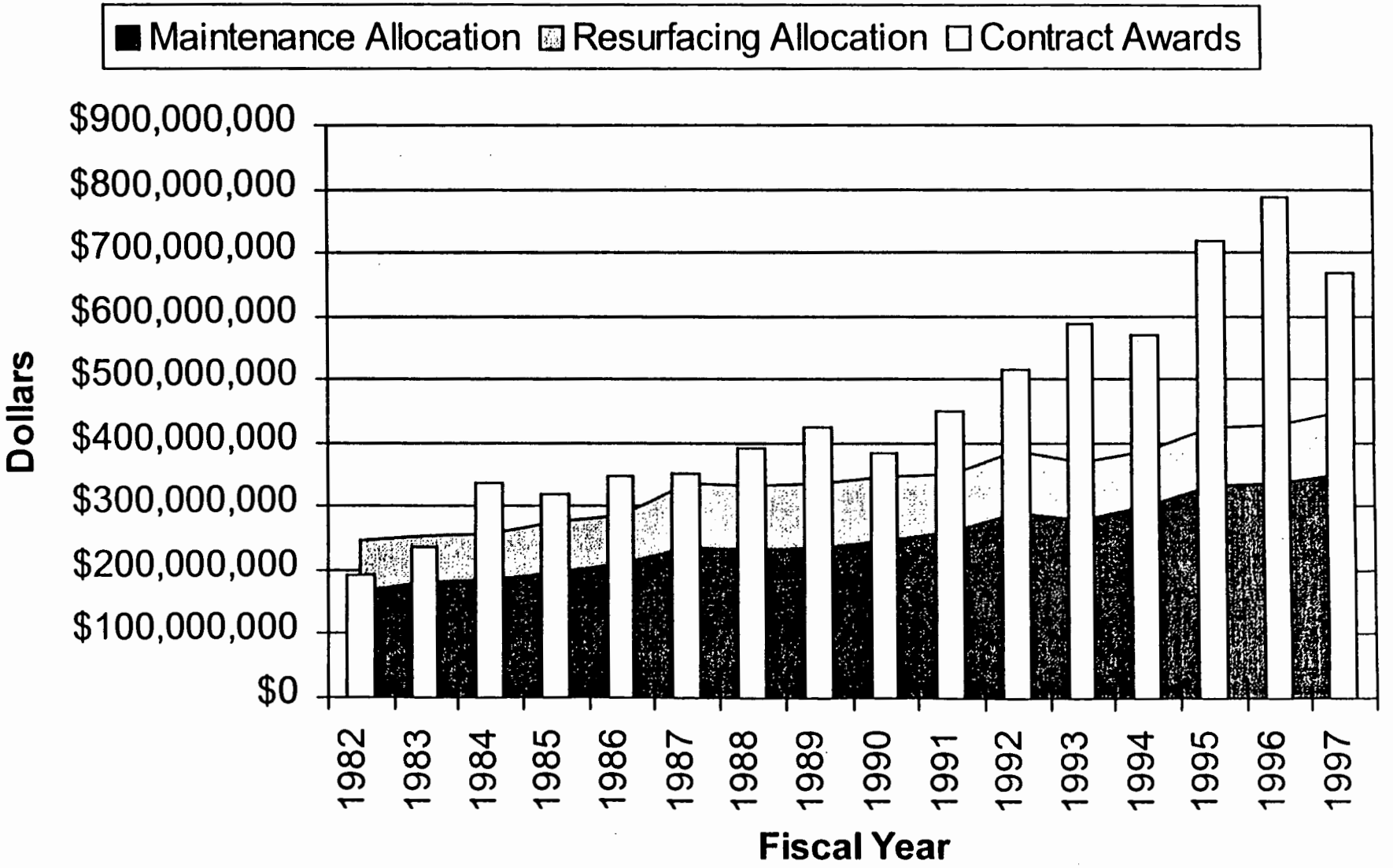
(1) Unit Costs are FY 1997 Average Resurfacing Costs Per Mile



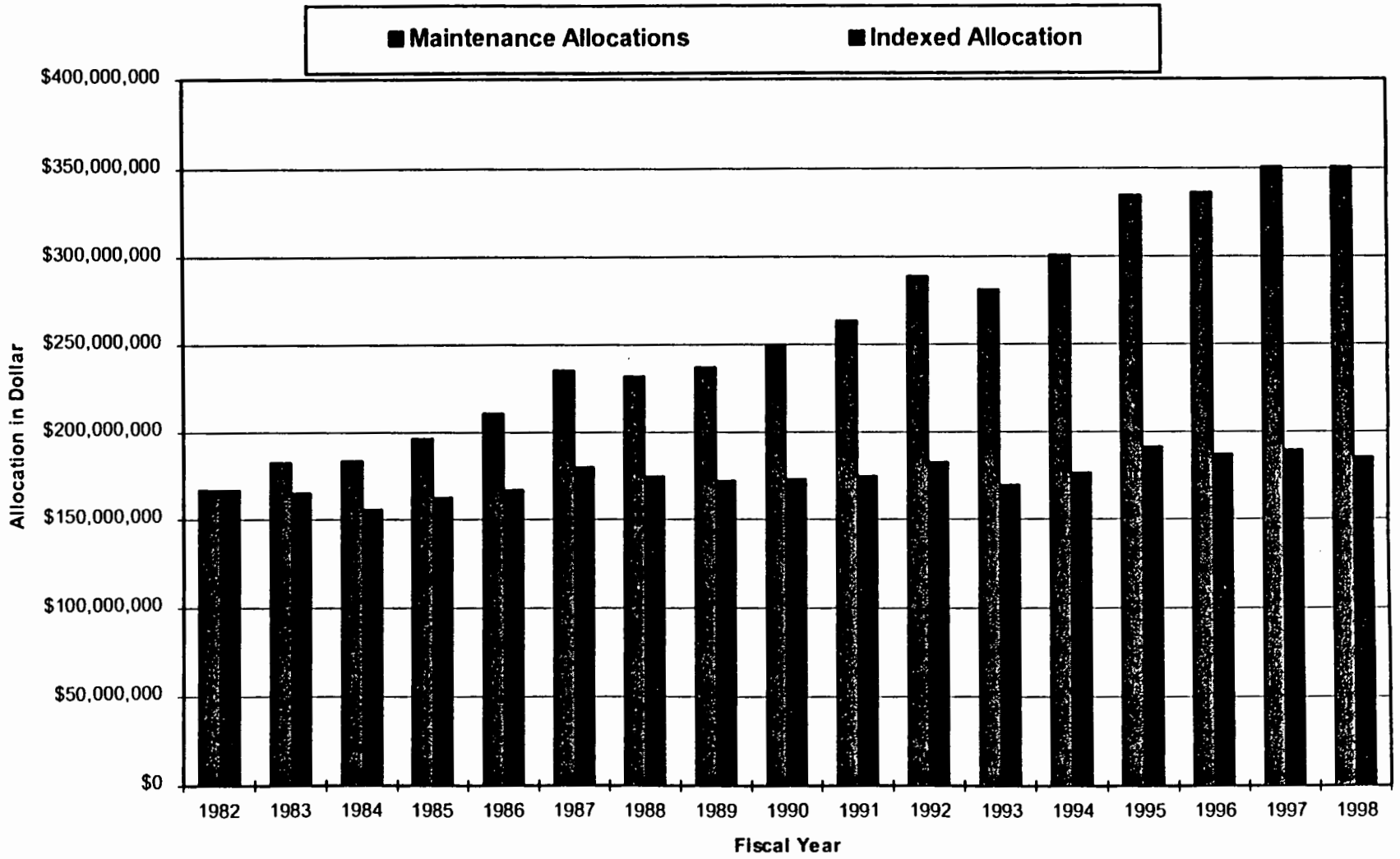
Primary:	11,177 Miles x $67,350 / 10 years	=	$75.3
	Less 152 miles paved per year from TIP 152 x $67,350	= -	$10.2
	Net Annual Cost	=	$65.1
Urban:	6,271 miles x $95,362 / 12 years	=	$49.4
	Less 76 miles paved per year from TIP 76 x $95,362	=	- $7.2
	Net Annual Cost	=	$42.7
Secondary:			
Plant Mix	29,500 miles x $43,817 / 15 years	=	$86.2


Maintenance During History

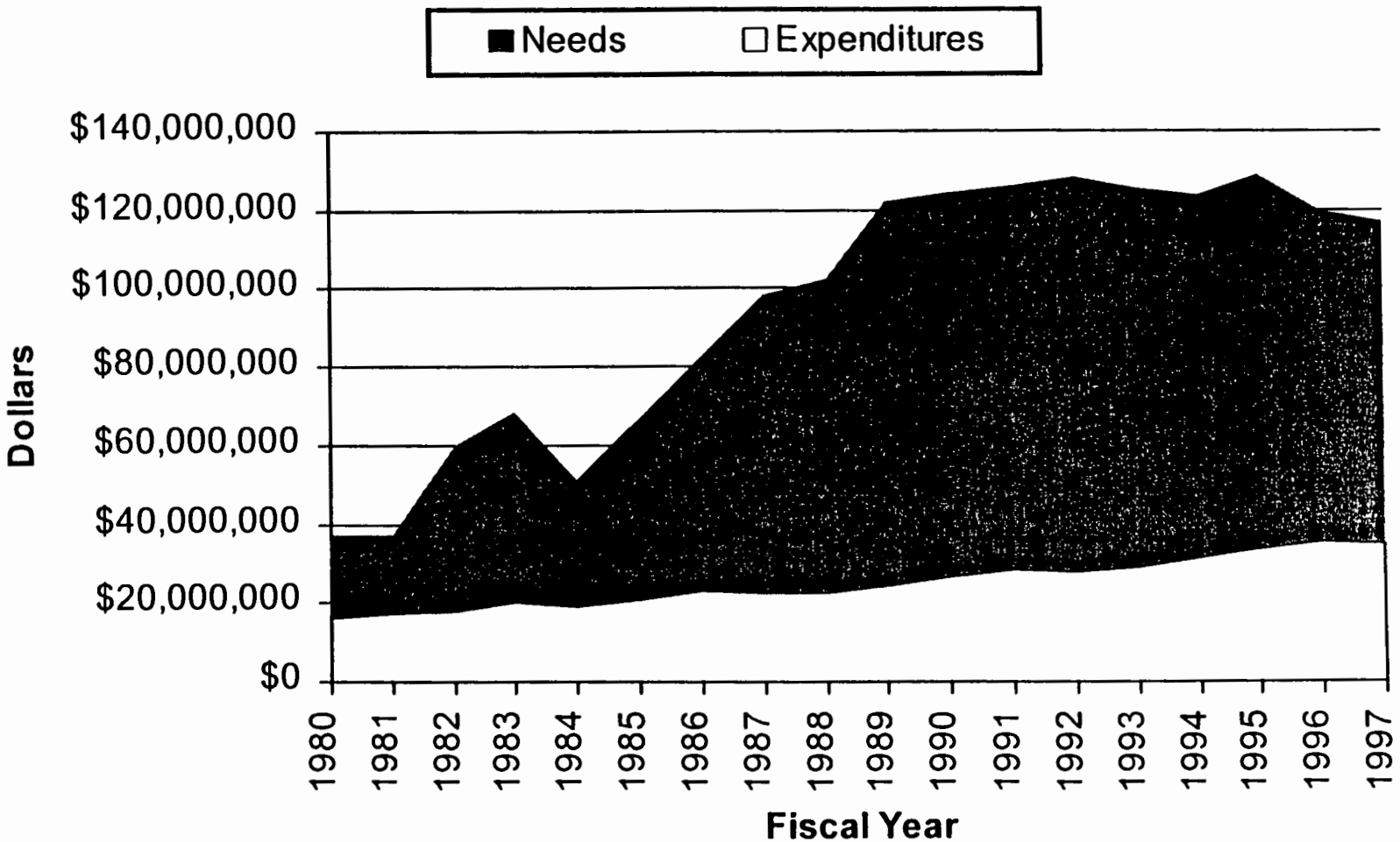
Maintenance Allocations Versus Contract Awards



Maintenance Allocations



Bridge Maintenance Allocation



Alternative Sentencing

1998-99 Maintenance Needs

Routine Maintenance

	Roadway	Bridges	
Primary	$100	$ 8	
Secondary	$189	$ 35	
Urban	$ 40	$ 3	
			$375.0

Backlog

1994 Backlog Reduction	**$ 27**	
Emergency Job Orders	**$ 20**	

Total Maintenance $422.0



NORTH CAROLINA DEPARTMENT OF TRANSPORTATION
CHIEF ENGINEER'S OFFICE
MAINTENANCE BACKLOG REDUCTION UPDATE [4]

MAINTENANCE CATEGORY	STATEWIDE BACKLOG NEEDS[1]	BACKLOG REDUCTION FY 94-95	BACKLOG REDUCTION FY 95-96	BACKLOG REDUCTION FY 96-97	BACKLOG REDUCTION FY 97-98	BACKLOG BALANCE AS OF FY 97-98
BRIDGE MAINTENANCE	123,836,000	18,436,144	10,515,621	6,110,843	965,138	87,808,254 [2]
PAVEMENT MAINTENANCE	58,424,000	17,088,860	7,208,878	5,050,169	4,237,457	24,838,636
ROADSIDE MAINTENANCE	40,220,000	6,310,809	5,208,636	3,525,406	2,406,144	22,769,005
DRAINAGE	16,683,000	2,608,328	2,771,306	1,618,551	1,018,463	8,666,352
PAVEMENT MARKING/STRIPING	7,484,000	2,312,397	2,287,734	1,918,336	664,244	301,289
SIGNS	6,600,000	915,733	951,694	835,719	204,585	3,692,269
SIGNALS	5,500,000	939,296	1,009,030	566,166	30,470	2,955,038
REST AREAS & WELCOME CENTERS	1,950,000	167,042	82,417	71,651	1,711	1,627,179
TOTAL	**$260,697,000**	**$48,778,609**	**$30,035,316**	**$19,696,841**	**$9,528,212**	**$152,658,022** [3]

[1] Original backlog needs as targeted by Governor Hunt's Transportation 2001 Plan.

[2] Bridge maintenance backlog reduction includes 703 bridges programmed for replacement through 1999 at a cost of $19,894,923. These replacement projects should effectively reduce the Bridge Maintenance backlog by this amount.

[3] Maintenance backlog balance does not reflect any backlog generated since 1994 survey.

[4] Maintenance backlog update is current through second quarter FY 97-98.

Budget Projections

	1999	2000	2001	2002	2003
Maintenance (Million)	375	390	405	421	438
Resurfacing (Million)	194	201	209	218	227
Backlog (1) (Million)	27	27	27	27	27
Emergencies (Million)	20	32	5	5	5
Total	616	650	646	671	697

(1) Based on 1994 Backlog Survey. Subject to adjustment when resurveyed based on requirements of Biennial Report on Maintenance - Due November 1998



- Interstate system
-
- Trust fund impact
-
- Biennial report on maintenance requirements
-
- Paving contractor concerns

III. Transportation

A. Transportation Program

Total funding in excess of $2.5 billion is required to support the state's Transportation Program for the 1998-99 fiscal year. Approximately $1,157.8 million, or 46% of the total is provided from the traditional Highway Fund. Highway Trust Fund availability adds another $840.0 million of the total, which represents 34%. Other state funds include General Fund support totaling $11.2 million and departmental receipts of $6.7 million. Federal Aid totals $507.3 million, or 20%.

A summary of the total Transportation Program showing the source of funding and the activity supported is included in the table, North Carolina Transportation Program 1998-99.

North Carolina Transportation Program, 1998-99

Budget Code		Highway Fund	Highway Trust Fund	Department Receipts	Federal Funds	General Fund	Total
842	Department of Transportation Administration	$ 72,329,032	$ 10,519,300	$ 544,289	$ -	$ -	$ 83,392,621
	Division of Highways						
84220	Administration	34,723,375	6,392,967	418,675	-	-	41,535,017
84230	Construction	116,333,000	603,161,222	-	471,707,065	-	1,191,201,287
84230	Maintenance	479,395,548	-	-	-	-	479,395,548
84230	Planning and Research	2,959,649	-	-	8,859,383	-	11,819,032
84230	OSHA Program	425,000	-	-	-	-	425,000
84230	Ferry Operations	18,098,290	-	-	-	-	18,098,290
	State Aid						
84230	Municipalities	81,233,000	39,586,823	-	-	-	120,819,823
84230	Public Transportation	30,746,921	-	-	6,828,057	-	37,574,978
84230	Airports	-	-	-	15,478,062	11,246,445	26,724,507
84230	Railroads	12,100,000	-	-	-	-	12,100,000
84240	Governor's Highway Safety	312,080	-	-	4,405,478	-	4,717,558
84260	Division of Motor Vehicles	90,952,817	3,819,916	5,781,508	-	-	100,554,241
84290	Uncommitted Trust Fund Admin.	-	6,483,772	-	-	-	6,483,772
84270	Other State Agencies	158,256,881	-	-	-	-	158,256,881
84290	Transfer to General Fund	-	170,000,000	-	-	-	170,000,000
84270	Reserves and Transfers	55,914,059	-	-	-	-	55,914,059
	Total Operating	$1,153,779,652	$839,964,000	$6,744,472	$507,278,045	$11,246,445	$2,519,012,614
84230	Capital Improvements	4,070,348	-	-	-	-	4,070,348
	Grand Total	$1,157,850,000	$839,964,000	$6,744,472	$507,278,045	$11,246,445	$2,523,082,962

B. Highway Fund

The traditional Highway Fund is supported from three primary sources: (1) three-fourths of the Motor Fuels tax collected by the Department of Revenue; (2) Licenses and Fees collected by the Division of Motor Vehicles; and (3) interest earned from investment of the fund cash balance by the State Treasurer.

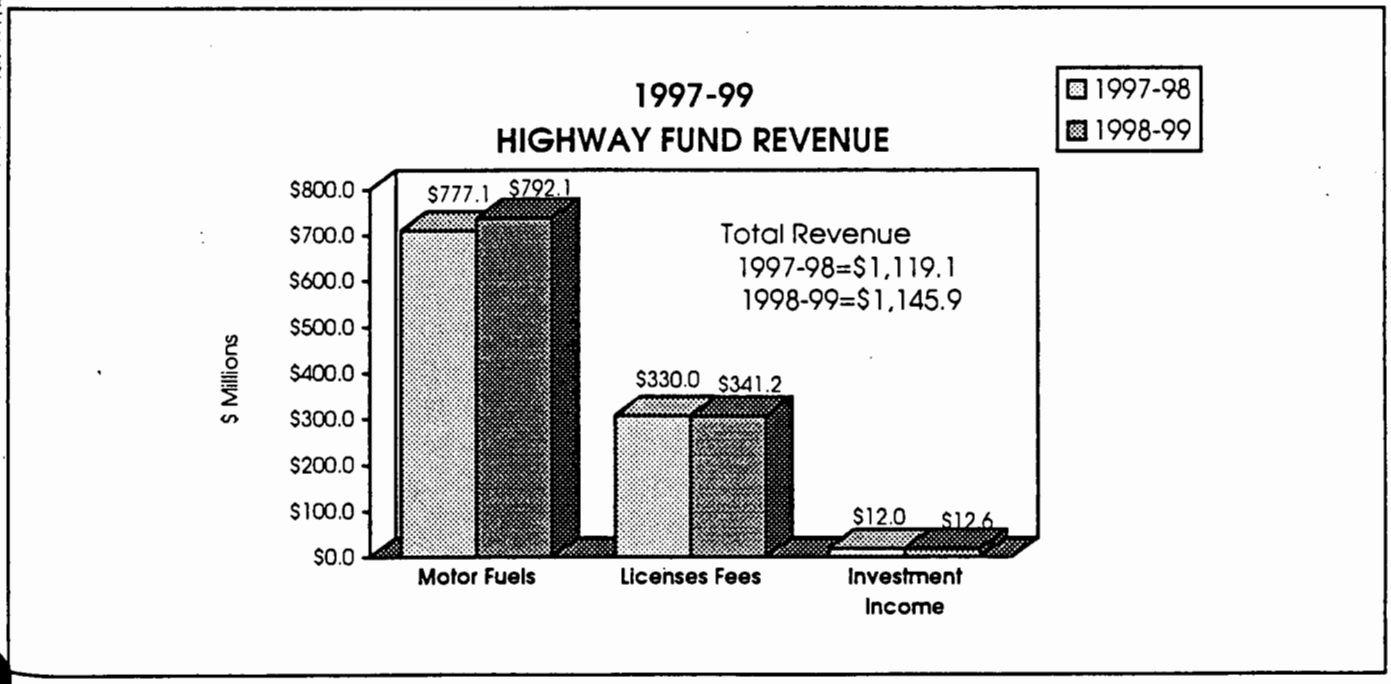
1. Revenue

The rate of growth in motor fuel consumption is expected to remain moderate during the fiscal years 1997-98 and 1998-99. Following a 3.3% increase in 1996-97, motor fuel consumption is projected to grow by 2.9% and 4.1% in 1997-98 and 1998-99 respectively. The growth in motor fuel tax collections is projected to slow, however, as a result of a sharp decline in the wholesale price of motor fuels, and, therefore, the variable component of the Motor Fuels Tax rate. The variable rate is projected to average 5.0 cents during 1997-98, whiling decreasing to 4.5 cents in 1998-99. Overall, including the Motor Fuel Inspection Fee and Highway Use Registration Fee, Motors Fuels Tax collections are expected to total $777.1 million in 1997-98 (up 4.6%) and $792.1 million in 1998-99 (up 1.9%).

Licenses, Fees, and Other State Revenue (LFO) are projected to increase to $330.0 million in 1997-98, and $341.2 million in 1998-99. This represents growths of 3.2% and 3.4% respectively. Staggered registrations are projected to grow by 2.7% in 1997-98 then accelerate slightly to 3.2% in 1998-99. Only a minor 0.1% increase is projected for Truck Licenses in 1997-98, based on collections through March 1998. Growth in Truck Licenses revenue should recover to a more normal 3.5% in 1998-99. Investment income continues to suffer from increased spending for cleanup activities following a major ice storm and Hurricane Fran. Investment income is projected to decline to $12.0 million in 1997-98, before recovering modestly to $12.6 million in 1998-99. Overall, Highway Fund revenue is projected to reach $1,119.1 million in 1997-98 and $1,145.9 million in 1998-99, representing growth rates of 4.0% and 2.4% respectively.

Highway Fund Revenue, 1997-99

	1996-97 Actual	1997-98 Estimated	1998-99 Projected
Motor Fuels Taxes:			
Motor Fuels Tax	$ 730,926,355	$ 764.870,000	$ 779,270,000
Inspection Fee	11,676,667	12,020,000	12,510,000
Highway Use Registration Fee	207,775	250,000	300,000
Total Motor Fuels Tax	$ 742,810,797	$ 777,140,000	$ 792,080,000
Licenses and Fees:			
Staggered Registration Plan	$ 131,363,098	$ 134,930,000	$ 139,250,000
International Registration Plan	41,479,027	43,660,000	45,620,000
Drivers License Fees	68,124,912	69,600,000	71,350,000
Truck Licenses	54,046,254	54,110,000	56,010,000
Other Licenses and Fees	24,703,661	27,680,000	28,930,000
Total Licenses and Fees	$ 319,716,952	$ 329,980,000	$ 341,160,000
Investment Income	13,145,612	12,000,000	12,610,000
Total Highway Fund Revenue	$1,075,673,361	$1,119,120,000	$1,145,850,000



2. Condition of the Highway Fund

Reversions of $11.5 million from unused 1997-98 appropriations are expected to be available for 1998-99 in addition to $468,248 in overrealized revenue which will provide an estimated credit balance for 1998-99 of $12 million.

The table below, Changes to the Condition of the Highway Fund, reflects the credit balance and combines it with the revised estimate of revenue, to show the revised availability of $1,157.8 million.

Condition of the Highway Fund, 1998-99

	1997-98 Estimated	1998-99 Authorized	Net Changes Recommended	1998-99 Recommended
Availability:				
Beginning Credit Balance:				
Estimated Reversions	$ 20,833,339	$ -	$11,531,752	$ 11,531,752
Overrealized Revenue	12,836,208	-	468,248	468,248
Less Required Reserves	-	-	-	-
Subtotal	$ 33,669,547	$ -	$12,000,000	$ 12,000,000
State Highway Revenue	1,119,120,000	1,144,625,737	1,224,263	1,145,850,000
Total Availability	$1,152,789,547	$1,144,625,737	$13,224,263	$1,157,850,000
Expended and Reserved	1,152,321,299	1,144,625,737	13,224,263	1,157,850,000
Ending Credit Balance	$ 468,248	$ -	$ -	$ -

Adjustments to Continuation Requirements

	1998-99
1. General Statutes 136-44.2A, Secondary Roads, and 136-41.1 State Aid to Municipalities, require a portion of gasoline tax collections to be appropriated based on 1.75 cents for gasoline taxed. Revised revenue estimates for 1998-99 show a decrease in the growth rate of gasoline over the original estimate thereby requiring a reduction in requirements as follows:	
State Aid to Municipalities	$ (2,050,000)
Secondary Roads	(2,050,000)
Reduction in Requirements	$ (4,100,000)

	1998-99
2. Per G. S. 119-4 through G. S. 119-22, a Gasoline Inspection Tax of .25 cent per gallon is levied on all petroleum products used as motor fuel. The fees are earmarked to agencies outside of the Highway Fund. After deducting funds to administer and enforce the provisions of the inspection laws (Department of Agriculture and Consumer Services), and the cost of collection (Department of Revenue), the balance of the revenue is credited to the Leaking Underground Storage Tank (LUST) Cleanup Fund (Department of Environment and Natural Resources). Revised revenue estimates for fiscal year 1998-99 show a decrease in the Gasoline Inspection Tax, thus a reduction in the amount of funds to be transferred to the LUST Cleanup Fund. This decreases the appropriation to the amount of the new revenue estimate for the Gasoline Inspection Fee for fiscal year 1998-99 by $189,000. Reduction in Requirements	$ (189,000)
3. It is recommended that the payment of $13,400,000 in estimated Sales Tax to the General Fund be eliminated and used to enhance mass transit. Reduction in Requirements	(13,400,000)
4. As per G. S. 136-176(4) Highway Funds are required to be transferred to the Highway Trust Fund. These funds represent revenue available from the retirement of refunding bonds issued to repay highway construction bonds. It is recommended that the statutes be changed to allow for these funds to be maintained in the Highway Fund for highway maintenance during 1998-99. Reduction in Requirements	(38,000,000)
5. This is to request that a reduction be made in the amount of Highway Fund Appropriation used to match Federal Aid Construction funds. The current level of state funds to match federal aid construction in the Highway Fund is $33,153,153. The required level of state funds to match federal aid construction is approximately $120,000,000 per year. The match that is not provided by the Highway Fund is provided by the Highway Trust Fund. This request is to reduce the Federal Aid Match funds in the Highway to $0.00 and provide all of the match for Federal Aid Construction from the Highway Trust Fund. There are sufficient funds available in the Highway Trust Fund to accommodate this request. Reduction in Requirements	(33,153,153)
Total Continuation Adjustments	$ (88,842,153)

3. Supplemental Budget Recommendations

The table, Recommended Changes to the 1998-99 Highway Fund Budget, represents Governor Hunt's proposed adjustments to the 1998-99 Highway Fund Budget. A description of each adjustment follows:

Department of Transportation

Transportation Administration - 84210

		1998-99
1.	**Increase Funds for Security Services** The Department of Transportation has recently installed a card key access system in some of it's facilities to provide enhanced security for its employees and customers. Additional funds are required to cover the increased expenses as a result of the new system.	$ 33,778
2.	**Increased Requirements for Postage** The Department of Transportation Support Services mail unit provides in-house mail services for the Division of Motor Vehicles. The cost of providing mail services has increased substantially due to increased mailings, changes in postal regulations and postal increases. The actual expenses for fiscal year 1996-97 was $4,027,922 for postage and $160,923 for Express Freight and Drayage. Additional funds are needed to cover increased expenses.	710,785
3.	**Maintenance Funds for Raney Building** This request is for one additional position and expenses to maintain and operate the Raney Building. This building was allocated to the Department in August of 1997. We anticipate the need for an additional maintenance mechanic. Operating expenses have been estimated based on experienced cost of existing Raleigh facilities prorated by the square footage of the Raney Building.	109,751
	Number of Positions	1.0
4.	**Increase in Payments to Other State Agencies** This line item consists primarily of the State Information Processing Services (SIPS) billing charges. Current actual charges are approximately $1.2 million per month. Based on a cost projection model provided by SIPS, we anticipate the base total for fiscal year 1998-99 to be $17.4 million. With the additional imaging activity at the Division of Motor Vehicles, as well as the increases in State Titling and Registration System (STARS) and Drivers License usage, we estimate the SIPS bill to grow over the next year by $0.3 million per month for an additional cost of $3.6 million. Additional funds are requested to meet this need.	10,000,000

	1998-99
5. Increase Telephone and Telegraph The Management Information Systems Section pays for all data lines utilized in the department as well as some utilized by other state agencies. As our systems capabilities improve, we are experiencing more and more connections to the Department of Transportation (DOT) network structure. As we implement more technology improvements, more sites are being added to accommodate the efficiencies achieved by global networking, thereby causing an increase in line charges.	$ 1,300,000
6. Increase Contracted Services The Client Services Unit within the Management Information Systems Section is responsible for providing information systems (I/S) technical support for statewide DOT customers regarding I/S Requirements and Capacity Planning, Office Automation Implementation, Facilities Infrastructure, Customer Service and Department of Transportation Help Desk Operation 24 hours X 7 day/week. Additional funds are required to pay contractors that will provide these services to the department.	1,000,000
7. Contract Security for the Raney Building The Olivia Raney Building was allocated to the Department of Transportation in an effort to consolidate most of the Management Information Systems Section into one location. The building is scheduled to be occupied by the MIS staff in June, 1998. This request is to provide funds for contract security for the Raney Building.	65,000
8. Liability Insurance System Development The North Carolina Department of Transportation is in the process of modernizing the systems that support the Division of Motor Vehicles business functions. Some applications are completed and some are in progress. The last major system implementation was the State Titling and Registration System (STARS). With STARS implemented in 1996 and the Driver's License system implemented earlier in 1994, two of the remaining major systems in Division of Motor Vehicles are the Crash Reporting and the International Registration Plan (IRP) systems. The Management Information Systems staff has already started activities to completely reengineer these applications before the arrival of the year 2000. Additional funds are requested to complete these projects.	500,000

	1998-99

9. **Increase Data Processing Equipment and Software**
Additional funds are requested to purchase data processing equipment and software to support needs within the Management Information Systems Section and to supply critical hardware and software needs to all elements of the department where system failures occur or new legislative mandates require additional equipment. $ 500,000

Total Recommended Changes for Transportation Administration $ 14,219,314
Number of Positions 1.0

Transportation Construction and Maintenance - 84230

10. **Additional Funds for Public Transportation**
The North Carolina Department of Transportation was allocated an additional $36 million in federal and state highway funds to begin implementing recommendations from Transit 2001 to expand and improve Public Transportation and Rail Services across the state. Additional funds are needed in fiscal year 1998-99 in order to maintain the level of funding needed to continue the Transit 2001 activities and programs into the second year of implementation. $ 13,400,000

11. **Increase Funding for Contract Resurfacing**
Current appropriations do not adequately address minimum resurfacing needs which are over $150 million annually. Funding for contract resurfacing has not kept pace with cost increases in the last 10 years. This is to request that $38 million in additional contract resurfacing be appropriated. 38,000,000

12. **Provide Funding for DOT Facility Improvements**
This request is to provide funds for necessary capital improvement projects in the Department of Transportation.

Requirements	$ 9,777,398
Receipts	5,707,050
Appropriation	$ 4,070,348

		1998-99
13.	**Reduce Federal Funds Match** The current level of state funds to match federal aid construction in the Highway Fund is $33,153,153. The required level of state funds to match federal aid construction is approximately $120,000,000. The match that is not provided by the Highway Fund is provided by the Highway Trust Fund. This request is to reduce the remaining Federal Aid match funds in the Highway Fund to $0.00 and provide all of the match for Federal Aid Construction from the Highway Trust Fund. There are sufficient funds available in the Highway Trust Fund to accommodate this request.	$ (33,153,153)
14.	**Motor Fuels Statutory Adjustments** As a result of a decrease in the projection of revenue to be received from the tax on motor fuels statutory adjustments are requested to be made in the following line items:	
	State Aid to Municipalities (2,050,000)	
	Secondary Roads Construction (2,050,000)	(4,100,000)
	Total Recommended Changes for Transportation Construction and Maintenance	$ 18,217,195

Division of Motor Vehicles - 84260

15.	**Vehicle Registration Plates and Stickers** During the 1997-99 budget appropriation process, the Division of Motor Vehicles requested and received funding for a projected growth rate of 4% in the issuance of license plates and stickers for the Vehicle Registration Section. However, the growth rate has surpassed this expectation for all major plate and sticker categories. Upon review of the line items and projection of anticipated increases, the division expects to incur additional costs of $227,044 for fiscal year 1998-99.	$ 227,044

	1998-99

16. **Vehicle Registration Computer Hardware and Software for Financial Security**

North Carolina Statute requires that liability insurance is maintained on all licensed vehicles. The current Financial Security System (FSS), is separate from the State Title and Registration System (STARS). An interface between the two systems is in place, but does not function adequately. The current FSS system is also not Year 2000 compatible. Therefore, a fully-integrated, Year 2000-compatible Financial Security System will be developed. Application development for the new FSS system has been funded in the Department of Transportation (MIS) budget through June 30, 1998. There has been no appropriation for equipment to be used with the new system. $ 202,596

17. **Traffic Records Equipment/Operating Costs for New Crash Reporting**

The Driver License Section is currently rewriting the crash reporting program. This is a 25 year old program that required the use of dumb terminals to process the crash reports. The new program will be totally automated which will require state-of-the-art electronic equipment to support the electronic submission of crash data. The users and collectors of the data will be able to receive and submit needed data in a timely and efficient manner in order to make safety decisions. The requested funds will be used in part to purchase desk top computers with cornerstone monitors, printers, and image retrieval workstations with scanners and ergonomic workstations. These workstations will provide maximum utilization of current office space. The cost of installation as well as service and maintenance of this equipment is requested. 451,500

	1998-99
18. **Enforcement Section Pay Equity Plan** This plan is designed to bring equity to the Enforcement Section of the Division of Motor Vehicles by adjusting the existing salaries of Enforcement Officers against the salaries of other state law enforcement officers. Officers of the North Carolina Highway Patrol, Alcohol Law Enforcement, Wildlife Resources Commission, Marine Fisheries and Park Police of the Department of Environment and Natural Resources all have received pay equity adjustments from the North Carolina General Assembly. The plan creates equity against other state law enforcement agencies by adjusting pay grades using each officer's service within the section as of June 30, 1998. Time other than that earned as a law enforcement officer with the Enforcement Section is not counted.	$ 1,000,000
Total Recommended Changes for Division of Motor Vehicles	$ 1,881,140

Reserves and Transfers - 84270

19. **Funds for Legislative Increase** This request is to provide funds to be placed in a reserve for a 4% Legislative Increase and a 1% bonus for fiscal year 1998-99 for employees paid from the Highway Fund.	$ 20,000,000
20. **Provide Funding for Compliance With Department of Environment and Natural Resources Stormwater Discharge Permit** Funding is needed to comply with the requirements of the expected permit to allow the department to continue to discharge stormwater and borrow pit wastewater. Required activities under this permit include inventories, construction of control and mitigation devices, educational and public participation programs, monitoring activities, program planning and assessment, and periodic reporting.	500,000
21. **Funds for Performance Pay for Highway Patrol** This request is to provide funds for performance pay for the Highway Patrol due to an error that was made in the calculation during the continuation budget process. When the error was discovered, it was too far along in the budget negotiation process to include the funds in the continuation budget.	2,787,596

		1998-99
22.	**Funds for Criminal Justice Information Network for Highway Patrol** Funds are requested to be placed in a reserve to be transferred to the Department of Crime Control and Public Safety for the continued development and implementation of the Criminal Justice Information Network (CJIN). This is Phase III in the development of the network.	$ 2,406,611
23.	**Funds for 40 Additional Highway Patrol Troopers** Funds are requested to be placed in a reserve to be transferred to the Department of Crime Control and Public Safety in support of forty (40) additional Highway Patrol Troopers.	2,551,595
24.	**Mobile Data Computers for Highway Patrol Troopers** Funds are requested to be placed in a reserve to be transferred to the Department of Crime Control and Public Safety for mobile data computers that will be placed in patrol cars of Highway Patrol Troopers. This is the first of three requests to complete the installation in all patrol cars.	2,249,812
25	**Reduction in Statutory Transfer** As a result of a decrease in the projection of revenues to be received from the tax on motor fuels a statutory adjustment is requested in the funds transferred to the Leaking Underground Storage Tanks (LUST) fund.	(189,000)
26.	**Eliminate Sales Tax Transfer** This request is to eliminate the Reserve for Sales Tax transfer to the General Fund in the amount of $13,400,000 to be used for mass transit.	(13,400,000)
27.	**Eliminate Transfer to Highway Trust Fund** This request is to eliminate the transfer of Highway Fund Appropriations to the Highway Trust Fund in the amount of $38,000,000 that relates to the retirement of refunding bonds. These funds will be used for highway maintenance.	(38,000,000)
	Total Recommended Changes for Reserves and Transfers	$ (21,093,386)
	Total Recommended Changes for Department of Transportation	$ 13,224,263
	Number of Positions	1.0

Changes to the 1998-99 Highway Fund Budget
(Highway Fund Appropriations Only)

	1998-99 Previously Authorized	Revision	1998-99 Revised Appropriation
DOT-General Administration	$ 58,109,718	$ 14,219,314	$ 72,329,032
Highway Division Administration	34,723,375	-	34,723,375
State Match for Federal Aid-Planning and Research	2,959,649	-	2,959,649
Construction Program:			
State Secondary System	$ 83,283,000	$ (2,050,000)	$ 81,233,000
State Urban System	14,000,000	-	14,000,000
Discretionary Funds	10,000,000	-	10,000,000
Spot Safety Improvements	9,100,000	-	9,100,000
Access and Public Service Roads	2,000,000	-	2,000,000
State Match for Federal Aid	33,153,153	(33,153,153)	-
Total Construction Program	$ 151,536,153	$(35,203,153)	$ 116,333,000
Maintenance Program:			
Primary System	$ 109,635,113	$ -	$ 109,635,113
Secondary System	187,394,152	-	187,394,152
Urban System	36,414,035	-	36,414,035
Contract Resurfacing	107,952,248	38,000,000	145,952,248
Total Maintenance Program	$ 441,395,548	$ 38,000,000	$ 479,395,548
Ferry Operations	$ 18,098,290	$ -	$ 18,098,290
State Aid to Municipalities	83,283,000	(2,050,000)	81,233,000
State Aid to Railroads	12,100,000	-	12,100,000
State Aid for Public Transportation	17,346,921	13,400,000	30,746,921
Asphalt Plant Cleanup	425,000	-	425,000
Governor's Highway Safety Program	312,080	-	312,080
Division of Motor Vehicles	89,071,677	1,881,140	90,952,817
Total Other Programs	$ 220,636,968	$ 13,231,140	$ 233,868,108
Total Department of Transportation	$ 909,361,411	$ 30,247,301	$ 939,608,712

	1998-99 Previously Authorized	Revision	1998-99 Revised Appropriation
Appropriations to Other State Agencies:			
Agriculture and Consumer Services	$ 3,069,026	$ -	$ 3,069,026
Revenue	2,331,760	-	2,331,760
State Treasurer-Sales Tax	13,400,000	(13,400,000)	-
Public Instruction-Driver Education	22,573,141	-	22,573,141
Crime Control and Public Safety-Highway Patrol	112,031,483	9,995,614	122,027,097
Environment and Natural Resources			
LUST Trust Fund	7,298,214	(189,000)	7,109,214
Chemical Test	396,643	-	396,643
Global Transpark	750,000	-	750,000
Total-Other State Agencies	$ 161,850,267	$ (3,593,386)	$ 158,256,881
Reserves and Transfers:			
Highway Trust Fund	$ 38,000,000	$(38,000,000)	$ -
Legislative Salary Increase	30,405,532	20,000,000	50,405,532
Salary Adjustment	200,000	-	200,000
Computer Reserve	1,000,000	-	1,000,000
DMV Systems Reserves	3,508,527	-	3,508.527
Minority Contractor Development	150,000	-	150,000
State Fire Protection Grant	150,000	-	150,000
Stormwater Discharge Permit	-	500,000	500,000
Total Reserves and Transfers	$ 73,414,059	$(17,500,000)	$ 55,914,059
Total Current Operations	$1,144,625,737	$ 9,153,915	$1,153,779,652
Capital Improvements	-	4,070,348	4,070,348
Total Highway Fund Appropriation	$1,144,625,737	$ 13,224,263	$1,157,850,000

C. Highway Trust Fund

The 1989 Session of the General Assembly, in Chapter 692 of the Session Laws, ratified House Bill 399 to establish the Highway Trust Fund. Revenue for the funding was provided from four primary sources: (1) one fourth of the Motor Fuels Tax collected by the Department of Revenue; (2) Sales and Use Taxes on the sales of motor vehicles in excess of $170 million, which is to be used in the General Fund; (3) most of the Title Fees and some various Registration Fees collected by the Division of Motor Vehicles. Effective July 1, 1996, all Title and Registration Fees were dedicated to the Trust Fund; and (4) interest earned from investment of the Trust Fund cash balance by the State Treasurer.

The legislation also sets out the various roads identified as the Intrastate System and Urban Loops which are to be funded. Also identified are supplemental funds for Secondary Road Construction and Aid to Municipalities. Formula funding for administration as well as for the mentioned purposes is likewise included in the legislation.

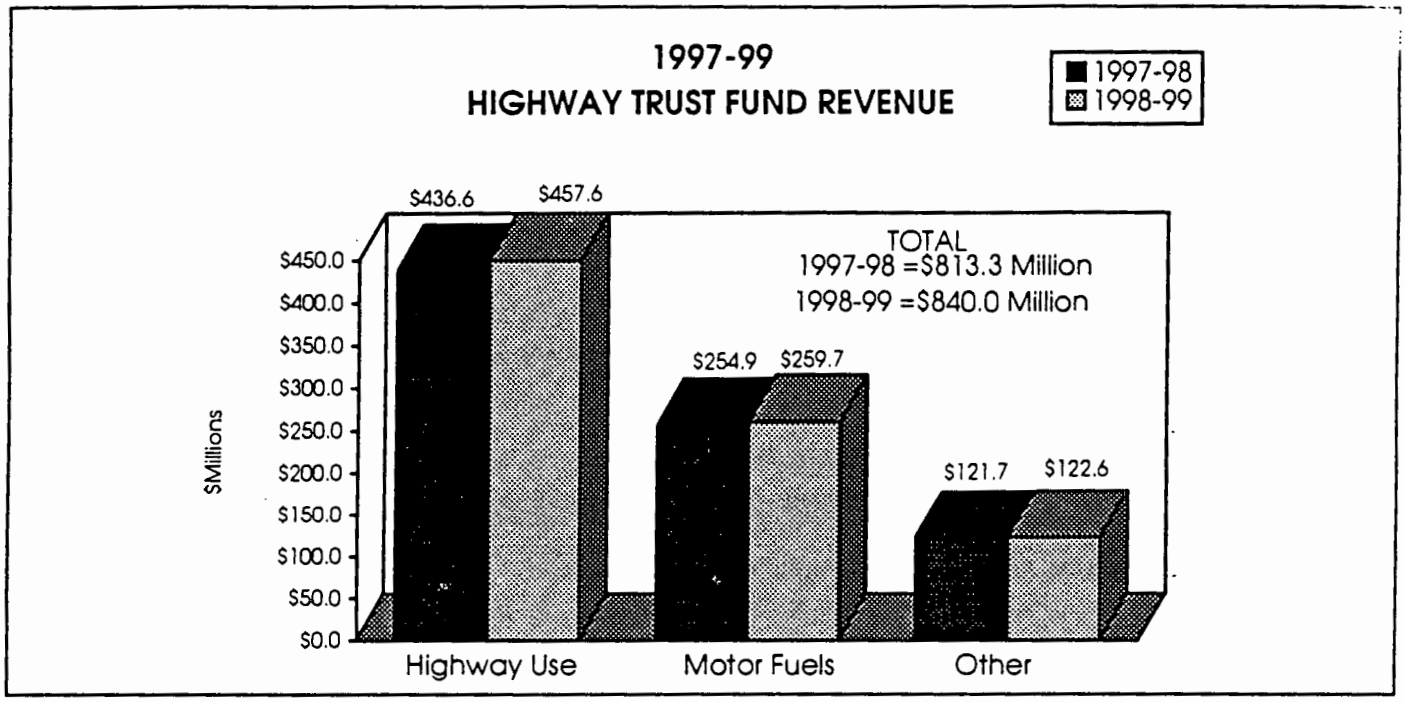
1. Revenue

One-fourth of the Motor Fuels Tax collections are dedicated to the Highway Trust Fund. The revenue is projected to total $254.9 million in 1997-98 and $259.7 million in 1998-99. This represents increases of 4.6% and 1.9% respectively. The decline in the growth rate is a result of falling wholesale price of motor fuels and its impact on the variable component of the Motor Fuels tax rate. Motor Vehicle Use Tax collections are projected to remain strong increasing by 7.1% in 1997-98 and 4.8% in 1998-99. Other Trust Fund fees are anticipated to increase in the 3.0% range during this period. Investment income is project to decline by 7.3% in 1997-98 and 5.0% in 1998-99, as average cash balances are projected to decline.

Including Miscellaneous Registrations, Lien Recording Fees, and Investment Income, Highway Trust Fund revenue is projected to total $813.3 million in 1997-98 and $840.0 million in 1998-99, presenting growth rates of 5.2% and 3.3% respectively.

Highway Trust Fund Revenue, 1997-99

	1996-97 Actual	1997-98 Estimated	1998-99 Projected
Anticipated Collections:			
Motor Fuel Taxes	$ 243,731,232	$ 254,930,000	$ 259,731,000
Highway Use Tax	407,577,335	436,643,000	457,602,000
Title Fees:			
Certificates of Title	73,029,553	76,388,000	78,680,000
Miscellaneous Title Fees	12,687,795	12,234,000	12,506,000
Investments Income	35,719,382	33,100,000	31,445,000
Total Highway Trust Fund Revenue	$ 772,745,297	$ 813,295,000	$ 839,964,000



2. Condition of the Highway Trust Fund

The following table reflects the change in availability to the Highway Trust Fund, and the corresponding changes to the statutory appropriations.

Condition of the Highway Trust Fund, 1998-99

	1997-98 Authorized	1998-99 Authorized	Net Changes Recommended	1998-99 Recommended
Beginning Credit Balance	$ 52,381,297	$ -	$ -	$ -
Highway Trust Fund Revenue	805,781,305	832,693,348	7,270,652	839,964,000
Transfer from Highway Fund (1)	38,000,000	38,000,000	(38,000,000)	-
Cash Flow Funding	(52,381,297)	-	-	-
Total Availability	$843,781,305	$870,693,348	$ (30,729,348)	$839,964,000
Expenditures and Commitments:				
Authorized Budget	$673,781,305	$700,693,348	$ (30,729,348)	$669,964,000
Transfer to General Fund (2)	170,000,000	170,000,000	-	170,000,000
Total Expenditures & Commitments	$843,781,305	$870,693,348	$ (30,729,348)	$839,964,000
Ending Credit Balance	$ -	$ -	$ -	$ -

(1) Transfer required by G.S. 136-183.
(2) Transfer required by G.S. 105-187.9.

Supplemental Budget Recommendations

The statutory provisions for the Highway Trust Fund specify the amounts to be appropriated to the budgetary items. The following table, Changes to the 1998-99 Highway Trust Fund Budget, incorporates the changes in availability in accordance with the formula allocations of the Trust Fund to the appropriation items.

Changes to the 1998-99 Highway Trust Fund Budget

	1998-99 Previously Authorized	Revision	1998-99 Revised Appropriation
Department of Transportation:			
Maximum Allowance for Administration	$ 27,072,575	$ 143,380	$ 27,215,955
Construction Allocation:			
Intrastate System	397,487,432	(20,194,558)	377,292,874
Urban Loop System	160,727,363	(8,165,838)	152,561,525
Secondary Roads	73,700,275	(393,452)	73,306,823
Debt Service (Non-Add)*	-	-	28,357,925
State Aid to Municipalities	41,705,703	(2,118,880)	39,586,823
Transfer to the General Fund (1)	170,000,000	-	170,000,000
Total Highway Trust Fund	$870,693,348	$(30,729,348)	$839,964,000

(1) Transfer required by G.S. 105-187.9.

* Debt Service will be paid from proportionate reductions from funding for Intrastate System, Urban Loop System and Secondary Roads. This is budgeted in the table as a non-add figure.

	1998-99	
4. Year 2000 Conversion Statewide Reserve The total Year 2000 conversion costs for all North Carolina state government agencies, including the Department of Transportation, is estimated at $126,092,956 of which $36,458,309 has been funded from the legislatively authorized Reserve for the Year 2000 Conversion and State Information Processing Services (SIPS) operating reserves. An additional $34,423,251 has been funded from within agency information technology budgets. In order to complete conversion by December 31, 1998 and allow for one year of testing, an additional $55,211,396 must be identified to support the conversion. Of this, $14,000,000 can be secured from SIPS operating reserves and $18,864,399 will be recommended to be funded from direct agency appropriations to the Department of Revenue and the Department of Health and Human Services which are outlined earlier in this document. The remaining $27,346,997, including a $5 million contingency, is recommended in a statewide reserve to be administered by SIPS.	$ 27,346,997	NR
5. Global TransPark Reserve A reserve is recommended for the Global TransPark Authority to provide funds to comply with new state wetlands mitigation rules, match funds for construction of the runway and taxiway, and to assume the local sponsor role for the Kinston Regional JetPort facility.	5,325,000	NR

NR - Nonrecurring

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE

You are hereby notified that the Committee on **JOINT APPRO/SUB TRANS COMMITTEE** will meet as follows:

DAY & DATE: **Tuesday, May 12, 1998**
Wednesday, May 13, 1998
Thursday, May 14, 1998

TIME: **9 am - 11 am**

LOCATION: **Room 1228/1337**

Respectfully,

Representatives Bowie, Dockham, McMahan
Co-Chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **3 pm** on **May 11, 1998**.

___Principal Clerk
___Reading Clerk - House Chamber

Sharon Gaudette (Committee Clerk)

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Sharon Gaudette (Committee Clerk)

AGENDA

Joint Appropriations Subcommittee
on
Transportation

May 14, 1998
Room 1228
9:00 A.M.

Chair: Representative Joni Bowie

Introductory Remarks on Division of Motor Vehicles Expansion Requests

Janice Faulkner
Commissioner of Motor Vehicles

Mtg. Adjourned @ 9:30

Vehicle Registration Plates and Stickers, and Financial Security System
(See Recommended Changes to the 1998-99 State Budget, pp. 91-92, Items 15, and 16)

Carol Howard
Director of Vehicle Registration

Crash Reporting Program
(See Recommended Changes to the 1998-99 State Budget, p. 92, Item 17)

Rosa Gill
Director of Traffic Records

Enforcement Pay Plan
(See Recommended Changes to the 1998-99 State Budget, p. 93, Item 18)

Captain Mark Stabler
District Supervisor, DMV Enforcement

Increased Requirements for Postage
(See Recommended Changes to the 1998-99 State Budget, p. 88, Item 2)

Keith Wilder
Director of Support Services

Security Expansion Items
(See Recommended Changes to the 1998-99 State Budget, pp. 88-89, Items 1 and 7)

Jeannie Bailey
Head of DOT Security

Maintenance for Rainey Building, and DOT Facility Improvements
(See Recommended Changes to the 1998-99 State Budget, pp. 88, 90, Items 3 and 12)

Cameron Lee
Director of General Services

MINUTES

JOINT APPROPRIATIONS
Subcommittee on Transportation

May 14, 1998

The JOINT APPROPRIATIONS subcommittee on Transportation met in Room 1228 Legislative Building on May 14, 1998, at 8:30 am. **Representative Joanne Bowie presided.** Visitor's Sheet attached.

Members present: Representatives Bowie, McMahan, Blue, Gulley and Saunders. Senators Albertson, Carpenter, and Reeves.

Representative Bowie welcomed Committee Members and thanked the House and Senate Pages for assisting with committee meeting.

Janice Faulkner, Commissioner of The Division of Motor Vehicles, presented an overview of the requests for expansion items:

- Vehicle Registration Plates and Stickers - $227,044
- Vehicle Registration Computer Hardware and Software for Financial Security - $202,596
- Traffic Records Equipment/Operating Costs for New Crash Reporting - $451,500 *(see Governor's Budget Recommended Changes 1998-99 - Pg. 91 & 92).*

Commissioner Faulkner spoke in regard to increasing the pay scale of the Enforcement Section of the Division of Motor Vehicles Officers. The Commissioner indicated the plan presented in the Budget is designed to bring equity to the Enforcement Section Officers pay. Officers of the Wildlife Resources Commission, Marine Fisheries and Park Police of the Department of Environment and Natural Resources have all received pay equity adjustments from the General Assembly. The Commissioner suggested it was difficult to hire and train good officers and keep them, because the pay is not competitive. Commission Faulkner indicated the Division has officers with 18 years of service earning only $23,000 per year. The Commissioner requested that the General Assembly approve at least the one million dollars which would address 29 percent of the need *(see Recommended Changes to the 1998-99 State Budget - pg. 93).*

Representative Bowie adjourned the meeting at 9:30 as speakers scheduled on the agenda were not in attendance.

Respectfully submitted:

Representative Joanne W. Bowie,
Presiding, Co-Chair

Sharon A. Gaudette
Committee Clerk

Senator Luther H. Jordan, Jr.,
Co-Chair

VISITOR REGISTRATION SHEET

JOINT APPRO/SUBCOMMITTEE ON TRANSPORTATION 6-14 , 1998

Name of Committee | Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Carol Simon	DMV
Wayne Stallings	DOT
Janice Tomlinson	DMV
Ernest Cella	DMV
Gabe Howard	DMV
Rosa H. Gill	DMV
Duane Smith	DOT/MIS
Milton Alford	OSBM
Jim Brown	State Ports
VL McBride	NCDA
Danny Rogers	NCDOT
Mark P. Stabler	NCDOT - DMV ENFORCEMENT
Hope Mazingo	NCDOT - DMV - Enforcement
Jim Swaluing	NCDOT - General Services
Cameron Lee	NCDOT

DMV ENFORCEMENT EQUITY PAY PLAN

The attached plan is designed to bring equity to and within the Enforcement Section of the Division of Motor Vehicles by adjusting the existing salaries of Enforcement Officers against other state law enforcement agencies and by creating additional equity within the Section.

The plan creates equity against other state law enforcement agencies by adjusting pay grades using each officer's service *within* the Section as of *June 30, 1998*. Time other than that earned as a law enforcement officer with the Enforcement Section is not counted. The plan applies varying percentages of adjustment to the different pay grades, with lower grades receiving the highest percentage of adjustment. This enables officers in the lower pay grades to be placed in a higher position within their pay range creating additional equity within the Section. The equity spans require eleven (11) years of Section service for the entry level position (VEO-I, pay grade 64) to be placed at the maximum of the pay range and twenty (20) years of Section service for all officers with a pay grade of 73 or higher to be placed at the maximum of their pay range.

Once this established equity formula has been applied to all Enforcement officers, selected classifications are upgraded by one or two steps with an additional salary adjustment of 2.25% for each step an officer is upgraded. These upgrades create further equity within the Section and improve the Enforcement Section's ability to employ better qualified applicants and to retain those employees who perform at a satisfactory or better rating. This adjustment will also reduce the number of grades and ranks within the Section, create a clear career ladder, a minimum time in grade before promotion and allow at least two steps between each pay grade to improve the Section's ability to offer a reasonable salary increase for promotion and transfer.

Factors such as recent upgrades of the LEO-I position from pay grade 69 to 70, the upgrade of Field Captains from pay grade 73 to 74 and the upgrade of the Director's position were considered in the formulation of this plan. These positions received an equity adjustment but were not upgraded.

Following is information on each pay grade detailing the grade, average years of service, steps created and cost associated with the plan. The salary information provided includes the increase effective July 1, 1997 and is based on the actual expenditure of salaries at the time of calculation. The budgeted salaries are actually slightly higher that the actual expenditure. The adjusted salaries are based on each officer's experience as of June 30, 1998.

VEO-I (Pay Grade 64) (Officer)

This is the entry level position for all law enforcement officers to enter the Section. Section policy requires all applicants to be certified as law enforcement officers by the North Carolina Criminal Justice Training and Standards Commission at the time of employment. This is four (4) pay grades below the SHP Trooper level. The hiring rate is $22,248.

Equity is achieved for this position by creating eleven (11) pay steps within the existing VEO-I salary range of $23,361 - $35,899. The eleven steps consist of increases of 4.5%. Officers are placed in the pay bracket that corresponds to their years of service with the Section and those with eleven (11) or more years of service will be placed at the top of the salary range. There are two hundred and seventy (270) VEO-I positions allotted with an average of 6.1 years of service with the Section. The majority of VEO-Is had prior law enforcement experience before joining the Section. The present average VEO-I salary is $25,561 which is well below midpoint of the range. The present cost for these positions is $6,901,364. With the application of the equity formula the cost would increase to $7,868,267. After the application of the equity formula this position would be upgraded to Pay Grade 66 and an additional raise of 2.25% for each step (4.5%) would be granted to each officer. Officers with at least one year of service would not be paid less than the minimum of the new pay grade 66 and no one would be at the maximum of the range. The total cost for the VEO-I Officers would be $8,238,579. The new average pay per officer is $30,522 which is below the midpoint for pay grade 66.

1	2	3	4	5	6	7	8	9	10	11
23361	24412	25510	26657	27857	29111	30421	31790	33220	34715	35899

VEO-II (Pay Grade 66) (Sergeant)

The present salary range of $25,335 - $39,273 is divided into thirteen steps (13) which compensates for the Section's policy requiring two (2) years of experience before eligibility for promotion to VEO-II. Sergeants are placed in the pay bracket that corresponds to their years of service with the Section and those with thirteen (13) or more years will be placed at the maximum of the pay range. This is an increase between steps of 4.0 %. There are sixty-seven (67) allotted positions. With two (2) existing vacancies counted as zero the average years of service is 13.6. The average pay is $30,537 which is below the midpoint of the range. The present cost for these positions is $2,045,964 and would increase to $2,498,221 with implementation of the thirteen step equity plan. After implementation of the equity steps, this position would be upgraded from pay grade 66 to pay grade 68 and an additional raise of 2.25% per step (4.5%) would be granted to each Sergeant. No position would be paid less than the minimum or more than the maximum. The total cost for the VEO-II positions would be $2,610,641 for an average salary of $38,965. This average is above midpoint based on the 13.6 years of service which exceed the thirteen (13) years required to reach the maximum of the range.

1	2	3	4	5	6	7	8	9	10	11	12	13
25335	26348	27402	28498	29638	30823	32056	33339	34672	36059	37501	39002	39273

First Sergeant (1SG) (Pay Grade 68)

The salary range of $27,557 - $43,058 is divided into fifteen (15) steps which allows for an additional two years of experience as a VEO-II before promotion to 1SG. This is an increase between steps of 3.3%. There are presently five (5) positions in this range with one (1) position classed as an administrative assistant at pay grade 67 and one (1) position vacant. With a factor of "0" for years of experience applied to the vacant positions, the average length of service is 14.8 years. The present salary cost is $188,542 which is an average of $37,708. Three (3) of these Sergeants supervise weigh stations, one (1) is assigned to Training and one (1) to Supply and Logistics. After implementation of the equity steps these positions would be upgraded to Pay Grade 70 with a 2.25% salary adjustment for each step. The positions would be titled as First Sergeants. The total cost of 1SG positions would be $223,007 and the new average would be $44,601 which is below the maximum for Pay Grade 70.

1	2	3	4	5	6	7	8	9	10	11	12
27557	28446	29405	30376	31378	32414	33483	34588	35729	36908	38126	39384

13	14	15
40684	42026	43058

Second Lieutenant (2LT) (Pay Grade 69)

The salary range of $28,735 - $45,048 is divided into sixteen (16) steps which allows for five (5) years experience with the Section before promotion to 2LT. This is an increase between steps of 3.1%. There are presently nine (9) positions in this range with an average of 20.8 years experience. Eight (8) positions supervise weigh stations and one (1) position is located at Section Headquarters. The present salary cost is $339,198 which is an average salary of $37,689. After implementation of the equity steps these positions would be upgraded from Pay Grade 69 to Pay Grade 70 with a 2.25% additional salary adjustment and would be titled First Sergeant (1SG). The salary cost would be $411,172 which is an average salary of $45,686. The average years of service for this position exceeds the number required to attain the maximum of the range.

1	2	3	4	5	6	7	8	9	10	11	12
28735	29625	30543	31490	32466	33472	34510	35580	36683	37820	38992	40201

13	14	15	16
41447	42732	44056	45058

LEO-I (Inspector) (Pay Grade 70)

The salary range of $30,038 - $47,167 is divided into sixteen (16) steps based on the Section's policy of five years experience before promotion to Inspector. This is an increase between steps of 3.1%. There are presently one-hundred and twenty-seven (127) positions in this range with five (5) vacancies. With the vacancies counted as "0" the average years of service is 12 years. The present average salary is $36,771 with an expenditure for this position of $4,669,917. With implementation of the equity steps the cost would increase to $5,370,171 with a new average of $42,285. Due to the fact that this position was recently upgraded from pay grade 69 to pay grade 70 no additional adjustment or upgrade would be made.

1	2	3	4	5	6	7	8	9	10	11	12
30038	30969	31929	32919	33939	34991	36076	37194	38347	39535	40761	42024

13	14	15	16
43327	44670	46055	47167

LEO-II (1LT) (Pay Grade 71)

The salary range of $31,327 - $49,338 is divided into eighteen (18) steps based on a minimum requirement of seven years (7) experience with the Section before promotion to 1LT. This is an increase between steps of 2.75%. There are presently nine (9) positions in this range with an average of 17.3 years experience which includes one (1) vacancy factored as zero. Eight (8) of the positions serve as assistant district supervisors and one (1) position is based at Section Headquarters. The present salary expenditure in this position is $366,810 which is an average of $40,757. After implementation of the equity steps this position would be upgraded from pay grade 71 to pay grade 72 with a 2.25% additional salary increase for each Lieutenant. The salary cost would then be $426,607 or an average of $47,401. The average years of experience influence the cost of these positions.

1	2	3	4	5	6	7	8	9	10	11	12
31327	32188	33073	33983	34917	35877	36864	37878	38920	39990	41090	42220

13	14	15	16	17	18
43381	44574	45799	47059	48353	49338

LEO-III (Captain) (Pay Grade 73)

The salary range of $34,069 - $54,041 is divided into twenty (20) steps requiring an officer in this rank and above to have a total of twenty (20) years experience with the Section before attaining the maximum of the pay range. This is an increase between steps of 2.5%. There are presently six (6) positions in this range with one (1) vacancy and an average of 13.7 years experience with the vacancy counted as zero. These officers hold the rank of Captain, are based at Section Headquarters, and provide staff support for the various programs administered by the Section. The present salary expenditure in this position is $276,847. After implementation of the equity steps this position would be upgraded from pay grade 73 to pay grade 74 with a 2.25% additional salary adjustment. The total salary cost would be $303,251 with an average salary of $50,542. This upgrade would create balance between the staff captains and the field captains.

1	2	3	4	5	6	7	8	9	10	11	12
34081	34920	35793	36688	37605	38545	39589	40497	41509	42547	43611	44701

13	14	15	16	17	18	19	20
45819	46964	48138	49342	50575	51840	53138	54041

District Law Enforcement Supervisors (Captain) Pay Grade 74)

The salary range of $35,632 - $56,624 is divided into twenty (20) steps requiring an officer in this rank and above to have a total of twenty (20) years experience with the Section before attaining the maximum of the pay range. This is an increase between steps of 2.5%. There are presently eight (8) positions in this range with one (1) vacancy and an average of 16.9 years experience with the vacancy counted as zero. The present average salary is $49,656 and the new average would be $53,467. The present salary expenditure in this position is $397,245 which would increase to $427,738. These positions hold the rank of Captain and are commanders of the eight (8) Districts located throughout the state. Based on the fact that they were recently upgraded from pay grade 73 to pay grade 74 no additional adjustment will be made.

1	2	3	4	5	6	7	8	9	10	11	12
35632	36522	37435	38371	39331	40314	41322	42355	43414	44499	45611	46752

13	14	15	16	17	18	19	20
47944	49143	50737	51630	52921	54244	55600	56624

Assistant Director (Major) (Pay Grade 75)

The salary range of $37,304 - $56,624 is divided into twenty (20) steps requiring an officer in this rank and above to have a total of twenty years experience with the Section before attaining the maximum of the pay range. This is an increase between steps of 2.5%. There are presently three (3) positions in this range with an average of thirteen (13) years experience. The present salary expenditure in this position is $161,495. After implementation of the equity steps this position would be upgraded from pay grade 75 to pay grade 76 with a 2.25% additional salary adjustment. The total cost of salary would be $169,058.

1	2	3	4	5	6	7	8	9	10	11	12
37304	38236	39192	40172	41176	42286	43261	44342	45450	46586	47750	48944

13	14	15	16	17	18	19	20
50168	51422	52707	54024	55375	56759	58178	59293

Deputy Director (Lieutenant Colonel) (Pay Grade 77)

The salary range of $40,855 - $65,039 is divided into twenty (20) steps requiring an officer in this rank and above to have a total of twenty years experience with the Section before attaining the maximum of the pay range. This is an increase between steps of 2.5%. The present salary expenditure in this position is $65,039. After implementation of the equity steps this position would be upgraded from pay grade 77 to pay grade 78 with a 2.25% additional salary adjustment. The total cost of salary would be $66,502.

1	2	3	4	5	6	7	8	9	10	11	12
40855	41876	42923	43996	45096	46223	47378	48536	49777	51021	52297	53604

13	14	15	16	17	18	19	20
54944	56317	57725	59168	60647	62163	63717	65039

Director (Colonel) (Pay Grade 80)

The salary range of $46,820 - $74,796 is divided into twenty (20) steps requiring an officer in this rank and above to have a total of twenty years experience with the Section before attaining the maximum of the pay range. This is an increase between steps of 2.5%. The present salary expenditure in this position is $73,448. There would be no increase in salary or cost based on the application of the equity steps. The expenditure in this position would remain at $73,448.

DMV ENFORCEMENT EQUITY PAY PLAN EXAMPLES

	Salary Grade	Years of Service	Present Salary	Equity Salary	Equity Increase	New Grade	% Incr.	Upgraded Salary	Upgrade Increase	Total Increase	% Increase
VEO I	64	1	$23,819	$23,819	$0	66	To Minimum	$25,335	$1,516	$1,516	6%
VEO I	64	8	$25,619	$31,790	$6,171	66	4.50%	$33,221	$1,431	$7,602	30%
VEO I	64	13	$26,988	$35,899	$8,911	66	4.50%	$37,514	$1,615	$10,526	39%
VEO II	66	3	$26,713	$27,402	$689	68	4.50%	$28,635	$1,233	$1,922	7%
VEO II	66	7	$27,505	$32,056	$4,551	68	4.50%	$33,499	$1,443	$5,994	22%
VEO II	66	15	$31,058	$39,273	$8,215	68	4.50%	$41,040	$1,767	$9,982	32%
										$0	
VES I	68	19	$41,905	$43,058	$1,153	70	4.50%	$44,996	$1,938	$3,091	7%
2LT	68	25	$37,735	$45,048	$7,313	70	2.25%	$46,062	$1,014	$8,327	22%
LEO I	70	1	$37,870	$37,870	$0	No change	n/a	n/a	n/a	$0	0%
LEO I	70	6	$32,113	$34,991	$2,878	No change	n/a	n/a	n/a	$2,878	9%
LEO I	70	14	$35,660	$44,670	$9,010	No change	n/a	n/a	n/a	$9,010	25%
LEO I	70	23	$42,936	$47,167	$4,231	No change	n/a	n/a	n/a	$4,231	10%
Captain	73	19	$46,095	$53,136	$7,041	74	2.25%	$54,332	$1,196	$8,237	18%

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE

You are hereby notified that the Committee on **JOINT APPRO/SUB TRANS COMMITTEE** will meet as follows:

DAY & DATE: **Tuesday, May 19, 1998**
Wednesday, May 20, 1998
Thursday, May 21, 1998

TIME: **9 am - 11 am**

LOCATION: **Rm 1228**

Please e-mail Sharon Gaudette, if you cannot attend the meeting.

Respectfully,

Representatives Bowie, Dockham, McMahan
Co-Chairs

I hereby certify this notice was filed by the committee clerk at the following offices at 10 a.m. on May 15, 1998.

___Principal Clerk
___Reading Clerk - House Chamber

Sharon Gaudette (Committee Clerk)

AGENDA

Joint Appropriations Subcommittee
on
Transportation

May 19, 1998
Room 1228
8:30 A.M.

Chair: Senator Luther Jordan

Governor's Recommendation to Increase Public Transit Funding
(See Recommended Changes to the 1998-99 State Budget, p. 90, Item 10)

David King
Deputy Secretary for Transportation

Governor's Recommendation to Increase Funding for Postage
(See Recommended Changes to the 1998-99 State Budget, p. 88, Item 2)

Keith Wilder
Director of Support Services

Governor's Recommendations for Additional Security Items
(See Recommended Changes to the 1998-99 State Budget, pp. 88-89, Items 1 and 7)

Jeannie Bailey
Head of DOT Security

Governor's Recommendations to Fund Maintenance of Rainey Building, and for DOT Facility Improvements (See Recommended Changes to the 1998-99 State Budget, pp. 88, 90, Items 3 and 12)

Cameron Lee
Director of General Services

Governor's Request for Funding to Comply with Stormwater Discharge Permit (See Recommended Changes to the 1998-99 State Budget, p. 93, Item 20)

Archie Hankins
Hydraulics Unit

Federal Highway Legislation

Larry Sams
Assistant to Highway Administrator

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

Minutes

May 19, 1998

Room 1228 LB

9:00A.M.

The Joint Appropriations Transportation Subcommittee met on May 19, 1998 at 9:00 A.M., in room 1228 of the Legislative Building. **Representative Ed McMahan** chaired the meeting. All members of the Senate committee attended. The following House members attended:

Rep. Joanne Bowie	Rep. Daniel Blue
Rep. Jim Gulley	Rep. Thomas Hardaway
Rep. Bill Hiatt	Rep. Drew Saunders
Rep. Ronnie Sutton	Rep. Jim Crawford

Rep. McMahan introduced Mr. David King, Deputy Secretary for Transportation (DOT) was introduced. Mr. King spoke from the *1998-99 Recommended Changes* in the Transportation Budget document which was redistributed. Mr. King said, the recommendation for public transit and rail is $13.4 million over what it was last year. The Governor recommends we not pay sales tax in the amount of $13.4 million to accommodate the increase. Mr. King then introduced Mr. Sandford Cross and Mr. Pat Simmons who will continue the discussion regarding the requested money for transit and rail.

Mr. Cross spoke from the handout, *FY 1998-99 NCDOT-PTD, Transit 2001 Expansion Capital Budget.* $1.7 million would be allocated to Rural and Small Urban programs and $5 million would be allocated to the Urban and Regional programs. In addition to vehicle replacement, facility improvements are needed. The $6.7 million highlighted in this handout is a part of the $13.4 million requested.

Mr. Pat Simmons then spoke from the handout *1998-99 Recommended Changes, Transportation Construction and Maintenance 84230.* The funding would enable passenger rail service to be extended to Asheville and allow work to begin on the federally designated high speed corridor. It would also allow for matching funds for the federal transportation program.

Rep. McMahan requested a breakdown of specifics as to what the $26 million would be used for. Mr. King said it will be provided. Rep. McMahan introduced Mr. Keith Wilder, Director of Support Services.

Mr. Wilder spoke from the budget document, page 88, item 2 regarding the need for increased postage. Postage needs have increased 24 % over the last year. The state does use a discount program which saves $500,000 annually.

Ms. Jeannie Bailey, DOT Security was introduced. She spoke from the budget document, pages 88-89 regarding additional security for DOT. She displayed the new security card

for members to see and mentioned that since the introduction of the cards, theft has been reduced. Ms. Bailey said they are working on permanent ID cards for employees.

Mr. Cameron Lee, Director of General Services for DOT was introduced. He spoke from the budget document, page 88, item 3. He spoke of the need for one position, a maintenance mechanic, salary between $25,000 and $30,000. He said that 12 maintenance mechanics cover approximately 600,000 square feet, utilities, water, power and janitorial shop supplies. The cost is approximately $4 per square foot, $1.50 for janitorial and $1.50 for utilities. He suggested that costs in the private market is $5.25 per square foot. Mr. Lee then referred to page 90 in the budget document, item 12, an appropriation request for $4,070,348 to provide funding for DOT facility improvements. In response to several questions, Mr. Lee said DOT is negotiating for a site on Garner Road (currently occupied by the Highway Patrol) for the new DOT site, and sufficient funds are available to complete the design. Mr. Lee distributed another handout titled *Summary List of Capital Improvement Requests 1998-99* which is project specific.

Mr. Archie Hankins, DOT Hydraulics Unit, was introduced. Mr. Hankins referred the committee to page 93, item 20 in the budget document.

Mr. Larry Sams, Assistant to the Highway Administrator was introduced. Mr. Sams spoke regarding federal highway legislation. Mr. Sams said that Congress needed to pass reauthorization legislation for surface transportation and ISTEA. The House and the Senate have passed separate bills for six years and it increases ISTEA by $155 billion nationwide. The increase is about 40%. North Carolina may receive up to $150 million more per year for surface transportation which will be known after reauthorization bill is passed. In response to a question, the money cannot be used for routine maintenance.

Representative McMahan adjourned the meeting at 10:30A.M.

Representative Ed McMahan
Co-Chairperson House Committee

Gloria Haywood
Senate Committee Clerk

FY 1998-99 NCDOT-PTD
Transit 2001
Expansion Capital Budget
$6.7 million

Rural and Small Urban: $1,700,000

System Name	Project Description	**State Share**	Total Cost
AppalCART (Watauga Co.)	1 Conversion van	**29,343**	32,603
	Facility Improvement	**81,000**	90,000
Ashe County Transportation	1 Minivan	**20,028**	22,235
Authority, Inc.	Facility Improvement	**135,000**	150,000
Bladen Area Rural	1 Conversion van	**29,343**	32,603
Transportation System			
Brunswick Interagency	1 Conversion van	**29,343**	32,603
Transportation System, Inc.			
Burke County Transit	1 14-passenger van	**22,356**	24,840
Administration, Inc.			
Craven County	2 Conversion vans	**58,686**	65,206
	1 14-passenger van	**22,356**	24,840
	Facility Improvement	**270,000**	300,000
Carteret County Area	2 Conversion vans	**58,686**	65,206
Transportation System, Inc.			
Chatham Transit Network, Inc.	1 Conversion van	**29,343**	32,603
	1 14-passenger van	**22,356**	24,840
Choanoke Public	2 14-passenger vans	**44,712**	49,680
Transportation Authority	Facility Improvement	**90,000**	100,000
Davidson County	1 Van cutaway	**45,410**	50,456
	1 Center-aisle van	**24,219**	26,910
Harnett County	1 14-passenger van	**22,356**	24,840
Inter-County Public	1 Van cutaway	**45,410**	50,456
Transportation Authority			
Kerr Area Rural	4 14-passenger vans	**89,424**	99,360
Transportation System	1 Conversion van	**29,343**	32,603
Lincoln County Group Home	1 14-passenger van	**22,356**	24,840
for the Handicapped, Inc.			
Martin County	1 Conversion van	**29,343**	32,603
McDowell County	1 14-passenger van	**22,356**	24,840
Madison County	2 14-passenger vans	**44,712**	49,680
Transportation Authority			
Mecklenburg County	1 Van cutaway	**45,410**	50,456
New Hanover County	4 Conversion vans	**117,372**	130,412
Pender Adult Services, Inc.	1 Van cutaway	**45,410**	50,456
	1 Conversion van	**29,343**	32,603

May 19, 1998

System Name	Project Description	State Share	Total Cost
Rowan Area Transit System,	1 Conversion van	**29,343**	32,603
Inc.	1 14-passenger van	**22,356**	24,840
Yadkin Valley Economic	1 14-passenger van	**22,356**	24,840
Development District, Inc.	3 Center-aisle vans	**72,657**	80,730
Sub Total		**1,701,728**	1,890,787

Urban and Regional: $5,000,000

System Name	Project Description	State Share	Total Cost
Greensboro	6 Replacement buses	**1,100,000**	1,375,000
Raleigh	12 Replacement buses	**1,700,000**	2,125,000
Winston-Salem	11 Replacement buses	**2,200,000**	2,750,000
Sub Total		**5,000,000**	6,250,000

May 19, 1998

1998-1999 Recommended Changes
North Carolina Department of Transportation
Transportation Construction and Maintenance—84230

10. Additional Funds for Public Transportation—Transit 2001

Passenger Rail Program—State Fiscal Year 98-99
Impacts of not funding $ 6,700,000

1. Delay start-up of passenger service to Western North Carolina:
    - Capital—stations, passenger equipment, track and other infrastructure work: Salisbury, Statesville, Hickory, Morganton, Old Fort, Black Mountain, and Asheville ($ 3,103,985 non-recurring)
    - Delay or cancel service inauguration ($ 3,169,103 recurring)

2. Delay work on federally designated high speed corridor—Charlotte-Greensboro-Raleigh-Richmond-Washington:
    - Environmental ($ 300,000 non-recurring matching funds)
    - Citizen Participation ($ 125,000 non-recurring funds)

3. Matching funds for federal grants:
    - Federal Transportation Program
        - Sealed Corridor ($ 1,250,000 non-recurring matching funds)
        - Preliminary Engineering and Design ($ 7,500,000 non-recurring matching funds)
        - Right of Way Acquisition ($ 17,500,000 non-recurring matching funds)

    - Amtrak—Taxpayer Relief Act of 1997
        - Capital ($75,000,000 non-recurring matching funds over 2-3 years)

May 1998

SUMMARY LIST OF CAPITAL IMPROVEMENT REQUESTS
1998-99

Department DOT - General Services - Facilities Design, Construction, and Maintenance

Capital Priority Number	Project Description		1998-99
1	New DMV Complex Raleigh Property Acquisition Access Road and Utilities	Requirements	$ 483,000
		Receipts	
		Appropriation	$ 483,000
2	Wilmington Maintenance Yard Relocation	Requirements	$ 5,000,000
		Receipts - Property Sale (est.)	$ 5,000,000
		Appropriation	$ -0-
3	Greensboro Division Office Annex, Const.	Requirements	$ 690,600
		Receipts (Property Sale)	$ 361,825
		Appropriation	$ 328,775
4	Statewide DMV Small Office Additions	Requirements	$ 275,000
		Receipts (Land Sale)	$ 133,825
		Appropriation	$ 141,175
5	Whittier Resident Engineer's Office	Requirements	$ 389,700
		Receipts (DOI Fire Fund)	$ 211,400
		Appropriation	$ 178,300

6	Creswell Bridge Maintenance Office/Whse./Lmbr. Shed	Requirements	$	578,000
		Receipts (Source)	$	
		Appropriation	$	578,000
7	Washington District Office	Requirements	$	518,000
		Receipts (Source)	$	
		Appropriation	$	518,000
8	Sanford DMV Bldg. Renovation/Scope Change	Requirements	$	242,000
		Receipts (Source)	$	
		Appropriation	$	242,000
9	Graham DMV Bldg. Renovation & Addition, Const.	Requirements	$	385,000
		Receipts (Source)	$	
		Appropriation	$	385,000
10	Gillburg Equipment Shop, Des.	Requirements	$	95,000
		Receipts (Source)	$	
		Appropriation	$	95,000
11	Andrews District/Resident Engineer's Office, Const.	Requirements	$	727,000
		Receipts (Source)	$	
		Appropriation	$	727,000
12	Greensboro Enforcement Office, Des	Requirements	$	58,000
		Receipts (Source)	$	
		Appropriation	$	58,000
13	Raleigh Thompson Building, Renovations	Requirements	$	135,000
		Receipts (Source)	$	
		Appropriation	$	135,000
14	Statewide Ada Modifications	Requirements	$	150,000
		Receipts (Source)	$	
		Appropriation	$	150,000

15	Statewide Roof Replacements	Requirements	$	51,098
		Receipts (Source)	$	
		Appropriation	$	51,098
Total Requirements		Total Requirements	$	9,777,398
		Total Receipts	$	5,707,050
		Total Appropriation	$	4,070,348

III. Transportation

A. Transportation Program

Total funding in excess of $2.5 billion is required to support the state's Transportation Program for the 1998-99 fiscal year. Approximately $1,157.8 million, or 46% of the total is provided from the traditional Highway Fund. Highway Trust Fund availability adds another $840.0 million of the total, which represents 34%. Other state funds include General Fund support totaling $11.2 million and departmental receipts of $6.7 million. Federal Aid totals $507.3 million, or 20%.

A summary of the total Transportation Program showing the source of funding and the activity supported is included in the table, North Carolina Transportation Program 1998-99.

North Carolina Transportation Program, 1998-99

Budget Code		Highway Fund	Highway Trust Fund	Department Receipts	Federal Funds	General Fund	Total
842	partment of Transportation dministration	$ 72,329,032	$ 10,519,300	$ 544,289	$ -	$ -	$ 83,392,621
	Division of Highways						
84220	Administration	34,723,375	6,392,967	418,675	-	-	41,535,017
84230	Construction	116,333,000	603,161,222	-	471,707,065	-	1,191,201,287
84230	Maintenance	479,395,548	-	-	-	-	479,395,548
84230	Planning and Research	2,959,649	-	-	8,859,383	-	11,819,032
84230	OSHA Program	425,000	-	-	-	-	425,000
84230	Ferry Operations	18,098,290	-	-	-	-	18,098,290
	State Aid						
84230	Municipalities	81,233,000	39,586,823	-	-	-	120,819,823
84230	Public Transportation	30,746,921	-	-	6,828,057	-	37,574,978
84230	Airports	-	-	-	15,478,062	11,246,445	26,724,507
84230	Railroads	12,100,000	-	-	-	-	12,100,000
84240	Governor's Highway Safety	312,080	-	-	4,405,478	-	4,717,558
84260	Division of Motor Vehicles	90,952,817	3,819,916	5,781,508	-	-	100,554,241
84290	Uncommitted Trust Fund Admin.	-	6,483,772	-	-	-	6,483,772
84270	Other State Agencies	158,256,881	-	-	-	-	158,256,881
84290	Transfer to General Fund	-	170,000,000	-	-	-	170,000,000
84270	Reserves and Transfers	55,914,059	-	-	-	-	55,914,059
	Total Operating	$1,153,779,652	$839,964,000	$6,744,472	$507,278,045	$11,246,445	$2,519,012,614
842	pital Improvements	4,070,348	-	-	-	-	4,070,348
	Grand Total	$1,157,850,000	$839,964,000	$6,744,472	$507,278,045	$11,246,445	$2,523,082,962

B. Highway Fund

The traditional Highway Fund is supported from three primary sources: (1) three-fourths of the Motor Fuels tax collected by the Department of Revenue; (2) Licenses and Fees collected by the Division of Motor Vehicles; and (3) interest earned from investment of the fund cash balance by the State Treasurer.

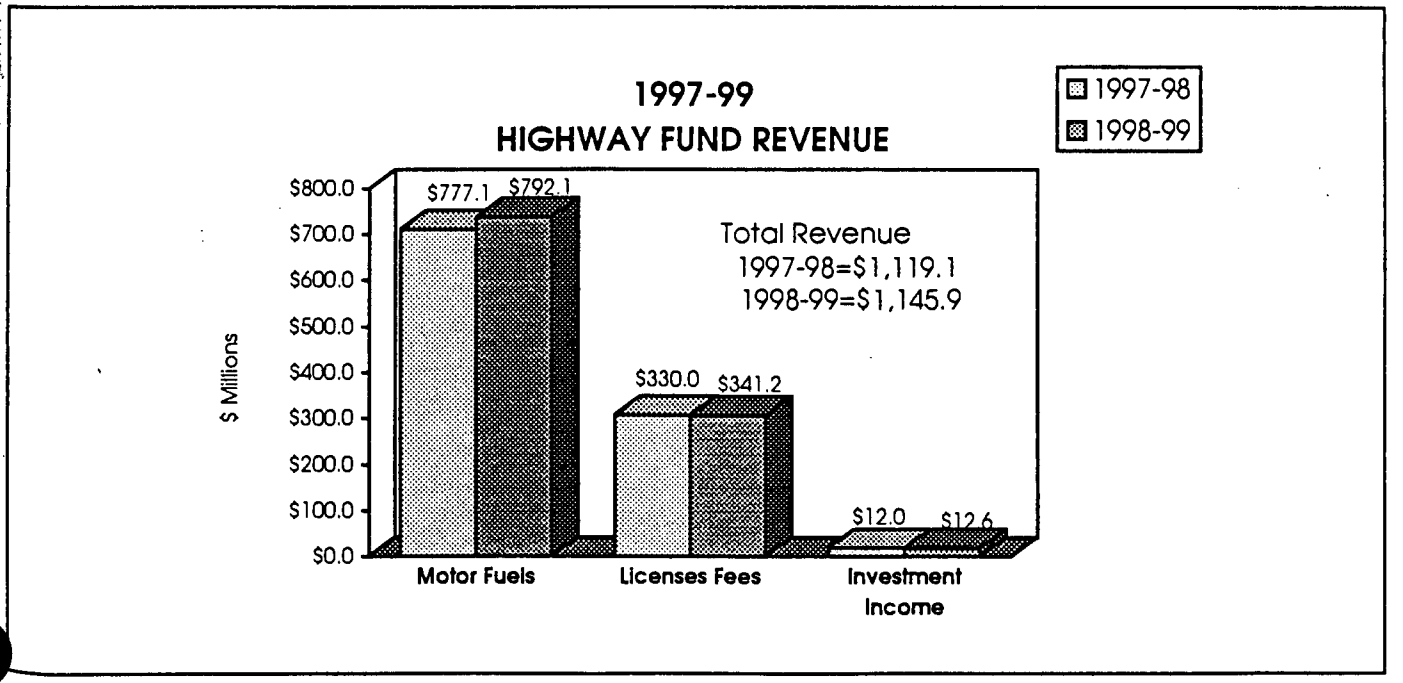
1. Revenue

The rate of growth in motor fuel consumption is expected to remain moderate during the fiscal years 1997-98 and 1998-99. Following a 3.3% increase in 1996-97, motor fuel consumption is projected to grow by 2.9% and 4.1% in 1997-98 and 1998-99 respectively. The growth in motor fuel tax collections is projected to slow, however, as a result of a sharp decline in the wholesale price of motor fuels, and, therefore, the variable component of the Motor Fuels Tax rate. The variable rate is projected to average 5.0 cents during 1997-98, whiling decreasing to 4.5 cents in 1998-99. Overall, including the Motor Fuel Inspection Fee and Highway Use Registration Fee, Motors Fuels Tax collections are expected to total $777.1 million in 1997-98 (up 4.6%) and $792.1 million in 1998-99 (up 1.9%).

Licenses, Fees, and Other State Revenue (LFO) are projected to increase to $330.0 million in 1997-98, and $341.2 million in 1998-99. This represents growths of 3.2% and 3.4% respectively. Staggered registrations are projected to grow by 2.7% in 1997-98, then accelerate slightly to 3.2% in 1998-99. Only a minor 0.1% increase is projected for Truck Licenses in 1997-98, based on collections through March 1998. Growth in Truck Licenses revenue should recover to a more normal 3.5% in 1998-99. Investment income continues to suffer from increased spending for cleanup activities following a major ice storm and Hurricane Fran. Investment income is projected to decline to $12.0 million in 1997-98, before recovering modestly to $12.6 million in 1998-99. Overall, Highway Fund revenue is projected to reach $1,119.1 million in 1997-98 and $1,145.9 million in 1998-99, representing growth rates of 4.0% and 2.4% respectively.

Highway Fund Revenue, 1997-99

	1996-97 Actual	1997-98 Estimated	1998-99 Projected
Motor Fuels Taxes:			
Motor Fuels Tax	$ 730,926,355	$ 764,870,000	$ 779,270,000
Inspection Fee	11,676,667	12,020,000	12,510,000
Highway Use Registration Fee	207,775	250,000	300,000
Total Motor Fuels Tax	$ 742,810,797	$ 777,140,000	$ 792,080,000
Licenses and Fees:			
Staggered Registration Plan	$ 131,363,098	$ 134,930,000	$ 139,250,000
International Registration Plan	41,479,027	43,660,000	45,620,000
Drivers License Fees	68,124,912	69,600,000	71,350,000
Truck Licenses	54,046,254	54,110,000	56,010,000
Other Licenses and Fees	24,703,661	27,680,000	28,930,000
Total Licenses and Fees	$ 319,716,952	$ 329,980,000	$ 341,160,000
Investment Income	13,145,612	12,000,000	12,610,000
Total Highway Fund Revenue	$1,075,673,361	$1,119,120,000	$1,145,850,000



2. Condition of the Highway Fund

Reversions of $11.5 million from unused 1997-98 appropriations are expected to be available for 1998-99 in addition to $468,248 in overrealized revenue which will provide an estimated credit balance for 1998-99 of $12 million.

The table below, Changes to the Condition of the Highway Fund, reflects the credit balance and combines it with the revised estimate of revenue, to show the revised availability of $1,157.8 million.

Condition of the Highway Fund, 1998-99

	1997-98 Estimated	1998-99 Authorized	Net Changes Recommended	1998-99 Recommended
Availability:				
Beginning Credit Balance:				
Estimated Reversions	$ 20,833,339	$ -	$11,531,752	$ 11,531,752
Overrealized Revenue	12,836,208	-	468,248	468,248
Less Required Reserves	-	-	-	-
Subtotal	$ 33,669,547	$ -	$12,000,000	$ 12,000,000
State Highway Revenue	1,119,120,000	1,144,625,737	1,224,263	1,145,850,000
Total Availability	$1,152,789,547	$1,144,625,737	$13,224,263	$1,157,850,000
Expended and Reserved	1,152,321,299	1,144,625,737	13,224,263	1,157,850,000
Ending Credit Balance	$ 468,248	$ -	$ -	$ -

Adjustments to Continuation Requirements

	1998-99
1. General Statutes 136-44.2A, Secondary Roads, and 136-41.1 State Aid to Municipalities, require a portion of gasoline tax collections to be appropriated based on 1.75 cents for gasoline taxed. Revised revenue estimates for 1998-99 show a decrease in the growth rate of gasoline over the original estimate thereby requiring a reduction in requirements as follows:	
State Aid to Municipalities	$ (2,050,000)
Secondary Roads	(2,050,000)
Reduction in Requirements	$ (4,100,000)

	1998-99
2. Per G. S. 119-4 through G. S. 119-22, a Gasoline Inspection Tax of .25 cent per gallon is levied on all petroleum products used as motor fuel. The fees are earmarked to agencies outside of the Highway Fund. After deducting funds to administer and enforce the provisions of the inspection laws (Department of Agriculture and Consumer Services), and the cost of collection (Department of Revenue), the balance of the revenue is credited to the Leaking Underground Storage Tank (LUST) Cleanup Fund (Department of Environment and Natural Resources). Revised revenue estimates for fiscal year 1998-99 show a decrease in the Gasoline Inspection Tax, thus a reduction in the amount of funds to be transferred to the LUST Cleanup Fund. This decreases the appropriation to the amount of the new revenue estimate for the Gasoline Inspection Fee for fiscal year 1998-99 by $189,000. Reduction in Requirements	$ (189,000)
3. It is recommended that the payment of $13,400,000 in estimated Sales Tax to the General Fund be eliminated and used to enhance mass transit. Reduction in Requirements	(13,400,000)
4. As per G. S. 136-176(4) Highway Funds are required to be transferred to the Highway Trust Fund. These funds represent revenue available from the retirement of refunding bonds issued to repay highway construction bonds. It is recommended that the statutes be changed to allow for these funds to be maintained in the Highway Fund for highway maintenance during 1998-99. Reduction in Requirements	(38,000,000)
5. This is to request that a reduction be made in the amount of Highway Fund Appropriation used to match Federal Aid Construction funds. The current level of state funds to match federal aid construction in the Highway Fund is $33,153,153. The required level of state funds to match federal aid construction is approximately $120,000,000 per year. The match that is not provided by the Highway Fund is provided by the Highway Trust Fund. This request is to reduce the Federal Aid Match funds in the Highway to $0.00 and provide all of the match for Federal Aid Construction from the Highway Trust Fund. There are sufficient funds available in the Highway Trust Fund to accommodate this request. Reduction in Requirements	(33,153,153)
Total Continuation Adjustments	$ (88,842,153)

3. Supplemental Budget Recommendations

The table, Recommended Changes to the 1998-99 Highway Fund Budget, represents Governor Hunt's proposed adjustments to the 1998-99 Highway Fund Budget. A description of each adjustment follows:

Department of Transportation

Transportation Administration - 84210

		1998-99
1.	**Increase Funds for Security Services** The Department of Transportation has recently installed a card key access system in some of it's facilities to provide enhanced security for its employees and customers. Additional funds are required to cover the increased expenses as a result of the new system.	$ 33,778
2.	**Increased Requirements for Postage** The Department of Transportation Support Services mail unit provides in-house mail services for the Division of Motor Vehicles. The cost of providing mail services has increased substantially due to increased mailings, changes in postal regulations and postal increases. The actual expenses for fiscal year 1996-97 was $4,027,922 for postage and $160,923 for Express Freight and Drayage. Additional funds are needed to cover increased expenses.	710,785
3.	**Maintenance Funds for Raney Building** This request is for one additional position and expenses to maintain and operate the Raney Building. This building was allocated to the Department in August of 1997. We anticipate the need for an additional maintenance mechanic. Operating expenses have been estimated based on experienced cost of existing Raleigh facilities prorated by the square footage of the Raney Building.	109,751
	Number of Positions	1.0
4.	**Increase in Payments to Other State Agencies** This line item consists primarily of the State Information Processing Services (SIPS) billing charges. Current actual charges are approximately $1.2 million per month. Based on a cost projection model provided by SIPS, we anticipate the base total for fiscal year 1998-99 to be $17.4 million. With the additional imaging activity at the Division of Motor Vehicles, as well as the increases in State Titling and Registration System (STARS) and Drivers License usage, we estimate the SIPS bill to grow over the next year by $0.3 million per month for an additional cost of $3.6 million. Additional funds are requested to meet this need.	10,000,000

	1998-99
5. Increase Telephone and Telegraph The Management Information Systems Section pays for all data lines utilized in the department as well as some utilized by other state agencies. As our systems capabilities improve, we are experiencing more and more connections to the Department of Transportation (DOT) network structure. As we implement more technology improvements, more sites are being added to accommodate the efficiencies achieved by global networking, thereby causing an increase in line charges.	$ 1,300,000
6. Increase Contracted Services The Client Services Unit within the Management Information Systems Section is responsible for providing information systems (I/S) technical support for statewide DOT customers regarding I/S Requirements and Capacity Planning, Office Automation Implementation, Facilities Infrastructure, Customer Service and Department of Transportation Help Desk Operation 24 hours X 7 day/week. Additional funds are required to pay contractors that will provide these services to the department.	1,000,000
7. Contract Security for the Raney Building The Olivia Raney Building was allocated to the Department of Transportation in an effort to consolidate most of the Management Information Systems Section into one location. The building is scheduled to be occupied by the MIS staff in June, 1998. This request is to provide funds for contract security for the Raney Building.	65,000
8. Liability Insurance System Development The North Carolina Department of Transportation is in the process of modernizing the systems that support the Division of Motor Vehicles business functions. Some applications are completed and some are in progress. The last major system implementation was the State Titling and Registration System (STARS). With STARS implemented in 1996 and the Driver's License system implemented earlier in 1994, two of the remaining major systems in Division of Motor Vehicles are the Crash Reporting and the International Registration Plan (IRP) systems. The Management Information Systems staff has already started activities to completely reengineer these applications before the arrival of the year 2000. Additional funds are requested to complete these projects.	500,000

	1998-99
9. Increase Data Processing Equipment and Software	
Additional funds are requested to purchase data processing equipment and software to support needs within the Management Information Systems Section and to supply critical hardware and software needs to all elements of the department where system failures occur or new legislative mandates require additional equipment.	$ 500,000
Total Recommended Changes for Transportation Administration	$ 14,219,314
Number of Positions	1.0

Transportation Construction and Maintenance - 84230

10. Additional Funds for Public Transportation	
The North Carolina Department of Transportation was allocated an additional $36 million in federal and state highway funds to begin implementing recommendations from Transit 2001 to expand and improve Public Transportation and Rail Services across the state. Additional funds are needed in fiscal year 1998-99 in order to maintain the level of funding needed to continue the Transit 2001 activities and programs into the second year of implementation.	$ 13,400,000
11. Increase Funding for Contract Resurfacing	
Current appropriations do not adequately address minimum resurfacing needs which are over $150 million annually. Funding for contract resurfacing has not kept pace with cost increases in the last 10 years. This is to request that $38 million in additional contract resurfacing be appropriated.	38,000,000
12. Provide Funding for DOT Facility Improvements	
This request is to provide funds for necessary capital improvement projects in the Department of Transportation.	
Requirements	$ 9,777,398
Receipts	5,707,050
Appropriation	$ 4,070,348

		1998-99
13.	**Reduce Federal Funds Match** The current level of state funds to match federal aid construction in the Highway Fund is $33,153,153. The required level of state funds to match federal aid construction is approximately $120,000,000. The match that is not provided by the Highway Fund is provided by the Highway Trust Fund. This request is to reduce the remaining Federal Aid match funds in the Highway Fund to $0.00 and provide all of the match for Federal Aid Construction from the Highway Trust Fund. There are sufficient funds available in the Highway Trust Fund to accommodate this request.	$ (33,153,153)
14.	**Motor Fuels Statutory Adjustments** As a result of a decrease in the projection of revenue to be received from the tax on motor fuels statutory adjustments are requested to be made in the following line items:	
	State Aid to Municipalities (2,050,000)	
	Secondary Roads Construction (2,050,000)	(4,100,000)
	Total Recommended Changes for Transportation Construction and Maintenance	$ 18,217,195

Division of Motor Vehicles - 84260

15.	**Vehicle Registration Plates and Stickers** During the 1997-99 budget appropriation process, the Division of Motor Vehicles requested and received funding for a projected growth rate of 4% in the issuance of license plates and stickers for the Vehicle Registration Section. However, the growth rate has surpassed this expectation for all major plate and sticker categories. Upon review of the line items and projection of anticipated increases, the division expects to incur additional costs of $227,044 for fiscal year 1998-99.	$ 227,044

	1998-99
16. **Vehicle Registration Computer Hardware and Software for Financial Security** North Carolina Statute requires that liability insurance is maintained on all licensed vehicles. The current Financial Security System (FSS), is separate from the State Title and Registration System (STARS). An interface between the two systems is in place, but does not function adequately. The current FSS system is also not Year 2000 compatible. Therefore, a fully-integrated, Year 2000-compatible Financial Security System will be developed. Application development for the new FSS system has been funded in the Department of Transportation (MIS) budget through June 30, 1998. There has been no appropriation for equipment to be used with the new system.	$ 202,596
17. **Traffic Records Equipment/Operating Costs for New Crash Reporting** The Driver License Section is currently rewriting the crash reporting program. This is a 25 year old program that required the use of dumb terminals to process the crash reports. The new program will be totally automated which will require state-of-the-art electronic equipment to support the electronic submission of crash data. The users and collectors of the data will be able to receive and submit needed data in a timely and efficient manner in order to make safety decisions. The requested funds will be used in part to purchase desk top computers with cornerstone monitors, printers, and image retrieval workstations with scanners and ergonomic workstations. These workstations will provide maximum utilization of current office space. The cost of installation as well as service and maintenance of this equipment is requested.	451,500

	1998-99
18. **Enforcement Section Pay Equity Plan** This plan is designed to bring equity to the Enforcement Section of the Division of Motor Vehicles by adjusting the existing salaries of Enforcement Officers against the salaries of other state law enforcement officers. Officers of the North Carolina Highway Patrol, Alcohol Law Enforcement, Wildlife Resources Commission, Marine Fisheries and Park Police of the Department of Environment and Natural Resources all have received pay equity adjustments from the North Carolina General Assembly. The plan creates equity against other state law enforcement agencies by adjusting pay grades using each officer's service within the section as of June 30, 1998. Time other than that earned as a law enforcement officer with the Enforcement Section is not counted.	$ 1,000,000
Total Recommended Changes for Division of Motor Vehicles	$ 1,881,140

Reserves and Transfers - 84270

19. **Funds for Legislative Increase** This request is to provide funds to be placed in a reserve for a 4% Legislative Increase and a 1% bonus for fiscal year 1998-99 for employees paid from the Highway Fund.	$ 20,000,000
20. **Provide Funding for Compliance With Department of Environment and Natural Resources Stormwater Discharge Permit** Funding is needed to comply with the requirements of the expected permit to allow the department to continue to discharge stormwater and borrow pit wastewater. Required activities under this permit include inventories, construction of control and mitigation devices, educational and public participation programs, monitoring activities, program planning and assessment, and periodic reporting.	500,000
21. **Funds for Performance Pay for Highway Patrol** This request is to provide funds for performance pay for the Highway Patrol due to an error that was made in the calculation during the continuation budget process. When the error was discovered, it was too far along in the budget negotiation process to include the funds in the continuation budget.	2,787,596

		1998-99
22.	**Funds for Criminal Justice Information Network for Highway Patrol** Funds are requested to be placed in a reserve to be transferred to the Department of Crime Control and Public Safety for the continued development and implementation of the Criminal Justice Information Network (CJIN). This is Phase III in the development of the network.	$ 2,406,611
23.	**Funds for 40 Additional Highway Patrol Troopers** Funds are requested to be placed in a reserve to be transferred to the Department of Crime Control and Public Safety in support of forty (40) additional Highway Patrol Troopers.	2,551,595
24.	**Mobile Data Computers for Highway Patrol Troopers** Funds are requested to be placed in a reserve to be transferred to the Department of Crime Control and Public Safety for mobile data computers that will be placed in patrol cars of Highway Patrol Troopers. This is the first of three requests to complete the installation in all patrol cars.	2,249,812
25	**Reduction in Statutory Transfer** As a result of a decrease in the projection of revenues to be received from the tax on motor fuels a statutory adjustment is requested in the funds transferred to the Leaking Underground Storage Tanks (LUST) fund.	(189,000)
26.	**Eliminate Sales Tax Transfer** This request is to eliminate the Reserve for Sales Tax transfer to the General Fund in the amount of $13,400,000 to be used for mass transit.	(13,400,000)
27.	**Eliminate Transfer to Highway Trust Fund** This request is to eliminate the transfer of Highway Fund Appropriations to the Highway Trust Fund in the amount of $38,000,000 that relates to the retirement of refunding bonds. These funds will be used for highway maintenance.	(38,000,000)
	Total Recommended Changes for Reserves and Transfers	$ (21,093,386)
	Total Recommended Changes for Department of Transportation	$ 13,224,263
	Number of Positions	1.0

Changes to the 1998-99 Highway Fund Budget
(Highway Fund Appropriations Only)

	1998-99 Previously Authorized	Revision	1998-99 Revised Appropriation
DOT-General Administration	$ 58,109,718	$ 14,219,314	$ 72,329,032
Highway Division Administration	34,723,375	-	34,723,375
State Match for Federal Aid-Planning and Research	2,959,649	-	2,959,649
Construction Program:			
State Secondary System	$ 83,283,000	$ (2,050,000)	$ 81,233,000
State Urban System	14,000,000	-	14,000,000
Discretionary Funds	10,000,000	-	10,000,000
Spot Safety Improvements	9,100,000	-	9,100,000
Access and Public Service Roads	2,000,000	-	2,000,000
State Match for Federal Aid	33,153,153	(33,153,153)	-
Total Construction Program	$ 151,536,153	$(35,203,153)	$ 116,333,000
Maintenance Program:			
Primary System	$ 109,635,113	$ -	$ 109,635,113
Secondary System	187,394,152	-	187,394,152
Urban System	36,414,035	-	36,414,035
Contract Resurfacing	107,952,248	38,000,000	145,952,248
Total Maintenance Program	$ 441,395,548	$ 38,000,000	$ 479,395,548
Ferry Operations	$ 18,098,290	$ -	$ 18,098,290
State Aid to Municipalities	83,283,000	(2,050,000)	81,233,000
State Aid to Railroads	12,100,000	-	12,100,000
State Aid for Public Transportation	17,346,921	13,400,000	30,746,921
Asphalt Plant Cleanup	425,000	-	425,000
Governor's Highway Safety Program	312,080	-	312,080
Division of Motor Vehicles	89,071,677	1,881,140	90,952,817
Total Other Programs	$ 220,636,968	$ 13,231,140	$ 233,868,108
Total Department of Transportation	$ 909,361,411	$ 30,247,301	$ 939,608,712

	1998-99 Previously Authorized	Revision	1998-99 Revised Appropriation
Appropriations to Other State Agencies:			
Agriculture and Consumer Services	$ 3,069,026	$ -	$ 3,069,026
Revenue	2,331,760	-	2,331,760
State Treasurer-Sales Tax	13,400,000	(13,400,000)	-
Public Instruction-Driver Education	22,573,141	-	22,573,141
Crime Control and Public Safety-Highway Patrol	112,031,483	9,995,614	122,027,097
Environment and Natural Resources			
LUST Trust Fund	7,298,214	(189,000)	7,109,214
Chemical Test	396,643	-	396,643
Global Transpark	750,000	-	750,000
Total-Other State Agencies	$ 161,850,267	$ (3,593,386)	$ 158,256,881
Reserves and Transfers:			
Highway Trust Fund	$ 38,000,000	$(38,000,000)	$ -
Legislative Salary Increase	30,405,532	20,000,000	50,405,532
Salary Adjustment	200,000	-	200,000
Computer Reserve	1,000,000	-	1,000,000
DMV Systems Reserves	3,508,527	-	3,508,527
Minority Contractor Development	150,000	-	150,000
State Fire Protection Grant	150,000	-	150,000
Stormwater Discharge Permit	-	500,000	500,000
Total Reserves and Transfers	$ 73,414,059	$(17,500,000)	$ 55,914,059
Total Current Operations	$1,144,625,737	$ 9,153,915	$1,153,779,652
Capital Improvements	-	4,070,348	4,070,348
Total Highway Fund Appropriation	$1,144,625,737	$ 13,224,263	$1,157,850,000

C. Highway Trust Fund

The 1989 Session of the General Assembly, in Chapter 692 of the Session Laws, ratified House Bill 399 to establish the Highway Trust Fund. Revenue for the funding was provided from four primary sources: (1) one fourth of the Motor Fuels Tax collected by the Department of Revenue; (2) Sales and Use Taxes on the sales of motor vehicles in excess of $170 million, which is to be used in the General Fund; (3) most of the Title Fees and some various Registration Fees collected by the Division of Motor Vehicles. Effective July 1, 1996, all Title and Registration Fees were dedicated to the Trust Fund; and (4) interest earned from investment of the Trust Fund cash balance by the State Treasurer.

The legislation also sets out the various roads identified as the Intrastate System and Urban Loops which are to be funded. Also identified are supplemental funds for Secondary Road Construction and Aid to Municipalities. Formula funding for administration as well as for the mentioned purposes is likewise included in the legislation.

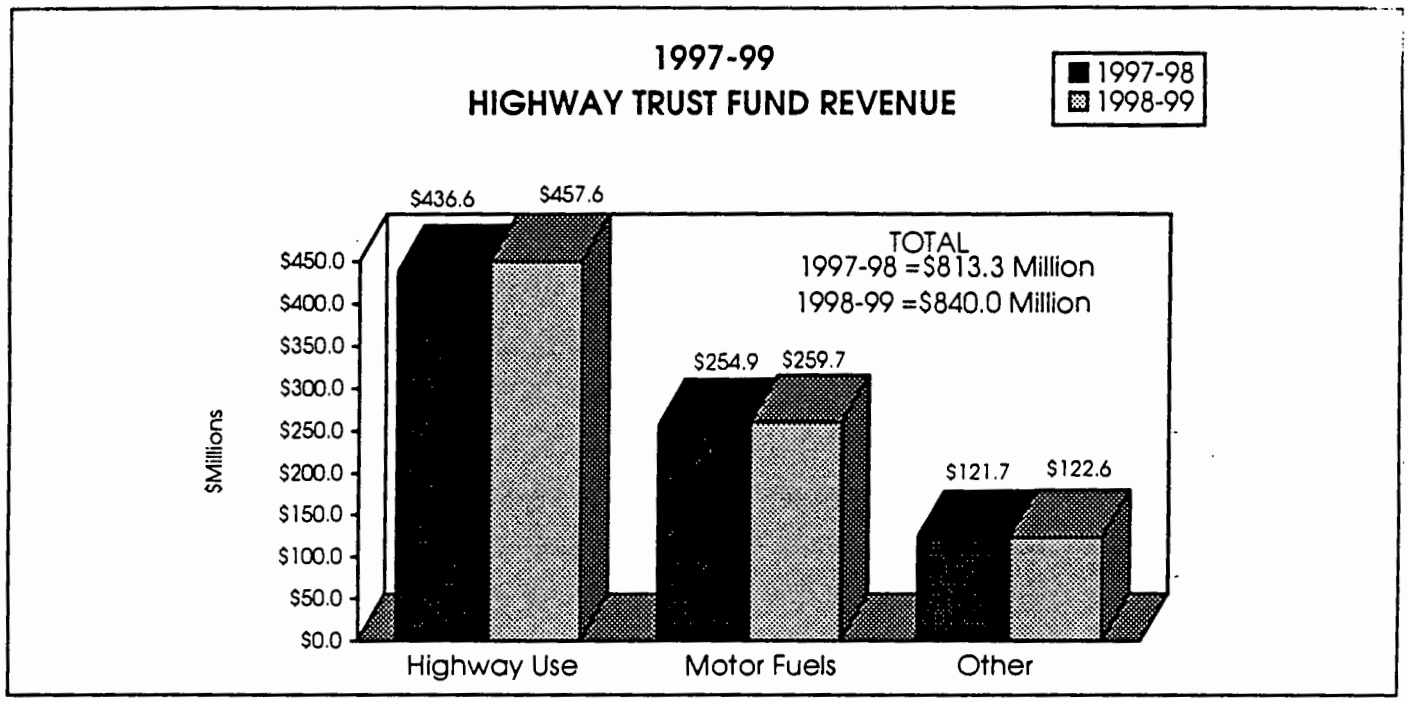
1. Revenue

One-fourth of the Motor Fuels Tax collections are dedicated to the Highway Trust Fund. The revenue is projected to total $254.9 million in 1997-98 and $259.7 million in 1998-99. This represents increases of 4.6% and 1.9% respectively. The decline in the growth rate is a result of falling wholesale price of motor fuels and its impact on the variable component of the Motor Fuels tax rate. Motor Vehicle Use Tax collections are projected to remain strong increasing by 7.1% in 1997-98 and 4.8% in 1998-99. Other Trust Fund fees are anticipated to increase in the 3.0% range during this period. Investment income is project to decline by 7.3% in 1997-98 and 5.0% in 1998-99, as average cash balances are projected to decline.

Including Miscellaneous Registrations, Lien Recording Fees, and Investment Income, Highway Trust Fund revenue is projected to total $813.3 million in 1997-98 and $840.0 million in 1998-99, presenting growth rates of 5.2% and 3.3% respectively.

Highway Trust Fund Revenue, 1997-99

	1996-97 Actual	1997-98 Estimated	1998-99 Projected
Anticipated Collections:			
Motor Fuel Taxes	$ 243,731,232	$ 254,930,000	$ 259,731,000
Highway Use Tax	407,577,335	436,643,000	457,602,000
Title Fees:			
Certificates of Title	73,029,553	76,388,000	78,680,000
Miscellaneous Title Fees	12,687,795	12,234,000	12,506,000
Investments Income	35,719,382	33,100,000	31,445,000
Total Highway Trust Fund Revenue	$ 772,745,297	$ 813,295,000	$ 839,964,000



2. Condition of the Highway Trust Fund

The following table reflects the change in availability to the Highway Trust Fund, and the corresponding changes to the statutory appropriations.

Condition of the Highway Trust Fund, 1998-99

	1997-98 Authorized	1998-99 Authorized	Net Changes Recommended	1998-99 Recommended
Beginning Credit Balance	$ 52,381,297	$ -	$ -	$ -
Highway Trust Fund Revenue	805,781,305	832,693,348	7,270,652	839,964,000
Transfer from Highway Fund (1)	38,000,000	38,000,000	(38,000,000)	-
Cash Flow Funding	(52,381,297)	-	-	-
Total Availability	$843,781,305	$870,693,348	$ (30,729,348)	$839,964,000
Expenditures and Commitments:				
Authorized Budget	$673,781,305	$700,693,348	$ (30,729,348)	$669,964,000
Transfer to General Fund (2)	170,000,000	170,000,000	-	170,000,000
Total Expenditures & Commitments	$843,781,305	$870,693,348	$ (30,729,348)	$839,964,000
Ending Credit Balance	$ -	$ -	$ -	$ -

(1) Transfer required by G.S. 136-183.
(2) Transfer required by G.S. 105-187.9.

Supplemental Budget Recommendations

The statutory provisions for the Highway Trust Fund specify the amounts to be appropriated to the budgetary items. The following table, Changes to the 1998-99 Highway Trust Fund Budget, incorporates the changes in availability in accordance with the formula allocations of the Trust Fund to the appropriation items.

Changes to the 1998-99 Highway Trust Fund Budget

	1998-99 Previously Authorized	Revision	1998-99 Revised Appropriation
Department of Transportation:			
Maximum Allowance for Administration	$ 27,072,575	$ 143,380	$ 27,215,955
Construction Allocation:			
Intrastate System	397,487,432	(20,194,558)	377,292,874
Urban Loop System	160,727,363	(8,165,838)	152,561,525
Secondary Roads	73,700,275	(393,452)	73,306,823
Debt Service (Non-Add)*	-	-	28,357,925
State Aid to Municipalities	41,705,703	(2,118,880)	39,586,823
Transfer to the General Fund (1)	170,000,000	-	170,000,000
Total Highway Trust Fund	$870,693,348	$(30,729,348)	$839,964,000

(1) Transfer required by G.S. 105-187.9.

* Debt Service will be paid from proportionate reductions from funding for Intrastate System, Urban Loop System and Secondary Roads. This is budgeted in the table as a non-add figure.

	1998-99

4. **Year 2000 Conversion Statewide Reserve**

The total Year 2000 conversion costs for all North Carolina state government agencies, including the Department of Transportation, is estimated at $126,092,956 of which $36,458,309 has been funded from the legislatively authorized Reserve for the Year 2000 Conversion and State Information Processing Services (SIPS) operating reserves. An additional $34,423,251 has been funded from within agency information technology budgets. In order to complete conversion by December 31, 1998 and allow for one year of testing, an additional $55,211,396 must be identified to support the conversion. Of this, $14,000,000 can be secured from SIPS operating reserves and $18,864,399 will be recommended to be funded from direct agency appropriations to the Department of Revenue and the Department of Health and Human Services which are outlined earlier in this document. The remaining $27,346,997, including a $5 million contingency, is recommended in a statewide reserve to be administered by SIPS.

$ 27,346,997 NR

5. **Global TransPark Reserve**

A reserve is recommended for the Global TransPark Authority to provide funds to comply with new state wetlands mitigation rules, match funds for construction of the runway and taxiway, and to assume the local sponsor role for the Kinston Regional JetPort facility.

5,325,000 NR

NR - Nonrecurring

VISITOR REGISTRATION SHEET

Joint Appropriations Transportation Subcommittee
Name of Committee Transportation **Date** May 19, 1998

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Milton G. Alford	OSBM
Wayne Stallings	DOT
Cameron Lee	DOT
Jeannie Bailey	DOT
LARRY SAMS	DOT
LYMAN COOPER	CSX CORP
ARCHIE HANKINS	DOT
Christa Barbee	CAPA
VL McBride	DOT
Angie Harris	DOT
Calvin Leggett	DOT

VISITOR REGISTRATION SHEET

Joint Appropriations Transportation Subcommittee
Name of Committee Transportation **Date** May 19, 1998

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Danny Rogers	NCDOT
MANNY MARBET	NCDOT
Nancy Mueller	LWV of Chapel Hill Area
Margaret Holton	LWV of Chapel Hill Area
Paul [illegible]	1960 Nelson Valley Road
Butch Gunnells	NC-SODA
Katie Adams	Conserv. Council of NC
Gene Causby	NCBC
Jim Snaterburg	NCDOT

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE

You are hereby notified that the Committee on **JOINT APPRO/SUB TRANS COMMITTEE** will meet as follows:

DAY & DATE: **Tuesday, May 19, 1998**
Wednesday, May 20, 1998
Thursday, May 21, 1998

TIME: **9 am - 11 am**

LOCATION: **Rm 1228**

Please e-mail Sharon Gaudette, if you cannot attend the meeting.

Respectfully,

Representatives Bowie, Dockham, McMahan
Co-Chairs

I hereby certify this notice was filed by the committee clerk at the following offices at 10 a.m. on May 15, 1998.

___Principal Clerk
___Reading Clerk - House Chamber

Sharon Gaudette (Committee Clerk)

PLEASE NOTE TIME CHANGE FOR MEETING

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE

You are hereby notified that the Committee on **JOINT APPRO/SUB TRANS COMMITTEE** will meet as follows:

DAY & DATE: **Tuesday, May 19, 1998**
Wednesday, May 20, 1998
Thursday, May 21, 1998

TIME: **8:30 AM - 11 AM**

LOCATION: **Rm 1228/1327**

Please e-mail Sharon Gaudette, if you cannot attend the meeting.

Respectfully,

Representatives Bowie, Dockham, McMahan
Co-Chairs

I hereby certify this notice was filed by the committee clerk at the following offices at 2 PM on May 15, 1998.

___Principal Clerk
___Reading Clerk - House Chamber

Sharon Gaudette (Committee Clerk)

AGENDA

Joint Appropriations Subcommittee
on
Transportation

May 20, 1998
Room 1228
8:30 A.M.

Chair: Representative Joni Bowie

Reports on the Board of Transportation and the Department of Transportation

Ralph Campbell
State Auditor

John DiRenzo
Prinicipal, KPMG Peat Marwick

MINUTES

JOINT APPROPRIATIONS
Subcommittee on Transportation

May 20, 1998

The JOINT APPROPRIATIONS subcommittee on Transportation met in Room 1228 Legislative Building on May 20, 1998, at 8:30 am. **Representative Joanne Bowie presiding.** Visitor's Sheet attached.

Members present: Representatives Bowie, McMahan, Barbee, Hiatt, Gulley, Saunders and Sutton. Senators Jordan, Albertson, Carpenter, Reeves and Rucho.

Representative Bowie introduced **Ralph Campbell, State Auditor**, to brief the Committee on the final report of the **Audit of the Board of Transportation** and the **Department of Transportation Performance Reviews** *(see attachment I. pg. 1-21).*

Mr. Campbell noted the results of the audit; explaining because of limited time and resource constraints his office decided to use outside consultants working under the direction of the Office of the State Auditor. After a competitive bid process, KPMG Peat Marwick was selected to audit the Board of Transportation and the Department of Transportation.

The audit of the Board of Transportation was completed April 16, 1998. The focus of the audit included; the role, size, structure, responsibilities and the ethic policies and procedures of the Board. The Audit determined North Carolina does need a Board of Transportation, the size of the Board should be reduced, and most importantly, the Board should focus on statewide policy and planning versus individual project details.

The second segment of the audit, the Department of Transportation, was completed May 18, 1998. The focus of the Audit was to provide recommendations on considering and improving operations with emphasize on public input into transportation issues, specifically, an objective analysis of the Department's operations, structure, functions, and the process of meeting the public's needs; evaluation of the Department's programs, functions and operating procedures and recommendations to improve operational

deficiencies. Conclusion -- the Department, the Board of Transportation and the General Assembly need to develop an approach for balanced transportation planning.

Mr. Campbell also noted that the Office of the State Auditor is conducting two other Audits at this time 1) A review of the Highway Trust Fund, and 2) a review of the Department of Transportation Computer Systems.

Mr. Campbell also reminded the Committee that neither audit was an investigative review, but concentrated on operational areas where improvements could be made. Mr. Campbell noted the many accomplishments of the Board and the Department; these efforts have produced a system of roads and transportation programs that are used as national models in many states. Mr. Campbell noted that Secretary Tolsen and the DOT Staff were most cooperative throughout the audit process.

John DiRenzo, Project Managing Partner, KPMG Peat Marwick presented a review of the key highlights of the Audit:

- **Convincing reasons to retain a Board of Transportation** *(attachment I). Pg. 3).*
- **Role of the Board** *(attachment I. pg. 4).*
  Mr. DiRenzo noted the General Assembly would have to change the statutes to emphasize the Board's oversight role and eliminate conflicting language
  -Board is overly focused on day-to-day projects and contract approval issues.
  -Adequacy of priority setting processes used in preparing the TIP
  -Establish a dollar threshold for the Board construction contract approval
  -Board to elect Chair and V-Chair; the Secretary serves as an ex-officio member
  -Eliminate discretionary funding - create a small project fund.

- **Structure of the Board** *(attachment I. pg. 5)*
  -Create a 13 member Board of 7 regional and 6 at-large voting members. Mr. DiRenzo noted North Carolina has the largest Board of any state in the nation. Nationally the average Board has 8 to 9 members
  -All members appointed by the Governor and confirmed by the General Assembly
  -Establish a skill/experience requirement
  -Staggered terms of Board members
  -Develop monthly management reports
  -Ensure Board members are properly oriented on duties, responsibilities and powers.
- **Ethics Policies and Practices** - *(attachment I, pg. 7).*
  Recommendations:
  -The BOT Ethics Subcommittee should develop a specific ethics policy for the Governor and legislative appointment and specific guidelines should be provided
  -Enable individuals to report misconduct confidentially, anonymously and without fear of retribution
  -Create a uniform code of conduct for state officials.

Representative Sutton questioned how the Board could exercise an oversight role as the opportunity to oversee is only what issues the Department decides to place before them.

Mr. DiRenzo explained that an effective State Board of Transportation would develop a plan and would place issues before the Board to develop plans and procedures that are being executed.

Representative Sutton questioned the 13 member board appointed from 7 regions and the 6-at-large members. He felt this option would leave one region under-represented. Mr. DiRenzo stated the audit did not view this action as leaving any area under-represented. Each of the seven regions would have one member and the 6-at-large members would bring more of a statewide perspective on the issues effecting the State as a whole.

Representative Sutton also noted from his past experience watching the process of how Board members are chosen having the Governor appoint and the General Assembly confirm appointments would not change the outcome of the appointees.

Representative Bowie agreed the process has been that way, however, she feels now is the time for the General Assembly members to move forward and make changes to ensure the process of how Board Members are chosen will be impartial and valid.

Representative Bowie asked Mr. DiRenzo if the audit review had studied the Board retaining their own Staff. Mr. DiRenzo indicated the issue was studied and it was recommended, at this time, to use only one staff person as support to the Board avoiding conflict or competition between the Board and the Department.

Representative McMahan inquired if during the Audit any states were found that had acted on limiting contributions to Board Members, the Governor or Legislators. Mr. DiRenzo indicated the Audit did not encompass that particular area as it is often entangled in legal or constitutional issues, and because of the complexity of the issue and the time constraint of the audit.

Senator Rucho suggested that appointees to the Board who are large contributors to the Governor and/or legislators are a valid concern and suggested a rule be imposed mandating that appointees cannot be significant contributors to the Governor and/or legislators.

Representative Bowie stated the Fiscal Research Staff has studied this issue and confirmed that a Board appointee cannot be a significant contributor; however, a person already serving on the Board is allowed to make contributions.

Mr. DiRenzo reviewed the scope of the review of the **Department of Transportation (DOT) Audit** *(attachment I. pg. 8-21):*

- **DOT Strengths:**
  -Many of the departmental units are already following documented procedures and carrying out their responsibilities efficiently and effectively
  -DOT designs over $1 billion highway projects per year; and constructs and maintains thousands of miles of highways.
  -Secretary Tolsen has already taken steps in addressing; organizational structure, programming process, and financial controls
  -Thirteen study groups, composed of key Department managers have been implemented by the Secretary; very positive and commendable effort.

- **RECOMMENDATIONS:** *(pg. 12, 13, 14)*
  -Address the Transportation Improvement Program (TIP) funding shortfall estimated over $2.1 billion for the projects funded FY 1998-2004
  -Over $6 million projects in the TIP "identified future needs"- no funding is currently provided
  -Completion of all projects would require approximately 26 years at the current funding levels.
- TIP Cumulative Shortfall Chart *(pg. 13).*
- Serious Maintenance Needs and Maintenance Backlog *(pg. 14)*
  -Roadway condition is deteriorating
  -Contract pavement resurfacing shortfall is $95 million annually
  -Annual maintenance allocation is insufficient to address system growth and maintenance backlog *(pg. 14).*

STRATEGIC MANAGEMENT AND ADMINISTRATION RECOMMENDATIONS:

- Restructure the process for defining the State's maintenance and long-range transportation needs.
- Address transportation financing and operating strategies.
- Create a budget office to establish and manage budgets based on resource requests from operating units.
- Create a department-wide information technology strategic planning process.
- Consider additional changes to the organizational structure over the next two years.
- Establish a comprehensive internal audit program.
- Increase efforts to retain engineering and technical staff
  -the private sector is competing for professionals with higher salaries and sign on bonus. State government needs to look at reclassifications and better compensation to compete with the private sector (Pg. 15 & 16).

Mr. DiRenzo directed the Committee to page 17 indicating that concern has been voiced in regard to long-range transportation planning, programming and public input:

- Evaluation of the audit indicates the Board, the Secretary, and the General Assembly need to evaluate having counties and cities more active in evaluating and setting transportation projects.
- Strengthen involvement with metropolitan planning organizations.
- Adopt a two-year TIP development cycle, as proposed by Secretary Tolsen.
- Expand the role of citizen participation.

PROJECT PLANNING, PRECONSTRUCTION AND RIGHT OF WAY

The Department needs to continue efforts to develop a more effective way to manage a balanced construction letting schedule. Four million dollars worth of projects were postponed this federal fiscal year because the plans or the right-of-way was not ready to go out for letting (pg. 18).

RECOMMENDATIONS:

- Key issue - adjust project schedules to provide a realistic estimate of time required for right-of-way activities.
- Secure environmental approval earlier.
- Develop communication between the department and environmental agencies (pg. 19)

Senator Jordan asked if the audit review encompassed rock quarries and the bidding process. The Senator indicated he feels rock quarries have a monopoly on selling and delivering. Senator Jordan requested staff review the bidding process to see if there might be a way to save money.

CONSTRUCTION, MAINTENANCE AND OPERATIONS:

- Strengthen incentives for timely construction project completion.
- Enhance construction scheduling methods.
- Strengthen construction program performance measures.
- Develop specific measurable performance objectives.
- Develop an inventory and management system to monitor and maintain traffic control devices.
- Implement enhanced automation for construction management, bridge maintenance, and oversize/overweight permits *(pg. 20)*.

Representative Gulley requested that staff prepare a plan and/or report on equalizing appointments to the Board between the Speaker, President Pro Tem and the Governor.

Senator Reeves noted he is aware of three different committees working on the Reform of the Board of Transportation and expressed his confusion as to what this Committee will do, if anything, in preparation of any legislation.

Representative Bowie indicated she felt the Joint Appropriations subcommittee on Transportation will not be involved in any Transportation Board Reform legislation. Representative Bowie noted the Transportation Oversight Committee has worked on a restructuring bill, and she also anticipates that several other committees might prepare legislation as well.

Senator Carpenter expressed that if any legislation is prepared on changes or reform of the Board of Transportation he feels it definitely should be the responsibility of the Joint Appropriations/subcommittee on Transportation, as it would affect funding which this Committee oversees.

Representative McMahan asked Mr. DiRenzo if during the audit review there was any indication how money could be saved building new highways, resurfacing, etc., through the bidding process. Mr. DiRenzo indicated with the growth in the State economy and the increasing environmental regulations from the Federal government it would be most difficult see any decrease in cost.

Representative McMahan indicated that the State of Texas is the only other State that maintains and builds roads with the magnitude of North Carolina. Representative McMahan requested at the next meeting staff have available information on the State of Texas; providing information on what they spend per mile on new highways, total budget, source of revenue, etc.

Closing remarks from Auditor Campbell complimented the Department and Secretary Tolsen for their cooperation during the very intense, short, time frame to complete this Audit. Auditor Campbell stated he felt the Audit pointed out ways to strengthen, a very good operation, the Department of Transportation.

Meeting adjourned at 9:55 am.

Respectfully submitted:

Representative Joanne W. Bowie,
Presiding, Co-Chair

Sharon A. Gaudette
Committee Clerk

Senator Luther H. Jordan, Jr.,
Co-Chair

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Sub-Committee Transportation — 5/20/98
Name of Committee — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME	FIRM OR AGENCY AND ADDRESS
Janet Hayes	State Auditor's Office
Jimmy Benson	"
Milton Alford	OSBM
Mac Boxley	N.C. Aggregates
Ruth Salapski	NCDOT
Berry Jenkins	Carolinas AGC
Jim Ritchy	TTA
V L McBride	~~NCDOT~~
Nat Mund	CCNC
Manny Mankee	NCDOT
Angie Harris	DOT
Sec. Norris Tolson	DOT



North Carolina Board of Transportation and Department of Transportation Performance Reviews

Final Report Briefing

May 20, 1998

Presented to

Joint Appropriations Subcommittee on Transportation

by

KPMG

in association with

MGT of America



Board of Transportation Review

Board Review - Considering the Option of a Board



- There are convincing reasons to retain a Board of Transportation
  - Provide oversight of NCDOT management and operations
  - Promote accountability, compliance with laws and regulations, and fulfillment of mandated responsibilities
  - Oversee development of a long-range plan that meets statewide transportation needs
  - Assure that State transportation policies and regulations support statewide goals and objectives
  - Ensure that the NCDOT is serving the public interest
  - Promote credibility by assuring that funds are allocated in a rational and equitable way

Role of the Board of Transportation - Recommendations



- Revise statutes to emphasize oversight role and eliminate conflicting language
- Annually approve the State's Seven-Year Transportation Improvement Program (TIP), not individual projects
- Periodically approve the adequacy of NCDOT priority-setting processes used in preparing the TIP
- Establish a dollar threshold for Board of Transportation construction contract approval
- Have the Board of Transportation elect its Chair and Vice-Chair; Secretary serves as an ex-officio member
- Eliminate discretionary funding and create a Small Project Fund based on documented priority-setting processes

Structure of the Board of Transportation - Recommendations



- Create a 13 member board of 7 regional and 6 at-large voting members
  - 7 regional members from the 7 equity formula regions
  - No more than 2 Board members may live in any one of the 7 regions
- Have all Board members appointed by the Governor and confirmed by the General Assembly
- Establish diverse skill/experience requirements
  - Business management/finance administration
  - Economic development
  - Engineering/Construction
  - Environment
  - Public transportation

Structure of the Board of Transportation - Recommendations (continued)



- Stagger terms of Board members
- Develop monthly management reports to aid in oversight
- Ensure that Board members are properly oriented on duties, responsibilities and powers

Ethics Policies and Practices - Recommendations



- Board of Transportation ethics subcommittee should finalize its effort to develop a BOT-specific ethics policy that:
  - addresses both Governor and legislative appointments
  - clearly outlines guidelines specifically for a transportation board
- Enable individuals to report misconduct confidentially, anonymously and without fear of retribution
- Create a uniform code of conduct for State officials



Department of Transportation Review

Department of Transportation - Performance Review Scope



- Public input process
- Transportation Improvement Program (TIP) process
- Right of way procedures
- Preconstruction, construction and maintenance
- Long-range planning process
- Management structure and customer service
- Personnel procedures

Department of Transportation - Strengths



- Many Departmental units are following documented procedures and carrying out their responsibilities efficiently and effectively
- Designing over $1 billion of highway projects per year; constructing and maintaining thousands of miles of highway
- Steps taken by Secretary Tolson address several key concerns, such as organizational structure, programming process, and financial controls
- New study groups composed of key Department managers is a commendable effort

Department of Transportation Review - Findings & Recommendations

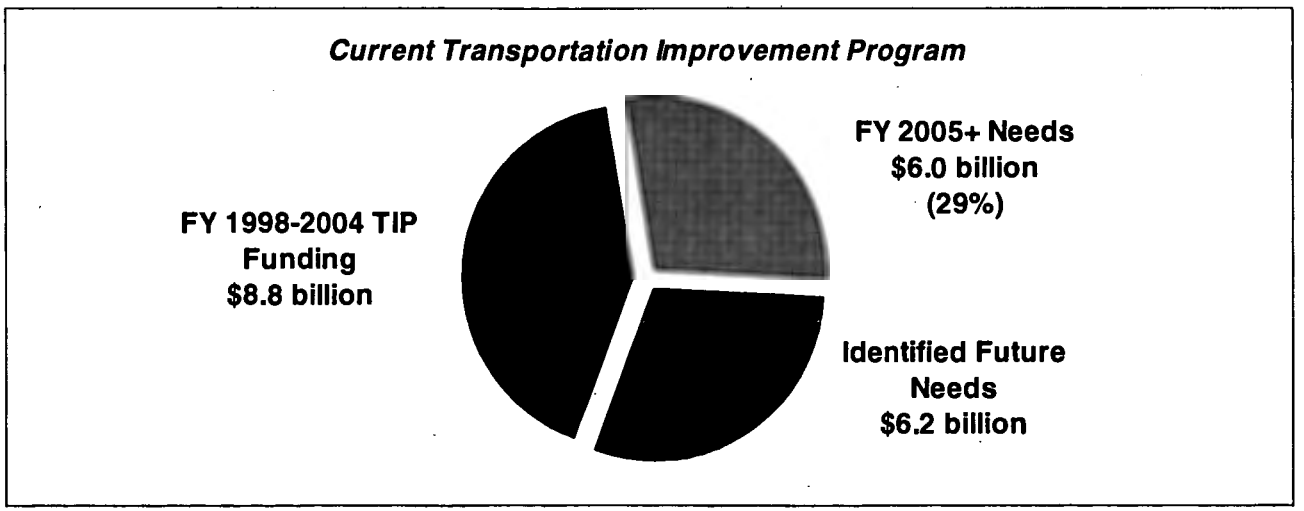


- Summary of recommendation areas:
  - Transportation Finance
  - Strategic Management and Administration
  - Long-Range Transportation Planning, Programming, Public Input
  - Project Planning, Preconstruction, Right of Way
  - Construction, Maintenance, Operations

Transportation Finance



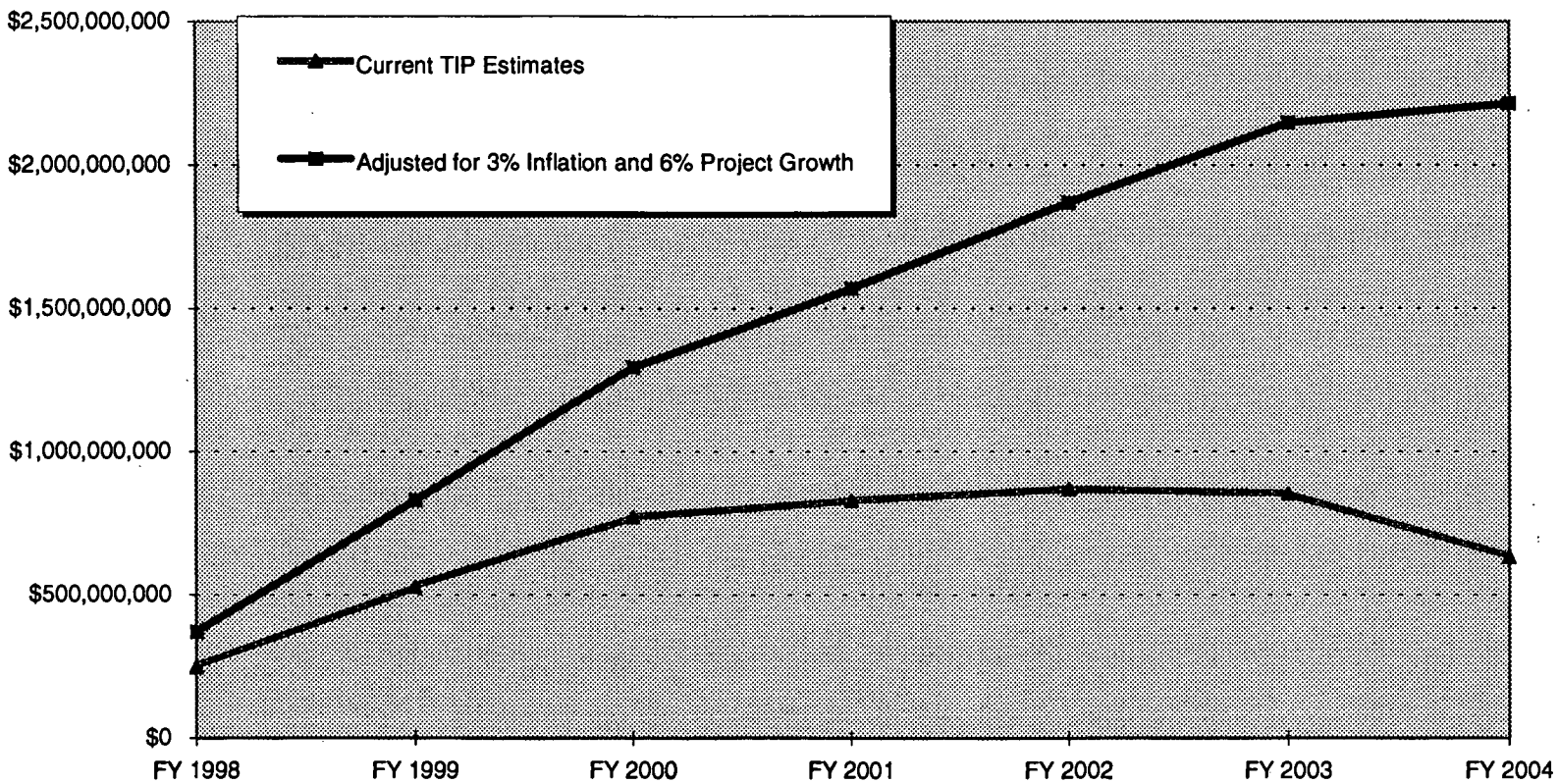
- Develop, communicate and implement a strategy for addressing the TIP funding shortfall
  - Estimated shortfall of over $2.1 billion for the 2,281 projects funded in the current FY 1998-2004 TIP
  - Over $6 billion of projects in the TIP are "identified future needs" for which no funding is currently provided
  - Completion of all projects in current TIP would require approximately 26 years at current funding levels



Transportation Finance



FY 1998 - 2004 Transportation Improvement Program Cumulative Shortfall

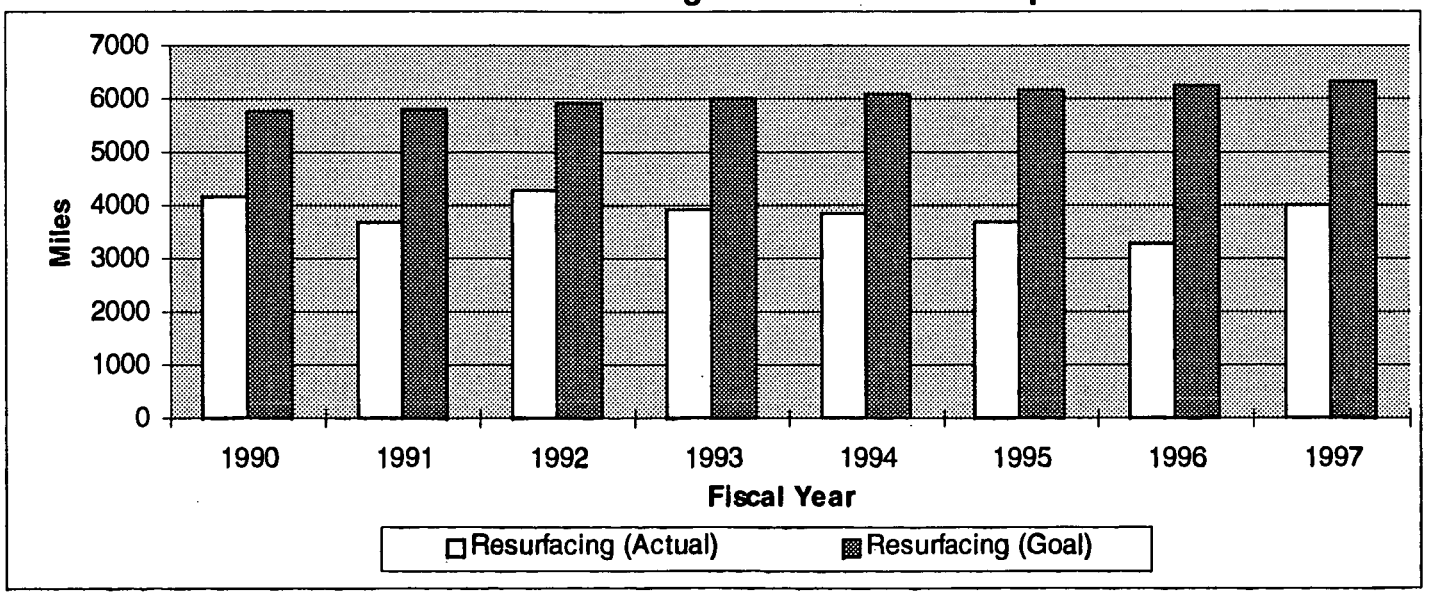


Transportation Finance



- Increase the funding allocation for maintenance to address routine maintenance needs and the maintenance backlog
  - Roadway condition is deteriorating
  - Contract pavement resurfacing shortfall is $95 million annually
  - Annual maintenance allocation insufficient to address system growth and maintenance backlog

Contract Pavement Resurfacing Goals Versus Accomplishments



Strategic Management and Administration



- Restructure the process for defining the State's maintenance and long-range transportation needs
- Use Transportation Program Plan and program/performance budget to address transportation financing and operating strategies
- Create Budget Office to establish and manage budgets based on resource requests from operating units

Strategic Management and Administration



- Create a Department-wide information technology strategic planning process
- Consider additional changes to the organizational structure over the next two years
- Establish a comprehensive internal audit program consisting of financial, compliance and operational audits
- Increase efforts to retain engineering and technical staff

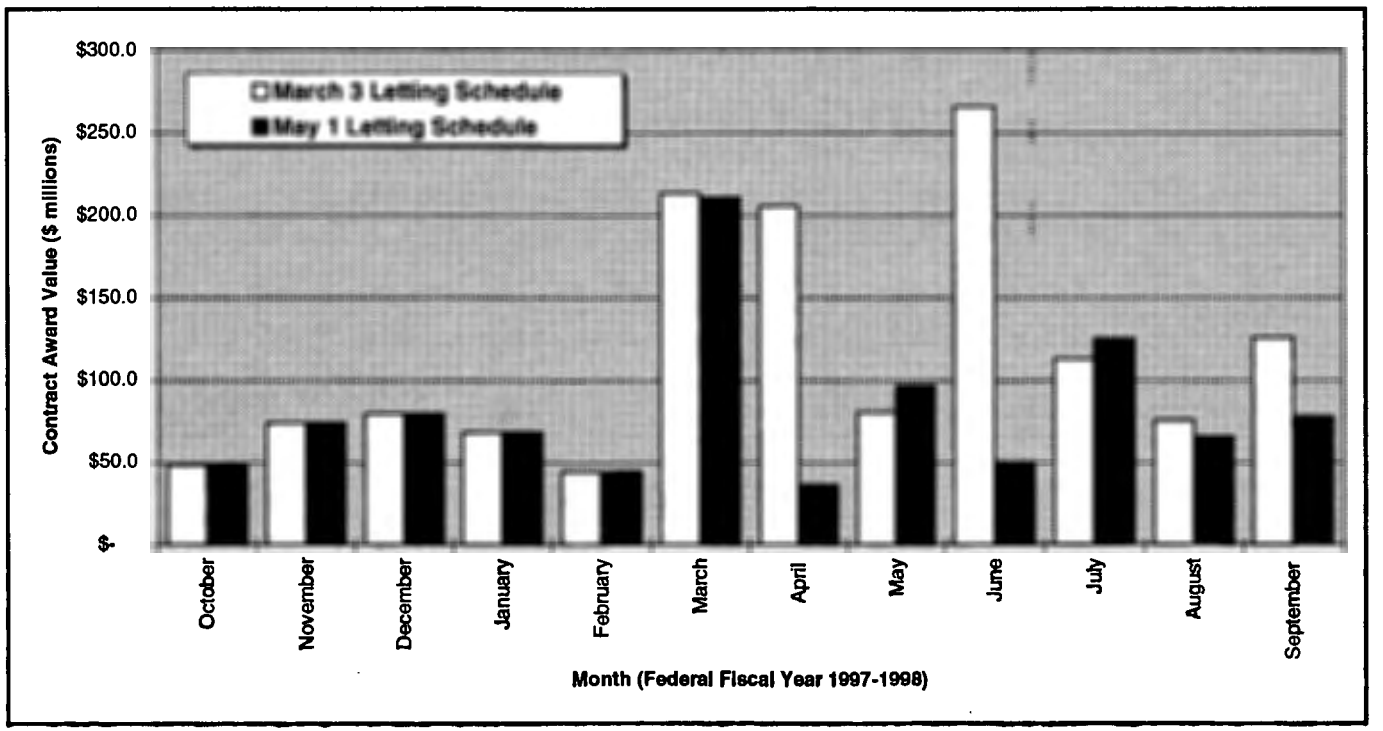
Long-Range Transportation Planning, Programming and Public Input



- Evaluate the role of North Carolina's cities and counties in setting transportation priorities and strengthen involvement with Metropolitan Planning Organizations
- Adopt a two-year TIP development cycle, as proposed by Secretary Tolson
- Expand the role of the Citizens Participation unit to coordinate all program and project-specific public involvement
- Develop performance indicators for meeting goals of the long-range Statewide Transportation Plan



- Review and balance the Department's construction letting schedule
  - Department is challenged to meet ambitious letting schedule - over $400 million of projects postponed this federal fiscal year



Project Planning, Preconstruction and Right of Way



- Adjust project schedules to provide a realistic estimate of time required for right of way activities
- Secure environmental approval earlier for projects
- Develop a memorandum of understanding between the Department and environmental agencies

Construction, Maintenance and Operations



- Strengthen incentives for timely construction project completion
- Adopt enhanced construction scheduling methods
- Strengthen construction program performance measures
- Develop specific, measurable performance objectives for each core maintenance function
- Develop an inventory and management system to monitor and maintain traffic control devices
- Implement enhanced automation for construction management, bridge maintenance, and oversize/overweight permits



Questions?

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE

You are hereby notified that the Committee on **JOINT APPROPRIATIONS Subcommittee on Transportation** will meet as follows:

DAY & DATE: **Wednesday, June 3, 1998**

TIME: **8:30 AM - 10 AM**

LOCATION: **Rm 1228/1327**

Respectfully,

Representatives Bowie, Dockham, McMahan
Co-Chairs

I hereby certify this notice was filed by Sharon Gaudette, Committee Clerk, at the following offices at 10:30 am on June 2, 1998.

___Principal Clerk
___Reading Clerk - House Chamber

Sharon Gaudette
Sharon Cram (Committee Clerks)

AGENDA

Joint Appropriations Subcommittee
on
Transportation

June 3, 1998
Room 1228
8:30 A.M.

Chair: Senator Luther Jordan

Comments on Impact of Federal Highway Legislation

Norris Tolson
Secretary of Transportation

Opening Comments Regarding Public Transportation Budget Request
(See Recommended Changes to the 1998-99 State Budget, p. 90, Item 10)

Norris Tolson
Secretary of Transportation

Funding and Spending History for Public Transportation

Wayne Stallings
Chief Financial Officer

Brief Overview of Public Transit and Rail Programs

David King
Deputy Secretary of Transportation

Comments from Chairs of Public Transit Legislative Research Commission (Tentative)

Representative Connie Wilson

Senator Wib Gulley

Expansion Requests for Highway Patrol
(See Recommended Changes to the 1998-99 State Budget, pp. 93-94, Items 21-24)

Joe Stewart
Crime Control and Public Safety

JOINT APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

Minutes

June 3, 1998

Room 1228 LB

9:00A.M.

The Joint Appropriations Transportation Subcommittee met on June 3, 1998 at 9:00A.M. in room 1228 of the Legislative Building. All Senate committee members were present. The following members of the House were present:

Rep. Joanne Bowie	Rep. Jerry Dockham
Rep. Ed McMahan	Rep. Bobby Barbee
Rep. Daniel Blue	Rep. Jim Gulley
Rep. Thomas Hardaway	Rep. Bill Hiatt
Rep. Mary McAllister	Rep. Drew Saunders

Rep. Ronnie Sutton

Senator Luther Jordan chaired the meeting. Senator Jordan introduced Mr. Norris Tolson, Secretary of Transportation. Mr. Tolson spoke first regarding the impact of federal highway legislation. The ISTEA bill which is expected to be signed June 9 by President Clinton may give North Carolina $740 million over six years. It is broadly broken down as follows:

Interstate maintenance	$120 million
Highway construction	$480 million
Bridge Replacement	$105 million
Air quality	$15 million
Enhancement projects	$18 million

Also included in the $740 million is approximately $225 million for 25 high priority designated projects such as the Wake outer loop. Over and above the $740 million is $64 million for mass transit. Some of the 25 projects are in the TIP (Transportation Improvement Program). Details will be provided.

Mr. Tolson said ha has been holding public meetings and has spoken to over 10,000 people. Public transportation is important to the people. 21,000 people road the Flexliner (train) over six days. The Transit 2001 goals include interstate rail service, two hour service from Raleigh to Charlotte, and to preserve the rail corridor.

Senator Wilbur Gulley was introduced. He Co-chaired the LRC on Public Transit with Rep. Connie Wilson. He stated that the LRC will continue to meet during the fall. They are concerned about the $13.4 million for public transit.

Mr. Wayne Stallings, Chief Financial Officer for DOT was the next speaker. He distributed a handout, the *History of State Public Transportation Funding,* from which he spoke. Attention was called to the 1997-98 appropriation of in excess of $26 million. Of that $10 million was budgeted toward Transit 2001. The appropriation will be reduced 1998-99 to $19,346,921 million. The bottom of the first page shows usage. Some of the federal transit appropriations goes directly to local governments. In response to a

question by Rep. McMahan, Mr. Cross referred to the last page in the handout which shows the Federal Transit Apportionments. It is anticipated that the $47 million for 1998 will be increased by around 35%. Approximately $20 million of the $47 million goes to local governments and about $3 million goes for rural transit.

Mr. Stallings distributed a handout, *History of Rail Program Funding* from which he spoke. The categories of rail funding are listed on page 1 of the handout.

Mr. David King was introduced. Mr. King said that there is a public transit program in all 100 counties in the state. Of the $18 million that was allocated for public transit last year, 100% went to the local governments. The less sophisticated areas usually need more help. He further stated that regarding the rails, NCDOT is currently working on the spine adjacent to I-85 and I-40, as well as extending service to Asheville and likely to Wilmington. He said the Federal government has bee very generous with funding for rails in the state but they are not predictable. In response to Rep. McMahan's question, Mr. King said if negotiations are successful with Norfolk Southern, there will be no revenue that can be factored into the 1998 budget.

A handout that was previously requested, giving a comparison of transportation spending in North Carolina and Texas was distributed. Senator Jordan then announced that the committee would meet tomorrow morning at 9:00A.M. regarding the Highway Patrol. He then adjourned the meeting at 10:30A.M..

Senator Luther Jordan
Senate Chairman

Gloria Haywood
Senate Clerk

HISTORY OF STATE PUBLIC TRANSPORTATION FUNDING FROM THE STATE HIGHWAY FUND 1987-88 THROUGH 1998-99

	AMOUNT APPR.	CHANGE FM PRIOR YR.	
1987-88	$ 2,500,000		GS 136-16.8 enacted appropriating $.50 cents per registered vehicle to public transportation
1988-89	2,625,000	$ 125,000	
1989-90	4,756,250	2,131,250	An additional $2 million continuing appropriation for public transportation for the elderly and disabled is enacted.
1990-91	4,894,063	137,813	
1991-92	5,038,766	144,703	
1992-93	5,046,001	7,235	
1993-94	10,196,461	5,150,460	Continuing funding of $5.1 million added to public transportation budget. $3.1 million for urban system maintenance $1.6 million for rural and human service systems. $.5 for increased Federal matching funds for capital and planning
1994-95	16,046,921	5,850,460	Continuing funding of $5.8 million added to public transportation budget. $3 million for urban transit maintenance assistance $1 million for rural and human service systems $1 million for increased Federal matching funds.
1995-96	16,046,921	-	
1996-97	16,046,921	-	
1997-98	26,046,921	10,000,000	First step toward Transit 2001 plan. $10 million in state funds appropriated. (Not shown is $8 million in flexible Federal Highway funds from the CMAQ apportionment.)
1998-99	19,346,921	(6,700,000)	Non recurring state appropriation of $6.7 million not included.

PUBLIC TRANSPORTATION BUDGET BY MAJOR CATEGORY 1996-97 THROUGH 1998-99 (IN MILLIONS OF $)

	1996-97	1997-98	1998-99	EXPANSION REQUEST
URBAN TRANSIT ASSISTANCE	$ 6.1	$ 17.1	$ 12.1	$ 5.0
RURAL/HUMAN SERVICE	5.3	12.3	10.6	1.7
STATEWIDE MATCH	4.6	4.6	4.6	
TOTAL BUDGET	16.0	34.0	27.3	6.7
CHANGE FROM PRIOR YEAR		18.0	(6.7)	

Note: 1997-98 and 1998-99 budget includes $8 million in flexible federal highway funds from the Congestion Mitigation and Air Quality apportionment.

NCDOT-PTD
FY96-97

Budget: $16.05 million

A. Urban and Regional

1. Maintenance Assistance Program (Attachment A)	$ 6.1 million
Subtotal	**$ 6.1 million**

B. Rural and Small Urban

1. Elderly and Disabled Transportation Assistance Program (Attachment B)	$ 3.0 million
2. Capital (Attachment C)	1.3 million
3. Rural General Public (Attachment D)	.6 million
4. Human Service Transportation Management (Attachment E)	.4 million
Subtotal	**$ 5.3 million**

C. Statewide

1. Matching Assistance Program (Attachment F)	$ 4.65 million
Subtotal	**$ 4.65 million**

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1997
Urban Maintenance Assistance

System Name	Allocation
AppalCART	$86,186
Asheville	182,165
Chapel Hill	491,553
Charlotte	2,133,288
Durham	535,952
Fayetteville	192,575
Gastonia	88,751
Greensboro	305,525
Greenville	68,449
Hickory	55,184
High Point	173,360
Raleigh	578,508
Rocky Mount	76,712
Salisbury	58,140
Wilmington	240,957
Wilson	65,998
Winston-Salem	536,948
Subtotal Urban and Small Urban	$5,870,251
Triangle Transit Authority	$229,749
Total	$6,100,000

Elderly and Disabled Transportation Assistance Program
FY 96-97 Allocation Table

Alamance	$41,142	Johnston	$33,800
Alexander	$21,715	Jones	$23,164
Alleghany	$20,119	Lee	$24,935
Anson	$23,149	Lenoir	$28,954
Ashe	$22,682	Lincoln	$26,174
Avery	$20,182	Macon	$24,159
Beaufort	$26,891	Madison	$21,913
Bertie	$23,902	Martin	$22,529
Bladen	$24,890	McDowell	$24,851
Brunswick	$28,727	Mecklenburg	$113,456
Buncombe	$56,930	Mitchell	$20,362
Burke	$32,251	Montgomery	$22,717
Cabarrus	$37,388	Moore	$32,078
Caldwell	$30,849	Nash	$32,134
Camden	$21,340	New Hanover	$40,702
Carteret	$28,466	Northampton	$22,973
Caswell	$22,027	Onslow	$38,156
Catawba	$40,655	Orange	$32,626
Chatham	$25,605	Pamlico	$20,983
Cherokee	$22,782	Pasquotank	$23,013
Chowan	$19,976	Pender	$24,825
Clay	$20,255	Perquimans	$20,362
Cleveland	$34,614	Person	$23,484
Columbus	$28,196	Pitt	$36,277
Craven	$32,209	Polk	$21,232
Cumberland	$59,989	Randolph	$38,139
Currituck	$20,205	Richmond	$26,552
Dare	$22,116	Robeson	$37,363
Davidson	$42,515	Rockingham	$35,193
Davie	$22,197	Rowan	$41,711
Duplin	$26,350	Rutherford	$29,713
Durham	$51,628	Sampson	$28,106
Edgecombe	$28,286	Scotland	$23,054
Forsyth	$72,935	Stanly	$27,976
Franklin	$24,932	Stokes	$23,883
Gaston	$52,734	Surry	$30,447
Gates	$21,849	Swain	$23,287
Graham	$21,571	Transylvania	$23,289
Granville	$25,157	Tyrrell	$25,272
Greene	$20,312	Union	$32,239
Guilford	$88,381	Vance	$24,683
Halifax	$29,527	Wake	$90,663
Harnett	$29,899	Warren	$22,064
Haywood	$28,339	Washington	$20,883
Henderson	$34,995	Watauga	$23,305
Hertford	$22,161	Wayne	$36,225
Hoke	$21,344	Wilkes	$29,342
Hyde	$27,581	Wilson	$29,931
Iredell	$36,439	Yadkin	$23,360
Jackson	$22,767	Yancey	$21,054
		* Total	$3,084,744

* Total includes $84,744 carryover from FY 93-94 program.

Attachment C

Rural Capital Assistance Program
SFY 1997 Obligations

Recipient	State Funds
Catawba County	$30,600
Davidson County	$21,675
Inter-County Public Transportation Authority (Camden, Chowan, Currituck, Pasquotank & Perquimans Counties)	$42,300
Lumber River Council of Governments (Robeson County)	$2,938
Moore County Transportation Services, Inc.	$58,830
New Hanover County	$63,090
Pitt Area Transit System, Inc.	$108,720
Stanly County	$52,200
Wake County	$58,250
Wilkes Transportation Authority, Inc.	$31,410
Yadkin Valley Economic Development District, Inc. (Davie, Stokes, Surry & Yadkin Counties)	$30,600
Total	$500,613 *

* Balance of $799,387 carried over into FY98

Attachment D

FY 96-97
Rural General Public Program

County	FY 96-97 Eligible Allocation
Alamance	$13,157
Anson	$11,174
Avery	$9,577
Bertie	$10,601
Bladen	$12,137
Buncombe	$27,824
Camden	$7,914
Chowan	$9,324
Craven	$21,962
Currituck	$9,367
Davidson	$27,371
Davie	$11,987
Franklin	$13,575
Granville	$13,933
Guilford	$15,062
Halifax	$17,119
Haywood	$15,528
Henderson	$19,674
Hertford	$10,997
Jackson	$11,799
Jones	$8,565
Lee	$14,495
Madison	$9,964
Mecklenburg	$18,034
Mitchell	$9,496
Moore	$17,768
New Hanover	$18,289
Northampton	$10,677
Orange	$15,111
Pamlico	$8,928
Pasquotank	$12,626
Perquimans	$8,757
Person	$12,418
Polk	$9,493
Stanly	$16,423
Stokes	$13,725
Surry	$18,268
Transylvania	$11,553
Vance	$14,035
Warren	$10,022
Watauga	$11,278
Wilkes	$17,839
Yadkin	$12,475
Yancey	$9,679

Total: $600,000

Attachment E

Human Service Transportation Coordination Grants
SFY 1997 Obligations

Recipient	State Funds
Ashe County Transportation Authority, Inc.	$18,750
Beaufort County Developmental Center, Inc.	$18,750
Carteret County Area Transportation System, Inc.	$9,375
Chatham Transit Network	$18,750
Columbus County Interagency Transportation, Inc.	$18,750
Coordinated Transportation System Inc. (Johnston County)	$18,750
Dare County	$16,357
Duplin County	$14,062
Durham County	$14,062
Harnett County	$18,357
Hyde County Non-Profit Private Transportation Corporation, Inc.	$14,778
Lenoir County	$9,375
Macon County	$9,375
Martin County	$14,584
Randolph County Senior Adults Association, Inc.	$18,750
Richmond Interagency Transportation Service, Inc.	$18,750
Rowan Area Transit System, Inc.	$18,750
Rutherford County	$18,750
Scotland County	$13,669
Swain County Focal Point on Aging, Inc.	$3,381
Union County	$14,062
Wake County	$18,750
Wayne Interagency Transportation, Inc.	$18,750
Total	$357,687 *

* Balance of $42,313 carried over into FY98

Statewide Public Transportation Grant Program
SFY97 Obligations

Federal Grant Program Matching Funds

Elderly and Disabled Transportation Program	$410,838
Nonurbanized Formula Program	$1,211,182
Urbanized Area Formula Program	$1,205,570
Metropolitan Planning Program/State Planning Program	$89,400
Discretionary Capital Program	$814,063
Federal Grant Program Matching Funds Subtotal	**$3,731,053**

Other Projects

Rideshare Program	$165,379
Transit 2001 Study	$70,000
Charlotte strategic plan	$14,880
Winston-Salem mobility manager	$55,000
ITRE: TDM-Wilmington	$19,303
ITRE: TOG	$45,252
ITRE: Computer lab	$28,397
ICPTA Trolley lease and demo project	$26,754
Apprentice Program	$89,713
Internship Program	$21,248
Pitt Co. Memorial Project	$84,550
ECU Evaluation of Pitt Co. project	$18,927
Other Projects Subtotal	**$639,403**

TOTAL FUNDS OBLIGATED DURING SFY97 **$4,370,456**

NCDOT-PTD
FY97-98

Budget: $34.05 million

A. Urban and Regional

1. Maintenance Assistance Programs (Attachments A and B)	$ 8.1 million
2. Capital/New Start Assistance (Attachment C)	$ 8.0 million
3. Technology (Attachment D)	$ 1.0 million
Subtotal	**$17.1 million**

B. Rural and Small Urban

1. Elderly and Disabled Transportation Assistance Program (Attachment E)	$ 5.0 million
2. Work First and Employment Transportation Assistance Program (Attachment F)	$ 1.75 million
3. Capital (Attachment G)	$ 3.05 million
4. Facilities (Attachment H)	$ .6 million
5. Rural General Public (Attachment I)	$ .6 million
6. Technology (Attachment J)	$ .5 million
7. Regional Assistance Program (Attachment K)	$ .4 million
8. Human Service Transportation Management (Attachment L)	$ .4 million
Subtotal	**$12.3 million**

C. Statewide

1. Matching Assistance Program (Attachment M)	$ 4.65 million
Subtotal	**$ 4.65 million**

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Urban Maintenance Assistance

System Name	Allocation
AppalCART	$ 90,382
Asheville	187,877
Chapel Hill	465,160
Charlotte	2,074,385
Durham	546,660
Fayetteville	156,969
Gastonia	87,643
Greensboro	284,492
Greenville	62,532
Hickory	59,425
High Point	173,384
Raleigh	566,681
Rocky Mount	77,218
Salisbury	57,726
Wilmington	237,721
Wilson	69,569
Winston-Salem	515,049
Subtotal Urban and Small Urban	$5,712,873
Triangle Transit Authority	$ 387,127
Total	$6,100,000

Urban Maintenance Assistance

System Name	Allocation
AppalCART	$50,000
Asheville	$68,017
Chapel Hill	$92,409
Charlotte	$494,643
Durham	$124,819
Fayetteville	$121,982
Gastonia	$54,293
Greensboro	$135,185
Greenville	$50,000
Hickory	$50,000
High Point	$57,154
Raleigh	$210,554
Rocky Mount	$50,000
Salisbury	$50,000
Wilmington	$58,611
Wilson	$50,000
Winston-Salem	$144,559
Subtotal Urban and Small Urban	$1,862,226
Triangle Transit Authority	$137,774
Total	$2,000,000

Capital/New Start Assistance

City of Greensboro multi-modal transportation center	$4,900,000
City of Charlotte buses	$2,250,000
City of Charlotte busway project	$250,000
Piedmont Triad MIS	$600,000
Total	**$8,000,000**

TECHNOLOGY PROGRAM	State Funds
AppalCART software	**$1,890**
City of Asheville 3 computer upgrades 2 printers software	**$13,928**
Town of Chapel Hill 4 computer upgrades software printer	**$13,455**
City of Charlotte 8 computer upgrades automated scheduling and run-cutting software interactive voice response system website development	**$236,700**
City of Durham 7 computer upgrades telephone system file server GIS software	**$63,882**
City of Fayetteville 4 computer upgrades software automated vehicle location system	**$141,939**
City of Gastonia electronic fare payment system	**$67,500**
City of Greenville automatic stop announcement system	**$113,760**
City of Greensboro 4 computer upgrades file server printer software	**$30,510**

City of Hickory	**$3,150**
1 computer upgrade	
City of Raleigh	**$34,200**
file server	
cabling	
software	
Research Triangle Regional Public Transportation Authority	**$169,200**
6 computer upgrades	
Novell Network	
telephone system upgrade	
automated vehicle location system	
City of Wilmington	**$9,450**
2 computer upgrades	
software	
1 printer	
printer upgrade	
City of Wilson	**$5,850**
printer	
telephone system	
Total	**$905,414**

Allocation Table

	FY1998 EDTAP Allocation**	Additional Allocation of $2,000,000	Total Allocation of $5,000,000
Alamance	$41,439	$26,675	$68,113
Alexander	$21,871	$14,079	$35,950
Alleghany	$20,263	$13,043	$33,306
Anson	$23,316	$15,009	$38,324
Ashe	$22,846	$14,706	$37,552
Avery	$20,328	$13,085	$33,413
Beaufort	$27,084	$17,435	$44,519
Bertie	$24,074	$15,497	$39,570
Bladen	$25,069	$16,137	$41,206
Brunswick	$28,934	$18,625	$47,559
Buncombe	$57,340	$36,911	$94,251
Burke	$32,483	$20,910	$53,393
Cabarrus	$37,657	$24,241	$61,898
Caldwell	$31,072	$20,001	$51,073
Camden	$21,494	$13,836	$35,330
Carteret	$28,671	$18,456	$47,127
Caswell	$22,186	$14,281	$36,467
Catawba	$40,948	$26,359	$67,306
Chatham	$25,790	$16,601	$42,391
Cherokee	$22,946	$14,771	$37,717
Chowan	$20,120	$12,951	$33,071
Clay	$20,401	$13,133	$33,534
Cleveland	$34,863	$22,442	$57,305
Columbus	$28,399	$18,281	$46,679
Craven	$32,441	$20,883	$53,324
Cumberland	$60,421	$38,894	$99,315
Currituck	$20,351	$13,100	$33,451
Dare	$22,275	$14,339	$36,614
Davidson	$42,821	$27,565	$70,386
Davie	$22,357	$14,391	$36,748
Duplin	$26,540	$17,084	$43,624
Durham	$52,000	$33,473	$85,474
Edgecombe	$28,490	$18,339	$46,829
Forsyth	$73,460	$47,287	$120,747
Franklin	$25,112	$16,165	$41,276
Gaston	$53,114	$34,190	$87,304
Gates	$22,007	$14,166	$36,173
Graham	$21,726	$13,985	$35,711
Granville	$25,338	$16,311	$41,649
Greene	$20,457	$13,169	$33,626
Guilford	$89,018	$57,302	$146,320
Halifax	$29,740	$19,144	$48,884
Harnett	$30,115	$19,385	$49,500
Haywood	$28,543	$18,373	$46,916
Henderson	$35,248	$22,689	$57,937
Hertford	$22,320	$14,368	$36,688
Hoke	$21,498	$13,839	$35,337
Hyde	$27,779	$17,882	$45,661
Iredell	$36,702	$23,625	$60,327
Jackson	$22,931	$14,761	$37,693
Johnston	$34,043	$21,914	$55,957

** Figures include the carry-over amounts from FY1996 EDTAP balances.

Elderly and Disabled Transportation Assistance Program

Allocation Table

	FY1998 EDTAP Allocation**	Additional Allocation of $2,000,000	Total Allocation of $5,000,000
Jones	$23,331	$15,019	$38,350
Lee	$25,115	$16,167	$41,281
Lenoir	$29,163	$18,773	$47,936
Lincoln	$26,363	$16,970	$43,333
Macon	$24,333	$15,663	$39,996
Madison	$22,071	$14,207	$36,278
Martin	$22,691	$14,607	$37,298
McDowell	$25,030	$16,112	$41,142
Mecklenburg	$114,272	$73,559	$187,831
Mitchell	$20,509	$13,202	$33,711
Montgomery	$22,881	$14,729	$37,609
Moore	$32,309	$20,798	$53,107
Nash	$32,365	$20,834	$53,199
New Hanover	$40,995	$26,389	$67,385
Northampton	$23,139	$14,895	$38,033
Onslow	$38,431	$24,739	$63,170
Orange	$32,861	$21,153	$54,015
Pamlico	$21,135	$13,605	$34,739
Pasquotank	$23,179	$14,921	$38,100
Pender	$25,004	$16,095	$41,099
Perquimans	$20,508	$13,201	$33,709
Person	$23,653	$15,226	$38,879
Pitt	$36,538	$23,520	$60,058
Polk	$21,385	$13,766	$35,151
Randolph	$38,414	$24,727	$63,141
Richmond	$26,744	$17,215	$43,959
Robeson	$37,633	$24,225	$61,857
Rockingham	$35,446	$22,817	$58,264
Rowan	$42,011	$27,043	$69,055
Rutherford	$29,927	$19,265	$49,192
Sampson	$28,309	$18,223	$46,531
Scotland	$23,220	$14,947	$38,168
Stanly	$28,177	$18,138	$46,315
Stokes	$24,055	$15,485	$39,540
Surry	$30,667	$19,741	$50,407
Swain	$23,454	$15,098	$38,552
Transylvania	$23,457	$15,099	$38,556
Tyrrell	$25,454	$16,385	$41,840
Union	$32,471	$20,902	$53,373
Vance	$24,861	$16,003	$40,864
Wake	$91,316	$58,781	$150,097
Warren	$22,223	$14,305	$36,528
Washington	$21,033	$13,539	$34,572
Watauga	$23,473	$15,110	$38,583
Wayne	$36,486	$23,487	$59,973
Wilkes	$29,553	$19,024	$48,577
Wilson	$30,147	$19,406	$49,553
Yadkin	$23,528	$15,145	$38,673
Yancey	$21,206	$13,651	$34,857
Total	**$3,106,966**	**$2,000,000**	**$5,106,966**

** Figures include the carry-over amounts from FY1996 EDTAP balances.

Work First and Employment Transportation Assistance Program

County	Allocation	County	Allocation
Alamance	$15,194	Johnston	$14,163
Alexander	$4,900	Jones	$2,156
Alleghany	$1,966	Lee	$7,548
Anson	$5,070	Lenoir	$14,466
Ashe	$4,001	Lincoln	$8,161
Avery	$2,802	Macon	$4,063
Beaufort	$8,215	Madison	$3,818
Bertie	$5,237	Martin	$5,977
Bladen	$6,893	McDowell	$5,896
Brunswick	$9,238	Mecklenburg	$51,557
Buncombe	$17,268	Mitchell	$2,569
Burke	$12,323	Montgomery	$4,793
Cabarrus	$14,000	Moore	$10,324
Caldwell	$10,234	Nash	$11,794
Camden	$1,984	New Hanover	$12,407
Carteret	$8,283	Northampton	$5,432
Caswell	$4,416	Onslow	$21,418
Catawba	$11,904	Orange	$7,845
Chatham	$6,673	Pamlico	$2,974
Cherokee	$4,066	Pasquotank	$7,547
Chowan	$4,173	Pender	$6,241
Clay	$1,935	Perquimans	$3,323
Cleveland	$15,388	Person	$5,009
Columbus	$10,156	Pitt	$18,209
Craven	$13,926	Polk	$2,738
Cumberland	$29,967	Randolph	$13,938
Currituck	$2,979	Richmond	$10,410
Dare	$3,710	Robeson	$23,771
Davidson	$17,710	Rockingham	$14,366
Davie	$4,444	Rowan	$15,124
Duplin	$8,287	Rutherford	$10,080
Durham	$23,086	Sampson	$9,072
Edgecombe	$14,349	Scotland	$8,423
Forsyth	$30,039	Stanly	$7,774
Franklin	$6,611	Stokes	$5,832
Gaston	$21,244	Surry	$7,869
Gates	$2,526	Swain	$3,131
Graham	$1,889	Transylvania	$4,420
Granville	$7,252	Tyrrell	$1,541
Greene	$3,700	Union	$13,414
Guilford	$33,030	Vance	$9,779
Halifax	$16,152	Wake	$41,344
Harnett	$14,040	Warren	$5,007
Haywood	$8,306	Washington	$4,196
Henderson	$11,065	Watauga	$4,229
Hertford	$5,662	Wayne	$21,017
Hoke	$7,024	Wilkes	$10,574
Hyde	$1,929	Wilson	$11,619
Iredell	$14,226	Yadkin	$4,889
Jackson	$5,107	Yancey	$3,174
		Total	**$1,000,000**

Rural Capital Assistance Program

Recipient	State Funds
Alamance County Transportation System, Inc.	$ 62,730
Alexander County Transportation Authority, Inc.	26,617
Ashe County Transportation Authority, Inc.	52,500
Beaufort County Developmental Center, Inc.	23,400
Brunswick Interagency Transportation System, Inc.	90,720
Buncombe County	125,460
Burke County Transit Administration, Inc.	131,670
Cabarrus County	139,500
Chatham Transit Network	81,270
Cherokee County	56,700
Choanoke Public Transportation	108,582
City of Salisbury	99,225
Clay County	52,200
Coordinated Transportation System, Inc. (Johnston County)	168,710
Craven County	95,674
Duplin County	90,700
Eastern Band of Cherokee Indians	81,247
Gaston County	122,400
Greene County	21,600
Harnett County	76,127

Hoke County	73,350
Hyde County Non-Profit Private Transportation Corporation, Inc.	20,318
Iredell Transportation Authority, Inc.	113,400
Jackson County	32,130
Kerr Area Transportation Authority (Franklin, Granville, Person, Vance & Warren Counties)	219,735
Lee County	19,350
Lenoir County	54,000
Lincoln County Group Home for the Handicapped, Inc.	84,600
Lumber River Council of Governments (Robeson County)	250,335
Macon County	23,400
Martin County	72,630
Mecklenburg County	43,875
Nash-Edgecombe Transportation Services, Inc.	87,750
New Hanover County	124,992
Onslow United Transit System, Inc.	91,800
Orange County	10,800
Randolph County Senior Adults Association, Inc.	46,800
Richmond Interagency Transportation, Inc.	52,650
Rockingham County Council on Aging	134,168
Rowan Area Transit System, Inc.	124,200
Rutherford County	43,466
Sampson County Transportation Advisory Board, Inc.	115,704

Scotland County		30,600
Senior Citizen Services of Pender, Inc.		30,600
Stanly County		78,750
Transportation Administration of Cleveland County, Inc.		121,797
Union County		24,300
Yadkin Valley Economic Development District, Inc. (Davie, Stokes, Surry & Yadkin Counties)		30,600
	Total	**$3,863,132 ***

* Includes $799,387 in carryover funds

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Facilities

	State Funds
Inter-County Public Transportation Authority	$390,716
Alamance County Transportation Services, Inc.	$28,020
Rowan Area Transit System, Inc.	$9,270
Stanly County	$31,194
Yancey County Transportation Authority	$11,250
Mitchell County Transportation Authority	$117,000
Total	**$587,450**

Attachment I

Rural General Public Program Allocation

County	FY 98 Allocation	County	FY 98 Allocation
Alamance	$13,980	Lee	$14,638
Anson	$10,774	Madison	$9,815
Ashe	$8,245	Martin	$8,522
Avery	$9,347	Mecklenburg	$29,611
Bertie	$10,261	Mitchell	$9,290
Bladen	$11,818	Moore	$18,250
Buncombe	$20,352	New Hanover	$13,918
Burke	$14,321	Northampton	$10,263
Camden	$7,890	Orange	$14,882
Catawba	$11,793	Pamlico	$8,809
Chatham	$10,335	Pasquotank	$12,315
Cherokee	$8,150	Perquimans	$8,601
Chowan	$9,170	Person	$12,242
Cleveland	$15,053	Polk	$9,468
Craven	$21,253	Randolph	$17,837
Currituck	$9,522	Richmond	$10,530
Davidson	$29,854	Robeson	$17,276
Davie	$11,842	Rutherford	$11,940
Duplin	$10,305	Stanly	$15,850
Franklin	$13,904	Stokes	$13,828
Granville	$13,724	Surry	$17,814
Guilford	$19,271	Swain	$7,073
Halifax	$16,415	Transylvania	$11,383
Harnett	$13,924	Vance	$13,521
Haywood	$15,208	Warren	$9,867
Henderson	$19,717	Watauga	$11,424
Hertford	$10,538	Wayne	$11,189
Hoke	$8,790	Wilkes	$17,203
Jackson	$11,686	Wilson	$10,647
Johnston	$15,948	Yadkin	$12,550
Jones	$8,401	Yancey	$9,526
		Total	$811,878 *

*Includes carryover funds.

TECHNOLOGY PROGRAM	State Funds
Alexander County Transportation Authority, Inc. 1 expansion computer printer software	**$5,157**
Anson County 1 computer upgrade software	**$5,947**
Ashe County Transportation Authority, Inc. 1 expansion computer 1 printer software cabling	**$5,832**
Avery County Transportation Authority 2 computer upgrades software cabling	**$7,405**
Beaufort County Developmental Center, Inc. 1 computer upgrade software cabling	**$3,807**
Buncombe County 1 expansion computer	**$3,150**
Bladen County 1 printer	**$1,800**
Brunswick Interagency Transportation System, Inc. software	**$457**
Burke County Transit Administration, Inc. 1 computer upgrade 1 expansion computer	**$9,477**

Cabarrus County **$5,157**
1 expansion computer
printer
software

Chatham Transit Network **$12,312**
1 computer upgrade
2 expansion computers
software
cabling

Clay County **$5,157**
1 expansion computer
1 printer
software

Dare County **$5,157**
1 expansion computer
printer
software

Davidson County **$9,450**
3 computer upgrades

Duplin County **$3,240**
1 computer upgrade
software

Gaston County **$1,431**
software

Gates County Agricultural Extension Service **$5,157**
1 expansion computer
printer
software

Harnett County **$15,984**
1 computer upgrade
1 expansion computer
printer
software
cabling

Western Carolina Community Action, Inc. (Henderson) **$16,074**
2 computer upgrades
printer
software
cabling

Hyde County Nonprofit Private.
Transportation Corporation, Inc **$3,357**
1 computer upgrade
software

Iredell Vocational Workshop, Inc. **$4,730**
1 expansion computer
1 printer

Jackson County **$19,269**
3 computer upgrades
1 printer
software
cabling

Coordinated Transportation System, Inc. **$8,397**
(Johnston Co.)
2 computer upgrades
printer
software

Lenoir County **$5,157**
1 computer upgrade
1 printer
software

Macon County **$5,157**
1 computer upgrade
1 printer
software

Madison County Transportation Authority **$12,312**
1 computer upgrade
2 expansion computers
printer
software
cabling

Martin County **$3,357**
1 computer upgrade
software

Mecklenburg County **$10,440**
1 computer upgrade
printer
software
telephone system upgrade

Mitchell County Transportation Authority **$700**
software
cabling

Polk County Transportation Authority **$12,312**
1 computer upgrade
2 expansion computers
printer
software
cabling

Randolph County Senior Adults Association, Inc. **$12,312**
1 computer upgrade
2 expansion computers
printer
software
cabling

Richmond Interagency Transportation, Inc. **$3,465**
1 expansion computer
software
cabling

Lumber River Council of Governments (Robeson County) **$8,397**
2 expansion computers
printer
software

Rutherford County **$5,040**
1 computer upgrade
printer
software

Sampson County Transportation Advisory Board, Inc. 1 computer upgrade printer software	**$5,157**
Scotland County 1 computer upgrade printer software	**$5,157**
Stanly County 2 computer upgrades software	**$6,480**
Transylvania County 1 computer upgrade software	**$3,357**
Wake County telephone system	**$7,200**
Wayne Interagency Transportation, Inc. 1 computer upgrade software	**$3,240**
Wilkes County Transportation Authority, Inc. 1 expansion computer software	**$3,240**
Yancey County Transportation Authority 2 computer upgrades printer software cabling	**$9,027**
Total	**$279,412**

Regional Assistance Program

	State Funds
Trailways	$63,000
Community Link, Programs of Travelers Aid of Central Carolina, Inc. (Charlotte)	$7,500
The Salvation Army (Greensboro)	$1,250
Family Services Center (Raleigh)	$6,500
Domestic Violence Shelter and Services,Inc. (Wilmington)	$1,500
Total	**$79,750**

Human Service Transportation Management Grants

Recipient	State Funds
Alexander County Transportation Authority, Inc.	$ 12,500
Ashe County Transportation Authority, Inc.	18,750
Beaufort County Developmental Center, Inc.	18,750
Caldwell County Area Transit System, Inc.	6,213
Carteret County Area Transportation System, Inc.	18,750
Chatham Transit Network	18,750
Cherokee County	18,750
Columbus County Interagency Transportation, Inc.	18,750
Coordinated Transportation System, Inc. (Johnston County)	18,750
Dare County	18,750
Durham County	18,750
Eastern Band of Cherokee Indians	12,494
Gaston County	18,750
Gates County Cooperative Extension Service	5,038
Graham County	18,575
Greene County	9,048
Harnett County	18,750
Hoke County	18,747
Hyde County Non-Profit Private Transportation Corporation, Inc.	14,815
Iredell Vocational Workshop, Inc.	21,875

Lenoir County		43,009
Lumber River Council of Governments		18,750
Martin County		18,750
Randolph County Senior Adults Association, Inc.		18,750
Richmond Interagency Transportation, Inc.		18,750
Rowan Area Transit System, Inc.		18,750
Rutherford County		49,222
Sampson County Transportation Advisory Board, Inc.		68,703
Scotland County		40,000
Swain County Focal Point on Aging, Inc.		18,032
Union County		18,750
Wake County		18,750
Wilson County		9,698
	Total	**$685,469 ***

* $285,469 Funded from FY97 carryover funds ($42,313) and Statewide Matching Assistance Program

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Statewide Public Transportation Grant Program

Federal Grant Program Matching Funds

Elderly and Disabled Transportation Program	$ 59,700
Nonurbanized Formula Program	1,231,944
Urbanized Area Formula Program	504,506
Metropolitan Planning Program/State Planning Program	92,629
Discretionary Capital Program	2,009,914
(Greensboro, TTA, Wilmington, Durham, Rocky Mount, Chapel Hill, Charlotte, Gastonia, Hickory, Winston-Salem)	
Federal Grant Program Matching Funds Subtotal	**$3,898,693**

Other Projects

FY98 Rideshare Program	$ 230,312
ITRE – Help Desk	70,762
ITRE – County Profiles	8,972
ITRE – Organizing and Conducting Workshops	40,515
ITRE – Wheels-to-Work	17,639
Cumberland County Joint Planning Board – alternative corridor project	119,340
Greensboro State Infrastructure Bank	255,000
Inter-County Public Transportation Authority Trolley Demonstration	14,533
Charlotte Transportation Demand Management	28,358
Apprentice/Intern Program	125,191
Human Service Transportation Management Program	243,156
Other Projects Subtotal	**$1,153,778**

TOTAL FUNDS OBLIGATED TO DATE FOR SFY98 **$5,052,471 ***

* Includes carryover funds

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NCDOT-PTD
FY98-99

I. Continuation Budget: $27.35 million

A. Urban and Regional

1. Maintenance Assistance Programs (Attachments A and B)	$ 8.1 million
2. Capital/New Start Assistance (Attachment C)	$ 3.0 million
3. Technology	$ 1.0 million
Subtotal	**$12.1 million**

B. Rural and Small Urban

1. Elderly and Disabled Transportation Assistance Program (Attachment D)	$ 5.0 million
2. Work First and Employment Transportation Assistance Program (Attachment E)	$ 1.75 million
3. Capital (Attachment F)	$ 1.95 million
4. Rural General Public	$ .6 million
5. Technology	$ .5 million
6. Regional Assistance Program	$ .4 million
7. Human Service Transportation Management	$ .4 million
Subtotal	**$10.6 million**

C. Statewide

1. Matching Assistance Program (Attachment G)	$ 4.65 million
Subtotal	**$ 4.65 million**

II. Expansion Budget: $6.7 million

A. Urban and Regional

1. Capital/New Start Assistance (Attachment H)	$ 5.0 million
Subtotal	**$ 5.0 million**

B. Rural and Small Urban

1. Capital and Facilities (Attachment I)	$ 1.7 million
Subtotal	**$ 1.7 million**

Urban Maintenance Assistance

System Name	Allocation
AppalCART	$ 90,382
Asheville	187,877
Chapel Hill	465,160
Charlotte	2,074,385
Durham	546,660
Fayetteville	156,969
Gastonia	87,643
Greensboro	284,492
Greenville	62,532
Hickory	59,425
High Point	173,384
Raleigh	566,681
Rocky Mount	77,218
Salisbury	57,726
Wilmington	237,721
Wilson	69,569
Winston-Salem	515,049
Subtotal Urban and Small Urban	$5,712,873
Triangle Transit Authority	$ 387,127
Total	$6,100,000

Urban Maintenance Assistance

System Name	Allocation
AppalCART	$50,000
Asheville	$68,017
Chapel Hill	$92,409
Charlotte	$494,643
Durham	$124,819
Fayetteville	$121,982
Gastonia	$54,293
Greensboro	$135,185
Greenville	$50,000
Hickory	$50,000
High Point	$57,154
Raleigh	$210,554
Rocky Mount	$50,000
Salisbury	$50,000
Wilmington	$58,611
Wilson	$50,000
Winston-Salem	$144,559
Subtotal Urban and Small Urban	$1,862,226
Triangle Transit Authority	$137,774
Total	$2,000,000

Urban and Regional: $3,000,000

System Name	Project Description	State Share	Total Cost
Greensboro	2 Replacement buses	**500,000**	625,000
Triangle Transit	Reg. Rail Environ. & Eng. Study	**2,500,000**	10,000,000
Total		**3,000,000**	10,625,000

Elderly and Disabled Transportation Assistance Program
Allocation Table

	Total Allocation of $5,000,000		Total Allocation of $5,000,000
Alamance	$ 66,687	Johnston	$ 54,785
Alexander	$ 35,197	Jones	$ 37,547
Alleghany	$ 32,608	Lee	$ 40,417
Anson	$ 37,522	Lenoir	$ 46,932
Ashe	$ 36,765	Lincoln	$ 42,425
Avery	$ 32,713	Macon	$ 39,158
Beaufort	$ 43,587	Madison	$ 35,518
Bertie	$ 38,742	Martin	$ 36,517
Bladen	$ 40,343	McDowell	$ 40,280
Brunswick	$ 46,563	Mecklenburg	$ 183,898
Buncombe	$ 92,277	Mitchell	$ 33,005
Burke	$ 52,275	Montgomery	$ 36,822
Cabarrus	$ 60,602	Moore	$ 51,995
Caldwell	$ 50,003	Nash	$ 52,085
Camden	$ 34,590	New Hanover	$ 65,973
Carteret	$ 46,140	Northampton	$ 37,237
Caswell	$ 35,703	Onslow	$ 61,847
Catawba	$ 65,897	Orange	$ 52,883
Chatham	$ 41,503	Pamlico	$ 34,012
Cherokee	$ 36,927	Pasquotank	$ 37,302
Chowan	$ 32,378	Pender	$ 40,238
Clay	$ 32,832	Perquimans	$ 33,003
Cleveland	$ 56,105	Person	$ 38,065
Columbus	$ 45,702	Pitt	$ 58,800
Craven	$ 52,207	Polk	$ 34,415
Cumberland	$ 97,235	Randolph	$ 61,818
Currituck	$ 32,750	Richmond	$ 43,038
Dare	$ 35,847	Robeson	$ 60,562
Davidson	$ 68,912	Rockingham	$ 57,043
Davie	$ 35,978	Rowan	$ 67,608
Duplin	$ 42,710	Rutherford	$ 48,162
Durham	$ 83,683	Sampson	$ 45,557
Edgecombe	$ 45,848	Scotland	$ 37,368
Forsyth	$ 118,218	Stanly	$ 45,345
Franklin	$ 40,412	Stokes	$ 38,712
Gaston	$ 85,475	Surry	$ 49,352
Gates	$ 35,415	Swain	$ 37,745
Graham	$ 34,963	Transylvania	$ 37,748
Granville	$ 40,777	Tyrrell	$ 40,963
Greene	$ 32,922	Union	$ 52,255
Guilford	$ 143,255	Vance	$ 40,008
Halifax	$ 47,860	Wake	$ 146,953
Harnett	$ 48,463	Warren	$ 35,763
Haywood	$ 45,933	Washington	$ 33,848
Henderson	$ 56,723	Watauga	$ 37,775
Hertford	$ 35,920	Wayne	$ 58,717
Hoke	$ 34,597	Wilkes	$ 47,560
Hyde	$ 44,705	Wilson	$ 48,515
Iredell	$ 59,063	Yadkin	$ 37,863
Jackson	$ 36,903	Yancey	$ 34,127
		Total	$ 5,000,000

Work First and Employment Transportation Assistance Program

County	Allocation
Alamance	$15,194
Alexander	$4,900
Alleghany	$1,966
Anson	$5,070
Ashe	$4,001
Avery	$2,802
Beaufort	$8,215
Bertie	$5,237
Bladen	$6,893
Brunswick	$9,238
Buncombe	$17,268
Burke	$12,323
Cabarrus	$14,000
Caldwell	$10,234
Camden	$1,984
Carteret	$8,283
Caswell	$4,416
Catawba	$11,904
Chatham	$6,673
Cherokee	$4,066
Chowan	$4,173
Clay	$1,935
Cleveland	$15,388
Columbus	$10,156
Craven	$13,926
Cumberland	$29,967
Currituck	$2,979
Dare	$3,710
Davidson	$17,710
Davie	$4,444
Duplin	$8,287
Durham	$23,086
Edgecombe	$14,349
Forsyth	$30,039
Franklin	$6,611
Gaston	$21,244
Gates	$2,526
Graham	$1,889
Granville	$7,252
Greene	$3,700
Guilford	$33,030
Halifax	$16,152
Harnett	$14,040
Haywood	$8,306
Henderson	$11,065
Hertford	$5,662
Hoke	$7,024
Hyde	$1,929
Iredell	$14,226
Jackson	$5,107
Johnston	$14,163
Jones	$2,156
Lee	$7,548
Lenoir	$14,466
Lincoln	$8,161
Macon	$4,063
Madison	$3,818
Martin	$5,977
McDowell	$5,896
Mecklenburg	$51,557
Mitchell	$2,569
Montgomery	$4,793
Moore	$10,324
Nash	$11,794
New Hanover	$12,407
Northampton	$5,432
Onslow	$21,418
Orange	$7,845
Pamlico	$2,974
Pasquotank	$7,547
Pender	$6,241
Perquimans	$3,323
Person	$5,009
Pitt	$18,209
Polk	$2,738
Randolph	$13,938
Richmond	$10,410
Robeson	$23,771
Rockingham	$14,366
Rowan	$15,124
Rutherford	$10,080
Sampson	$9,072
Scotland	$8,423
Stanly	$7,774
Stokes	$5,832
Surry	$7,869
Swain	$3,131
Transylvania	$4,420
Tyrrell	$1,541
Union	$13,414
Vance	$9,779
Wake	$41,344
Warren	$5,007
Washington	$4,196
Watauga	$4,229
Wayne	$21,017
Wilkes	$10,574
Wilson	$11,619
Yadkin	$4,889
Yancey	$3,174
Total	**$1,000,000**

Rural and Small Urban: $1,950,000

System Name*	Project Description	State Share	Total Cost
Alamance County Transportation	2 Conversion vans	**64,260**	71,400
System, Inc.	2 Center-aisle vans	**49,140**	54,600
Ashe County Transportation	1 Minivan	**20,028**	22,235
Authority, Inc.	1 Conversion van	**32,130**	35,700
	1 Center-aisle van	**24,570**	27,300
Anson County	1 Van cutaway w/ lift	**46,067**	51,185
	1 Conversion van	**32,130**	35,700
	1 Minivan	**20,028**	22,235
Avery County	1 Center-aisle van	**24,570**	27,300
Bladen Area Rural	2 Conversion vans	**64,260**	71,400
Transportation System			
Buncombe County	2 Conversion vans	**64,260**	71,400
Burke County Transit	1 Conversion van	**32,130**	35,700
Administration, Inc.	2 Center-aisle vans	**49,140**	54,600
Catawba County	1 Conversion van	**32,130**	35,700
	1 14-passenger van	**22,680**	25,200
Davidson County	2 Van cutaways	**80,991**	89,990
	1 Center-aisle van	**24,570**	27,300
Gates County Cooperative	2 Minivans	**40,635**	45,150
Extension Service			
Harnett County	1 Van cutaway w/ lift	**36,855**	40,950
Inter-County Public	2 Van cutaways w/ lifts	**92,133**	102,370
Transportation Authority	4 Conversion vans	**128,520**	142,800
McDowell County Transportation	1 14-passenger van	**22,680**	25,200
Planning Board, Inc.	1 Conversion van	**32,130**	35,700
Mecklenburg County	2 Van cutaways w/ lifts	**92,133**	102,370
	3 Center-aisle vans	**73,710**	81,900
Pender Adult Services, Inc.	2 Conversion vans	**64,260**	71,400
Rockingham County Council on	2 Conversion vans	**64,260**	71,400
Aging, Inc.	1 Conversion van	**29,343**	32,603
Rowan Area Transit System,	3 Conversion vans	**96,390**	107,100
Inc.	2 Center-aisle vans	**49,140**	54,600
Sampson County Transportation	1 Van cutaway w/ lift	**36,855**	40,950
Advisory Board, Inc.	1 Conversion van	**32,130**	35,700
	1 14-passenger van	**22,680**	25,200
Wake County	4 Conversion vans	**128,520**	142,800
	3 13-passenger vans	**89,303**	99,225
Yadkin Valley Economic	2 Conversion vans	**64,260**	71,400
Development District, Inc.	3 Center-aisle vans	**73,710**	81,900
Total		**1,952,731**	2,169,663

* Projects may vary depending on vehicle mileage and system requests.

Statewide Public Transportation Grant Program

Federal Grant Program Matching Funds

Nonurbanized Area Formula Program	$351,156
Urbanized Area Formula Program	$111,854
Metropolitan Planning Program/State Planning Program	$104,842
Discretionary Capital Program (Charlotte)	$124,600
Federal Grant Program Matching Funds Subtotal	**$567,852**

Other Projects

Rural Capital	$13,745
Triad MIS project	$75,000
Total other projects	**$88,745**

Total funds obligated to date for FY99	**$656,597**

Urban and Regional: $5,000,000

System Name	Project Description	State Share	Total Cost
Greensboro	6 Replacement buses	1,100,000	1,375,000
Raleigh	12 Replacement buses	1,700,000	2,125,000
Winston-Salem	11 Replacement buses	2,200,000	2,750,000
Total		5,000,000	6,250,000

Rural and Small Urban: $1,700,000

System Name	Project Description	State Share	Total Cost
AppalCART (Watauga Co.)	1 Conversion van	**29,343**	32,603
	Facility Improvement	**81,000**	90,000
Ashe County Transportation Authority, Inc.	1 Minivan	**20,028**	22,235
	Facility Improvement	**135,000**	150,000
Bladen Area Rural Transportation System	1 Conversion van	**29,343**	32,603
Brunswick Interagency Transportation System, Inc.	1 Conversion van	**29,343**	32,603
Burke County Transit Administration, Inc.	1 14-passenger van	**22,356**	24,840
Craven County	2 Conversion vans	**58,686**	65,206
	1 14-passenger van	**22,356**	24,840
	Facility Improvement	**270,000**	300,000
Carteret County Area Transportation System, Inc.	2 Conversion vans	**58,686**	65,206
Chatham Transit Network, Inc.	1 Conversion van	**29,343**	32,603
	1 14-passenger van	**22,356**	24,840
Choanoke Public Transportation Authority	2 14-passenger vans	**44,712**	49,680
	Facility Improvement	**90,000**	100,000
Davidson County	1 Van cutaway	**45,410**	50,456
	1 Center-aisle van	**24,219**	26,910
Harnett County	1 14-passenger van	**22,356**	24,840
Inter-County Public Transportation Authority	1 Van cutaway	**45,410**	50,456
Kerr Area Rural Transportation System	4 14-passenger vans	**89,424**	99,360
	1 Conversion van	**29,343**	32,603
Lincoln County Group Home for the Handicapped, Inc.	1 14-passenger van	**22,356**	24,840
Martin County	1 Conversion van	**29,343**	32,603
McDowell County	1 14-passenger van	**22,356**	24,840
Madison County Transportation Authority	2 14-passenger vans	**44,712**	49,680
Mecklenburg County	1 Van cutaway	**45,410**	50,456
New Hanover County	4 Conversion vans	**117,372**	130,412
Pender Adult Services, Inc.	1 Van cutaway	**45,410**	50,456
	1 Conversion van	**29,343**	32,603
Rowan Area Transit System, Inc.	1 Conversion van	**29,343**	32,603
	1 14-passenger van	**22,356**	24,840
Yadkin Valley Economic Development District, Inc.	1 14-passenger van	**22,356**	24,840
	3 Center-aisle vans	**72,657**	80,730
Total		**1,701,728**	1,890,787

FEDERAL TRANSIT APPORTIONMENTS

	FY1991	FY1992	FY1993	FY1994	FY1995	FY1996	FY1997	FY1998
Nonurbanized Area Formula Program	$ 2,983,374	$ 4,775,541	$ 4,082,177	$ 5,789,428	$ 5,930,767	$ 4,960,420	$ 5,189,372	$ 6,023,037
Rural Transit Assistance Program	122,804	124,198	124,769	140,440	140,356	138,454	138,303	143,316
Elderly & Persons with Disabilities Program	806,054	1,373,830	1,225,325	1,497,296	1,502,241	1,304,673	1,420,791	1,583,068
Urbanized Area Formula Program	12,195,254	14,695,495	13,092,410	18,718,977	19,476,680	16,048,130	17,302,512	20,111,729
Metropolitan Planning Program	440,600	522,287	434,345	492,926	493,479	461,482	473,443	463,930
State Planning & Research Program	---	133,994	115,884	126,725	126,725	123,360	123,797	126,681
Discretionary	6,000,000	4,095,752	13,017,274	12,000,000	16,000,000	4,962,500	5,956,046[1]	18,938,596[2]
Total	$22,548,086	$25,721,097	$32,092,184	$38,765,792	$43,670,248	$27,999,019	$30,604,264	$47,390,357

[1] Includes $3,970,000 for NC statewide and $1,986,046 for TTA.

[2] Includes $4,983,868 for NC statewide, $996,774 for UNC-Chapel Hill, $996,766 for Charlotte and $11,961,188 for TTA.

HISTORY OF RAIL PROGRAM FUNDING
1987-88 THROUGH 1998-99

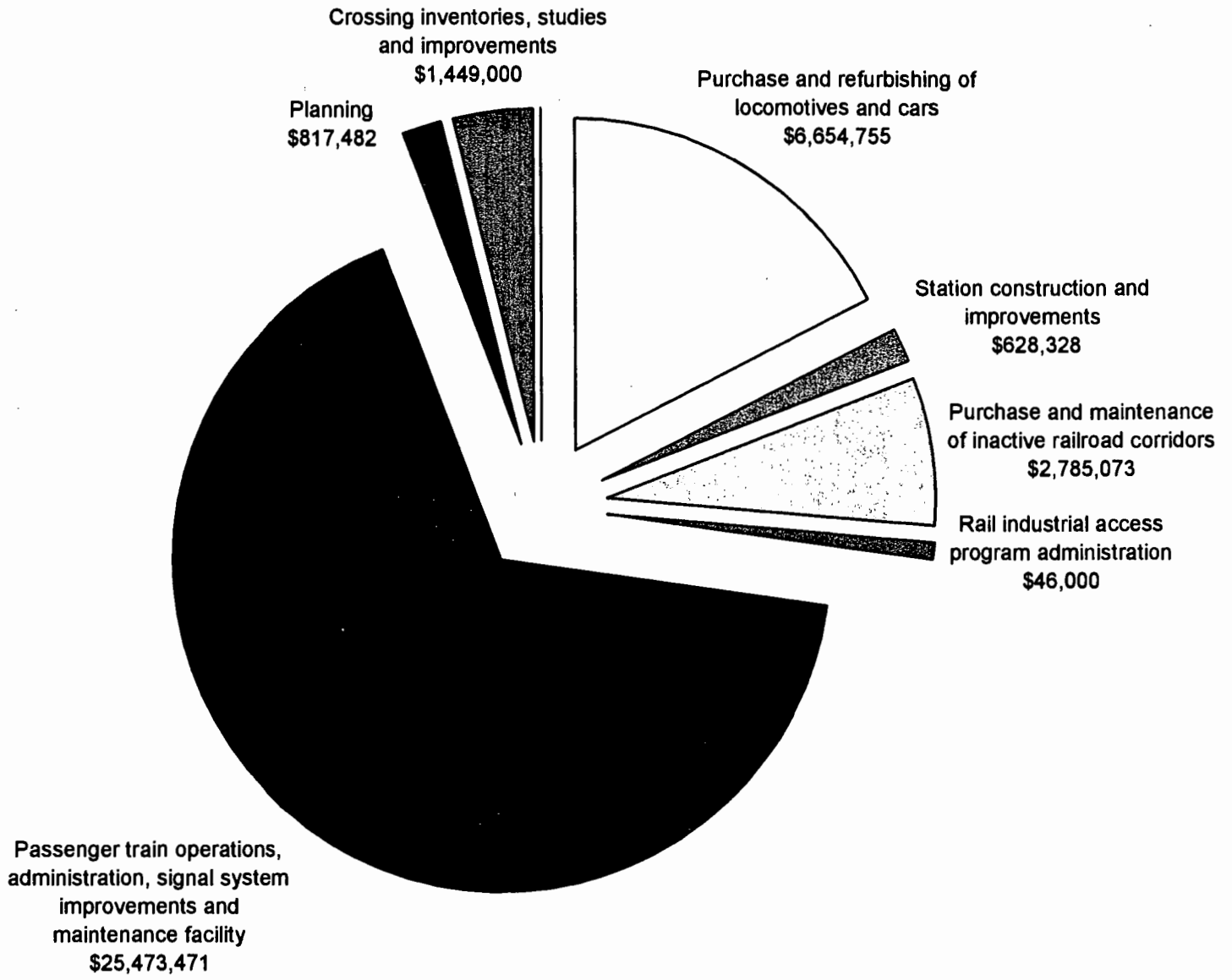
	HIGHWAY FUND	HIGHWAY TRUST FUND	NC RAILROAD DIVIDENDS	TOTAL	
1987-88			100,000	100,000	
1988-89			216,666	216,666	
1989-90			333,001	333,001	
1990-91		3,612,796	100,000	3,712,796	GS 136-44.20 (d) allows DOT to use up to $5 million/yr of "TIP" funding for "alternatives to highway construction".
1991-92		4,169,566	178,406	4,347,972	
1992-93		5,000,000	96,257	5,096,257	
1993-94	400,000	4,982,654	96,305	5,478,959	$400,000 appropriated for rail access, small railroads and rail safety.
1994-95	800,000	5,000,001	100,000	5,900,001	Rail access, small railroads and rail safety expanded to $800,000.
1995-96	800,000	5,077,610	100,000	5,977,610	
1996-97	800,000	4,961,482	-	5,761,482	
1997-98	16,800,000	5,000,000	12,837,734	34,637,734	First step toward Transit 2001 plan. (Not shown is $2 million in flexible Federal Highway funds from the Congestion Mitigation and Air Quality apportionment.) Dividends from NCRR under disputed lease.
1998-99	10,100,000	5,000,000	?????????	15,100,000	Non recurring state appropriation of $6.7 million not included. Flexible Federal Highway funds of $2 million not included.

RAIL FUNDING BY MAJOR CATEGORY
1996-97 THROUGH 1998-99

	1996-97	1997-98	1998-99	EXPANSION REQUEST
RAIL EQUIPMENT	-	5,420,000	4,500,000	
STATION IMPROVEMENTS	267,874	3,785,566	3,350,000	2,000,000
PLANNING/ENGINEERING	685,000	2,636,042	750,000	300,000
OPERATING CAROLINIAN/PIEDMONT	3,650,000	3,960,434	5,000,000	3,200,000
CONSTRUCTION/ROW	358,608	15,074,125	2,700,000	1,200,000
RAIL INDUSTRIAL ACCESS	800,000	800,000	800,000	
ADMINISTRATION		891,350		
TOTAL	5,761,482	32,567,517	17,100,000	6,700,000

Note: 1997-98 and 1998-99 budget includes $2 million in flexible Federal Highway Funds from the Surface Transportation Program apportionment.

$37,804,109 Committed from Highway Trust Fund to the Rail Division FY91-FY98



NCDOT Rail Division

BOARD OF TRANSPORTATION AUTHORIZATIONS

ID #	W. O. #	DESCRIPTION	AMOUNT	DATE
M-224	9.9050727	AMTRAK SERVICES FROM CHARLOTTE TO ROCKY MOUNT	1,439,503	7/90
91-RCP-01		5 RAIL CORRIDORS	140,000	7/90
M-234		FRANKLINTON TO LOUISBURG RAIL CORRIDOR	175,500	10/90
M-239	9.050793	5 USED PASSENGER TRAIN CARS	230,000	11/90
M-243	9.90878	CSX RAIL CORRIDOR MOUNT HOLLY TO GASTONIA	24,500	3/91
M-239	9.9050793	5 USED PASSENGER TRAIN CARS	13,500	3/91
	9.90876	MURPHY BRANCH RAIL LINE WAYNESVILLE TO DILLSBOR	698,250	3/91
M-245	9.90879	NORFOLK & SOUTHERN RAIL CORRIDOR	55,000	4/91
M-239	9.9050793	5 TRAIN CARS - REFURBISHMENT	180,000	4/91
M-243	9.90878	CSX RAIL CORRIDOR MOUNT HOLLY TO GASTONIA	531,543	6/91
M-224	9.9050727	AMTRAK FROM CHARLOTTE TO ROCKY MOUNT	125,000	6/91
TOTAL AUTHORIZED IN SFY 90/91			3,612,796	
M-224	9.9050727	NATIONAL RR PASSENGER CORP FOR AMTRAK SERVICES	1,361,000	7/91
	9.90872	CEDAR YARD RAIL CORRIDOR	539,731	11/91
M-239	9.9050793	REFURBISH 4 CARS	2,243,835	1/92
M-265		INSP SER FOR PURCHASE OF 2 LOCOMOTIVES	25,000	4/92
		TOTAL AUTHORIZED IN SFY 91/92	4,169,566	
M-224	9.9050727	OPERATING COST FOR NATL RR PASSENGER CORP	1,582,000	7/92
	9.9050739	AMTRAK PASSENGER SER. FM CHARLOTTE TO ROCKY MT	250,000	9/92
P-2918		OPER. COSTS FOR TRAIN BET. CHAR. & RAL. (PIEDMO	648,375	11/92
P-2916	8.1792101	ROW ON NORFOLK-SOUTHERN RR BET. US 321 & S NEWT	28,000	11/92
P-2922	8.2290601	CONST. ON ROCKY MOUNT RR STATION	175,000	1/93

BOARD OF TRANSPORTATION AUTHORIZATIONS

ID #	W. O. #	DESCRIPTION	AMOUNT	DATE
	9.90872	ACQ. OF CEDAR YARD RAIL CORRIDOR	155,210	1/93
M-239	9.9050793	5 TRAIN CARS - PURCHASE & REFURBISHMENT	2,042,000	2/93
M-224	9.9050727	AMTRAK SERVICES FROM CHARLOTTE TO ROCKY MOUNT	(410,000)	2/93
	9.9050739	IMPROVEMENTS TO CHARLOTTE TO ROCKY MOUNT RAIL R	360,000	2/93
M-239	9.9050793	5 TRAIN CARS - PURCHASE & REFURBISHMENT	50,000	2/93
	9.9050739	CAPITAL IMPROVEMENTS ON CHARLOTTE TO ROCKY MT R	119,415	6/93
		TOTAL AUTHORIZED IN SFY 92/93	5,000,000	
P-2932 AA	8.1999949	CHAR TO RAL AMTRAK IMPROVEMENTS	42,900	7/93
M-224	9.9050727	NRPC AMTRAK SERVICES FM CHARLOTTE TO ROCKY MT	1,073,000	7/93
	9.9050828	NRPC AMTRAK SERVICES FM CHARLOTTE TO ROCKY MT	175,000	7/93
	9.9050739	CHARLOTTE TO ROCKY MOUNT ROUTE	1,250,000	9/93
P-2935	8.2672901	CHARLOTTE TO RALEIGH - CROSSING INVENTORY UPDAT	100,000	9/93
P-2906	8.2351401	NORFOLK SOUTHERN-DURHAM CBD-I-40 TO CSX APEX LI	557,600	11/93
P-2932 AA	8.1999949	AMTRAK IMPROVEMENTS ON CHARLOTTE TO RALEIGH COR	24,700	11/93
P-2912	8.2492501	STATION IMPROVEMENTS IN HIGH POINT	550	12/93
	9.90872	CEDAR YARD RAIL CORRIDOR	286,504	1/94
P-2932	8.1999963	AMTRAK IMPROVEMENTS -HIGH SPEED RAIL	180,000	4/94
M-291		CAROLINA & NORTHWESTERN BET. HICKORY & LENOIR	130,000	5/94
P-2906	8.2351401	NORFOLK SOUTHERN-DURHAM CBD	(547,600)	5/94
P-2922	8.2290601	ROCKY MOUNT STATION	(130,000)	5/94
M-239	9.9050793	PURCHASE OF 5 USED PASSENGER CARS	800,000	6/94
	9.9050739	TRACK CONSTRUCTION BET. CHARLOTTE & ROCKY MOUNT	1,040,000	6/94

BOARD OF TRANSPORTATION AUTHORIZATIONS

ID #	W. O. #	DESCRIPTION	AMOUNT	DATE
		TOTAL AUTHORIZED IN SFY 1993/94	4,982,654	
M-224	9.9050727	NRPC AMTRAK SERVICES FM CHARLOTTE TO ROCKY MT	1,004,000	7/94
	9.9050739	LOCOMOTIVE FUELING FACILITY AT CHARLOTTE	300,000	7/94
P-3301		RAIL PASSENGER STATION IN DURHAM	50,000	8/94
P-3302		RAIL PLATFORM IN CARY	60,000	8/94
	9.9050828	MARKETING COSTS FOR NRPC FROM CHARLOTTE TO ROCK	175,000	8/94
	9.9080102	MATCH FOR FRA GRANT FOR CHAR TO RAL CORRIDOR	200,000	9/94
	9.90872	CEDAR YARD CORRIDOR IN DOWNTOWN CHARLOTTE	265,580	11/94
M-239	9.9050793	PURCHASE & REFURBISH 5 PASSENGER CARS	225,000	2/95
	9.9050739	SERVICING FACILITY IN RALEIGH & SIGNALS IN CHAR	675,000	2/95
P-3309	9.9080110	CORRIDOR INVENTORIES AND STUDIES	10,000	3/95
P-3309	9.9080110	CORRIDOR INVENTORIES AND STUDIES	25,000	4/95
	9.9050739	CAPITAL IMPROVEMENTS TO CHARLOTTE/ROCKY MOUNT R	195,000	4/95
P-3302	9.9080101	PLATFORM & PASSENGER SHELTER FOR THE "PIEDMONT"	20,000	4/95
P-2932 A	9.9080114	IMPROVEMENTS ON AMTRAK RAIL CORRIDOR	1,000,000	5/95
P-3309	9.9080110	CORRIDOR INVENTORY AND STUDIES	465,000	5/95
	9.9080739	IMPROVEMENTS TO CHARLOTTE /ROCKY MT ROUTE	55,000	5/95
M-239	9.9050793	REFURBISH 5 USED PASSENGER CARS	50,420	6/95
	9.90876	MURPHY BRANCH LINE - WAYNESVILLE TO DILLSBORO	(719,927)	6/95
	9.9050739	CHARLOTTE TO ROCKY MT IMPROVEMENTS	185,000	6/95
	9.9080106	RAIL CORRIDOR IMPROVEMENTS	52,482	6/95
	9.9050828	AMTRAK MARKETING	52,482	6/95

BOARD OF TRANSPORTATION AUTHORIZATIONS

ID #	W. O. #	DESCRIPTION	AMOUNT	DATE
	9.9080111	STATION IMPROVEMENTS - PLANNING	52,482	6/95
	9.9080112	HIGH SPEED RAIL PLANNING	52,482	6/95
P-2906	8.2351401	RIGHT OF WAY FROM I40 TO CSX APEX LINE	550,000	6/95
		TOTAL AUTHORIZED IN SFY 1994/95	5,000,001	
M-305	9.9080120	PASSENGER TRAIN SERVICE DEMOS & MARKETING	200,000	8/95
M-224	9.9080727	THE CAROLINIAN OPERATING COSTS	84,000	10/95
P-2908 A & B	9.9080126	THE CAROLINIAN OPERATING COSTS	1,600,000	10/95
P-2918	9.9080127	THE PIEDMONT OPERATING COSTS	2,300,000	10/95
M-308	9.9080128	RAIL INDUSTRIAL ACCESS PROGRAM	46,000	10/95
P-2932 AA	8.1999949	CHARLOTTE TO RALEIGH IMPROVEMENTS	(65,665)	10/95
P-3414 A	8.1999970	FEDERAL DESIGNATED HIGH RAIL CORRIDOR	93,266	10/95
P-3414 B	8.1999971	FEDERAL DESIGNATED HIGH RAIL CORRIDOR	40,000	10/95
P-3417	9.9080129	NORFOLK SOUTHERN RAILWAY	17,000	11/95
P-2918	9.9080127	THE PIEDMONT FROM CHARLOTTE TO RALEIGH	42,500	11/95
P-3414 B	8.99971	FEDERAL DESIGNATED HIGH SPEED RAIL CORRIDOR	(40,000)	12/95
P-3414 A	8.1999970	FEDERAL DESIGNATED HIGH SPEED RAIL CORRIDOR	(93,266)	12/95
P-2908 B	9.9080126	THE CAROLINIAN FROM CHARLOTTE TO ROCKY MT	175,000	12/95
P-2908 A & B	9.9080126	THE CAROLINIAN FROM CHARLOTTE TO ROCKY MT	370,000	1/96
P-2915	8.2311101	SELMA RAILROAD STATION	1,000	2/96
P-2925	8.2632401	SALISBURY RAILROAD STATION	90,856	2/96
	9.90872	SALE OF CEDAR YARD PROPERTY IN DOWNTOWN CHARLOT'	(254,300)	2/96
P-3414	8.1999973	22 RAILROAD GRADE CROSSINGS	62,725	2/96

BOARD OF TRANSPORTATION AUTHORIZATIONS

ID #	W. O. #	DESCRIPTION	AMOUNT	DATE
P-2908 A & B	9.9080126	THE CAROLINIAN FROM CHARLOTTE TO ROCKY MT	• 280,000	3/96
P-3414	8.1999973	CHARLOTTE TO RALEIGH IMPROVEMENTS	• 128,494	4/96
		TOTAL AUTHORIZED IN SFY 1995/96	5,077,610	
P-3309	9.9080110	STATEWIDE IMPROVEMENT PROJECTS & STUDIES	$ 500,000	7/96
P-3418	9.9080136	ITRE STUDIES - STATEWIDE	60,000	7/96
P-3602	9.9080138	RAIL PLANNING ACTIVITIES - STATEWIDE	125,000	7/96
P-3600	9.9080137	REHAB. OF HISTORIC RAIL CAR DISPLAY	75,000	7/96
P-3414	8.1999973	AMTRAK IMPROV. TO HIGH SPEED RAIL CORRIDOR	3,608	7/96
Z-2563 A	9.9080144	TO CLOSE LUMBER ST @ NORFOLK SOUTHERN CROSSING	225,000	8/96
P-2929	8.2341101	WILSON STATION IMPROVEMENTS	87,572	9/96
P-2908 A ,B	9.9080126	6 PASSENGER CARS FOR THE CAROLINIAN	1,312,500	9/96
P-2908 AA	9.9080145	BURLINGTON RAIL PASSENGER STATION	10,000	9/96
P-2918	9.9080127	FOOD SERVICE CAR FOR THE PIEDMONT	2,187,500	9/96
P-2915	8.2311101	SELMA STATION IMPROVEMENTS	95,302	10/96
	9.9080147	IMPROVEMENTS BETWEEN CHARLOTTE AND ROCKY MOUNT	130,000	10/96
P-2918 A	9.9080152	CHARLOTTE TO RALEIGH MARKETING AND ADVERTISING	150,000	12/96
		TOTAL AUTHORIZED IN SFY 1996/1997	$ **4,961,482**	
P-2908 A	9.9080126	AMTRAK - ROCKY MOUNT TO CHARLOTTE - CAR 400301	550,000	7/97
P-2918	9.9080127	AMTRAK - ROCKY MOUNT TO CHARLOTTE - CAR 400201	120,000	7/97
P-2918 A	9.9080152	AMTRAK MARKETING COSTS	250,000	7/97
P-3309	9.9080110	AT-GRADE CROSSING ELIMINATION & IMPROVEMENT	164,000	7/97

BOARD OF TRANSPORTATION AUTHORIZATIONS

ID #	W. O. #	DESCRIPTION	AMOUNT	DATE
P-2908 A	9.9080126	AMTRAK - ROCKY MOUNT TO CHARLOTTE - CAR 400301	550,000	7/97
P-2918	9.9080127	AMTRAK - ROCKY MOUNT TO CHARLOTTE - CAR 400201	120,000	7/97
P-2918 A	9.9080152	AMTRAK MARKETING COSTS	250,000	7/97
P-3309	9.9080110	AT-GRADE CROSSING ELIMINATION & IMPROVEMENT	164,000	7/97
P-3601	9.9080106	RAIL CORRIDOR MAINTENANCE	100,000	7/97
P-3810	9.9080300	RAIL ENGINEERING SERVICES	250,000	7/97
P-3811	9.9080301	CROSSBUCKS AND SIGNAGE	50,000	7/97
P-3812	9.9080302	INNOVATIVE CROSSING WARNING DEVICES	80,000	7/97
P-3813	9.9080303	LOW-COST INNOVATIVE PASSIVE CROSSING WARNING	55,000	7/97
P-2918	9.9080158	LOUNGE CAR & 3 BAGGAGE CARS	50,000	9/97
P-3602	9.9080138	RAIL PLANNING SERVICES	130,000	9/97
P-3820	9.9080149	FEASIBILITY STUDIES FOR PURCHASE OF NCR SHARES	200,000	9/97
P-3800	9.9080162	CHARLOTTE STATION RENOVATIONS	20,000	9/97
P-2929	8.2341101	WILSON STATION IMPROVEMENTS	55,566	10/97
P-3301	9.90869	DURHAM STATION IMPROVEMENTS	60,000	10/97
P-2918	9.9080163	BURLINGTON PASSENGER STATION	150,000	10/97
P-2918	9.9080163	BURLINGTON PASSENGER STATION	(150,000)	10/97
P-2908 A	9.9080126	CAROLINIAN - CHARLOTTE TO ROCKY MOUNT	800,000	12/97
P-2918	9.9080127	PIEDMONT - CHARLOTTE TO RALEIGH	2,065,434	
		TOTAL AUTHORIZED IN SFY 1997/1998	**$ 5,000,000**	

RAIL PROJECTS FUNDED FROM HIGHWAY TRUST FUND

Fiscal Year 1997

Type: **E**quipment, **S**tations, **P**lanning/Engineering **C**onstruction/Right of Way, **A**dministration, **O**perations

BOT Date	TIP No.	Wk Order	Description	Amount	Type
7/12/96	P3309	9.9080110	Crossing studies	$500,000	P
7/12/96	P3418	9.9080136	ITRE studies	$60,000	P
7/12/96	P3602	9.9080138	Rail Planning	$125,000	P
7/12/96	P3600	9.9080137	Rehab of railcar "Thanis"	$75,000	S
7/12/96	P3414	8.1999973	West Raleigh crossing improvements	$3,608	C
8/2/96	Z2563	9.8091477	Close Lumber St. xing in Salisbury	$225,000	C
9/6/96	P2908A,B	9.9080126	Carolinian operating costs	$1,312,500	O
9/6/96	P2918	9.9080127	Piedmont operating costs	$2,187,500	O
9/6/96	P2908AA	9.9080145	Burlington station study	$10,000	S
10/4/96		9.9050739	Maintenance facility land purchase	$130,000	C
10/4/96	P2915	8.2311101	Selma station improvements	$95,302	S
12/6/96	P2918A	9.9080152	Passenger marketing	$150,000	O
9/6/96	P2929	8.2341101	Wilson station improvments	$87,572	S
Total				$4,961,482	

Equipment	$0
Stations	$267,874
Planning/Engineering	$685,000
Construction/Right of Way	$358,608
Administration	$0
Operations	$3,650,000
Total	$4,961,482

Fiscal Year 1997

Allocation	$800,000	Total	$989,851	Balance	$239,685
Carryover	$429,536				

BOT Date	Wk Order	Project	Amount
7/12/96	9.9080139	Weyerhaeuser, Ayden, Pitt County	$135,020
7/12/96	9.9080140	Safety inspectors funds	$186,010
7/12/96	9.9080141	Rail Engineer funds	$69,091
8/2/96	9.9080142	FMC, Bessemer City, Gaston	$139,000
10/4/96	9.9080146	Brown's of Carolina, Bladenboro, Bladen County	$139,000
11/1/96	9.9080148	FNA Polymer Corp., Mooresville, Iredell County	$25,200
12/6/96	9.9080150	Interstate Brands Corp., Rocky Mount, Nash Co.	$120,204
2/7/97	9.9080153	Shurtape, Hudson, Caldwell County	$68,250
3/7/97	9.9080154	Patrick Industries, Richfield, Stanly County	$66,500
4/4/97	9.9080155	Alexander Railroad, Taylorsville, Alexander County	$0
6/6/97	9.9080156	City of Clinton, Sampson County	$20,788
6/6/97	9.9080157	Tidewater Transit Co., Fayetteville, Cumberland County	$20,788
Total			$989,851

Fiscal Year 1998 Rail Division Funding Approved by the Board of Transportation

Date	TIP #	Work Order	Description	Amount	Type
				Equipment, **S**tations, **P**lanning/Engineering **C**onstruction/Right of Way, **A**dministration, **O**perations	
Source - Highway Fund, Total $5,000,000					
7/11/97	P2908A	9.9080126	Refurbish NC 400301	$550,000	E
7/11/97	P2918	9.9800127	Refurbish NC 400201	$120,000	E
7/11/97	P2918A	9.9080152	Passenger marketing	$250,000	O
7/11/97	P3309	9.9080110	Crossing consolidation, construct and admin	$164,000	C
7/11/97	P3601	9.9080106	Rail corridor, maintenance and administration	$100,000	C
7/11/97	P3810	9.9080300	Engineering salaries, travel, administration	$250,000	A
7/11/97	P3811	9.9080301	Crossbucks, signs at light density crossings	$50,000	C
7/11/97	P3812	9.9080302	Innovative warning devices	$80,000	C
7/11/97	P3813	9.9080303	Passive warning devices	$55,000	C
9/5/97	P2918	9.9080158	Purchase one lounge and three baggage cars	$50,000	E
9/5/97	P3800	9.9080162	Charlotte station renovations, crew room	$20,000	S
9/5/97	P3820	9.9080149	NCRR buyout legal expenses	$200,000	A
9/5/97	P3602	9.9080138	Rail planning salaries and administration	$130,000	A
10/3/97	P3301	9.90869	Extend Durham platform	$60,000	S
10/3/97	P2929	8.2341101	Wilson station rehabilitation	$55,566	S
12/5/97	P2908	9.9080126	*Carolinian* operations and capital	$800,000	O
12/5/97	P2918	9.9080126	*Piedmo*nt operations and capital	$2,065,434	O
Source - H ighway Fund for Rail Ind ustrial Access, Total $1,130,373					
97-IN-009	6/6/97	9.9080156	City of Clinton, Sampson County	$21,872	C
97-IN-010	6/6/97	9.9080157	Tidewater Transit, Fayetteville, Cumberland Co	$90,533	C
	8/1/97	9.9080140	Safety inspectors funds	$180,000	C
98-IN-001	8/1/97	9.9080161	PTS Intertech, Inc., Ellenboro, Rutherford Co	124000	C
98-IN-002	9/5/97	9.9080164	Coharie Farms, Turkey, Sampson County	$84,000	C
98-IN-003	9/5/97	9.9080159	Ohio Packaging Co., Salisbury, Rowan County	$25,000	C
98-IN-004	9/5/97	9.9080160	Brunswick County EDC, Cott Corp., Leland,	$60,000	C
98-IN-005	1/9/98	9.9080163	Stockhausen, Inc., Greensboro, Guilford Co	$124,000	C
98-IN-006	1/9/98	9.9080165	Cabarrus Cty EDC, Harrisburg, Project Red	$80,000	C
98-IN-007	3/6/98	9.9080166	Resinall Corp., Severn, Northampton County	$28,700	C
98-IN-008	3/6/98	9.9080168	Easco Aluminum, Winton, Hertford County	$19,338	C
	4/3/98	9.9080140	Safety inspectors' funds	$50,000	C
98-IN-009	4/3/98	9.9080170	Alexander RR, Eclipse Pkg, Iredell County	$38,500	C
98-IN-010	6/5/98	9.9080173	Cardinal FG, Mooresville, Iredell County	$124,000	C
98-IN-011	6/5/98	9.9080174	Martin County, Atlantic Structures, Everetts	$80,430	C
Source - State Rail Funds (NCRR Dividends), Total $10,421,202					
3/6/98	None	9.9080169	Purchase NCRR shares	$9,943,202	C
5/1/98	P-3100	9.9080172	Rail and ties for Radio Island Bridge	$208,000	C
6/5/98	None	9.9080175	NCRR legal services	$200,000	P
6/5/98		9.9080175	Attorney I position	$70,000	A

Source - Highway Fund (State Transit 2001 Funds), Total $13,215,942

7/11/97	P3806	9.908000P	Purchase 2 F59PHI locomotives	$4,700,000	E
10/3/97	P2918	9.908001P	Install Burlington modular station	$150,000	S
11/7/97	P3807	9.908002P	Aerial photography for Durham study	$73,400	P
11/7/97	P3807	9.908003P	Durham rail capacity feasibility study	$186,642	P
11/7/97	P3807	9.908004P	Aerial photography for DNC-Ornge&DNC-Cary	$30,000	P
12/5/97	P2918A	9.908005P	Passenger train marketing	$240,000	O
12/5/97	P3807	9.908006P	ITRE studies, Piedmont high speed corridor	$500,000	P
1/9/98	P2918A	9.908007P	Flexliner operations and marketing	$250,000	O
2/6/98	None	9.908008P	BYTRAIN Center	$285,000	O
3/6/98	P3807	9.908006P	Spring Forest-Duke double track study & filing	$48,000	P
3/6/98	P3817	9.908009P	Purchase Cedar Yard lead	$188,000	C
3/6/98	P3807	9.908010P	CLT-WAS environ screen & Apex connector	$580,000	P
3/6/98	P3807	9.908011P	Prepare drawings & specs of passenger cars	$385,000	P
4/3/98	P2908	9.908012P	Passenger train administration	$150,000	A
4/3/98	P3810	9.908013P	Modular building for E&S staff	$30,000	A
4/3/98	P3602	9.908006P	Commuter rail safety plan,stn oversight, title wk	$105,000	P
4/3/98	P3309	9.908015P	Hackett Road crossing closure	$50,000	C
4/3/98	P3807	9.908004P	Digital mapping of aerial photography	$75,000	P
5/1/98	P3417	9.908014P	Purchase Fayetteville Rd-Chatham/Wake line	$428,000	C
5/1/98	P3807	9.908006P	Addl modeling Duke-Charlotte	$43,000	P
5/1/98	P-3602	9.908016P	Intermodal & environmental engineers	$50,000	P
5/1/98	P-3602	9.908017P	Planning expenses	$10,000	P
5/1/98	P-3602	9.908018P	Environmental planning engineer services	$30,000	P
5/1/98	P-3602	9.908019P	Station rehabilitation supervisor	$61,350	A
5/1/98	P-3413	9.908020P	Purchase Wilmington downtown lead	$23,000	C
5/1/98	P-3411	9.908021P	Purchase Norlina-Roanoke Rapids	$5,300	C
5/1/98	P-3816	9.908022P	Negotation support, Durham to Va. Line purchas	$161,250	C
5/1/98	P-3807	9.908023P	Raleigh-Charlotte congestion mitigation study	$20,000	P
5/1/98	P-3800	9.908024P	Charlotte uptown station property	$3,500,000	S
5/1/98	None	9.908025P	BYTRAIN highway signs	$70,000	O
6/5/98	P-3807	9.908027P	Wilmington-Charlotte feasibility study	$300,000	P
6/5/98	P3409,11	9.908028P	Purchase Warren Plains-Ridgeway	$350,000	C
6/5/98	P-3410	9.908029P	Purchase Va line to Norlina	$138,000	C

Source - Federal Surface Transportation Funds, Total $2,000,000

5/1/98	P-3414	8.1999973	Raleigh-Charlotte track improvements	$2,000,000	C

Equipment	$5,420,000
Stations	$3,785,566
Planning/Engineering	$2,636,042
Operations	$3,960,434
Construction/Right of Way	$15,074,125
Administration	$891,350
Total	$31,767,517

Source - Other Federal Funds, Total $1,165,514

7/11/97	P-3419	8.1999969	Crossing protection improvements	$720,990	C
10/3/97	P-2929	8.2341101	Wilson station refurbishment	$444,524	S

Fiscal Year 1998

Allocation	$800,000	Total	$1,006,373	Balance	$33,312.27
Carryover	$239,685				

BOT Date	Wk Order	Project	Amount
6/6/97	9.9080156	City of Clinton, Sampson County	$21,872
6/6/97	9.9080157	Tidewater Transit Co., Fayetteville, Cumberland County	$90,533
8/1/97	9.9080140	Safety inspectors funds	$180,000
8/1/97	9.9080161	PTS Intertech, Inc., Ellenboro, Rutherford County	0
9/5/97	9.9080164	Coharie Farms, Turkey, Sampson County	$84,000
9/5/97	9.9080159	Ohio Packaging Co., Salisbury, Rowan County	$25,000
9/5/97	9.9080160	Brunswick County EDC, Cott Corp., Leland,	$60,000
1/9/98	9.9080163	Stockhausen, Inc., Greensboro, Guilford County	$124,000
1/9/98	9.9080165	Cabarrus County EDC, Harrisburg, Project Red	$80,000
3/6/98	9.9080166	Resinall Corp., Severn, Northampton County	$28,700
3/6/98	9.9080168	Easco Aluminum, Winton, Hertford County	$19,338
4/3/98	9.9080140	Safety inspectors' funds	$50,000
4/3/98	9.9080170	Alexander RR, Eclipse Pkg Statesville, Iredell County	$38,500
6/5/98	9.9080173	Cardinal FG, Mooresville, Iredell County	$124,000
6/5/98	9.9080174	Martin County, Atlantic Structures, Everetts	$80,430
Total			$1,006,373

NCDOT-Rail Division
FY98-99 Budget Detail

I. Continuation Budget $17,100,000

- Capital
  - Stations $3,350,000
    - Charlotte-$1,350,000-Right of way acquisition and preliminary engineering.
    - Durham-$1,000,000-Matching funds and preliminary engineering.
    - Greensboro-$1,000,000-Matching funds and preliminary engineering-track.
  - Equipment $4,500,000
    - Rehabilitation of passenger and baggage cars and/or acquisition of tilt train. The Department and Amtrak are evaluating application of tilt-trains on the Charlotte - Raleigh - New York City corridor. If a decision is made to acquire tilt-trains, then existing state-owned equipment would be used to extend service to Western North Carolina. If tilt-trains are not recommended, then the Department would invest in rehabilitating additional conventional rail passenger equipment.
    - Tilt-train-$4,500,000-Lease, purchase and lease-purchase options will be evaluated. Equipment manufacturer may wish to provide equipment and maintain.

      or
    - Rehabilitate conventional equipment-$4,500,000-Three (3) coaches, one (1) food service car, two (2) baggage cars and one (1) specialty car.
  - Infrastructure/ROW $2,700,000
    - Capital improvements to infrastructure, mechanical facilities, stations, and acquisition of rail corridors. Funds will be used to make crossing and other safety improvements, provide additional mechanical and storage facilities, small station improvements, and acquire abandoned and/or endangered rail rights of way.
    - Infrastructure-$1,000,000-Matching funds for Sealed Corridor Project (Phase II Greensboro to Hillsborough) and associated grade crossing safety and traffic mitigation studies and improvements.
    - Mechanical Facilities-$500,000-Mechanical, parts inventory and storage facilities at Capital Yard.
    - Station Improvements-$250,000-Lighting, landscape, telephone and public address systems.
    - Rail Corridors/ROW-$1,000,000-Currently negotiating to acquire stations in Hamlet, Rockingham and Southern Pines and portions of

corridors in Elizabeth City (Weaksville Spur), the CSX S-line and the Wilmington (Downtown Lead).

- Planning/Engineering $ 750,000
  - Federally designated high speed corridor, Charlotte-Greensboro-Raleigh-Richmond. Continuation of Class I and II Environmental Studies, funds will be used to match federal funds where available. Corridor is authorized for final design and construction under TEA-21.
- Rail Industrial Access $ 800,000
  - Administrative costs for Rail Safety Program. Rail Industrial Access Projects awarded based on application and program guidelines.
  - Rail Safety Program-$200,000
  - Rail Industrial Access Projects-$600,000
- Operating $5,000,000
  - Contract with Amtrak for operation/maintenance/food service on *Piedmont* and *Carolinian* passenger trains. Also includes state marketing for passenger train service.

II. Expansion Budget: $ 6,700,000

- Capital
  - Stations $2,000,000[1]
    - Asheville-$533,750
    - Black Mountain-$147,315
    - Old Fort-$168,970
    - Marion-$222,650
    - Morganton-$192,760
    - Hickory-$255,590
    - Statesville-$171,410
    - Salisbury-$195,200
  - Infrastructure/ROW $1,250,000
    - Western NC service-platform, track, signals, re-locations and other route improvements, architecture and engineering fees.
- Operating $3,200,000
  - Operating/maintenance cost for Western NC service.
- Planning/Engineering $ 300,000
  - Development of an intrastate plan for rail passenger services.

III. Total Rail Program Budget $23,800,000

[1] Stations summary number is rounded. Figures listed are from the Western North Carolina Rail Passenger Study, January 1997

TRANSPORTATION SPENDING IN NORTH CAROLINA AND TEXAS

	North Carolina		Texas	
Total Transportation Budget	$2,800,000,000		$3,600,000,000	
Maintenance $ Per Lane Mile	$2,700		$4,200	
Employees	12,567		14,134	
% for New Construction	58% (includes 4% for municipal aid)		66%	
% for Maintenance	17%		23%	
% for Public Transportation	1.8%		2.1%	
Sources of Revenue				
	Gas Tax	37%	Motor Fuel Tax	46%
	Hwy Use Tax	16	Vehicle Reg.	17
	Fees (Hwy Fund)	12	Federal	30
	Fees (Trust Fund)	3	Other	7
	Other	5		
	Bond Proceeds	9		
	Federal	19		

Sources:

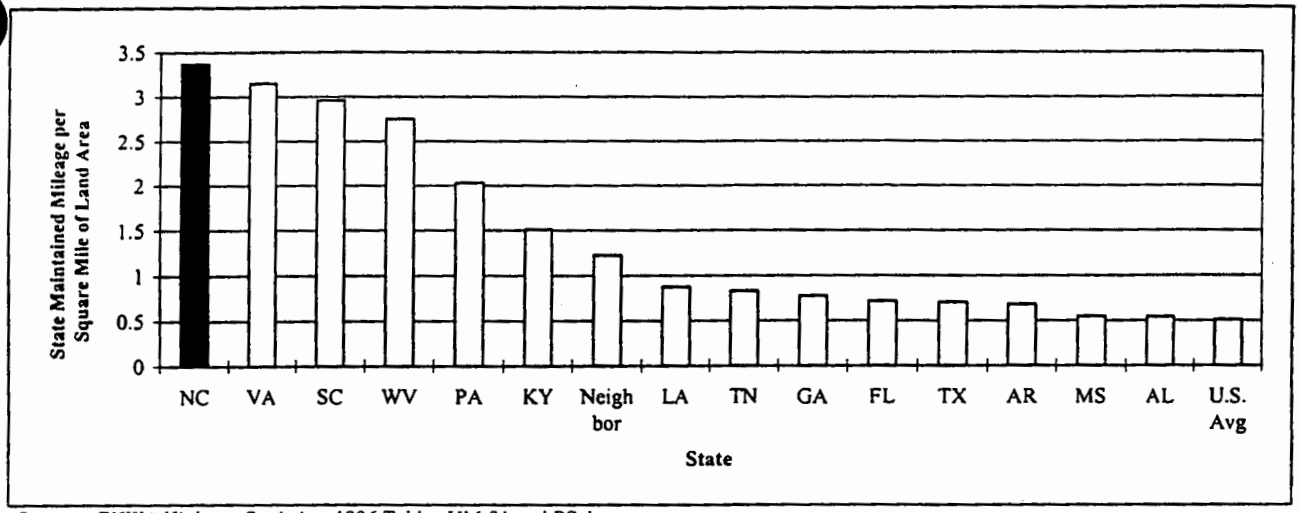
North Carolina data from NCDOT

Texas data from Texas DOT web page:
http://www.dot.state.tx.us/rtmodes/pfacts/pfacts.htm

Maintenance $ Per Lane Mile data from FHWA Highway Statistics 1996, Tables HM-81 and SF-4

Robert Weiss
Fiscal Research
June 3, 1998

Exhibit A-1: Total State Administered Mileage (Lane Miles) Per Square Mile of Land Area

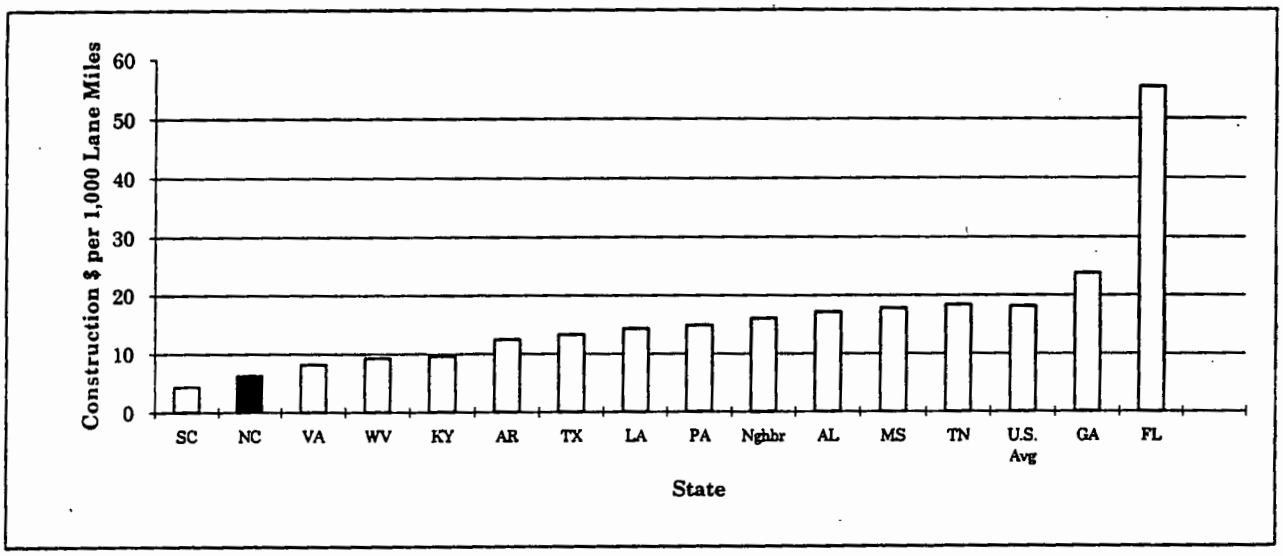


Source: FHWA Highway Statistics, 1996 Tables HM-81 and PS-1

EXPENDITURES

Analyses conducted on expenditure data included calculations of construction expenditures per mile, maintenance expenditures per mile, and total expenditures per mile for North Carolina, each of its neighboring states, and the U.S. average. NCDOT's construction maintenance per mile is second in the U.S. This is second only to South Carolina by a two dollar differential, as presented in Exhibit A-2.

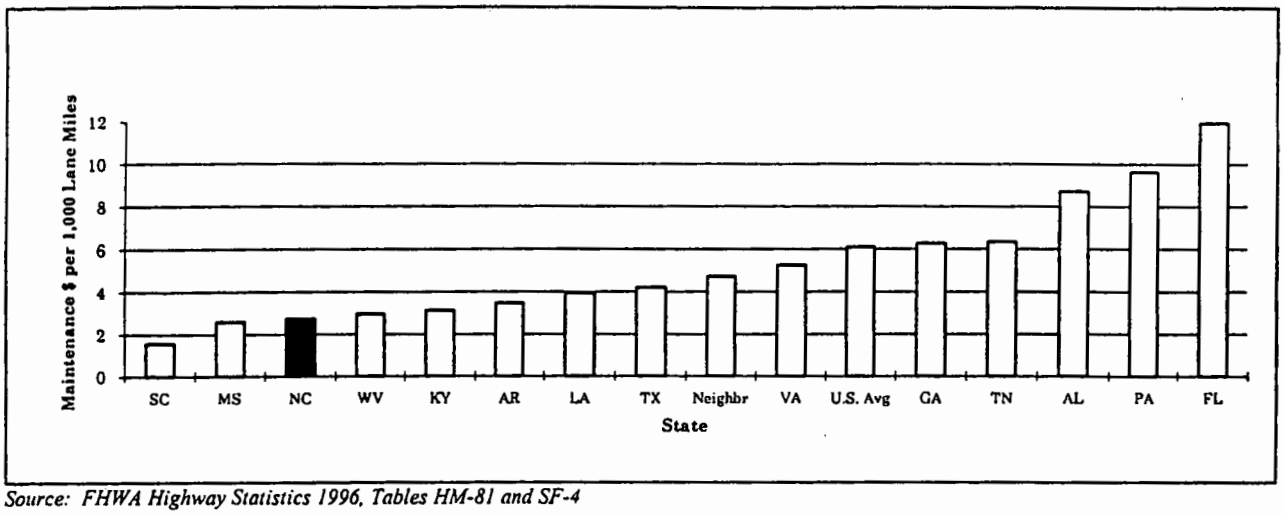
Exhibit A-2: Construction Expenditures Per 1,000 Lane-Miles



Source: FHWA Highway Statistics, 1996 Tables SF-4 and HM-81

North Carolina ranks fifth in the nation for having low *maintenance* expenditures per mile, as presented in Exhibit A-3.

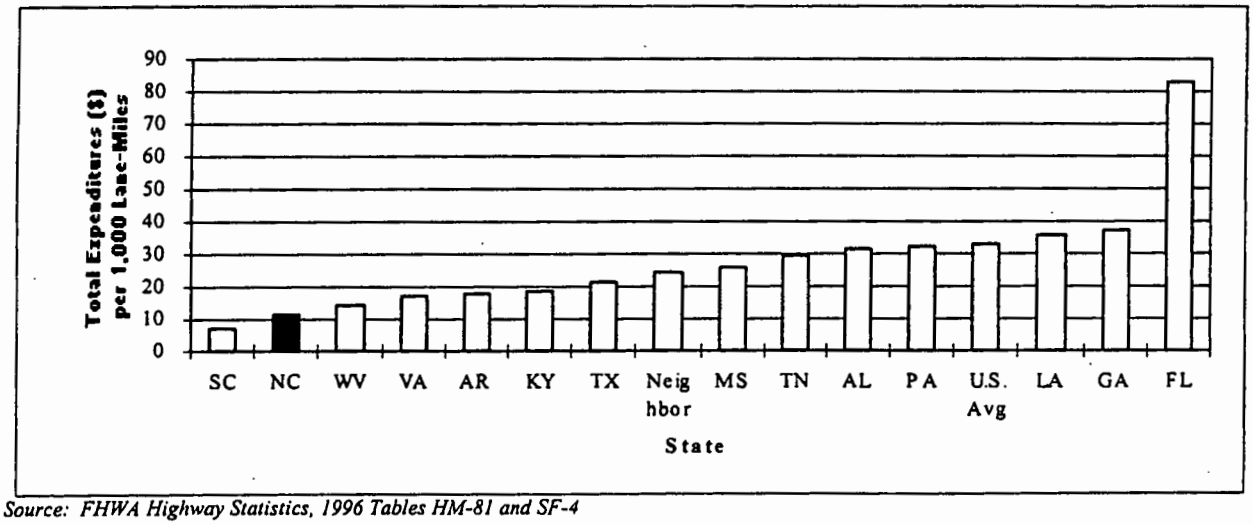
Exhibit A-3: Maintenance Expenditure per 1,000 Lane-Miles



Source: FHWA Highway Statistics 1996, Tables HM-81 and SF-4

In this analysis, total expenditures include construction and maintenance costs, as well as administration, highway safety, debt service costs, and bond retirement costs for all states. Overall, NCDOT ranks third in the nation, as suggested in Exhibit A-4. This exhibit shows the comparison between North Carolina's total expenditures per 1,000 lane miles to that of its neighboring states and the national average.

Exhibit A-4: Total Expenditure per 1,000 Lane-Miles



Source: FHWA Highway Statistics, 1996 Tables HM-81 and SF-4

STAFFING

Telephone and facsimile surveys were conducted to produce a staffing comparison. All neighboring states were contacted and data from those that responded are included in the tables. The three categories used to analyze the data gathered were: number of full-time equivalent employees (FTEs), the staffing distribution by functional area, and the number of staff per 10,000 lane-miles, as shown in Exhibit A-5.

VISITOR REGISTRATION SHEET

JOINT APPRO/SUBCOMMITTEE ON TRANSPORTATION June 3, 1998

Name of Committee — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Capt. J.B. Davis	NC State Highway Patrol
Milton Alford	OSBM
Joe Stewart	CCPS
Jim Brown	N.C. State Ports
Kim Smith	NCLM
Rudolph E. Clay	NCCPT
David Knight	NCPTA, Sierra Club
Laura Hauke	Common Sense, NCATR
Whit Webb	NCDOT
Angie Harris	NCDOT
Sanford T. Crow	NCDOT
PB Simmons	NCDOT
David King	NCDOT
Wayne Stallings	NCDOT
Molly Diggins	NC Sierra Club
A.B. Swindell	BFI

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE

You are hereby notified that the Committee on **JOINT APPROPRIATIONS Subcommittee on Transportation** will meet as follows:

DAY & DATE: **Thursday, June 4, 1998**

TIME: **9:00 AM**

LOCATION: Rm 1228/1327

Respectfully,

Representatives Bowie, Dockham, McMahan
Co-Chairs

I hereby certify this notice was filed by Sharon Gaudette, Committee Clerk, at the following offices at 10:30 am on June 3, 1998.

___Principal Clerk
___Reading Clerk - House Chamber

Sharon Gaudette
Sharon Cram (Committee Clerks)

AGENDA

Joint Appropriations Subcommittee
on
Transportation

June 4 , 1998
Room 1228
9:00 A.M.

Chair: Senator Luther Jordan

Expansion Requests for Highway Patrol
(See Recommended Changes to the 1998-99 State Budget, pp. 93-94, Items 21-24)

Joe Stewart
Crime Control and Public Safety

Response to Committee Request for Information

Bob Weiss
Fiscal Research Division

THE JOINT LEGISLATIVE APPROPRIATIONS SUB-TRANSPORTATION COMMITTEE

June 4, 1998
9:00 a.m.
Room 1327

The Joint Legislative Appropriations Sub-Transportation Committee met in Room 1327 at 9:00 a.m. on June 4, 1998. **Senator Luther Jordan, Jr., Co-Chair,** called the meeting to order. He introduced Kellen Mollahan and Steven Green as House Pages, and Elizabeth Weaver, and Mickey Fanney as Senate Pages. Visitor's sheet attached.

Members Present:

Rep. Joanne Bowie, Co-Chair
Rep. Ed McMahan, Co-Chair
Rep. Bobby Barbee
Rep. Dan Blue
Rep. Bill Hiatt
Rep. Jim Gulley
Rep. Mary McAllister
Rep. Drew Saunders
Rep. Ronnie Sutton

Two Senators

Senator Jordan recognized **Mr. Bob Weiss, Staff to the Committee,** to discuss **Transportation Spending in North Carolina, Texas, and Virginia** *(see Attachment I & II),* in response to a request from **Rep. McMahan**. Mr. Weiss pointed out to the Committee the difficulty of comparing one peer State to another because of differences between States overall. Following Mr. Weiss's presentation, questions were taken from the Committee.

Senator Carpenter referenced *Item # 3, Employees*, and asked Mr. Weiss to explain why North Carolina has more employees than Virginia. He said that he was trying to relate the dollars spent to the employees. Mr. Weiss replied that he did not have that information at this time, but he would request that material from the Department of Transportation.

Rep. McMahan said that the reason he had asked for a comparison with Texas was because of the similarity in mileage, and he thought Virginia would be substantially less.

Mr. Evan Rodewald, Staff to the Committee, reminded the Committee that it is very difficult make a comparison between States as the North Carolina budget may include more non-transportation items. He used an example of the $170 million transfer to the General Fund yearly from the $2.8 billion total budget.

Rep. Bowie referenced *Item #5, Maintenance*, and asked Mr. Weiss for a more detailed account of how the Maintenance funds are used and where they come from. Mr. Weiss replied that he was just given the percentages. Rep. McMahan pointed out that the source of revenue is addressed in *Item #7*. Representative Bowie further stated that she would be interested in whether they had any other source for Maintenance.

Rep. Sutton referenced *Item #7, Sources of Revenue*, and asked if there was any explanation for the discrepancy in Federal funds given to each State. Mr. Weiss said that one possibility would be the North Carolina General Fund transfer where money is spent on non-transportation items. He also pointed out that part of it could be that North Carolina has been a donor State. Rep. McMahan also expressed his concern over Texas getting 1/3 more than North Carolina of the Federal funds.

Rep. Saunders asked what the difference was between the Gas Tax and the Motor Fuel Tax. Mr. Weiss suggested that possibly Motor Fuel may be a broader category. Rep. McMahan asked that the Gas Tax figure be broken down into what they collect per gallon.

Rep. Barbee asked what the 3% for Miscellaneous represented. Mr. Weiss said he would get that information.

Rep. McMahan asked Staff to provide more detailed information to the Committee on these items.

Senator Jordan recognized **Mr. Joe Stewart, Crime Control and Public Safety**, to present to the Committee **Expansion Requests for Highway Patrol** *(see Attachment III)*. Mr. Stewart explained to the Committee that the overall goal was to have 40 new Trooper positions. He said that they already have funds available for 5 positions, and they have the one time costs, such as training and equipment materials necessary for 20 positions. He said that they are asking for the one time costs for 20 positions, and the ongoing operational costs support for 35 of those positions. Following Mr. Stewart's presentation, questions were taken from the Committee.

Senator Jordan referenced *Item #2*, and asked how many positions were coming from the Public Safety Budget. Mr. Stewart answered that the entire budget for the Highway Patrol is funded from the Highway Fund.

Rep. Sutton asked why there were funds available for the 5 positions. He also pointed out that if 40 Troopers were needed, it might be better to ask for the whole package at one time. Mr. Stewart referenced *Page 6, Attachment III*, which showed a schedule outlining the net transfer of appropriations needed by the department from the Highway Fund to support the 40 positions.

Rep. Saunders said that he approved of the process being used as described by Mr. Stewart.

Mr. Stewart said that the overall goal of the Secretary in the next three years was to incrementally achieve 100 new Troopers, and the first request was for 40 positions.

Senator Jordan asked Mr. Stewart to explain the policy of Universities utilizing the Troopers at games without pay. Mr. Stewart replied that this is within the mission of the Highway Patrol to provide traffic management for events, and is recognized as an economic benefit. He added that each event is reviewed before the decision is made to send Troopers.

Rep. Bowie pointed out that the ACC Tournament in Greensboro does not use any State Troopers. She indicated that this practice should be looked into. Mr. Stewart said that it does create a hardship at times because the Troopers are not able to receive overtime pay, and can only receive compensatory time. Mr. Stewart said that another problem is that often these events cause a shortage of Troopers on the highway.

Senator Jordan asked Staff if they would put together information on how much is going out for Patrols going out for these events. Mr. Stewart said he would provide that information, but he thought over the last few years it would represent approximately 4 million in overtime pay.

Rep. Sutton asked whether the Department wants to manage these events. Mr. Stewart replied that their preference would be to continue to manage the events, and have the funds to pay the Troopers overtime.

Senator Jordan recognized **Captain Fred Davis, Highway Patrol**, to present to the Committee a presentation on the **Criminal Justice Information Network** (*see Attachments IV, V, & VI).* Captain Davis presented information to the Committee on Phase III, regarding the Tower Sites and the Mobile Data Network. He then gave a brief overview explaining to the Committee that the data was a result of a Criminal Justice Information study done in 1995, which mandated the development of a 800 Megahertz statewide voice and data communication network. This integrated system would provide criminal justice communication to any Criminal Justice Agency in the State. Following the presentation, questions were taken from the Committee.

Rep. Blue asked if this network was any different than the Internet. Captain Davis replied that they have the technology to interface with the Internet, but they have made a policy decision not to do that for security reasons. Mr. Stewart added that within the context of mobile data, the decision was made among all of the State agency partners to focus on the 800 Megahertz frequency radio signal. Rep. Blue asked if they were still

looking at data access rather than voice. Mr. Stewart answered that they were only looking at data at this time, but he said that this year's federal budget has earmarked $20 million for the CJIN Project that has earmarked approximately $10 million for the first phase of voice. He said that Senator Faircloth, and Representatives Taylor and Price are working hard on this issue.

Rep. Bowie asked if there would be a fee attached for other agencies that tie into this program. Captain Davis replied that local agencies are asked to share whatever resources they have.

Rep. McAllister asked if the network could only be used in-state. Captain Davis said the system was primarily built for the State of North Carolina.

Rep. Sutton asked when this communication capability would extend from car to car. Captain Davis said they have started on the voice technology and have already developed a partnership with a group called NC Smart Net Users Group, who are happy to share the resources that are there. He said that based on phased funding, this capability could be in place in 5 years.

Senator Jordan adjourned the meeting at 9:50 a.m.

Senator Luther Jordan, Jr.
Presiding Co-Chair

Sharon Cram
Committee Clerk

Representative W. Edwin McMahan
Co-Chair

VISITOR REGISTRATION SHEET

JOINT APPRO/SUBCOMMITTEE ON TRANSPORTATION , 1998

Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
CAPT. FRED DAVIS	NC STATE HIGHWAY PATROL
Milton Alford	OSBM
Joe Stewart	CCPS
Wayne Stallings	DOT
Natalie Hopkins	Charlotte Chamber
[illegible]	NC CWA
Lee Hines	Jordan Intern
Annette Ethridge	Office of the Governor
Kim Smith	NCLM
Ruth Sappie	NCDOT
Ned Mead	Conservation Council of NC
David Hartley	State Planning

I

Transportation Spending in North Carolina, Texas, and Virginia

	NC	Texas	Virginia
(1) Total Transportation Budget	$2.8 billion	$3.6 billion	$2.4 billion
(2) Maintenance $ per existing Lane Mile of state-administered highway	$2,700	$4,200	$5,200
(3) Employees	12,567	14,134	9,494
(4) % for New Construction	58%	66%	49%
(5) % for Maintenance	17%	23%	36%
(6) % for Public Transportation	1.80%	2.10%	<5%
(7) Sources of Revenue	Gas Tax 37% Hwy Use 16% Fees (Hwy) 12% Fees (Trust) 3% Other 5% Bond Proc. 9% Federal 19%	Mtr. Fuel Tx 46% Vehicle Reg 17% Federal 30% Other 7%	Mtr. Fuel Tx 29% Veh.Sls/Use 17% Gen.Sls/Use 13% Mtr. Veh.Lic 7% Oth Txs/fees 1% Federal 28% Local 1% Toll 2% Misc. 3%

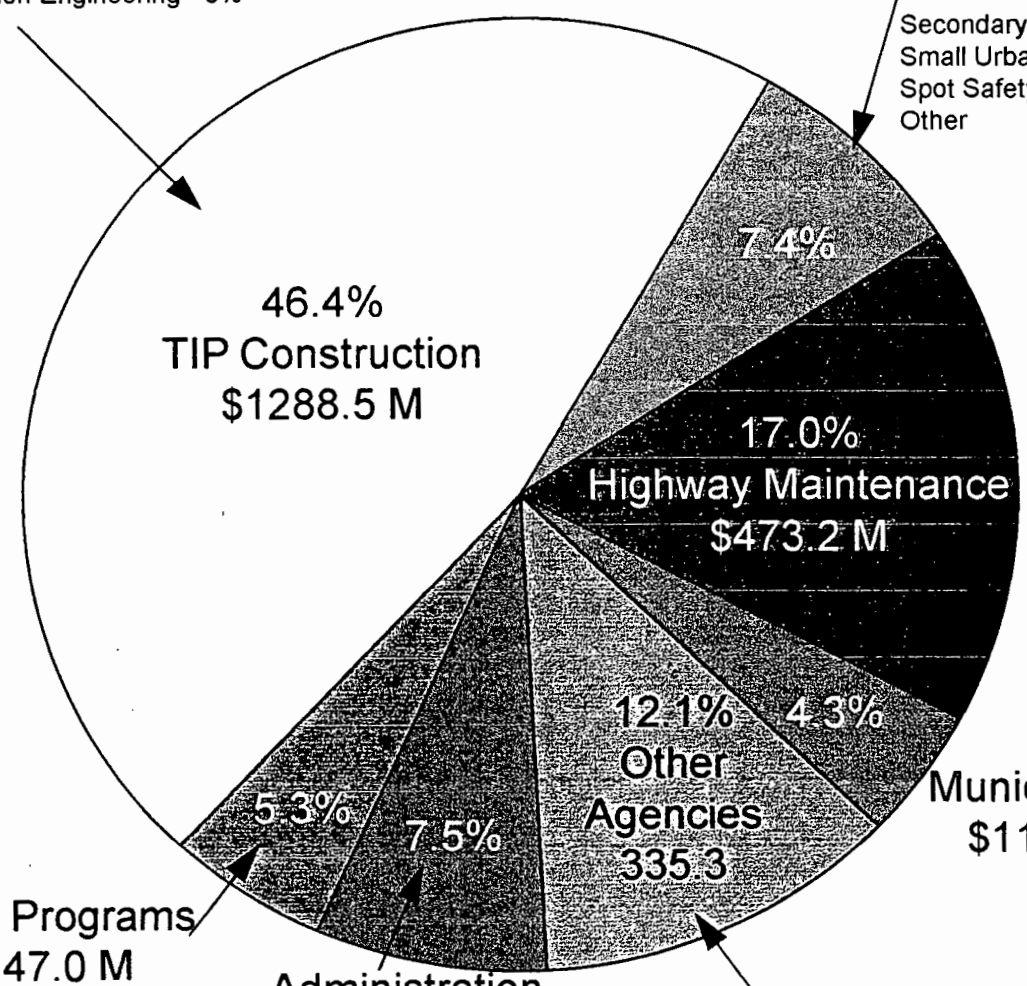
Sources:
North Carolina data from NCDOT
Texas data from Texas DOT web page: *http://www.dot.state.tx.us/rtmodes/pfacts/pfacts/htm*
Virginia data from *Transition Information Book*, January 7, 1998
Row (2) from FHWA Highway Statistics 1996 and KPMG Peat, Marwick, *A Performance Review of the North Carolina Department of Transportation.* Final Report, May 1998, page A.9

Robert Weiss
733-4910

II

Projected Uses of DOT Funds for 1997-98

(Total Funding = $2.775 Billion)



Construction 75%
Right of Way & Utilities 17%
Planning & Design & Construction Engineering 8%

Other Construction $205.2 M

Secondary Roads	170.1
Small Urban	24.0
Spot Safety	9.1
Other	2.0

Municipal Aid $118.7 M

Other Programs $147.0 M

Aviation	26.1
Public Transit & Rail	49.7
Ferries	18.1
Reserves	36.3
Other	16.8

Administration $207.5 M

DOT	57.9
DMV	89.0
DOH	34.7
Trust Fund	25.9

General Fund	182.6
Highway Patrol	116.7
Public Instruction	22.4
DEHNR	7.3
Global Transpark	.8
Agriculture	3.2
Revenue	2.3

Texas

Budgets	
Fiscal Year 1998	
Routine maintenance	$383,637,237
Highway construction	$1,806,622,419
Preventive maintenance	$218,993,817
Contracted maintenance	$205,656,746
Right-of-way acquisition	$192,000,000
Highway design	$367,690,763
Aviation services	$49,110,012
Public transportation	$74,982,416
Indirect administration	$179,505,890
Other strategies	$120,286,933
Total	**$3,597,486,233**

Source: Finance Division, fiscal year 1998 approved budgets, 2/98. Construction Recapitulation, Construction Division, "Construction Recapulation," 3/98.

Back to Top

D. Revenue Projections and Funding

- VDOT's annual budget is approximately $2.4 billion, as shown below:

FY 98 Revenue Sources and Allocations ($M)

Revenue Sources (Est.)	
State Revenue Sources:	
Motor Fuel Tax	$707.9
Motor Vehicle Sales & Use Tax	$398.4
General Sales & Use Tax	$316.4
Motor Vehicle Licenses	$178.7
Other Taxes and Fees	$ 20.5
Subtotal State	$1,612.6
Other Revenue Sources:	
Federal	$668.1
Local	$ 17.6
Toll Facilities	$ 46.9
Miscellaneous	$ 68.2
Subtotal Other	$800.8
TOTAL REVENUES	$2,413.4
Allocations	
Construction	$1,184.0
Maintenance *	$ 864.3
Administration	$ 72.1
Other HMO Programs	$ 18.5
Support to Other State Agencies	$ 61.6
Toll Facilities	$ 72.2
Other Modes	$124.3
Other	$ 16.6
TOTAL REVENUES	$2,413.4

*Includes $196,346,500 in financial assistance to localities for maintenance of their roads

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY
EXPANSION BUDGET REQUESTS-HIGHWAY FUND
FOR FISCAL YEAR 1998-99

PRIORITY ORDER	TITLE OF REQUEST	HIGHWAY FUND
	RECURRING REQUESTS	
1	Performance Pay for State Highway Patrol- Not included in Continuation Budget Request	2,787,596
2	40 New Troopers for the State Highway Patrol (Total cost for 40 new troopers would be $3,494,920. Department can identify funds internally to support salary cost of 20 troopers and support cost of 5 troopers for a savings of $943,325. The cost for the following year would be $1,011,880.)	2,551,595
	TOTAL RECURRING REQUESTS	**5,339,191**
	NON-RECURRING REQUESTS	
1	Criminal Justice Information System Phase III - State Highway Patrol	2,406,611
1A	Mobile Data Computers - For installation in patrol cars for State Highway Patrol	2,250,000
	TOTAL NON-RECURRING REQUESTS	**4,656,611**
	TOTAL OF ALL REQUESTS	**9,995,802**

Attachment A1
Worksheet
(Due 3-2-98)

SUPPLEMENTAL EXPANSION BUDGET WORKSHEET

Priority No. 1 of 2

BUDGET CODE: 24960 DEPARTMENT: Crime Control & Public Safety DIVISION/ INSTITUTION: State Highway Patrol

FUND NUMBER: 2610 FUND TITLE: State Highway Patrol

PROGRAM NUMBER: 1900 PROGRAM TITLE: Safe Transportation

TITLE OF REQUEST: State Highway Patrol Performance Pay

STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

YES [ ] NO [X]

IF YES, ATTACH A COPY OF THE DRAFT.

	1998-99
TOTAL REQUIREMENTS	2,787,596
TOTAL RECEIPTS	2,787,596
APPROPRIATION	0
TOTAL POSITIONS	0.00

NARRATIVE:

When the continuation budget for fiscal year 1997-98 and fiscal year 1998-99 was prepared, an error was made in the computation of the performance pay for the Highway Patrol. The performance pay amount for the new biennium was computed and added into the budget for each year of the biennium. However, the error was caused since the performance pay that was awarded in fiscal year 1996-97 was not included in the budget amount for 1998-99 and the performance pay that was awarded in fiscal year 1997-98 was not included in the budget amount for 1998-99. A worksheet/schedule is attached.

ATTACHMENT A1 - PAGE 2 Priority No. 1 of 2

BUDGET: G.S. 143-3.5 *Detail of budget is to be provided at the NCAS Agency Management Report detail level.*

REQUIREMENTS: ACCOUNT NO.	ACCOUNT TITLE	Authorized 1997-98	Authorized 1998-99	Request 1998-99	Projected 1999-00	2000-01	2001-02	2002-03
531211	Salaries and Wages			2,257,529	2,257,529	2,257,529	2,257,529	2,257,529
531511	Social Security Contributions			172,699	172,699	172,699	172,699	172,699
531531	LEO Retirement Contribution			357,368	357,368	357,368	357,368	357,368
	Requirements	120,902,289	117,812,766	2,787,596	2,787,596	2,787,596	2,787,596	2,787,596
	No. of Positions (F.T.E)	1785.00	1785.00	0.00	0.00	0.00	0.00	0.00
RECEIPTS:								
438104	Transfer from DOT			2,787,596				
	Receipts	120,902,289	117,812,766	2,787,596	2,787,596	2,787,596	2,787,596	2,787,596
	APPROPRIATION	0	0	0	0	0	0	0
	CHANGE IN CASH BALANCE							

* *Complete Detail information for total positions requested on the following page.*

DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY
ANALYSIS OF HIGHWAY PATROL PERFORMANCE PAY
BUDGET CODE 24960
FISCAL YEAR 1997-98 AND 1998-99

FY 1997-98	SALARIES	SOCIAL SECURITY	LEO RETIREMENT	TOTAL
Awarded in FY97	1,087,124	83,165	172,092	1,342,381
Awarded in FY98	1,170,405	89,534	185,276	1,445,215
TOTAL	**2,257,529**	**172,699**	**357,368**	**2,787,596**
Requested in Continuation Budget	1,170,405	89,534	185,276	1,445,215
SHORTAGE	**1,087,124**	**83,165**	**172,092**	**1,342,381**

FY 1998-99	SALARIES	SOCIAL SECURITY	LEO RETIREMENT	TOTAL
Awarded in FY97	1,087,124	83,165	172,092	1,342,381
Awarded in FY98	1,170,405	89,534	185,276	1,445,215
Awarded in FY99	1,290,625	98,733	204,306	1,593,664
TOTAL	**3,548,154**	**271,432**	**561,674**	**4,381,260**
Requested in Continuation Budget	1,290,625	98,733	204,306	1,593,664
SHORTAGE	**2,257,529**	**172,699**	**357,368**	**2,787,596**

TOTAL SHORTAGE BY FISCAL YEAR

FY98	**1,342,381**
FY99	**2,787,596**

ATTACHMENT A1 - PAGE 3 Priority No. 1 of 2

POSITIONS REQUESTED: *Detail of the positions included in this expansion request.*

CLASSIFICATION/EFFECTIVE DATE:	1998-99 F.T.E	Annual Salary**	1998-99 Budgeted Salary
	0.000	$0	$0
TOTAL	0.000		$0

** *Minimum level salary for the classification requested unless supporting OSP documentation attached.*

DOES THIS EXPANSION REQUEST RELATE TO A CAPITAL IMPROVEMENT PROJECT? YES [ ] NO [X]

IF YES, TITLE OF C.I. PROJECT:

C.I. BUDGET CODE: _____ ITEM NUMBER: _____ PROJECTED COMPLETION DATE: _____

SPACE REQUIREMENTS: G.S. 120-36.7 (c)

DOES THIS REQUEST REQUIRE ADDITIONAL SPACE? YES [ ] NO [X] IF YES, COMPLETE THE FOLLOWING:

Office	Storage	Other

1997-98	1998-99	1999-00	2000-01	2001-02

MOTOR POOL REQUIREMENTS:

DOES THIS REQUEST REQUIRE ADDITIONAL VEHICHLES FROM THE STATE MOTOR POOL? YES [ ] NO [X]

IF YES, HOW MANY? [ ]

Submit 4 copies on 8 1/2 x 11-inch white paper.

Attachment A1
Worksheet
(Due 3-2-98)

SUPPLEMENTAL EXPANSION BUDGET WORKSHEET

Priority No. 2 of 2

BUDGET CODE: **24960** DEPARTMENT: **Crime Control and Public Safety** DIVISION/ INSTITUTION: **State Highway Patrol**

FUND NUMBER: **2610** FUND TITLE: **State Highway Patrol**

PROGRAM NUMBER: **1900** PROGRAM TITLE: **Safe Transportation**

TITLE OF REQUEST: **20 Additional Troopers**

STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

YES [ ] NO [**No**]

IF YES, ATTACH A COPY OF THE DRAFT.

	1998-99
TOTAL REQUIREMENTS	**2,551,595**
TOTAL RECEIPTS	**2,551,595**
APPROPRIATION	**0**
TOTAL POSITIONS	**20.00**

NARRATIVE:

I. PURPOSE STATEMENT

The department is requesting 40 additional trooper positions to enable the Highway Patrol to fulfill its responsibilities and work toward its basic objectives. The first year annual cost of a new trooper is $87,373. This equates to a cost of $3,494,920 for 40 new troopers ($87,373 x 40 = $3,494,920) for fiscal year 1998-99. This includes salary related items and support cost. The support cost includes a fully equipped crusier. The department can identify funds internally that are sufficient to support the salary cost of 20 troopers and the support cost of 5 troopers. The department has identified these funds from reallocating five management positions ($436,865) and the use of salary reserves ($506,406). In summary the department is requesting full funding for 20 troopers and support cost for 15 additional troopers. The schedule below outlines the net transfer of appropriations needed by the department from the highway Fund to support the 40 positions:

Total Cost for 40 New Troopers	$3,494,920
Less:	
Funds From Reallocating Five Positions	(436,865)
Funds Identified From Salary Reserves	(506,460)
Net Request From Highway Fund	$2,551,595

II. JUSTIFICATION FOR FUNDING

The unprecedented growth in population, vehicle registration and licensed drivers in North Carolina has far exceeded the ability of the Patrol to respond quickly to traffic accidents, motorist and pedestrian requests for assistance, or, most importantly, to provide adequate preventative highway patrols, which is a proven method of motivating voluntary compliance with the motor vehicle laws, which, consequently, prevents traffic accidents, deaths and injuries. Providing an adequate number of troopers to perform preventative patrols and police traffic supervision is the quickest and most economical means of reducing traffic accidents and their resulting deaths, crippling injuries and the subsequent loss to the State's economy. Highway Patrol productivity levels have peaked but demands for service continue to increase. Even with the recent increases in manpower in the last ten years the Patrol is still behind as growth has been rapid for North Carolina. The table is an indicator of growth:

North Carolina Population

Year	Population	Rate of Increase (from 1974)	Rate of Increase (from 1994)
1974	5,375,495		
1994	7,064,470	**31.42%**	
1996	7,323,085	**36.23%**	**3.66%**

MOTOR VEHICLE TRAVEL STATISTICS

Year	Road Mileage	% Change	Registered Vehicles	% Change	Licensed Drivers	% Change	Miles Driven (IN BILLIONS)	% Change	Rural Reportable Accidents	% Change	Authorized SHP Complement	% Change
1974	74,914		4,145,821		3,161,146		36.01		65,851		1,164	
1984	76,453	2.05%	5,397,870	30.20%	4,490,269	42.05%	48.05	33.44%	63,515	-3.55%	1,137	-2.32%
1992	77,258	1.05%	5,800,608	7.46%	4,684,874	4.33%	66.79	39.00%	82,769	30.31%	1,260	10.82%
1994	77,540	0.37%	6,175,964	6.47%	5,099,809	8.86%	71.90	7.65%	92,629	11.91%	1,355	7.54%
1995	77,699	0.21%	6,314,599	2.24%	5,138,594	0.76%	74.44	3.53%	96,916	4.63%	1,380	1.85%
1996	77,758	0.08%	6,420,033	1.67%	5,173,891	0.69%	78.61	5.60%	99,158	2.31%	1,380	0.00%
22-year Trend 1974-1996		3.80%		54.86%		63.67%		118.30%		50.58%		18.56%

Revised 10-13-97

Our present resources allow us only to react to crisis rather than implement preventative measures, such as providing adequate high visibility patrols and traffic safety education. The increases in (1) court time, (2) hours spent in the office completing necessary reports and records, (3) investigating an increased number of accidents, (4) required in-service training, as well as the loss of thousands of hours of voluntary overtime by troopers due to the Fair Labor Standards Act, have all reduced our ability to achieve the objectives of the Highway Patrol.

Another problem relative to the safety of North Carolinians is the drug and violent crime problem. Use, sale, and transportation of illegal drugs has increased substantially in recent years. Drug related deaths, both accidental and

homicides, are increasing at alarming rates. The Patrol must meet this threat if society is to be protected. Meeting these responsibilities has created even more drain on existing manpower, again reducing available time to spend on preventative patrol.

In the past, the Patrol has relied upon significant increasing trends in general factors such as population, registered vehicles, licensed drivers and highway mileage to support requests for increases in manpower. The Patrol has, for a number of years, remained without an objective measuring tool upon which to justify requests for additional manpower.

The State Highway Patrol has implemented a new manpower allocation formula based upon a nationally accepted and recognized model developed for allocating personnel for statewide police agencies. The PATROL AUTOMATED MANPOWER ALLOCATION (PAMA) formula provides a method of allocating manpower by determining the number of required staff based on an analysis of Trooper Workload in terms of the amount of time required to complete various tasks. The PAMA formula divides all Trooper activities into four time components:

1. Reactive Time
2. Proactive Time (Self-initiated activities)
3. Proactive Time (Patrol)
4. Administrative Time

The PAMA formula also allows the agency to set performance objectives in selected criteria, thereby establishing a standard which can be measured.

Although there are many factors integrated into the PAMA formula, Calls-for-Service (CFS) are the primary measures of workload in each county. Calls-for-Service are categorized into (1) traffic accidents, and (2) all other traffic law enforcement services provided by the State Highway Patrol. The average service time for each CFS is a key factor in determining the average number of Troopers per day that are required to manage the workload.

The PAMA formula allows an agency to set the standard of service it wants to deliver to its citizens. Performance efficiency is the percentage of time a Trooper would be available to respond to a call. The following table indicates the number of personnel needed based on an analysis of State Highway Parol activities from 1 January 1997 through 31 December 1997:

Performance Efficiency	Number of **Additional Troopers** Needed
90 percent	495
85 percent	289
80 percent	131

Note: Additional Troopers only - Supervisors are not included.

The Patrol is asking for additional Trooper positions to provide an acceptable level of traffic law enforcement services to the citizens of North Carolina. During the period of 1993 through 1995 the Legislature increased the State Highway Patrol by 120 positions. The Patrol is very thankful for this increase but the additional need is still there.

III. EFFORTS STATEMENT

The Patrol's basic objectives are:

(1) to provide for the safe and expeditious movement of vehicular and pedestrian traffic on 77,758 miles of highways;
(2) to maintain operational readiness to respond to natural and man made disasters; and
(3) to provide courtesy services to highway users.

IV. STATISTICAL MEASUREMENTS See Attached

Priority No. 2 of 2

BUDGET: G.S. 143-3.5 *Detail of budget is to be provided at the NCAS Agency Management Report detail level.*

REQUIREMENTS: ACCOUNT NO.	ACCOUNT TITLE	Authorized 1997-98	Authorized 1998-99	Request 1998-99	Projected 1999-00	2000-01	2001-02	2002-03
531211	Salaries			506,700	506,700	506,700	506,700	506,700
531421	Holiday Pay			4,980	10,940	10,940	10,940	10,940
531431	Shift Premium Pay			8,640	17,280	17,280	17,280	17,280
531511	Social Security Contributions			39,800	40,920	40,920	40,920	40,920
531531	LEO Retirement			80,440	82,700	82,700	82,700	82,700
531561	Hospitalization			34,720	34,720	34,720	34,720	34,720
531631	Worker's Compensation			3,500	3,500	3,500	3,500	3,500
532XXX	Purchased Services			68,390	62,790	62,790	62,790	62,790
533XXX	Supplies			213,325	213,325	213,325	213,325	213,325
534XXX	Property, Plant & Equipment			1,583,295	0	0	0	0
535XXX	Other Expenses & Adjustments			7,805	7,805	7,805	7,805	7,805
	Reserves & Transfers							
531291	SPA Increment-Law Officers			0	25,340	25,340	25,340	25,340
531511	Social Security Contribution			0	1,940	1,940	1,940	1,940
531531	LEO Retirement			0	3,920	3,920	3,920	3,920
	Requirements	120,902,289	117,812,766	2,551,595	1,011,880	1,011,880	1,011,880	1,011,880
	No. of Positions (F.T.E)	1785.00	1785.00	20.00	20.00	20.00	20.00	20.00
RECEIPTS:								
438104	Transfer from DOT			2,551,595	1,011,880	1,011,880	1,011,880	1,011,880
	Receipts	120,902,289	117,812,766	2,551,595	1,011,880	1,011,880	1,011,880	1,011,880
	APPROPRIATION							
	CHANGE IN CASH BALANCE							

* *Complete Detail information for total positions requested on the following page.*

ATTACHMENT A1 - PAGE 3 Priority No. 2 of 2

POSITIONS REQUESTED: *Detail of the positions included in this expansion request.*

GRADE	CLASSIFICATION/EFFECTIVE DATE:	1998-99 F.T.E	Annual Salary**	1998-99 Budgeted Salary
66	Troopers 07-01-98	20.000	$25,335	$506,700
	TOTAL	20.000		$506,700

** *Minimum level salary for the classification requested unless supporting OSP documentation attached.*

DOES THIS EXPANSION REQUEST RELATE TO A CAPITAL IMPROVEMENT PROJECT? YES [ ] NO [X]

IF YES, TITLE OF C.I. PROJECT: _____

C.I. BUDGET CODE: _____ ITEM NUMBER: _____ PROJECTED COMPLETION DATE: _____

SPACE REQUIREMENTS: G.S. 120-36.7 (c)

DOES THIS REQUEST REQUIRE ADDITIONAL SPACE? YES [ ] NO [X] IF YES, COMPLETE THE FOLLOWING:

	Office	Storage	Other	1997-98	1998-99	1999-00	2000-01	2001-02
Type of Space:								
Additional Square Footage Required								
Estimated Cost of Space Requirements								

MOTOR POOL REQUIREMENTS:

DOES THIS REQUEST REQUIRE ADDITIONAL VEHICHLES FROM THE STATE MOTOR POOL? YES [ ] NO [X]

IF YES, HOW MANY? [ ]

Submit 4 [illegible]es on 8 1/2 x 11-inch white paper.

Account Number		Account Title		Trooper Costs First Year	Trooper Costs Second Year	1998-99	1999-00	2000-01	2001-02	2002-03
532XXX		**Purchased Services**								
	532132	Medical Services		290	24	11,600	960	960	960	960
	532182	Laundry Services		129	129	5,160	5,160	5,160	5,160	5,160
	532199	Misc. Contractual Services (Moving, DP, Misc.)		114	220	4,560	8,800	8,800	8,800	8,800
	532390	Repairs and Maintenance		78	78	3,120	3,120	3,120	3,120	3,120
	532700	Travel		360	360	14,400	14,400	14,400	14,400	14,400
	532811	Telephone		380	380	15,200	15,200	15,200	15,200	15,200
	532840	Postage		78	78	3,120	3,120	3,120	3,120	3,120
	532850	Printing, Binding, Duplicating		93	93	3,720	3,720	3,720	3,720	3,720
	532919	Insurance and Bonding		432	432	17,280	17,280	17,280	17,280	17,280
		Category Totals		1,954	1,794	78,160	71,760	71,760	71,760	71,760
533XXX		**Supplies**								
	533110	General Office Supplies		124	248	4,960	9,920	9,920	9,920	9,920
	533220	Bedding and Textile Products		88	45	3,520	1,800	1,800	1,800	1,800
	533290	Other Supplies-Facility and Hardware		78	154	3,120	6,160	6,160	6,160	6,160
	533310	Fuels and Lubricants		1,286	2,572	51,440	102,880	102,880	102,880	102,880
	533340	Tires		134	269	5,360	10,760	10,760	10,760	10,760
	533350	Motor Vehicle Replacement Parts		422	845	16,880	33,800	33,800	33,800	33,800
	533410	Food Products and Services		1,305	140	52,200	5,600	5,600	5,600	5,600
	533510	Clothing and Uniforms		2,150	750	86,000	30,000	30,000	30,000	30,000
	533720	Educational Supplies		135	47	5,400	1,880	1,880	1,880	1,880
	533900	Other Materials and Supplies		373	248	14,920	9,920	9,920	9,920	9,920
		Category Totals		6,095	5,318	243,800	212,720	212,720	212,720	212,720
534XXX		**Property, Plant & Equipment**								
	534511	Office Furniture and Equipment		1,133	0	45,320	0	0	0	0
		Desk	520							
		Secretarial	340							
		Filing Cabinets	273							
	534528	Communication Equipment		18,893	0	755,720	0	0	0	0
		Mobile Radio, Antennas	1,956							
		Vehicular Repeater Radio	3,437							
		CJIN Equipment	10,000							
		Incar Video System	3,500							
	534529	Equipment-Custody and Security		25,211	0	1,008,440	0	0	0	0
		Blue Light, Siren and Speakers	790							
		Alco-Sensor	425							
		Radar	1,000							
	534529001	Weapons	733							
	534539	Other Equipment	108							
	534541	Automobiles and Trucks	22,000							
	534630	Books	155							
		Category Totals		45,237	0	1,809,480	0	0	0	0
535XXX		**Other Expenses and Adjustments**								
	535890	Other Administrative Expenses		223	223	8,920	8,920	8,920	8,920	8,920

Attachment A1
Worksheet
(Due 3-2-98)

SUPPLEMENTAL EXPANSION BUDGET WORKSHEET

Priority No. 1 of 1A

BUDGET CODE: 24960 DEPARTMENT: Crime Control and Public Safety DIVISION/ INSTITUTION: State Highway Patrol
FUND NUMBER: 2610 FUND TITLE: State Highway Patrol
PROGRAM NUMBER: 1900 PROGRAM TITLE: Safe Transportation
TITLE OF REQUEST: Criminal Justice Information Network (CJIN) - Mobile Data Network - Phase III

STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?
YES [ ] NO [X]
IF YES, ATTACH A COPY OF THE DRAFT.

	1998-99
TOTAL REQUIREMENTS	2,406,611
TOTAL RECEIPTS	2,406,611
APPROPRIATION	0
TOTAL POSITIONS	0.00

NARRATIVE:

I. PURPOSE STATEMENT

To expand the statewide, shared, public safety mobile data network consistent with recommendations and objectives of the North Carolina Criminal Justice Information Network. In partnership with local agencies across North Carolina, the State Highway Patrol shares resources such as engineering support, currently licensed 800 MHz frequencies (spectrum), a premier microwave system, and network administrative responsibilities with local government agencies in return for their sharing of resources such as tower sites, base station controllers, leased telecommunications lines and digital sending units (DSU), and current operational 800 MHz RF infrastructures.

II. JUSTIFICATION FOR FUNDING

The objectives of the North Carolina Criminal Justice Information Network Study seeks, "To develop a statewide criminal justice information network that will enable a properly authorized user to readily access and effectively use information regardless of its location in national, state, or local databases". This project provides connectivity and a data communications interface between federal, state, and local public safety agencies operating on a shared mobile data radio (RF) network. Criminal Justice Information Network-Mobile Data Network (CJIN-MDN) provides gateway functions for statewide mobile access to criminal justice databases at the NC Division of Criminal Information (DCI), the Administrative Office of the Courts (AOC),

the Division of Motor Vehicles (DMV), the Department of Corrections (DOC), the National Crime Information Center (NCIC), and individual computer assisted dispatch systems (CAD). The North Carolina State Highway Patrol acts as the strategic facilitator for CJIN-MDN and manages the network.

Public safety agencies across North Carolina depend on their communication systems as a "life line" for support and individual officer safety. Incompatible radio and data communications equipment inhibits interagency communications in routine and emergency situations. A lack of statewide guidance and standards in public safety data communications technology fosters discordance and escalates the cost of providing law enforcement services statewide. The dis-organization of judicial districts and law enforcement jurisdictions causes fragmentation and possible duplication of efforts, as well as under-utilization of existing resources. Centralized databases on the state level need to be flexible enough to accommodate the different needs of communities and local criminal justice providers across the state. The lack of an integrated criminal justice information network provided in a mobile environment hampers local and state law enforcement communications and criminal suspect identification processes now and increasingly for the future.

Critical needs for information among law enforcement agencies in a mobile data environment are focused around Vehicle Registration Checks, Stolen Vehicle Checks, Wanted Persons Checks, Driver Information Checks, Stolen Article Checks, Stolen Weapons Checks, and Criminal Case Histories. Future mobile data initiatives include suspect identification through remote fingerprint processing and digital photographs. This type of information must be readily accessible through a mobile data computer in any law enforcement vehicle that interfaces with a state managed network. The integrated mobile data network - CJIN-MDN - provides services to criminal justice agencies, regardless of size. It allows them to begin networking and communicating with other law enforcement agencies utilizing advanced technology, while sharing basic resources.

Account Number	Item Description	Unit Price		Quantity	Total Cost
532513	Lease & Rental: (Recurring Costs)				
	Equipment space at tower sites	$1,158	per year	38	$44,004
532812	T1 Telephone line @ SHP/IMU	$12,600	per year	1	$12,600
				Sub-Total Recurring:	$56,604
534528	Data Ready Base Station: Base Station Configuration for Data Transmitter/Receiver RDLAP Protocol Base Station Cabinet	$31,000		38	$1,178,000
	Base Station Antenna: 10dBd Gain Omni Antenna Mount Hardware Installation	$9,000		38	$342,000
	RF Transmission Facility: Duplexes Triple Circulator Peripheral Tray LDF Line Hanger Kit Round Member Adapter Kit Hoisting Grip Weatherproofing Kit N Jack Connector Coax Protector	$10,000		38	$380,000
	DSUs:				
	Codex 3500 Mini Nest w/PS	$501		5	$2,505
	Codex 3512 Mini Card	$741		40	$29,640
	Codex 3512 S/A w/PS	$773		40	$30,920
	Analog Modems:				
	UDS V.3229	$1,760		15	$26,400
	Installation of sites:	$22,237		38	$845,006
	D4 Channel Bank: T-1 (24 DSO Channels)	$7,768		2	$15,536
				Sub-Total:	$2,850,007
				Total Project Costs:	$2,906,611

ATTACHMENT A1 - PAGE 3 Priority No. 1 of 1A

POSITIONS REQUESTED: *Detail of the positions included in this expansion request.*

GRADE	CLASSIFICATION/EFFECTIVE DATE:	1998-99 F.T.E	Annual Salary**	1998-99 Budgeted Salary
		0.000	$0	$0
	TOTAL	0.000		$0

** *Minimum level salary for the classification requested unless supporting OSP documentation attached.*

DOES THIS EXPANSION REQUEST RELATE TO A CAPITAL IMPROVEMENT PROJECT? YES [ ] NO [X]

IF YES, TITLE OF C.I. PROJECT: _____

C.I. BUDGET CODE: _____ ITEM NUMBER: _____ PROJECTED COMPLETION DATE: _____

SPACE REQUIREMENTS: G.S. 120-36.7 (c)

DOES THIS REQUEST REQUIRE ADDITIONAL SPACE? YES [ ] NO [X] IF YES, COMPLETE THE FOLLOWING:

	Office	Storage	Other	1997-98	1998-99	1999-00	2000-01	2001-02
Type of Space:								
Additional Square Footage Required								
Estimated Cost of Space Requirements								

MOTOR POOL REQUIREMENTS:

DOES THIS REQUEST REQUIRE ADDITIONAL VEHICLES FROM THE STATE MOTOR POOL? YES [ ] NO [X]

IF YES, HOW MANY? [ ]

Submit 4 copies on 8 1/2 x 11-inch white paper.

Attachment A1
Worksheet
(Due 3-2-98)

SUPPLEMENTAL EXPANSION BUDGET WORKSHEET

Priority No. 1A of 1A

BUDGET CODE: 24960 DEPARTMENT: Crime Control and Public Safety DIVISION/ INSTITUTION: State Highway Patrol
FUND NUMBER: 2610 FUND TITLE: State Highway Patrol
PROGRAM NUMBER: 1900 PROGRAM TITLE: Safe Transportation
TITLE OF REQUEST: Mobile Data Computers

STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?
YES [ ] NO [X]
IF YES, ATTACH A COPY OF THE DRAFT.

	1998-99
TOTAL REQUIREMENTS	2,250,000
TOTAL RECEIPTS	2,250,000
APPROPRIATION	0
TOTAL POSITIONS	0.00

NARRATIVE:

I. PURPOSE STATEMENT

To provide needed and technological equipment in order to enhance the Highway Patrol in fulfilling its' responsibilities.

II. DESCRIPTION

Having current information at the right time can often mean the difference between life and death for a law enforcement officer. There has never been a time, for the officer working the street, when critical information is as important as it is in today's society. Technological advances in the field of digital communication have the capability of making an officer more efficient and providing a safer working environment.

Mobile Data Computers (MDCs) can be used to access local, state, and national databases, and receive responses in seconds. The dispatcher is not disturbed while the officer, using MDCs, performs license plate checks, driver's license and vehicle registration information checks from their vehicles. This is completed by digital communication using 800 Megahertz (MHZ) radio systems. Digital communication is not detectable by radio scanners like voice communication. The use of MDCs can make law enforcement officers more efficient and effective as well as help protect the officer's safety.

The costs of these units is approximately $9,092 each which includes tax. The Patrol would like to start with these units near the larger cites and expand as funds become available.

III. JUSTIFICATION

The State Highway Patrol, like many other law enforcement agencies, has seen an increased demand for traffic services. Increases in registered vehicles, licensed drivers and miles driven by the citizens of North Carolina continues to place more demands on the Patrol's limited resources.

To aid the road Trooper, and to alleviate some of the enormous work load experienced by our telecommunicators, the State Highway Patrol proposes to purchase Mobile Data Computers (intelligent work station) for installation in Highway Patrol Vehicles. This system will allow Troopers to transmit and receive vital information such as driver's license status, in-state and out-of-state vehicle registration and ownership information, vehicle theft information, and wanted criminal bulletins originating on local, state, and national levels. The MDCs will save time during a traffic stop and will provide a critical margin of safety for the Troopers.

This system will allow the Trooper to create his own reports while on the road, via the MDC, thus saving time required to write them out by hand and eliminating the duplication of entering the reports into a computer by someone else. This will also increase the Trooper's on the road patrol time. The MDCs will allow information to be more up-to-date and accurate.

Having current and precise information is very important in the field of collision investigation. The Federal Highway Administration (FHA) and the North Carolina Department of Transportation (DOT) are concerned with the quality of collision data. Accuracy in reporting all the facts is very important to the various groups concerned and affected by traffic safety.

There are several advantages provided by mobile data computers that would fulfill the needs of the Patrol:

1. Mobile data computers provide capabilities to access Department of Motor Vehicle and National Crime Information Center files to retrieve information without audio (voice) communications.

2. Sensitive information can be transmitted and received digitally; therefore, bypassing the general public and criminals who own and monitor police scanners.

3. While ensuring privacy and security, mobile data computers free up a tremendous amount of air time over conventional radio frequencies.

4. Mobile data computers allow for data to be logged and saved through our Computer Assisted Dispatch System (CAD), resulting in both an effective investigative and management tool while increasing the efficiency of the Trooper.

5. In the field of collision investigation the mobile data computers will:

    * Improve the timeliness of collision data.
    * Reduce data input errors and omissions.
    * Reduce the central agency's costs for coding and keypunching.
    * Improve the overall quality of all data elements.
    * Reduce demands on report processing personnel at central agency.
    * Improve information management and accessibility of collision data.
    * Requires duplexing Laser Printer at each Highway Patrol installation to produce the DMV-349, Collision Report.

ATTACHME[illegible]A1 - PAGE 2 Priority No. 1A of [illegible] 1A

BUDGET: G.S. 143-3.5 *Detail of budget is to be provided at the NCAS Agency Management Report detail level.*

REQUIREMENTS:

ACCOUNT NO.	ACCOUNT TITLE	Authorized 1997-98	Authorized 1998-99	Request 1998-99	Projected 1999-00	2000-01	2001-02	2002-03
534XXX	Property, Plant and Equipment			2,250,000				
	234 Mobile Data Computers							
	Requirements	120,902,289	117,812,766	2,250,000	0	0	0	0
	No. of Positions (F.T.E)	1785.00	1785.00	0.00	0.00	0.00	0.00	0.00

RECEIPTS:

438104	Transfer from DOT			2,250,000				
	Receipts 1.2E+08	117,812,766	4,129,339	2,250,000	0	0	0	0
	APPROPRIATION	0	0	0	0	0	0	0
	CHANGE IN CASH BALANCE							

* *Complete Detail information for total positions requested on the following page.*

ITEMIZED LIST

Account Number		Account Title		Request 1998-99	1999-00	2000-01	2001-02	2002-03
534XXX		**Property, Plant & Equipment**						
	534522	234 Mobile Data Computers		2,127,550	0	0	0	0
		(8,587 each + 6% tax = 9,092)						
	534522	50 External Diskette Drives		13,800	0	0	0	0
		(260 each + 6% tax = 276)						
		(Downloading data at District Offices)						
	534522	50 Laser Printers		108,650	0	0	0	0
		(2,050 each + 6% tax = 2,173)						
		(Printing data and DMV-349, Collision						
		Reports at District Offices)						
Total				2,250,000				

ATTACHMENT A1 - PAGE 3 Priority No. 1A of 1A

POSITIONS REQUESTED: *Detail of the positions included in this expansion request.*

GRADE	CLASSIFICATION/EFFECTIVE DATE:	1998-99 F.T.E	Annual Salary**	1998-99 Budgeted Salary
		0.000	$0	$0
	TOTAL	0.000		$0

** *Minimum level salary for the classification requested unless supporting OSP documentation attached.*

DOES THIS EXPANSION REQUEST RELATE TO A CAPITAL IMPROVEMENT PROJECT? YES [ ] NO [X]

IF YES, TITLE OF C.I. PROJECT: _____

C.I. BUDGET CODE: _____ ITEM NUMBER: _____ PROJECTED COMPLETION DATE: _____

SPACE REQUIREMENTS: G.S. 120-36.7 (c)

DOES THIS REQUEST REQUIRE ADDITIONAL SPACE? YES [ ] NO [X] IF YES, COMPLETE THE FOLLOWING:

	Office	Storage	Other	1997-98	1998-99	1999-00	2000-01	2001-02
Type of Space:								
Additional Square Footage Required								
Estimated Cost of Space Requirements								

MOTOR POOL REQUIREMENTS:

DOES THIS REQUEST REQUIRE ADDITIONAL VEHICLES FROM THE STATE MOTOR POOL? YES [ ] NO [X]

IF YES, HOW MANY? [ ]

Submit 4 copies on 8 1/2 x 11-inch white paper.

Criminal Justice In[illegible]ation Network

Mobile Data Network

Phase One 1996-1997	Network Infrastructure	Amount Spent	Current Status	Counties Served	Population Served	Criminal Justice Agencies Served
1996 Legislative Appropriations	$2,000,000	$2,000,000	Completed	20	3,784,858	217
1996 Governors Crime Commission Grant	$500,000	$500,000				
Totals	$2,500,000	$2,500,000				

Provided for CJIN-MDN Message Switch, Radio Network Controllers, 18 Base Station Transmitters, network peripherals, and recurring costs for this phase.

Phase Two 1997-1998	Network Infrastructure	Amount Spent	Current Status	Counties Served	Population Served	Criminal Justice Agencies Served
1997 Legislative Appropriations	$2,406,000	Equipment	Currently being	32	2,169,081	285
1997 Governors Crime Commission Grant	$500,000	Received	Installed			
Totals	$2,906,000	$0				

Will provide for 38 Base Station Transmitters and recurring costs for this phase.

Phase Three 1998-1999	Network Infrastructure	Amount Spent	Current Status	Counties Served	Population Served	Criminal Justice Agencies Served
1998 Legislative Appropriations Requested	$2,406,000	$0	Pending	23	855,887	144
1998 Governors Crime Commission Grant Proposed	$500,000	$0				
Totals	$2,906,000	$0				

Will provide for 38 Base Station Transmitters and recurring costs for this phase.

Phase Four 1999-2000	Network Infrastructure	Amount Spent	Current Status	Counties Served	Population Served	Criminal Justice Agencies Served
1999 Legislative Appropriations Requested	$2,256,000	$0	Proposed	25	449,417	128
1999 Governors Crime Commission Grant Proposed	$500,000	$0				
Totals	$2,756,000	$0				

Will provide for 36 Base Station Transmitters and recurring costs for this phase.

Phase Five 2000-2001 (Optional)	Network Infrastructure	Amount Spent	Current Status	Counties Served	Population Served	Criminal Justice Agencies Served
2000 Legislative Appropriations Requested	$697,000	$0	Proposed	100	7,259,243	As Needed
2000 Governors Crime Commission Grant Proposed	$500,000	$0				
Totals	$1,197,000	$0				

Will provide for 15 "Fill In" Base Station Transmitters and recurring costs for this phase if needed.

Criminal Justice Information Network

Mobile Data Network

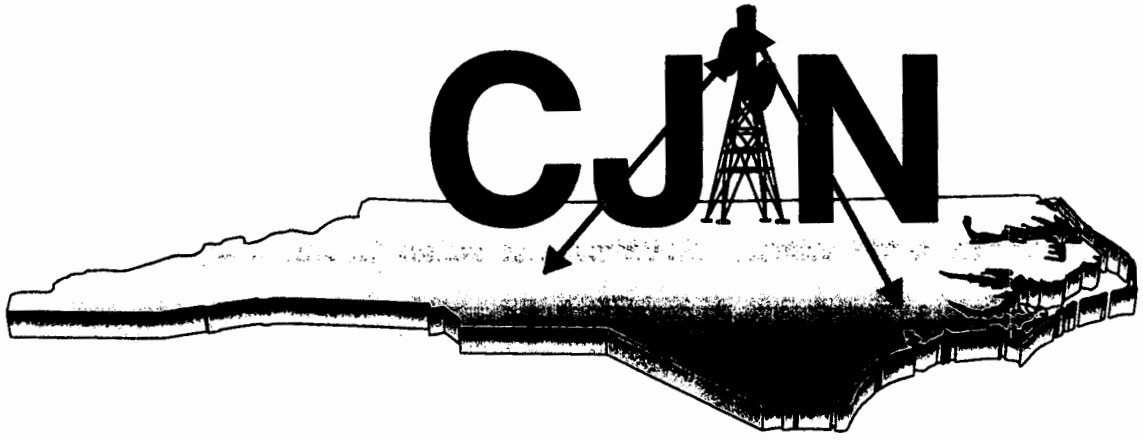
Summary

	Network Base Station Transmitters Needed	Network Infrastructure Costs	Total Network Infrastructure plus recurring	Percent of NC Counties Served	Cumulative % of total Counties	Percent of NC Population Served	Cumulative % of total Population
CJIN-MDN Phase One	18	$2,429,800	$2,500,000	20%	20%	52%	52%
CJIN-MDN Phase Two	38	$2,850,000	$2,906,000	32%	52%	30%	82%
CJIN-MDN Phase Three	38	$2,850,000	$2,906,000	23%	75%	12%	94%
CJIN-MDN Phase Four	36	$2,700,000	$2,756,000	25%	100%	6%	100%
CJIN-MDN Phase Five (opt)	15	$1,125,000	$1,197,000				
	145	**$11,954,800**	**$12,265,000**	100%	100%	100%	100%

Participating Agencies:	16
Operational MDTs:	392
MDT Subscribers:	695
Pending Agencies:	39
Pending MDTs:	407

VI

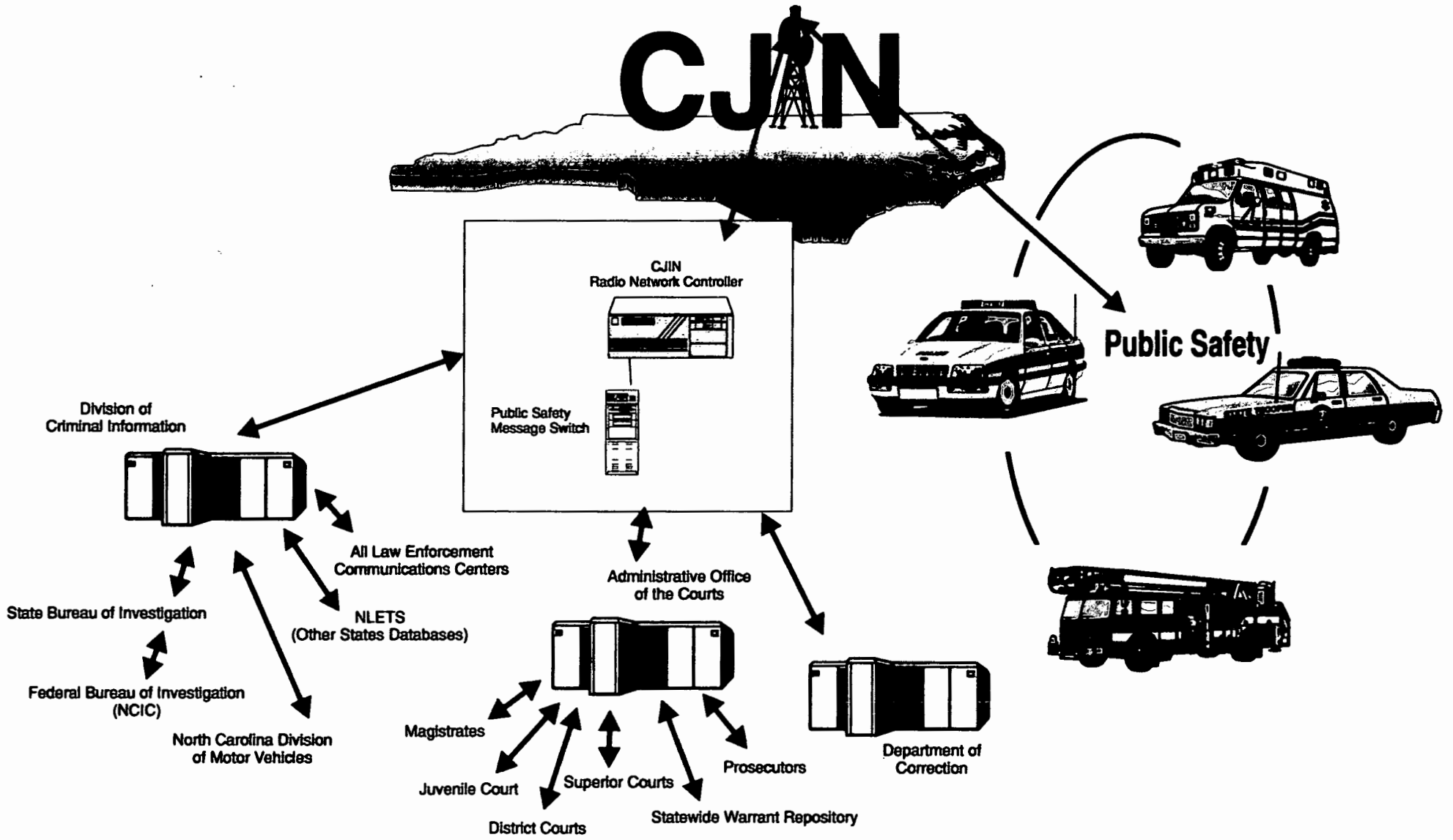
MOBILE DATA NETWORK



"A Partnership for Public Safety"

CRIMINAL JUSTICE INFORMATION NETWORK

MOBILE DATA NETWORK



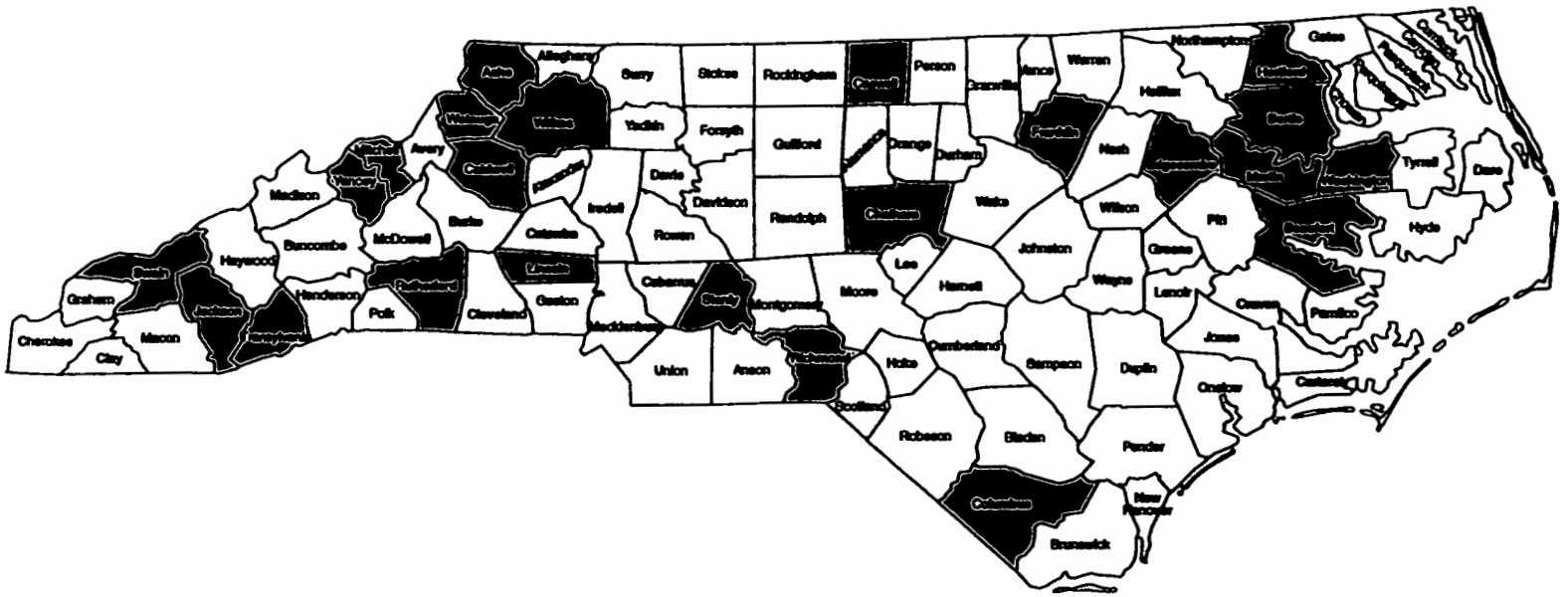
Communications from the Mobile Data Tower to the Radio Network Controller can be accomplished by either dedicated telephone lines or by the Highway Patrol's microwave system. The Public Safety Switch will be located at the State Highway Patrol Information Management Unit.

CJIN

Mobile Data Network

Proposed Phase Three

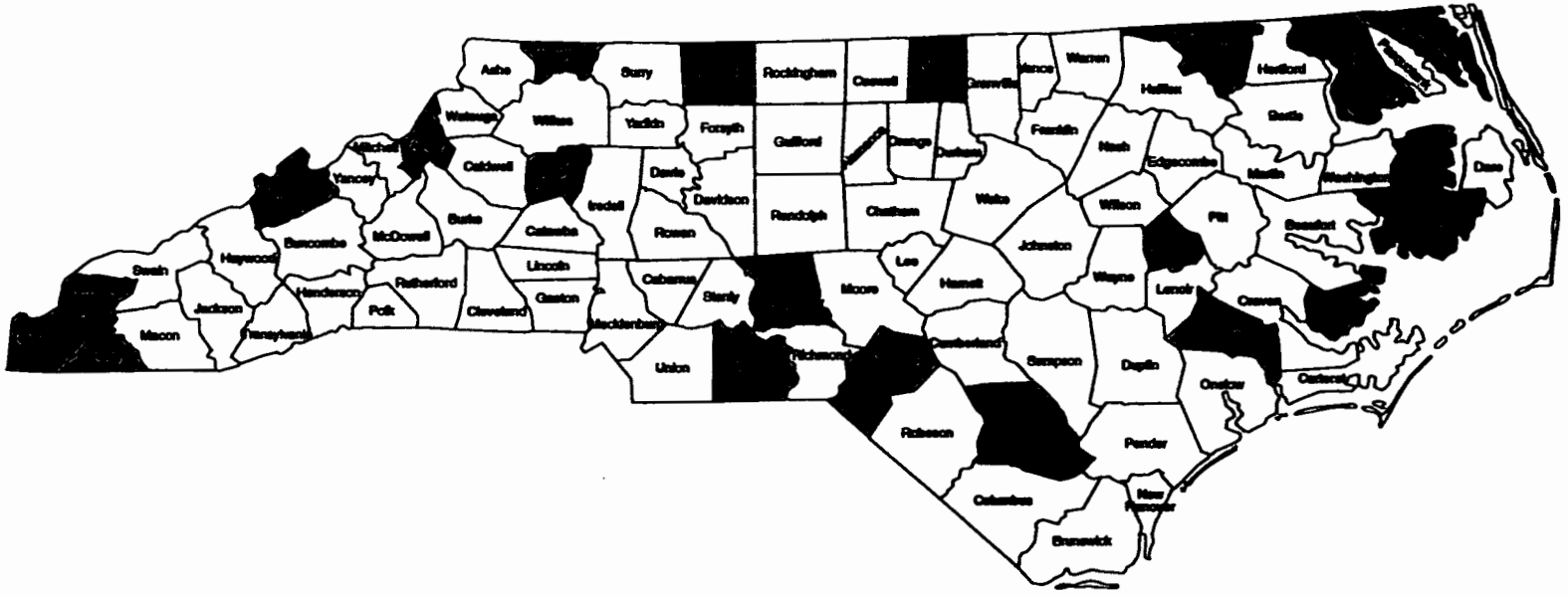
1998-1999



Proposed Phase Three for '98-'99

Covered in previous Phase

CJIN
Mobile Data Network
Proposed Phase Four
1999 - 2000



Proposed Phase Four for 1999-2000 ■

Covered in previous Phase □

Criminal Justice Information Network

Mobile Data Network

Installation Phases

Installtion Phase	Number of Counites	County	Proposed Transmitters	Population	Square Miles	Number of Criminal Justice Agencies	Projected Cost
1	1	Alamance	1	115,567	433.14	8	Local Gov.
1	2	Buncombe	1	190,987	659.33	15	75,000
1	3	Cabarrus	1	111,313	364.08	6	75,000
1	4	Cumberland	1	300,893	657.26	10	75,000
1	5	Davidson	1	138,700	548.28	6	75,000
1	6	Durham	2	196,709	297.74	8	Local Gov.
1	7	Forsyth	1	280,951	412.48	10	75,000
1	8	Gaston	1	179,945	357.29	15	75,000
1	9	Granville	1	41,530	533.50	8	75,000
1	10	Guilford	1	373,561	650.77	12	75,000
1	11	Halifax	1	57,902	723.69	10	75,000
1	12	Harnett	0	77,759	601.11	9	Overlap
1	13	Mecklenburg	2	584,856	527.77	15	150,000
1	14	Nash	1	84,986	539.60	11	75,000
1	15	New Hanover	1	140,785	184.54	10	75,000
1	16	Orange	1	108,386	400.27	8	75,000
1	17	Robeson	1	112,238	949.19	13	75,000
1	18	Rowan	1	119,108	519.02	11	75,000
1	19	Vance	1	40,277	248.79	5	75,000
1	20	Wake	1	528,405	854.36	27	75,000
		Sub-total	**21**	**3,784,858**	**10,462**	**217**	**1,350,000**
Phase							
2	1	Brunswick	1	61,836	860.49	16	75,000
2	2	Burke	1	81,694	504.45	10	75,000
2	3	Carteret	1	58,799	525.57	15	75,000
2	4	Catawba	2	126,653	395.66	12	150,000
2	5	Cleveland	1	88,939	468.19	13	75,000
2	6	Craven	1	86,053	701.47	8	75,000
2	7	Dare	1	26,061	390.79	10	75,000
2	8	Davie	1	30,000	266.59	5	75,000
2	9	Duplin	1	42,490	819.22	11	75,000
2	10	Haywood	3	49,296	554.85	7	225,000
2	11	Henderson	3	77,990	374.39	5	Special Grant
2	12	Iredell	1	104,104	574.12	8	75,000
2	13	Johnston	1	95,571	795.41	13	75,000
2	14	Lee	1	46,150	259.28	6	75,000
2	15	Lenior	1	59,068	402.32	7	75,000
2	16	Macon	3	26,424	516.58	5	225,000
2	17	McDowell	1	37,082	437.39	6	75,000
2	18	Moore	1	67,293	701.25	15	75,000
2	19	Onslow	1	149,569	762.61	10	75,000
2	20	Pasquotank	1	34,158	228.00	5	75,000
2	21	Pender	1	35,476	874.82	7	75,000
2	22	Pitt	1	119,661	656.52	11	75,000

Criminal Justice Information Network

Mobile Data Network

Installation Phases

Installtion Phase	Number of Counites	County	Proposed Transmitters	Population	Square Miles	Number of Criminal Justice Agencies	Projected Cost
2	23	Polk	1	15,824	238.30	6	75,000
2	24	Randolph	1	115,913	788.83	9	75,000
2	25	Rockingham	2	88,379	568.64	8	150,000
2	26	Sampson	1	50,525	946.85	9	75,000
2	27	Surry	2	65,178	539.34	7	150,000
2	28	Union	1	98,575	639.28	7	75,000
2	29	Warren	1	18,115	427.10	5	75,000
2	30	Wayne	1	110,889	553.70	11	75,000
2	31	Wilson	1	67,907	374.27	10	75,000
2	32	Yadkin	1	33,409	335.74	8	75,000
		Sub-total	**41**	**2,169,081**	**17,482**	**285**	**2,850,000**
Phase							
3	1	Ashe	3	23,109	426.16	6	225,000
3	2	Beaufort	1	44,044	826.10	10	75,000
3	3	Bertie	1	20,622	700.93	7	75,000
3	4	Caldwell	2	73,934	471.17	7	150,000
3	5	Caswell	1	21,502	427.51	4	75,000
3	6	Chatham	1	43,267	707.91	5	75,000
3	7	Columbus	1	51,336	938.44	9	75,000
3	8	Edgecombe	1	56,651	505.69	6	75,000
3	9	Franklin	1	42,036	494.38	7	75,000
3	10	Hertford	1	22,454	356.09	7	75,000
3	11	Jackson	3	28,890	490.52	5	225,000
3	12	Lincoln	1	56,415	298.26	4	75,000
3	13	Martin	1	27,059	460.76	6	75,000
3	14	Mitchell	2	14,518	222.00	5	150,000
3	15	Richmond	1	45,044	477.19	6	75,000
3	16	Rutherford	2	59,139	567.62	8	150,000
3	17	Stanly	1	54,553	395.78	10	75,000
3	18	Swain	3	11,575	525.98	5	225,000
3	19	Transylvania	3	27,489	378.28	4	225,000
3	20	Washington	1	13,863	331.63	5	75,000
3	21	Watauga	2	40,366	314.05	7	150,000
3	22	Wilkes	3	61,790	752.21	6	225,000
3	23	Yancey	2	16,231	313.60	5	150,000
		Sub-total	**38**	**855,887**	**11,382**	**144**	**2,850,000**
Phase							
4	1	Alexander	2	30,494	258.64	4	150,000
4	2	Alleghany	2	9,564	234.52	5	150,000
4	3	Anson	1	24,236	533.14	7	75,000
4	4	Avery	2	15,269	247.07	8	150,000
4	5	Bladen	1	29,686	878.92	8	75,000
4	6	Camden	1	6,273	240.49	3	75,000

Criminal Justice Information Network

Mobile Data Network

Installation Phases

Installtion Phase	Number of Counites	County	Proposed Transmitters	Population	Square Miles	Number of Criminal Justice Agencies	Projected Cost
4	7	Cherokee	3	22,787	451.83	5	225,000
4	8	Chowan	1	14,068	181.55	4	75,000
4	9	Clay	2	7,727	213.91	3	150,000
4	10	Currituck	1	16,012	255.59	3	75,000
4	11	Gates	1	9,856	338.25	4	75,000
4	12	Graham	2	7,469	288.69	3	150,000
4	13	Greene	1	16,725	266.37	3	75,000
4	14	Hoke	1	27,890	391.16	4	75,000
4	15	Hyde	1	5,288	624.22	3	75,000
4	16	Jones	1	9,595	470.01	5	75,000
4	17	Madison	3	17,699	451.31	7	225,000
4	18	Montgomery	2	23,582	489.55	8	150,000
4	19	Northampton	1	20,453	538.32	12	75,000
4	20	Pamlico	1	11,896	340.73	4	75,000
4	21	Perquimans	1	10,736	246.40	5	75,000
4	22	Person	1	32,020	398.02	4	75,000
4	23	Scotland	1	35,013	319.33	6	75,000
4	24	Stokes	2	41,162	452.04	7	150,000
4	25	Tyrrell	1	3,917	406.82	3	75,000
		Sub-total	**36**	**449,417**	**9,517**	**128**	**$2,700,000**
Phase 5		As needed	15				1,125,000
Grand Total	**100**		**151**	**7,259,243**	**48,843**	**774**	**$10,875,000**