2009-2010

JOINT APPROPRIATIONS – TRANSPORTATION

MINUTES

HOUSE APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION

2009 – 2010 SESSION

CHAIRS
Representative Nelson Cole
Representative Grier Martin

VICE CHAIRS
Representative Lucy Allen
Representative Lorene Coates
Representative Ty Harrell

STAFF
Ryan Blackledge
Amna Cameron
Mikael Gross
Karlynn O'Shaughnessy
Bob Weiss

COMMITTEE ASSISTANTS
Sylvia Hammons
Linda Laton

NORTH CAROLINA GENERAL ASSEMBLY
APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE
2009-2010 SESSION



Representative Cole
Chair



Representative Martin
Chair



Representative Allen
Vice Chair



Representative Coates
Vice Chair



Representative Harrell
Vice Chair



Representative Current



Representative Dickson



Representative Dockham



Representative Frye



Representative Gill



Representative Gillespie



Representative Gulley



Representative Iler



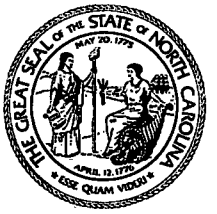
Representative Mackey



Representative McElraft



Representative Williams



JOINT APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

2009 – 2010 SESSION

CHAIRS
Senator Julia Boseman
Representative Nelson Cole
Senator Steve Goss
Representative Grier Martin

VICE CHAIRS
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Representative Dan Blue
Representative Lorene Coates
Representative Ty Harrell
Senator R. C. Soles

STAFF
Ryan Blackledge
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Karlynn O'Shaughnessy
Bob Weiss

COMMITTEE ASSISTANTS
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NORTH CAROLINA GENERAL ASSEMBLY

APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE

2009-2010 SESSION



Representative Cole
Chair



Representative Martin
Chair



Representative Allen
Vice Chair



Representative Blue
Vice Chair



Representative Coates
Vice Chair



Representative Harrell
Vice Chair



Representative Current



Representative Dickson



Representative Dockham



Representative Frye



Representative Gillespie



Representative Gulley



Representative Mackey



Representative McElraft



Representative Stiller



Representative Williams

HOUSE APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION

MEMBER	ASSISTANT	PHONE	OFFICE
Rep. Cole	Linda Laton	733-5779	1218 LB
Rep. Martin	Sylvia Hammons	733-5758	2123 LB
Rep. Allen	Shara Graham	733-5860	419B LOB
Rep. Coates	Melissa Lennon	733-5784	633 LOB
Rep. Harrell	Lara Swanson	733-5602	2121 LB
Rep. Current	Wendy Miller	733-5809	418A LOB
Rep. Dickson	Brenda Lee	733-5776	2217 LB
Rep. Dockham	Regina Irwin	715-2526	1213 LB
Rep. Frye	Mary Hayes	733-5661	1019 LB
Rep. Gill		733-5880	1305 B
Rep. Gillespie	Cindy Hobbs	733-5862	1008 LB
Rep. Gulley	Brian Lehrschall	733-5800	1313 LB
Rep. Iler	Carla Farmer	301-1450	306 A2
Rep. Mackey	John Montgomery	733-5606	403 LOB
Rep. McElraft	Nancy Fox	733-6275	603 LOB
Rep. Williams	Pam Evans	733-5906	637 LOB

HOUSE APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION

MEMBER	ASSISTANT	PHONE	OFFICE
REP. COLE	LINDA LATON	733-5779	1218 LB
REP. MARTIN	SYLVIA HAMMONS	733-5758	2123 LB
REP. ALLEN	SHARA GRAHAM	733-5860	419B LOB
REP. BLUE	BARBARA McMILLAN	733-5752	2207 LB
REP. COATES	MELISSA LENNON	733-5784	633 LOB
REP. HARRELL	LARA SWANSON	733-5602	2121 LB
REP. CURRENT	WENDY MILLER	733-5809	418A LOB
REP. DICKSON	BRENDA LEE	733-5776	2217 LB
REP. DOCKHAM	REGINA IRWIN	715-2526	1213 LB
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REP. McELRAFT	NANCY FOX	733-6275	603 LOB
REP. STILLER	CARLA FARMER	301-1450	306A2 LOB
REP. WILLIAMS	PAM EVANS	733-5906	637 LOB

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Tuesday, February 24, 2009
TIME: 8:30 am
LOCATION: 1228 LB
COMMENTS: Committee Overview

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **9** o'clock on **February 19, 2009.**

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

Joint Appropriations Subcommittee

on

Transportation

The initial meeting for the Joint Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, convened on Tuesday, February 24, 2009, at 8:30 A. M. Representative Nelson Cole, Chairman, presided. House members attending included the following: Representative Grier Martin, Chairman; Representative Lucy Allen, Vice Chairman; Representative Lorene Coats, Vice Chairman; Representative Ty Harrell, Vice Chairman; Representative William Current; Representative Margaret Dickson; Representative Jerry Dockham; Representative Phillip Frye; Representative Mitch Gillespie; Representative Jim Gulley; Representative Nick Mackey; Representative Pat McElrath; and Representative Arthur Williams. Senate members attending included the following: Senator Steve Goss, Chairman; Senator R. C. Soles, Vice Chairman; Senator Neal Hunt; Senator Bob Rucho; and Senator Josh Stein. Staff members from the Fiscal Research Division were Ms. Karlynn O'Shaughnessy and Mr. Bob Weiss.

Chairman Cole welcomed members and visitors. He recognized pages serving the meeting: Hunter McGuire from McDowell County, sponsored by Representative Gillespie, and Ethan Roper from Cleveland County, sponsored by Representative Tim Moore. Representative Cole then introduced the other chairmen of the committee present, Representative Grier Martin and Senator Steve Goss, as well as Fiscal Division staff members Karlynn O'Shaughnessy and Bob Weiss. Representative Martin and Senator Goss spoke briefly concerning the work ahead for the subcommittee.

Ms. Karlynn O'Shaughnessy presented an Overview of the Appropriations Committee Process, with definitions of terms and the roles of the Fiscal Research Division staff members. [Exhibit A]

Mr. Bob Weiss had a presentation on Transportation Funding 2009 [Exhibit B], with extensive details about funding sources as well as expenditures.

Following the presentations, Chairman Cole asked for comments and questions from members. Staff members answered questions, and members voiced concerns regarding the upcoming budgeting process.

Chairman Cole concluded the meeting by thanking members, staff, and guests for their attendance. He stated that the current system "is broken," and it will be the responsibility of the Joint Appropriations Subcommittee on Transportation to try to repair it.

The next meeting is to convene on Wednesday, February 25, 2009, at 8:30 A. M. in room 1228.

The meeting was then adjourned.

Respectfully submitted,

Linda Laton, Committee Assistant

Representative Nelson Cole, Chairman

Joint Appropriations Subcommittee on Transportation

Tuesday, February 24, 2009
8:30 a.m.
Room 1228/1327 LB

AGENDA

Chairs: ***Representatives Martin and Cole, Senators Boseman and Goss***

- Introductory Remarks by Chairs
- Overview of Committee Process
  - Karlynn O'Shaughnessy, Fiscal Research Division
- Transportation Funding 2009
  - Bob Weiss, Fiscal Research Division
- Committee Discussion
- Adjourn

Exhibit A

APPROPRIATIONS COMMITTEE PROCESS & ROLE OF STAFF

Joint Appropriations Subcommittee on Transportation

Terms

Continuation Budget is the recommended funding needed to continue the operations of programs and services at the level previously approved by the General Assembly. Allowable price and inflationary rate increases may include: water & sewer, electricity, natural gas, food, drugs, medical supplies, subsistence, fuel oil, and annualization of programs funded part year in the previous fiscal year.

- The Subcommittee reviews the continuation budget of many of the agencies/divisions within the Department of Transportation and identifies areas for possible budget reductions, increases, and/or policy changes.

Expansion Budget - Governor's Recommended Adjustments to the Base Budget (2009-2011) Expansion includes new programs; expansion of existing programs; or permanently funding programs originally funded as pilots or with one time funding.

- The Subcommittee reviews all expansion budget requests of the agencies/divisions within the Department of Transportation and determines whether to fund those requests.

Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets – This report will itemize reduction and expansion items to the Continuation Budget. This Subcommittee is responsible for the development of this report. This is also referred to as the "Money Report". Expansion and reduction items may incorporate members' bills or suggestions and Governor's recommended items.

Money Report

Budget Special Provisions – As budget issues are discussed members may suggest special language that directs certain policy actions and/or specific guidelines on how budgeted monies are to be used. Bill Drafting staff in consultation with members and fiscal staff draft these special provisions. The special provisions will constitute the budget bill.

APPROPRIATIONS COMMITTEE PROCESS & ROLE OF STAFF

Joint Appropriations Subcommittee on Transportation

Budget Targets – Typically, the House and Senate Subcommittees are each given a budget target by their respective Full Appropriations Chairpersons. For the Transportation Subcommittee the target will be the forecasted revenues for Highway Fund and Highway Trust Fund.

"Flagging" of budget issues – Since votes on budget reductions or increases are generally not taken until later in the subcommittee process, subcommittee members may **flag** budget items for further information and review. The fiscal staff will keep track of flagged items and go through a final "**Flag**" list when requested by the subcommittee chairs, usually after all DOT programs have been reviewed.

Highway Fund – Funding that the General Assembly appropriates through the state's appropriation process. The Highway Fund is comprised of revenues from the Motor Fuels Tax, Vehicle Registration, Licenses, and other sources.

Highway Trust Fund – A special account created by statute that designates funding for particular transportation projects, urban loop construction, aid to municipalities, secondary roads construction, and program administration. The Highway Trust Fund receives revenues from the Motor Fuels Tax, Highway Use Tax, and Title Fees & other sources.

Fiscal Research Division

- Fiscal staff will coordinate daily meetings and agenda with subcommittee chairs.
- Information Request Follow-up/Coordination – Please feel free to make requests for information through the Fiscal Research Division. FRD Staff will work with DOT and State Budget to answer members' information requests, both for individual members and for the subcommittee.
- Prepare the subcommittee budget "money reports".
- Fiscal Notes – Fiscal Staff prepare fiscal notes on bills impacting the Department of Transportation and local governments when requested.

Role of Other Staff

- **General Assembly Bill Drafting Staff** – Assist members with research on legal issues affecting subcommittee deliberations and assist members in writing special budget provisions. One bill drafter is assigned to this subcommittee, Mikael Gross.

- **Departmental Staff** – Departmental staff will answer members' questions during committee meetings and work with fiscal staff to obtain additional information if needed. Departmental staff will make presentations on the department and on studies required by the General Assembly.

- **Office of State Budget and Management (OSBM)** – OSBM will assist members and fiscal staff with information on departmental budgets and programs. State Budget acts as a resource on program budgeting and departmental performance measures.

Exhibit B

Transportation Funding 2009

Joint Subcommittee on Transportation Appropriations
February 24, 2009

Bob Weiss
Fiscal Research Division



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Transportation Funding 2009 Outline

- Background
- Highway Fund and Highway Trust Fund
- Transportation Capital Spending
- Transportation Needs
- Transportation Funding Sources
  - Motor Fuels Tax
  - Highway Use Tax
  - Licenses and Fees
  - Federal Aid
  - Tolls

Background

North Carolina's State-Owned Highway System is

- Large – 79,000 miles, second largest in the country
  - Texas is number one, by a few hundred miles
  - North Carolina secondary roads are state-owned (about 64,000 miles)
- Centralized
  - Transportation tax dollars flow to Raleigh
  - Transportation project decisions made in Raleigh by Board of Transportation (G.S. 143B-350) and Secretary (Executive Order No. 2) subject to:
    - Statutory formulas, e.g.
      - Equity Formula (G.S. 136-17.2A) for State Transportation Improvement Program (STIP)
      - Secondary road allocation formula
    - Local Input
      - Metropolitan Planning Organizations for TIP
      - County Commissioners for secondary roads

Background, continued
State Owned Roads

OCTOBER 2008 Federal Highway Administration			
STATE	Road Miles Owned by State Agency	Total Road Miles	Percent Owned by State Agency
Florida	12,062	121,527	10%
Georgia	17,930	118,778	15%
North Carolina	79,288	104,411	76%
South Carolina	41,437	66,249	63%
Tennessee	13,886	91,956	15%
Texas	79,975	305,854	26%
Virginia	57,727	72,659	79%
U.S. Total	779,131	4,032,134	19%

- North Carolina owns 76% of the road miles in the state, a much greater share than Florida, Georgia, or the nation as a whole. In most states local roads are owned and controlled by local jurisdictions.

Background, continued

1915

- First full fledged State Highway Commission established
  - Provided road building assistance to counties

1921-1929

- NCGA authorizes takeover of 5500 miles of county roads.
- Motor Fuel Tax raised to 5 cents per gallon (equivalent to 63 cents per gallon today)
- $115 million in highway bonds issued
- North Carolina is the "Good Roads State"

Background, continued

1931

- During the Depression the state assumes responsibility for county roads, giving state responsibility for all roads except city streets.

1951

- Powell Bill
  - State takes over city streets which are part of the state highway system
  - Provides ½ cent per gallon from the motor fuel tax to cities for other city streets; allocated based on statutory formula. (Current rate is 1 ¾ cents per gallon, plus additional funds from Highway Trust Fund.)

Background, continued

1980's

- Transportation infrastructure and funding mechanisms prove inadequate for the state's growth.
- Highway Study Commission recommends a multibillion dollar highway construction program.

1989

- Creation of Highway Trust Fund (HTF)
  - Completion of the Intrastate Highway System, a 3600 mile network of four-lane highways.
  - Construction of seven urban loops.
  - Pave 10,000 miles of state-maintained dirt roads.
  - Increase Powell Bill funding.
  - Taxes to pay for the program.
  - Transfer to General Fund. As part of creating the Highway Trust Fund the Highway Use Tax statute specifies a transfer of $170 million annually to the General Fund. The transfer is to compensate the General Fund for loss of that amount when the Highway Use Tax replaced a sales tax on vehicles that went to the General Fund.

Background, continued

2002

- North Carolina Turnpike Authority created. Currently authorized to develop up to nine projects.

2003 and 2004

- Project list for Intrastate System and Urban Loops is amended.

2007

- S.L. 2007-428 (SB 1513) authorizes counties to participate in the cost of rights-of-way, construction, reconstruction, improvement, or maintenance of roads on the State Highway System under agreement with the Department of Transportation.

2008

- S.L. 2008-107 (HB 2436) begins gap funding for four North Carolina Turnpike Authority toll projects, decreasing the transfer from the HTF to the General Fund.

Highway Trust Fund Status at June 30, 2008

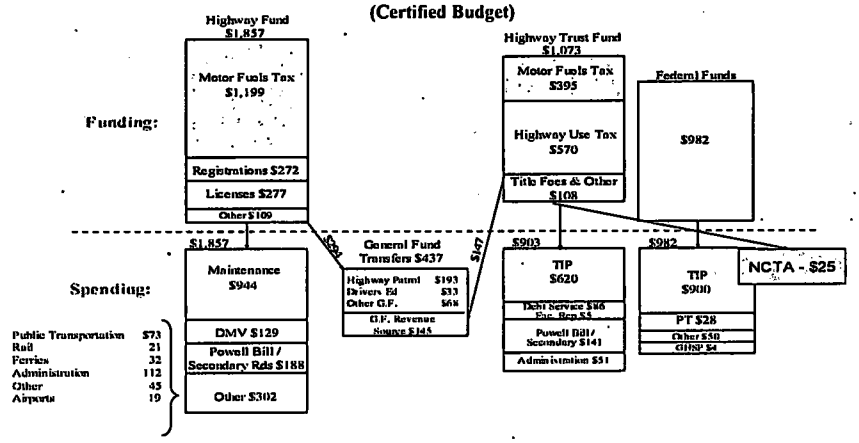
	Intrastate	% of System	Loops	% of System
Total miles complete	2839.3	77%	157.5	42%
Remaining miles to complete	840.4 (Total miles: 3679.7)	23%	220.5 (Total Miles: 378)	58%
Estimated remaining costs	$7.8 billion		$5.5 billion	
Projected cost per mile	$9.3 million		$24.9 million	

Highway Fund and Highway Trust Fund

	Highway Fund	Highway Trust Fund
Allocation Method	**Appropriation, but** Secondary Road Construction, Aid to Municipalities and Leaking Underground Storage Tank Fund by statutory formula	**Statutory Formula** (G.S. 136-176)
Budget 2008-2009	$1.9 Billion	$1.1 Billion
Major Sources of Funds	Motor Fuels Tax DMV Licenses and Fees	Highway Use Tax Motor Fuels Tax
Major Programs	Maintenance (51%) State Highway Patrol DMV Secondary road construction Aid to Municipalities Public Transportation, Rail, Ferry, Aviation Driver Education Other	Administration: $51 million Transfer to General Fund: $147.5 million NC Turnpike Authority Gap Funding: $25 million Construction (of remaining funds) •Intrastate 61.95% •Urban Loops 25.05% •Secondary Roads 6.5% •Aid to Municipalities 6.5%

Highway Fund, Highway Trust Fund & Federal Funds 2008-09 ($ in Millions)

(Certified Budget)



Transportation Capital Spending

Program	Reference	Amount (yearly, unless specified)	Funding Source	Uses	Distribution
Highway					
State Transportation Improvement Program	G.S. 143B-350 (f)(4), G.S. 136-17.2A	$13 billion over seven years	Highway Trust Fund (HTF), federal-aid	2437 transportation projects in 2009-2015 STIP	Equity formula (with urban loops and certain federal funds excluded): 50% population, 25% uncompleted intrastate mileage, 25% equal share
Maintenance		$944 million	Highway Fund (HF)	Maintenance, resurfacing, system preservation	Formulas based on mileage, pavement condition, and population
Secondary Road Construction	G.S. 136-44.2A, G.S. 136-44.5, G.S. 136-182	$181 million	HF and HTF	Construction, modernization	Formula based on secondary road mileage
Powell Bill (Aid to Municipalities)	G.S. 136-41.1 through G.S. 136-41.3	$148 million	HF and HTF	Construction, maintenance of local streets	75% population 25% mileage

Transportation Capital Spending, continued

Program	Reference	Amount (yearly, unless specified)	Funding Source	Uses	Distribution
Highway (continued)					
Small Construction	SL 2007-323 Sec. 27.5	$21 million	HF	Small construction projects	Statewide; divided equally among divisions
Discretionary	SL 2007-323 Sec. 27.5	$15 million	HF	Rural or small urban projects	Statewide
Spot Safety		$9.1 million	HF	Small projects	

Transportation Capital Spending

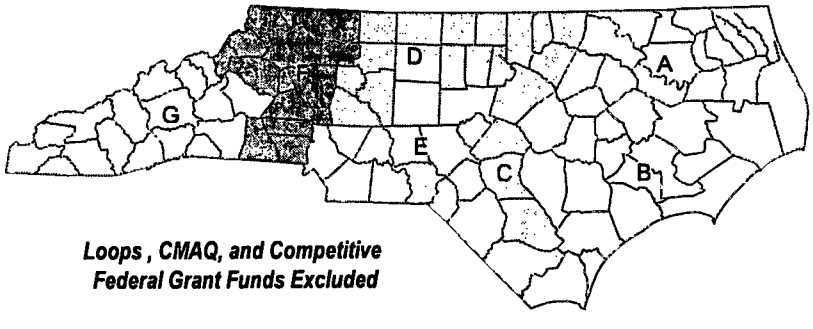
Program	Ref.	Amount (yearly, unless specified)	Funding Source	Uses	Distribution
Public Transportation					
Regional New Start Program		Charlotte Area Transit System (CATS) South Corridor: $116 million total state share over several years; additional state funding envisioned for other corridors. Triangle Transit Authority (TTA) plans under development.	HF	State share of commuter rail project	Variable shares from local, state, federal.
Various Programs		$18 million	HF	Grants to local systems for bus acquisition, facility construction, etc.	

Transportation Capital Spending

Program	Ref.	Amount (yearly, unless specified)	Funding Source	Uses	Distribution
Rail					
DOT Rail Division		$15 million	HF	Improvements, safety, grants to short line railroads	Based on program criteria
North Carolina Railroad (State-owned corporation)		$10 million	NCRR Dividends	Track and bridge improvements, signals, etc.	
Aviation					
State Aid to Airports	G.S. 63-65	$19 million	HF		Various, including Dept. of Commerce Tier designations

1989 Equity Formula

50% POPULATION OF REGION AS PERCENT OF STATE	25% REMAINING INTRASTATE SYSTEM MILES	25% EQUAL SHARE



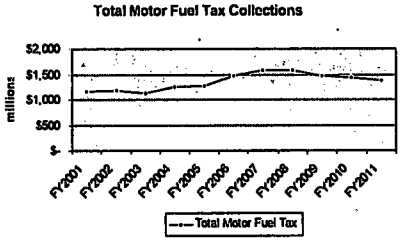
Loops, CMAQ, and Competitive Federal Grant Funds Excluded

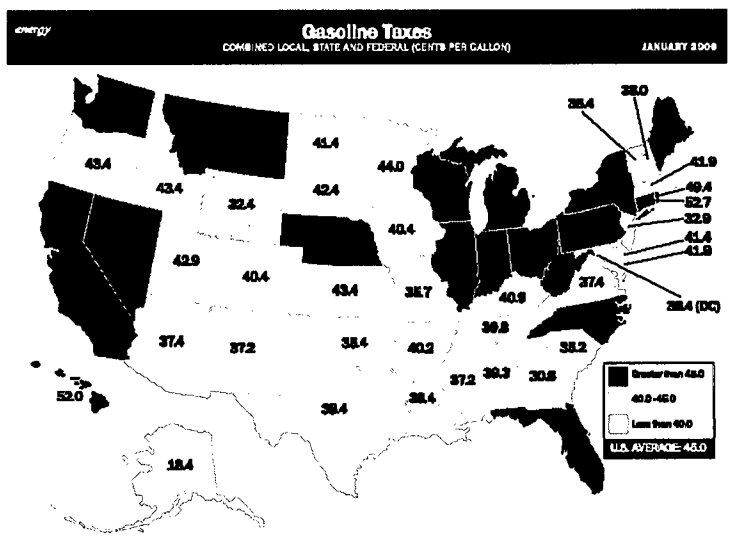
Transportation Needs

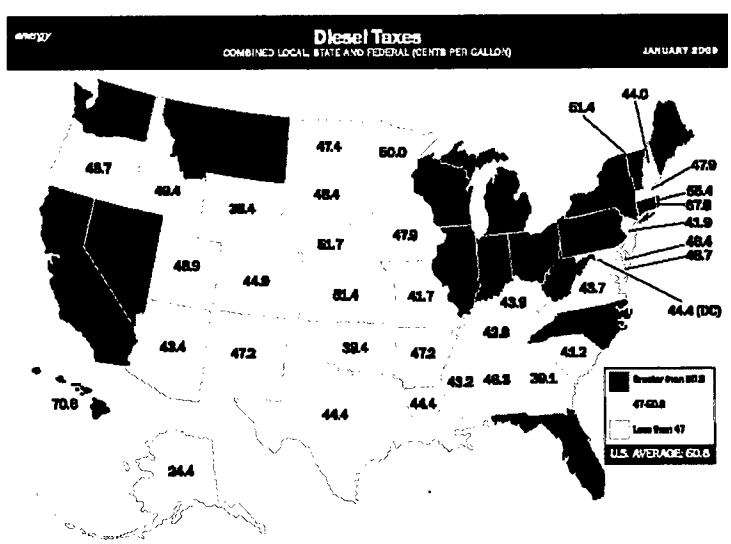
- Indicators
  - DOT's 2006 update to Long-Range Statewide Multimodal Transportation Plan shows 25 year gap between needs and resources of $65 billion.
  - DOT's report to the Transportation Oversight Committee indicated a maintenance shortfall of $600 million per year.
  - North Carolina Civil Engineers rated the state's roads "D" in 2006 (same as national rating).
- Causes
  - Since 1970, NC population has increased by 50% and Vehicle Miles Traveled (VMT) by 250%, raising costs by adding to congestion and wear.
  - Construction inflation was high for several years, adding to costs.
  - Funding has not kept pace with growth in the system and with inflation.

Transportation Revenues
Motor Fuel Taxes

- NC tax rate is currently capped at 29.9 cpg. Cap expires June 30, 2009.
- Rate is 17.5 cpg fixed plus a variable rate based on national wholesale price history.
- One cent per gallon of tax equals approximately $50 million in tax revenues.
- Collections down due to recession and higher fuel prices.
- North Carolina motor fuel taxes are higher than the national average and about 8-18 cents higher than neighboring states.
- Federal excise tax is 18.4 cpg on gasoline and 24.4 cpg on diesel fuel.
- Future growth in consumption may be modest; growth in revenue will depend on higher tax rates.

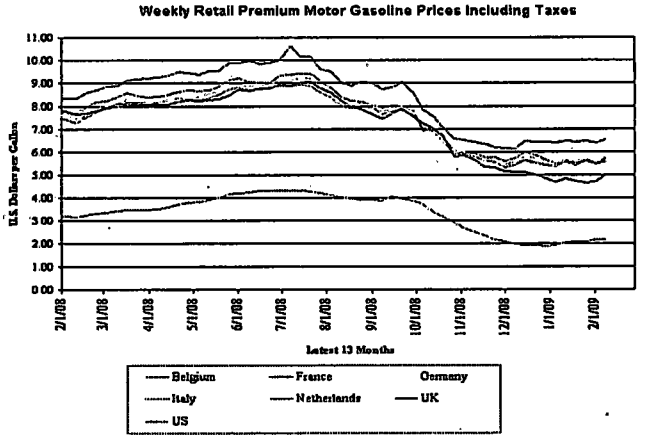



energy
Gasoline Taxes
COMBINED LOCAL, STATE AND FEDERAL (CENTS PER GALLON)
JANUARY 2009
43.4
43.4
41.4
42.4
44.0
40.4
42.9
40.4
43.4
35.7
37.4
37.4
37.2
38.4
40.2
40.9
39.8
35.2
37.2
39.2
30.8
38.4
38.4
52.0
18.4
35.4
28.0
41.9
49.4
52.7
32.9
41.4
41.9
38.4 (DC)
Greater than 43.0
40.0-43.0
Less than 40.0
U.S. AVERAGE: 46.0


energy
Diesel Taxes
COMBINED LOCAL, STATE AND FEDERAL (CENTS PER GALLON)
JANUARY 2009
48.7
49.4
47.4
50.0
48.4
47.9
51.7
48.9
44.9
51.4
45.7
43.4
47.2
39.4
47.2
43.2
46.5
39.1
44.4
44.4
70.6
34.4
51.4
44.0
47.9
55.4
47.8
43.9
49.4
46.7
43.7
44.4 (DC)
43.8
45.2
47-50.8
Less than 47
U.S. AVERAGE: 50.6

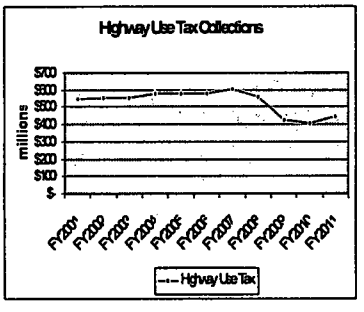
Transportation Revenues
Gasoline Prices in Western Europe

Prices in Western Europe are several dollars per gallon higher than in the U.S. due to higher taxes.



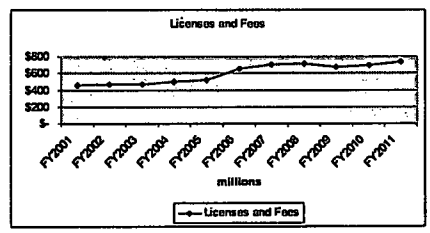
Transportation Revenues
Highway Use Tax

- Highway Use Tax is 3% of value of vehicle net of trade.
- North Carolina tax is generally lower than Georgia and Virginia but higher than South Carolina.
- Revenues off about one-third from peak due to recession and higher fuel prices.



Transportation Revenues
Licenses and Fees

- Driver licenses, vehicle registration fees, truck licenses, titles, etc.
- Generally driven by demographics.
- General Assembly increased these fees by about 20% in 2005 to account for inflation in the years since they had been set.
- Overall, these fees are similar to surrounding states.



Transportation Revenues
Federal Aid

- In recent years federal aid has averaged about $925 million.
- Federal stimulus package will provide additional funding in the short term.
- Congress has to rewrite the overall multi-year transportation funding bill.

Transportation Revenues - Tolls
North Carolina Turnpike Authority

The North Carolina Turnpike Authority is preparing to build four toll projects. Annual gross toll revenues are projected to surpass $100 million by 2018.

	Total Project Cost (millions)	Annual Gap Funding from Highway Trust Fund (start date)	Open to Traffic
Triangle Expressway	$967.5	$25 million (FY 2009)	2011
Monroe Connector/Bypass	$755.9	$24 million (FY 2010)	2013
Mid-Currituck Bridge	$659.2	$15 million (FY 2010)	2013
Garden Parkway (Phase I)	$910.7	$35 million (FY 2011)	2014

Summary

- North Carolina has a large, centralized highway system with state, not county, responsibility for secondary roads.
- The Highway Trust Fund was established in 1989 and, with federal aid, is the state's construction fund.
- The condition of the state's roads will deteriorate without additional funding for maintenance and preservation.
- Revenues will grow slowly under the current transportation tax structure and rates.
- Tolls are a new revenue source that will be available in the next few years.

Questions?

House Pages

Name Of Committee: Transportation & Infrastructure Date: 2/24/09

1. Name: Hunter McGuire
   County: McDowell
   Sponsor: Gillespie
2. Name: Ethan Roper
   County: Cleveland
   Sponsor: Moore
3. Name:
   County:
   Sponsor:
4. Name:
   County:
   Sponsor:
5. Name:
   County:
   Sponsor:

HOUSE

Sgt-At-Arms

1. Name: Toussaint L. Avent
2. Name: MARVIN LEE
3. Name:
4. Name:

SENATE

STAN JOHNSON
JON FITCHETT

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation — Feb. 24, 2009

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
DREW MORETZ	GRCC
Lydia Brown	Speaker's Office
John McKyle	Governor
Mary Beason	RARC
Jay Stem	NCAA
Johanna Reese	DOT
BERRY JENKINS	CAGC
[illegible]	RARC - Tony Apple
Kelli Kulkuna	NC League of Municipalities
Damien Graham	Triangle Transit
Beau Memory	

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation — Feb. 24, 2009

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Amy Simms	Denr
Ed Stiles	Rep. Culley's LA
Alicia Davis	MWC
Allison Waller	Charlotte Chamber
Walter J. Wilson Jr.	State Highway Patrol
Alan Melvin	State Highway Patrol
Cam Cruz	BPMHC
Annette Newkirk	Gov's Office
John White	Durham Chamber
CS Hollis	K&L Gates
Bill Carlton	Attorney

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee on Transportation — Name of Committee

Feb. 24, 2009 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Paul Meyer	NCACC
Hallah Bone	Bone and Associates

VISITOR REGISTRATION SHEET

Joint Appropiations Sub Committee on Transportation — Name of Committee

Feb. 24, 2009 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Wendy Kelly	520 Wicker

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Wednesday, February 25, 2009
TIME: 8:30 am
LOCATION: 1228 LB

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **10** o'clock on **February 24, 2009**.

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

Joint Subcommittee on Transportation Appropriations

Wednesday, February 25, 2009
8:30 am
Room 1228/1327 LB

AGENDA

Chairs: Representatives Martin and Cole, Senators Boseman and Goss

The Economic Stimulus Package

- Introductory Remarks
  - Dempsey Benton, Office of Economic Recovery and Investment
- 2009 American Recovery and Reinvestment Act (ARRA)
  - Edward T. Parker, Assistant Division Administrator
    Federal Highway Administrator, NC Division
- North Carolina DOT and the ARRA
  - Gene Conti, Secretary of Transportation
- Adjourn

Thursday Meeting, February 25, 8:30 am

Vance Holloman, Office of the Treasurer
David Joyner, NC Turnpike Authority

Dee Miller, Clerk

MINUTES

JOINT APPRORIATIONS SUBCOMMITTEE ON TRANSPORTATION

February 26, 2009
8:30 a.m.
Room 1228, Legislative Building

The Joint Appropriations Subcommittee on Transportation met on Thursday, February 26, 2009 at 8:30 a.m. in Room 1228 of the Legislative Building. Co-Chairs present were: Senator Steve Goss, Representative Nelson Cole and Representative Grier Martin. House members present were: Representatives Lucy Allen, Lorene Coates, Ty Harrell, William Current, Margaret Dickson, Phillip Frye, Mitch Gillespie, James Gulley, Nick Mackey, Pat McElraft, Bonner Stiller, Arthur Williams. Senate members present were: Senators Harry Brown, Neal Hunt, Robert Rucho and Josh Stein. Staff members present were: Mr. Bob Weiss, Ms. Karlynn O'Shaughnessy and Mr. Ryan Blackledge. Sergeant-at-Arms present were: Marvin Lee, Toussaint Avent, Stan Johnson and Richard Telfair. Pages present were: Chris Jackson of Guilford County, sponsored by Representative John Blust, Fontasia Wade-Bliven of Cumberland County, sponsored by Representative Elmer Floyd, Victoria Ellis of Wake County, sponsored by Senator Richard Stevens, Jay Griffin of Guilford County, sponsored by Senator Katie Dorsett and Kiana Redd of Wake County, sponsored by Senator Vernon Malone. The visitor sheet is attached as Attachment #1.

Representative Martin called the meeting to order, welcoming everyone and introduced Mr. Vance Holloman, Office of the State Treasurer, NC Department of Revenue for the presentation of "Transportation and Moral Obligation Debt" and the "2009 Recommendations of the Debt Affordability Advisory Committee". Presentation is Attachment #2.

After some discussion, Representative Martin introduced Mr. David Joyner, Executive Director, North Carolina Turnpike Authority who provided a presentation regarding the North Carolina Turnpike Authority.

Following some discussion, the meeting was adjourned at 9:48 a.m.

Respectfully submitted,

Representative Grier Martin
Chair

Sylvia Hammons
Committee Assistant

Joint Subcommittee on Transportation Appropriations

Thursday, February 26, 2009
8:30 am
Room 1228/1327 LB

AGENDA

Chairs: Representatives Martin and Cole, Senators Boseman and Goss

Debt Affordability, Moral Obligation, and the North Carolina Turnpike Authority

- Transportation and Moral Obligation Debt and the 2009 Recommendations of the Debt Affordability Advisory Committee
  - Vance Holloman, Office of the State Treasurer

- North Carolina Turnpike Authority
  - David Joyner, Executive Director, North Carolina Turnpike Authority

- Adjourn

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee for Transportation — February 26, 2009

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
H. Iasaico	NC DOT
JR Fonske	NCTA
M. Henderson	NCTA
Beau Memory	NCTA
Reid Simons	NCTA
Grady Rankin	"
David Joyner	"
[signature]	RAINC - TAG
[signature]	NCMMC
John Shaw	Wake Up Wake
Steven Waters	Living Streets

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee for Transportation — February 26, 2009

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Chris Hollis	Kiel Gates

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee for Transportation — February 26, 2009

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[signature]	[illegible]
[signature]	MWC
Johanna Reese	DOT
Jay Stein	NCAA
Tony Sotak	TREASURER.
Zada Brown	Speaker's office
McCormick	House
[signature]	MWC

Transportation and Moral Obligation Debt and the 2009 Recommendations of the Debt Affordability Advisory Committee



NORTH CAROLINA
Debt Affordability Advisory Committee



Debt Affordability Advisory Committee - Background

- The Committee is legislatively directed to:
  - Annually advise the Governor and the General Assembly of the estimated debt capacity of the State (General Fund) for the upcoming ten years.
  - Annually advise the Governor and the General Assembly of the estimated debt capacity of the Transportation and Transportation Trust Funds for the upcoming ten years.
  - Recommend other debt management policies it considers desirable and consistent with the sound management of the State's debt.
  - Study makes no recommendations regarding the use of available debt capacity.

Members of the Debt Affordability Advisory Committee

Janet Cowell
State Treasurer

Charles Perusse
State Budget Officer

David McCoy
State Controller

James V. Porto
House Appointee

Kenneth Lay
Secretary of Revenue

Beth Wood
State Auditor

Christopher Henson
Senate Appointee

Review
What is Debt Affordability?

- The amount of debt that may be prudently authorized and issued in a given period of time without negatively affecting the credit position or impairing the budget flexibility of the issuer.
  - The amount of debt that is affordable ("capacity") is finite.
  - Capacity can be measured and compared.
  - Issuance beyond a prescribed level can erode credit ratings.

Outstanding Debt by Type at June 30, 2008 (millions)

General Obligation Bonds	
General Fund GO Bonds	$ 4,885.6
Highway GO Bonds	648.0
Total General Obligation Bonds	$5,533.6
Net Tax-Supported Special Indebtedness (Limited Obligation Bonds, COPs, Lease Revenue Bonds, installment purchase contracts)	$1,041.5
Total GF and Transportation Tax-Supported Debt	$6,575.1
Other Debt	
GARVEEs (issued Oct. 2008)	$287.6
Other (energy and other non-GF supported)	$247.5

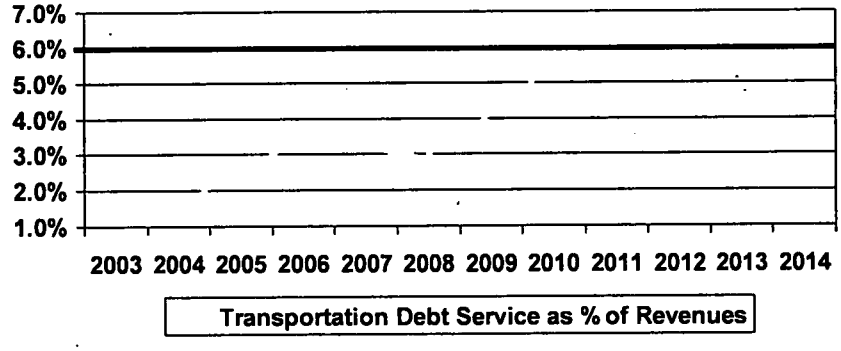
Transportation Debt Capacity - Background

- Highway Fund and Highway Trust Fund Debt Capacity calculated on a combined basis.
  - The Funds are interdependent (e.g. Both receive Motor Fuels Tax and make Powell Bill Transfers; administrative costs and debt service paid from one or another)
- Existing Transportation GO bonds count against Transportation Debt Capacity.
- GARVEE bonds are supported by a pledge of Federal Revenues and do not count against Transportation Debt Capacity.
- "Gap Funding" and O&M support to NCTA pledged to bondholders does count against capacity (consistent with rating agency treatment).

Transportation Debt Service and NCTA Support Pledged to Bondholers (in Millions)

	2009	2010	2011	2012	2013
Debt Service (existing GOs)	$85.5	$82.7	$79.9	$77.3	$74.4
Gap Funding	$25.0	$64.0	$99.0	$99.0	$99.0
O&M support TriEx				2.4	3.9
Total	$110.5	$146.7	$178.9	$178.7	177.3

Transportation Debt Service as % of State Transportation Revenues



Transportation debt service = $88.1 in FY 2008

February 1, 2009 Transportation Debt Affordability Study
Results (in Millions)

6 %	2009	2010	2011	2012	2013
Total Capacity	$0	$0	**$0**	**$33**	$61
Actual Ratios	4.12%	5.44%	**6.54%**	**6.23%**	5.91%
Revenue Shortfall to breakeven			**$243**	**$108**	
Debt Service Overage			**$15**	**$7**	

Transportation Debt Affordability Model Highlights

- 10-Year Model Horizon
- All State –level Transportation Revenues included
  - Revenue growth currently negative/flat (DOT projection)
- Repayment of existing debt and NCTA bond support incorporated

  (GARVEE debt service excluded)
- Assumes future debt issued at 6.15% for 25 year term
- Guideline adopted based on analysis of peers (mostly southeastern) developed in consultation with DOT:

Transportation-related debt service should not exceed 6% of the State's Transportation Revenues

NORTH CAROLINA
Debt Affordability Advisory Committee

What is Tax-Supported Debt?

- The three bond rating agencies view all debt supported by state-wide taxes, fees, or levies as "tax-supported debt" and measure it on a combined basis. The measurement includes both General Fund and Transportation debt.
- Debt supported by NC's Motor Fuels Tax would count as tax-supported debt.
- Debt supported by specifically pledged project revenues (e.g. tolls) would not count as tax-supported debt.

NORTH CAROLINA
Debt Affordability Advisory Committee

"AAA" States Debt Comparisons

State	Debt/Personal Income	Debt per Capita	DS % GF Expenditures*
Delaware	5.2%	$2,002	3.9%
Georgia	3.0%	954	3.0%
Maryland	3.0%	1,297	5.6%
Missouri	1.9%	675	1.5%
North Carolina	2.8%	898	2.0%
Utah	1.9%	542	3.5%
Virginia	1.9%	764	3.2%
Median	**2.8%**	**$898**	**3.2%**
Source: Moody's 2008 State Debt Medians	S&P 2007 Public Finance Report Card and calculated information		*2006

Combined General Fund and Transportation Tax-Supported Debt Burden
February 2009 DAAC Study

	Target D.S. % Revenues	2011 Projected Ratios
General Fund	4.00%	3.93%
Transportation	6.00%	6.54%
Combined	4.27%*	4.22%
*based on 2007 revenues		

Moral Obligation Debt

- Originally created in 1960's for state housing and infrastructure bond bank revenue bonds as back-up credit enhancement
- The MO pledge provides a revenue deficiency mechanism
- Ratings typically "2 notches" below GO rating
- Not widely used by States

Moral Obligation Debt

- MO debt represents a contingent liability
- Mechanism is for the State to replenish any shortfall in a debt service reserve fund *subject to appropriation*
  - Budget Officer legally required to include shortfall in budget
  - GA may choose not to appropriate
- Legally: no obligation to make up shortfall
- Practically: if funds are not provided, State would experience credit downgrades on **ALL** of its appropriation-supported debt (Limited Obligation Bonds, COPs, Lease Revenue Bonds)

Rating Agency & DAAC Treatment "Below the Line But Not Under the Radar Screen"

- In general, rating agencies will not include MO debt in a State's direct debt ratios unless the MO is called upon. If it is, entire amount of debt covered by the MO will be counted (note: even if funds required are minimal).
- Rating Agencies will treat as a footnote and other factors will also be considered:
  - Size and duration of the MO obligation
  - Essentiality of projects
  - Underlying credit fundamentals of project
  - Other State support

North Carolina Turnpike Authority

Triangle Expressway Credit Structure Discussion

Joint Transportation Appropriations Sub-Committee

February 26, 2009

ATTACHMENT #3

Situation: Triangle Expressway

Ready to go...

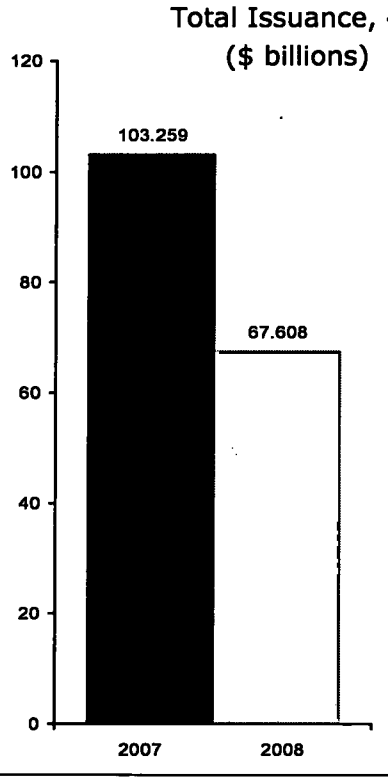
- ☐ Documents drafted
- ☐ NCDOT backup of O&M in place
- ☐ $400 million TIFIA loan approved
- ☐ LGC approved TIFIA and revenue bonds
- ☐ NCTA Board approved offering
- ☐ Construction bids extended to June 1

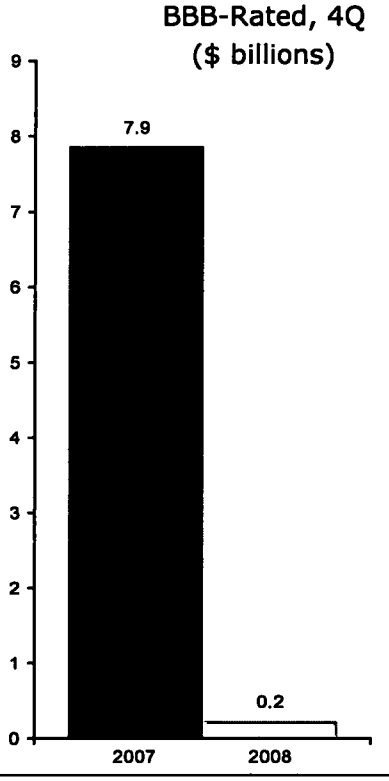
Situation: Bond Market Condition

- Bond markets fundamentally changed since September 2008
- Only highest rated bonds being sold (AAA, AA)
- Backlog of lower-rated offerings growing (A+, BAA, BBB)
- Triangle Expressway bond rating currently BBB

Situation: New Bond Issuance Declines

- Market conditions have driven down new issuance and stalled lower rated, more complex and higher volume deals from market entry

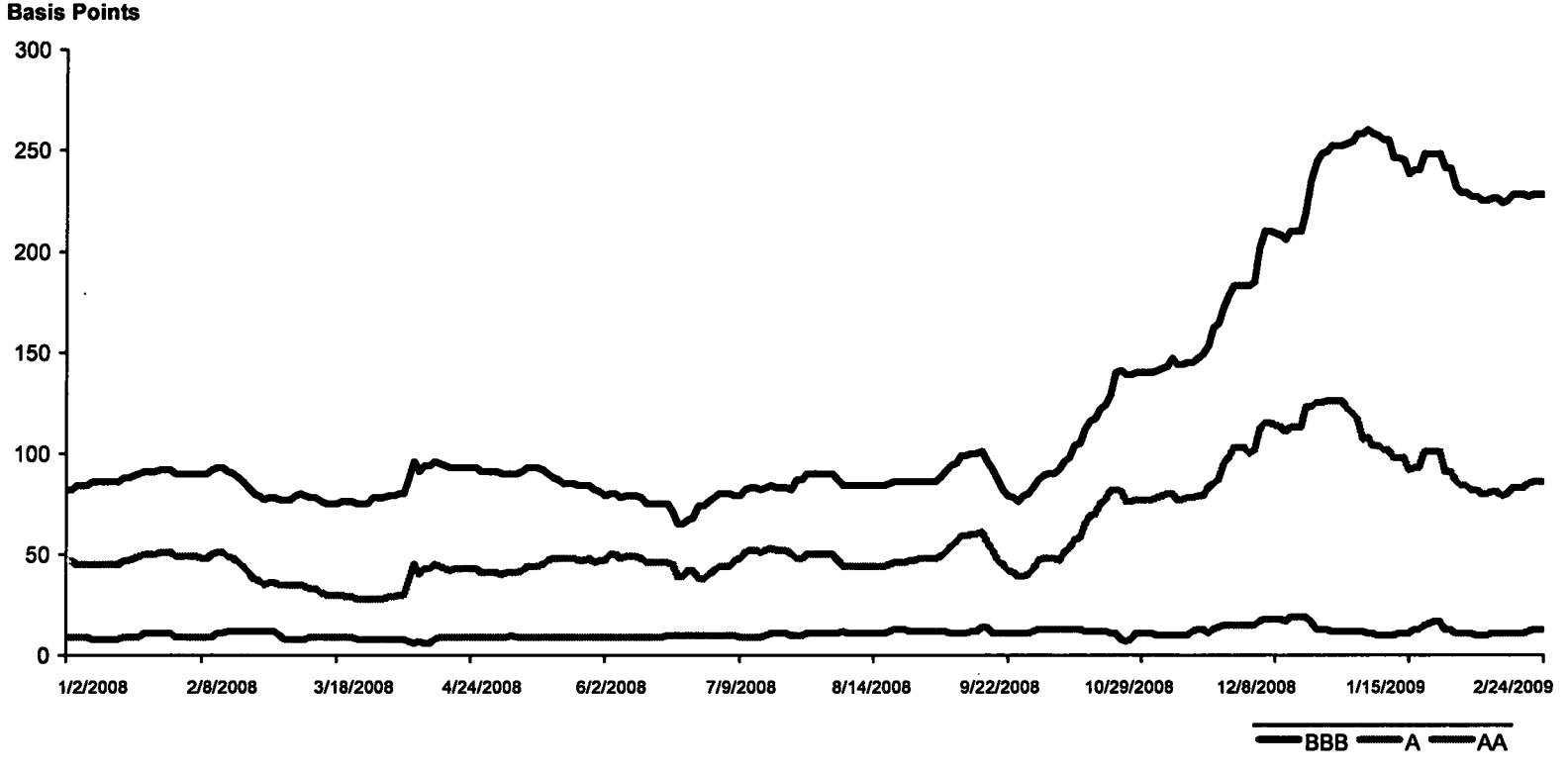




NORTH CAROLINA Turnpike Authority

In the above graphs, 2007 reflects transactions between 10/1/07 to 12/31/07, 2008 reflects transactions between 10/1/08 to 12/31/08. Source: SDC

Situation: Interest Rate Spread Growing



Objective: Improve Bond Rating to AA

- Pushes $1 Billion project out the door in 60-90 days
- Creates or protects tens of thousands of jobs
  - Estimates as high as 35,000 jobs
  - Impacts felt across the state

Objective: Improve Bond Rating to AA

Two Options

- ☐ Option 1: Moral Obligation Pledge
- ☐ Option 2: Bond Insurance

Option 1: Moral Obligation Pledge

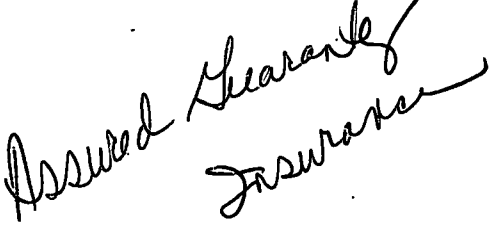
- Non-binding backup pledge from GA
- State stands behind debt service if NCTA cannot service senior debt
- Used successfully in other States
- Minimal risk to State
  - With revenue shortfall of 50%, NCTA can still meet debt service requirements

Issues with Moral Obligation Pledge

- Treasurer's Concerns
  - Debt Capacity
  - Credit Rating
- Requires legislative approval

Option 2: Bond Insurance

- Assured Guaranty has indicated willingness to:
  - Securitize gap funds (Already AA)
  - Insure toll revenue bonds (Expected AA with Insurance)
- Bond Insurance = AA Rating = Bond sale within weeks



Benefits of Bond Insurance

- No risk to the State
- Insurance premiums paid from bond proceeds
- No additional State funds required

Conclusions:

- Bond Insurance
  - Requires positive action from:
    - Rating agencies
    - Bond insurer
    - TIFIA
  - Allows for bond sale
    - Contracts awarded in 60-90 days
    - Open to traffic in 2012

Next steps:

Questions?

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

CORRECTED NOTICE

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Tuesday, March 3, 2009
TIME: 9:00 am
LOCATION: 1228 LB

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **10** o'clock on **February 26, 2009**.

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

CORRECTED NOTICE

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DAY & DATE: Wednesday, March 4, 2009
TIME: 9:00 am
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Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **10** o'clock on **February 26, 2009.**

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

Joint Appropriations Subcommittee

on

Transportation

The Joint Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met on Wednesday, March 4, 2009, at 9:00 A. M. Representative Nelson Cole, Chairman, presided. House members attending included the following: Representative Grier Martin, Chairman; Representative Lucy Allen, Vice Chairman; Representative Lorene Coats, Vice Chairman; Representative William Current; Representative Jerry Dockham; Representative Phillip Frye; Representative Jim Gulley; Representative Nick Mackey; Representative Pat McElrath; and Representative Arthur Williams. Vice Chairman Representative Dan Blue was unable to attend due to a family emergency. Senate members attending included the following: Senator Steve Goss, Chairman; Senator Harry Brown; Senator Neal Hunt; Senator Bob Rucho; and Senator Josh Stein. Staff members from the Fiscal Research Division were Ms. Karlynn O'Shaughnessy, Mr. Bob Weiss, Ms. Amna Cameron, and Mr. Ryan Blackledge.

Chairman Cole welcomed members and visitors. He recognized pages serving the meeting: Jeremy Blaylock from Wake County, sponsored by Representative Dan Blue; Ben Lee from Pender County, sponsored by Representative Carolyn Justice; Alex Clark from Gaston County, sponsored by Senator David Hoyle; Michael Wolfe from Durham County, sponsored by Senator Floyd McKissick; James Robinson from Cumberland County, sponsored by Senator Tony Rand; and Joseph Clay from Rutherford County, sponsored by Senator Debbie Clary.

Chairman Cole called upon Mr. Reuben Young, Secretary of the North Carolina Department of Crime Control and Public Safety, to introduce Colonel Walter J. Wilson, Jr., Commander of the North Carolina State Highway Patrol. Colonel Wilson gave a three part presentation, citing the history and operations of the Highway Patrol, the Training Academy, and the VIPER (Voice Interoperability Plan for Emergency Responders) system currently operating and expanding in the state. [Exhibits A and B]

Following the presentations, Chairman Cole asked for comments and questions from members. Colonel Wilson and other Highway Patrol officers answered questions and commented on the future direction for the Highway Patrol

Chairman Cole concluded the meeting by thanking members, staff, and guests for their attendance.

The next meeting is to convene on Thursday, March 5, 2009, at 9:00 A. M. in room 1228.

The meeting was then adjourned.

Respectfully submitted,

Linda Laton

Linda Laton, Committee Assistant

Nelson Cole

Representative Nelson Cole, Chairman

Joint Subcommittee on Transportation Appropriations

Wednesday, March 4, 2009
9:00 am
Room 1228/1327 LB

AGENDA

Chairs: Representatives Martin and Cole, Senators Boseman and Goss

North Carolina
State Highway Patrol

- Introduction
  - Secretary Reuben Young, North Carolina Department of Crime Control and Public Safety
- Presentation on State Highway Patrol
  - Colonel Walter J. Wilson Jr., Commander
- Adjourn

Future Meetings

Thursday, March 5, 9:00 am
Presentation by Terry Gibson, State Highway Administrator, NCDOT

VISITOR REGISTRATION SHEET

Joint Approp. Subcommittee on Transpor. 3-4-09

Name of Committee Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE ASSISTANT

NAME	FIRM OR AGENCY
CS Nolls	K&L Gates
Mac Boxley	N.C. Aggregates
Alicia Burns	MWC
[illegible]	NC MMC
Steven Waters	Living Streets
[illegible]	GADS
DREW MORETZ	CRCC

Exhibit A

North Carolina State Highway Patrol

Walter J. Wilson, Jr.
Commander

NCSHP History

- In 1921, 150,558 motor vehicles were registered in North Carolina. By 1929, the number of registered vehicles increased to 503,590. As the number of vehicles increased, so did the number of people killed in traffic accidents: 690 deaths in 1929.
- Traffic control was of such concern that in 1929 the General Assembly passed an act authorizing the establishment of a State Highway Patrol. The new organization was given statutory responsibility to patrol the highways of the state, enforce the motor vehicle laws, and assist the motoring public.



Loyalty Integrity Professionalism

NCSHP History

- The organization was designed as a division of the State Highway Commission. The Highway Commission initially sent ten men (later designated as a captain and nine lieutenants) to Pennsylvania to attend the training school of the Pennsylvania State Police. Their mission was to study law, first aid, light adjustments, vehicle operation, and related subjects for use in North Carolina's first Patrol School.
- An office was established in Raleigh to serve as state headquarters, and a district office was established in each of the nine highway districts. A lieutenant and three patrolmen were assigned to each district. All patrolmen were issued Harley Davidson motorcycles and the lieutenants drove Model A Ford Coupes. The Patrol commander was issued a Buick automobile.

Loyalty Integrity Professionalism

NCSHP Mission Statement

The mission of the North Carolina State Highway Patrol is to ensure safe, efficient transportation on our streets and highways, reduce crime, protect against terrorism, and respond to natural and manmade disasters. This mission will be accomplished in partnership with all levels of government and the public, through quality law enforcement services and education based upon high ethical, professional, and legal standards.

Loyalty Integrity Professionalism

NCSHP Vision Statement

The North Carolina State Highway Patrol will set the standard for excellence in law enforcement.



Loyalty Integrity Professionalism

NCSHP Ethical and Organizational Values

- **Integrity**
  - A sincere commitment to justice and diversity while maintaining the ethics of the Patrol through honor, respect, and moral courage.
- **Loyalty**
  - Faithfully serve the public consistent with the policies of the North Carolina State Highway Patrol
- **Professionalism**
  - Demonstrate a clear sense of commitment, personal direction, and best practices to provide excellent service. Empower employees to be creative, decisive, and accountable.

Loyalty Integrity Professionalism

NCSHP Statutory Authority

- Statutory authority found in Article 4 of Chapter 20
- N.C.G.S. § 20-184 and N.C.G.S. § 20-187 – Provides that the Highway Patrol is under the supervision of Crime Control and Public Safety
- N.C.G.S. § 20-185 – Provides for personnel, appointments, and salaries

Loyalty Integrity Professionalism

NCSHP Statutory Authority

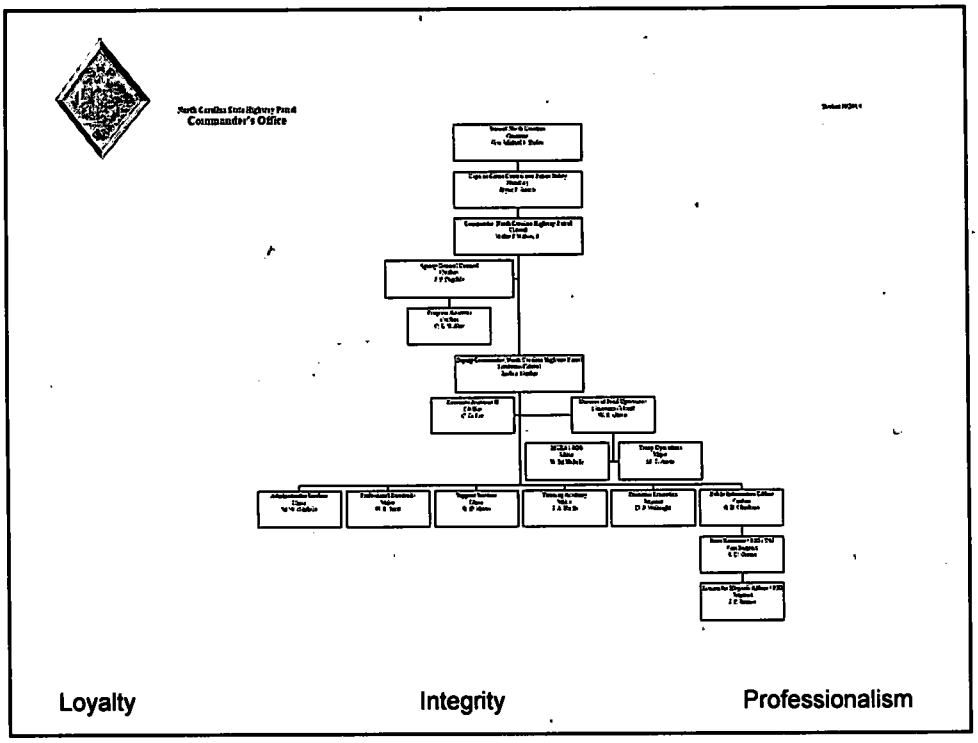
- N.C.G.S. § 20-186 – Provides that each sworn member of the Highway Patrol take an Oath of Office and is charged to faithfully perform those duties
- N.C.G.S. § 20-188 – Defines the duties of the Highway Patrol which includes:
  - Regularly patrolling the highways of the State and enforce all laws and regulations
  - Full power of arrest

Loyalty Integrity Professionalism

NCSHP Organization

- The Highway Patrol currently has 2,377 positions of which 1,827 are filled by sworn members and 550 are filled by civilians.
- Civilian employees work in close support with sworn members to fulfill the mission of the organization. Their duties include administrative tasks, vehicle repair and maintenance, logistics, radio, and other technical services.

Loyalty Integrity Professionalism



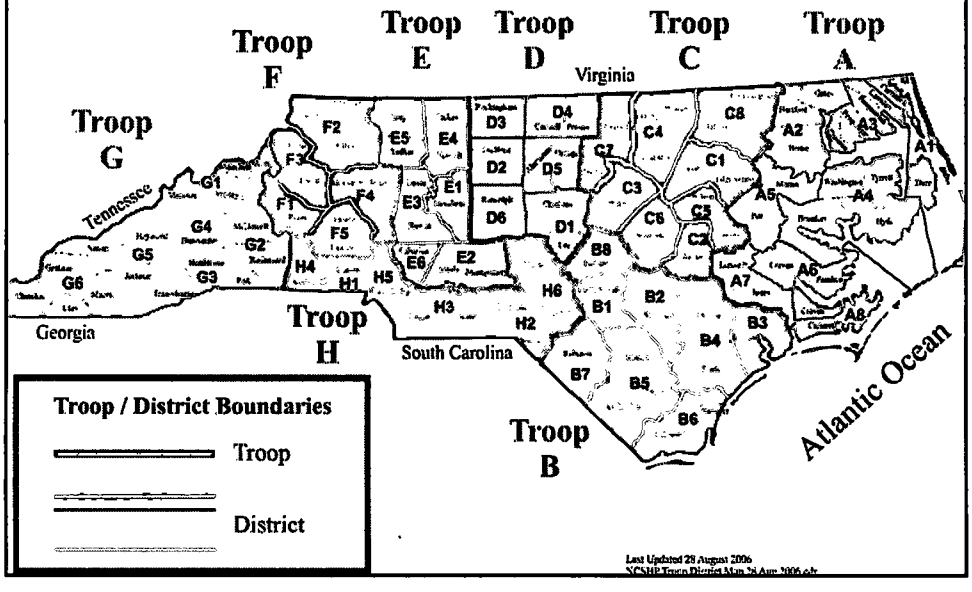
Loyalty Integrity Professionalism

NCSHP Troop Headquarters

- There are eight (8) Troop Headquarters:
  - Troop A – Greenville
  - Troop B – Fayetteville
  - Troop C – Raleigh
  - Troop D – Greensboro
  - Troop E – Salisbury
  - Troop F – Newton
  - Troop G – Asheville
  - Troop H – Monroe

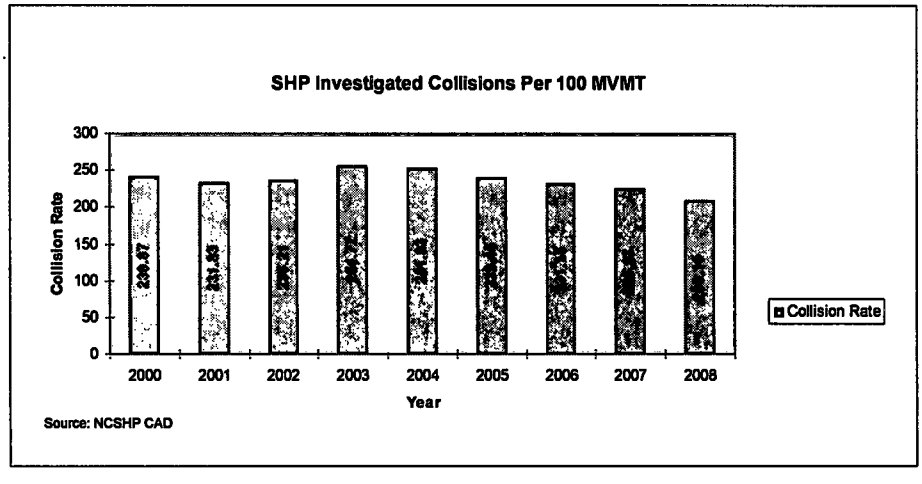
Loyalty Integrity Professionalism

North Carolina State Highway Patrol
Troop and District Boundaries



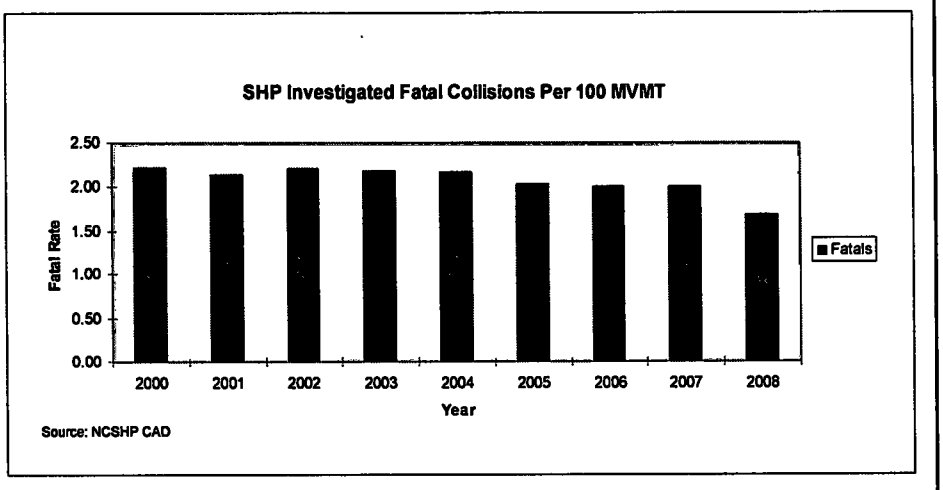


Field Operations Report of Activity



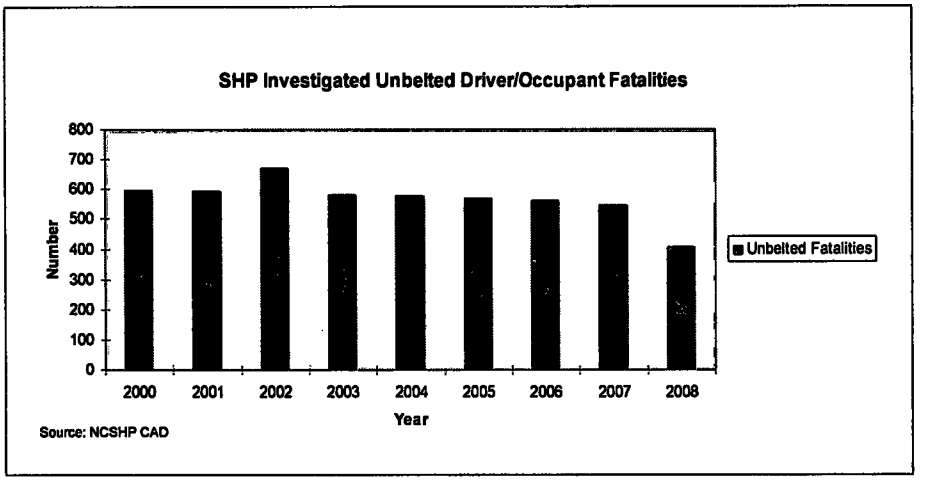
Loyalty Integrity Professionalism

Field Operations Report of Activity



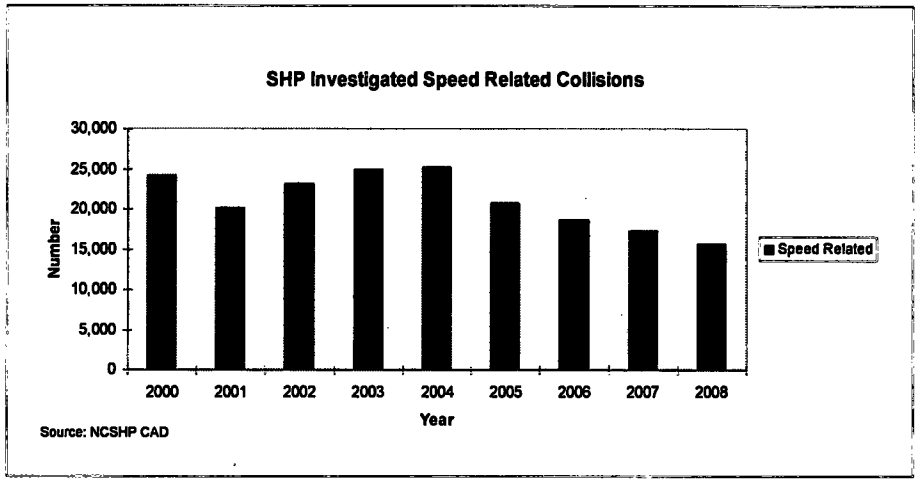
Loyalty Integrity Professionalism

Field Operations Report of Activity



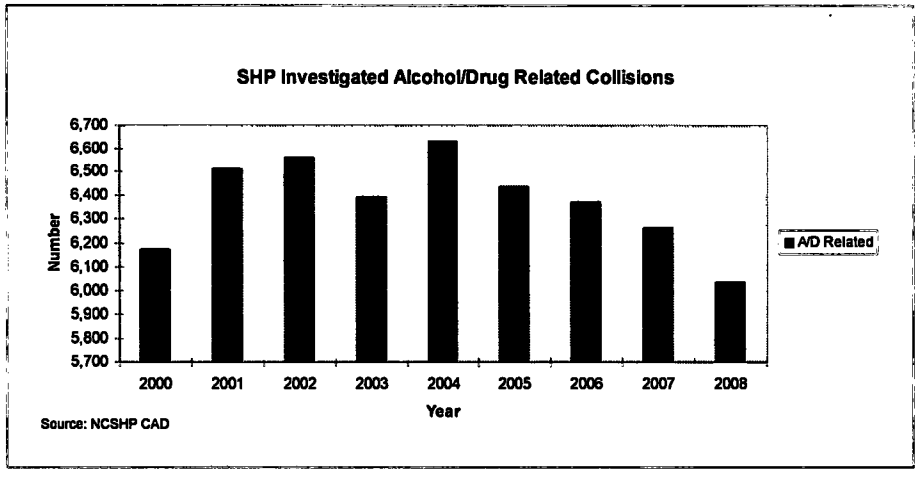
Loyalty Integrity Professionalism

Field Operations Report of Activity



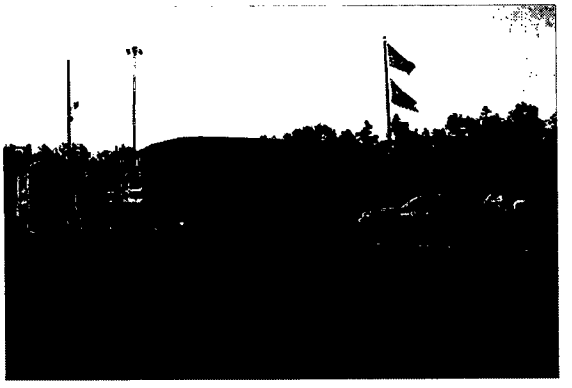
Loyalty Integrity Professionalism

Field Operations Report of Activity



Loyalty Integrity Professionalism

State Highway Patrol
Motor Carrier Enforcement



Loyalty Integrity Professionalism

State Highway Patrol
Motor Carrier Enforcement

Assigned Personnel

Size and Weight Troopers	231
M.C.S.A.P. Troopers	66
New Entrant Auditors	18
Weigh Station Operators	38

Loyalty Integrity Professionalism

Major Duties

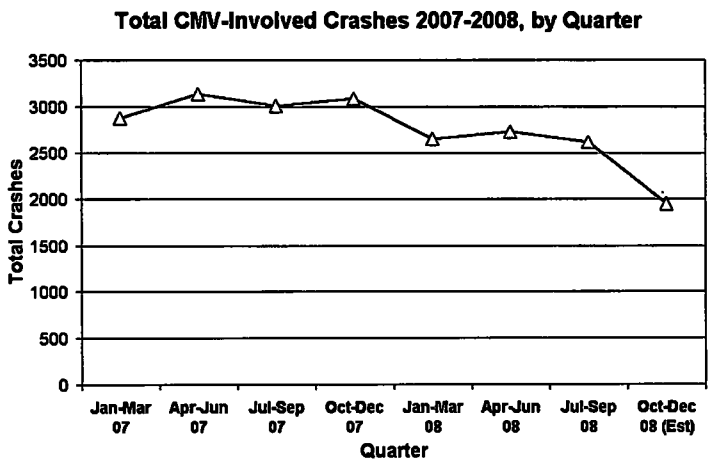
- Performs the following enforcement activities:
  - Motor Carrier Size and Weight (Portable /Static)
  - Roadside Driver / Vehicle Inspections. [Motor Carrier Safety Assistance Program (MCSAP)].
  - Motor Fuels Tax Evasion.
- Performs post-crash motor carrier driver and equipment inspections.





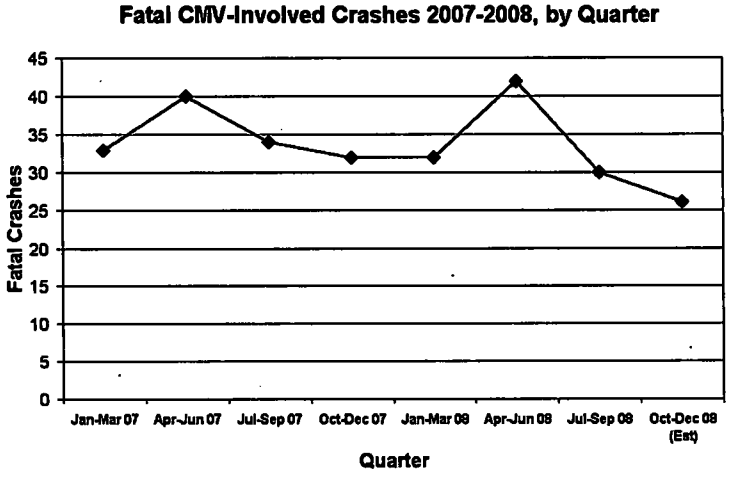


CMV involved crashes decreasing



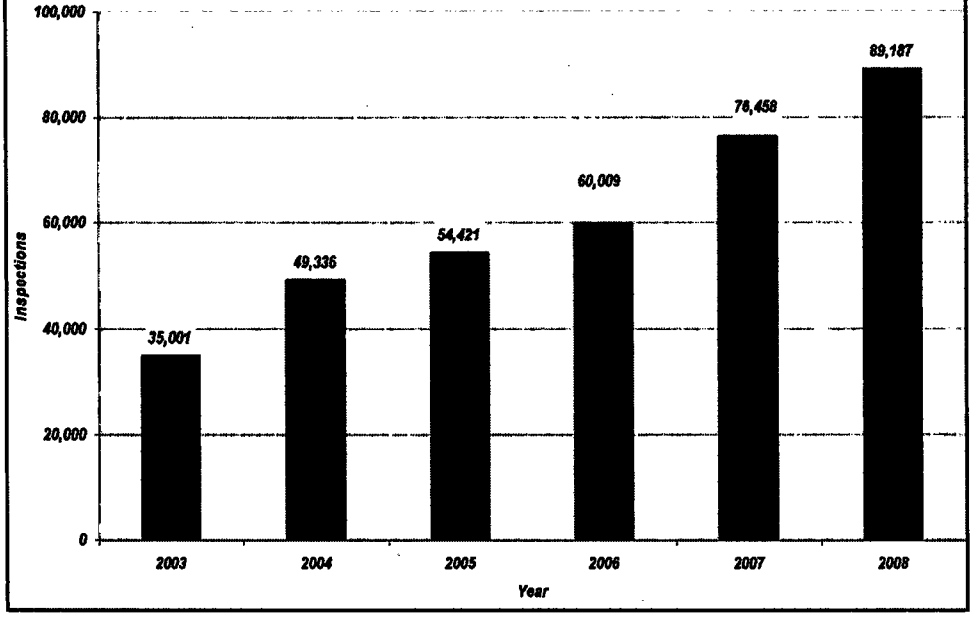
CMV-Involved crashes from NC TEAAS data. Qtr-4 for CY2008 have been estimated based on Jan-Nov data.

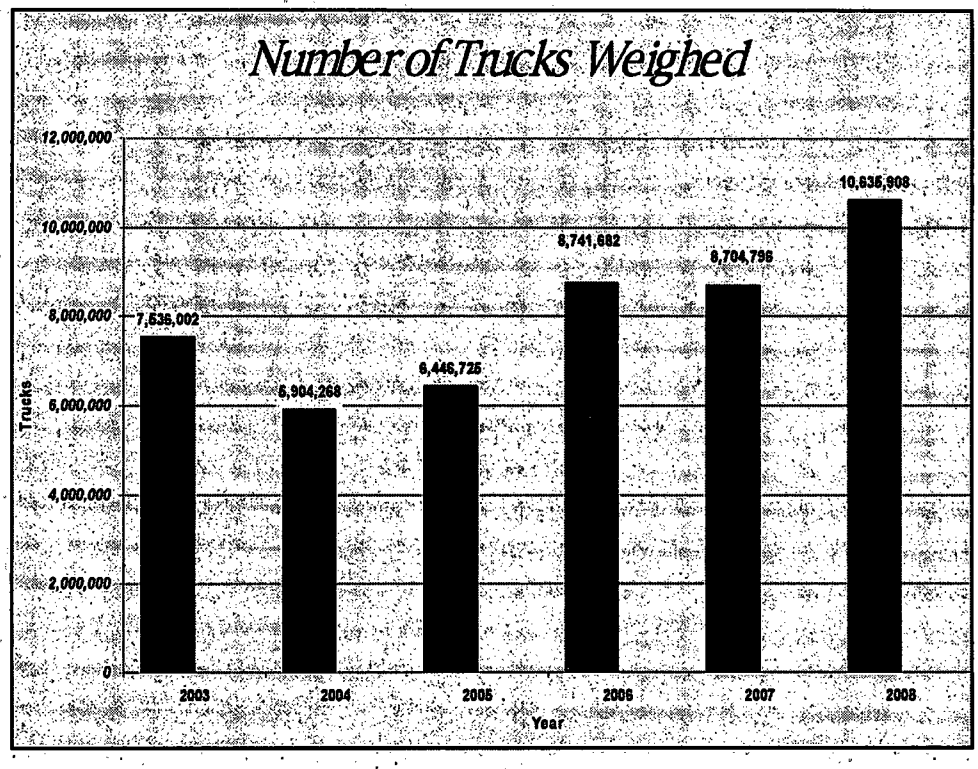
CMV involved fatal crashes decreasing

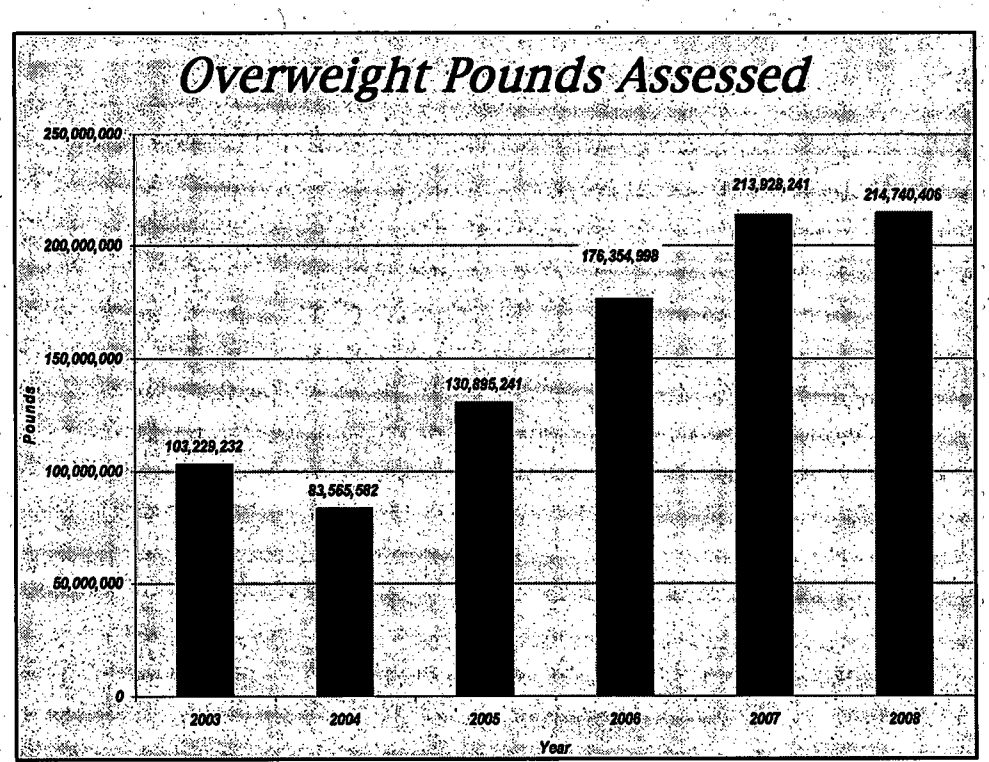


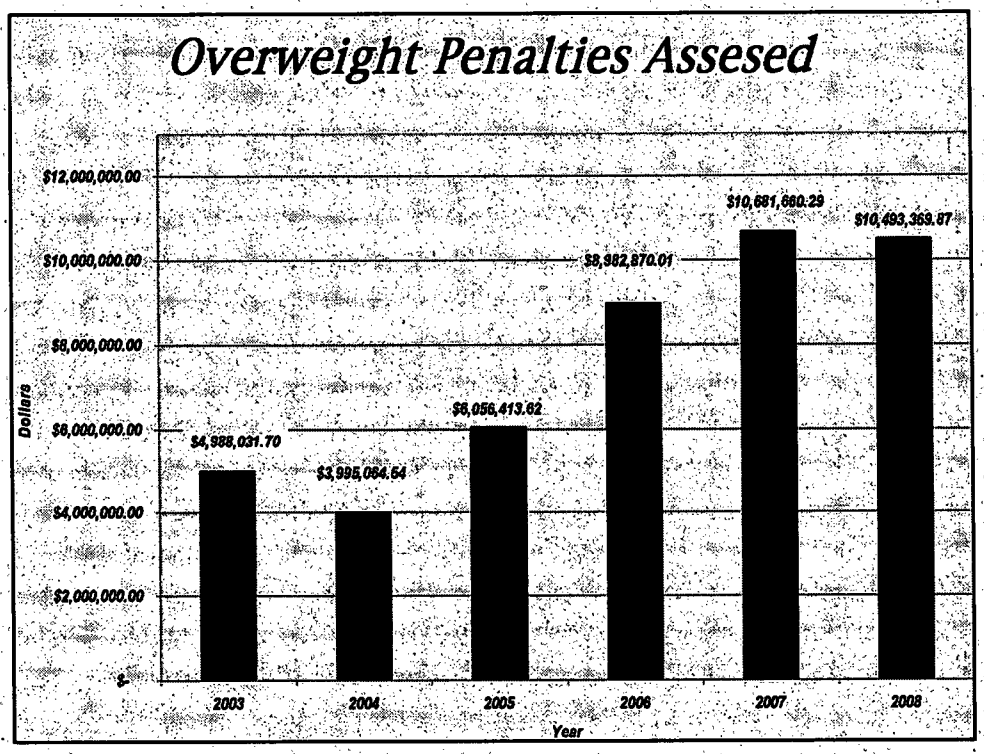
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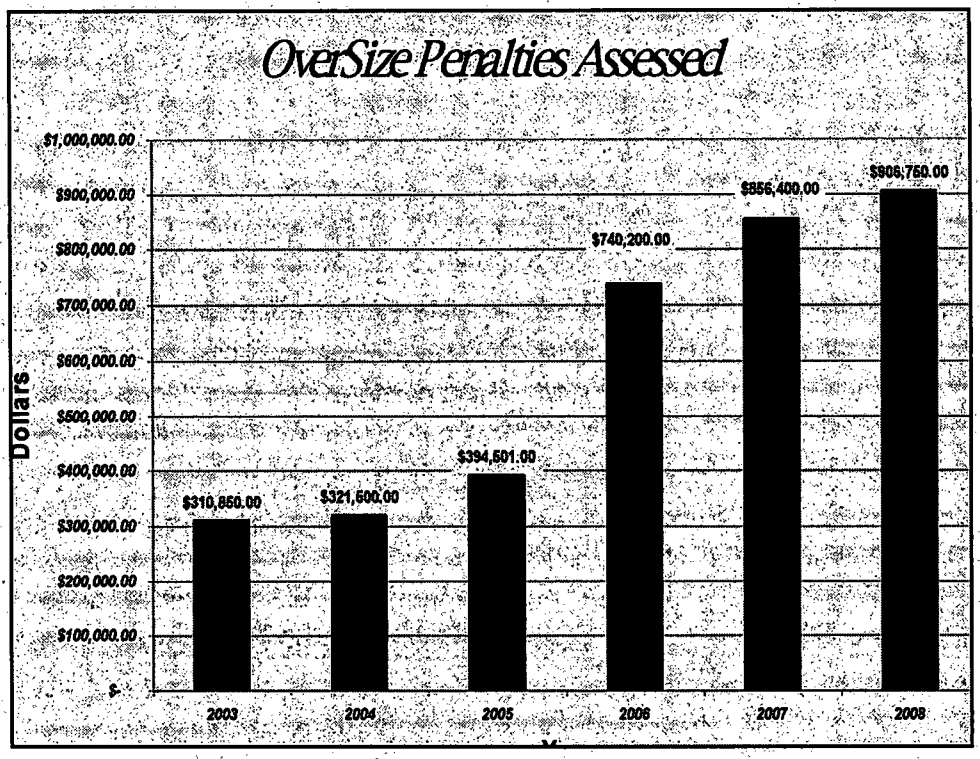
Inspections Conducted



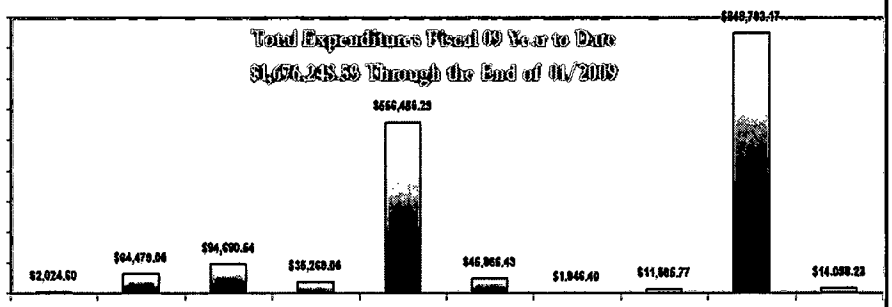

Number of Trucks Weighed
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
Trucks
7,536,002
5,904,268
6,446,725
8,741,682
8,704,796
10,635,908
2003
2004
2005
2006
2007
2008
Year


Overweight Pounds Assessed
250,000,000
200,000,000
150,000,000
100,000,000
50,000,000
0
Pounds
103,229,232
83,565,562
130,895,241
176,354,999
213,928,241
214,740,406
2003
2004
2005
2006
2007
2008
Year


Overweight Penalties Assesed
$12,000,000.00
$10,000,000.00
$8,000,000.00
$6,000,000.00
$4,000,000.00
$2,000,000.00
$-
Dollars
$4,988,031.70
$3,995,064.54
$6,056,413.62
$9,982,870.01
$10,681,660.29
$10,493,369.87
2003
2004
2005
2006
2007
2008
Year


OverSize Penalties Assessed
$1,000,000.00
$900,000.00
$800,000.00
$700,000.00
$600,000.00
$500,000.00
$400,000.00
$300,000.00
$200,000.00
$100,000.00
$-
Dollars
$310,850.00
$321,600.00
$394,501.00
$740,200.00
$856,400.00
$906,750.00
2003
2004
2005
2006
2007
2008

Weigh Station Cost



Loyalty Integrity Professionalism

Commercial Vehicle Information Systems and Network (CVISN)

- **Federal Motor Carrier Safety Administration funding with State match**
  - **Safety Information Exchange / Electronic Screening / Electronic Credentialing (Carriers)**
  - **Information on specific trucks traveling in our state**
- **NCPass Program- Transponder equipped Commercial Motor Vehicles**
  - **Reduced back-ups at weigh stations**
  - **Reduced fuel consumption and noxious emissions**

Loyalty Integrity Professionalism

Training Academy

- Patrol has grown by 610 members in the last 10 years
- Outgrown current facilities
- 5000+ people trained yearly (in and out of state, sworn and civilian)
- Inadequate student housing and training space
- Older facility = more maintenance costs

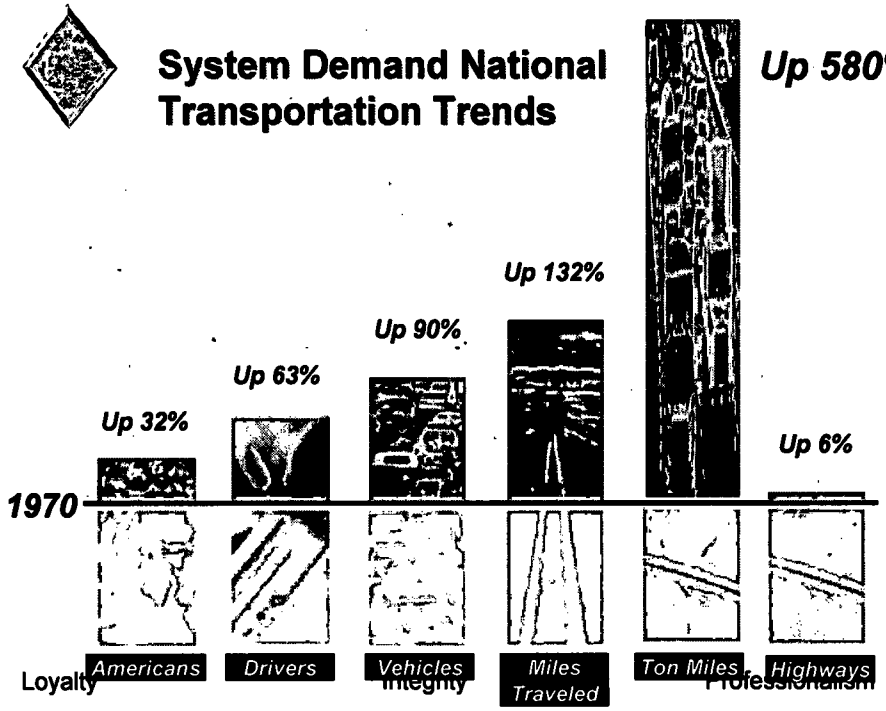
Loyalty Integrity Professionalism

Training Academy

- Estimated Cost of Renovation
  - $6,160,000
- Cost of Relocation
  - Engineers with DOA completed the following estimated cost of construction to relocate the entire Training complex, including Support Services (TSU and Logistics) based upon future needs:
  - $241,605,000
  - (Land cost not included)

Loyalty Integrity Professionalism

System Demand National Transportation Trends



NCSHP Challenges

- Personnel and support staff – To meet the needs of a growing population
- Technology – To maintain an effective statewide communications system and the sharing of data and mission-related information
- Recruitment – Competing with other law enforcement agencies for qualified manpower

Loyalty Integrity Professionalism

Questions and Comments



Loyalty Integrity Professionalism

Exhibit B



Voice Interoperability Plan for Emergency Responders

Quick Facts

- **238 total sites planned for statewide coverage.**
  125 sites constructed and on-the-air
  76 sites are fully funded and under construction
  37 sites remaining to be funded and built

- **VIPER estimated to cost $189 million**
  $107 million funded to date
  $ 81.5 million remains to be funded

- **VIPER is 53% complete (number of sites) with 125 sites on-the-air**
- **VIPER infrastructure is 57% funded;**
- **43% of VIPER remains to be funded**
- **34,104 users are currently on the VIPER Network**
- **150 Emergency Responding agencies (including federal, state and local agencies) makeup the 32,000 radio users**
- **SC has the same type Interoperable System; NC/SC can talk to each other using the same type user device.**

www.nccrimecontrol.org/VIPER viper@ncshp.org

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Thursday, March 5, 2009
TIME: 9:00 am
LOCATION: 1228 LB

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **10** o'clock on **February 26, 2009.**

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Tuesday, March 10, 2009
TIME: 9:00 am
LOCATION: 1228 LB

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **11** o'clock on **March 05, 2009.**

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

Joint Subcommittee on Transportation Appropriations

Tuesday, March 10, 2009
9:00 am
Room 1228/1327 LB

AGENDA

Chairs: Representatives Martin and Cole, Senator Goss

The DOT Maintenance Program

- Maintenance Conditions, Needs, and Programs
  - Lacy Love, Director of Asset Management, NCDOT
- Adjourn

Future Meetings

Wednesday, March 11, 9:00 am
Global TransPark

Thursday, March 12, 9:00 am
Secondary Roads Program

MINUTES

JOINT APPRORIATIONS SUBCOMMITTEE ON TRANSPORTATION

March 10, 2009
9:00 a.m.
Room 1228, Legislative Building

The Joint Appropriations Subcommittee on Transportation met on Tuesday, March 10, 2009 at 9:00 a.m. in Room 1228 of the Legislative Building. Co-Chairs present were: Senators Steve Goss and Julia Boseman, Representatives Nelson Cole and Grier Martin. House members present were: Representatives Lucy Allen, Lorene Coates, William Current, Margaret Dickson, Phillip Frye, Mitch Gillespie, James Gulley, Pat McElraft, Bonner Stiller and Arthur Williams. Senate members present were: Senators Harry Brown, Neal Hunt, Robert Rucho and Josh Stein. Staff members present were: Mr. Bob Weiss, Ms. Anna Cameron, Ms. Karlynn O'Shaughnessy and Mr. Ryan Blackledge. Sergeant-at-Arms present were: Marvin Lee, Toussaint Avent, Stan Johnson and Richard Telfair. The visitor sheet is attached as Attachment #1.

Representative Martin called the meeting to order, welcoming everyone and introduced Mr. Lacy Love, Director of Asset Management, NC Department of Transportation who provided a presentation for the NC Department of Transportation. Presentation is Attachment #2.

Following some discussion, the meeting was adjourned at 9:51 a.m.

Respectfully submitted,

Representative Grier Martin
Chair

Sylvia Hammons
Committee Assistant

ATTACHMENT #1

VISITOR REGISTRATION SHEET

ST Appr. Trans — Name of Committee

3/18/09 — Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE ASSISTANT

NAME	FIRM OR AGENCY
Mercedes Benton	OSBM
Johanna Reese	DOT
Beau Memory	NCTA
Chris Hollis	K&L Gates
WHIT WEBB	HNTB
S. Jackson	Budget & Tax Center
Julie W	NC MMC
Damian Graham	TTA
DAVID KING	TTA
V L McBride	NCTA
Amy McCorkey	Smith Anderson
Allison Waller	Charlotte Chamber

ATTACHMENT #1

VISITOR REGISTRATION SHEET

St Approp. Trans — 3/10/09

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mac Boxley	NC Aggregates
	RANC - Tri/Banks
	Impact Inc.
	NWC
	CAPA
	Self
	RANC
	UNC

Maintenance Funding Needs

for North Carolina's Highway System

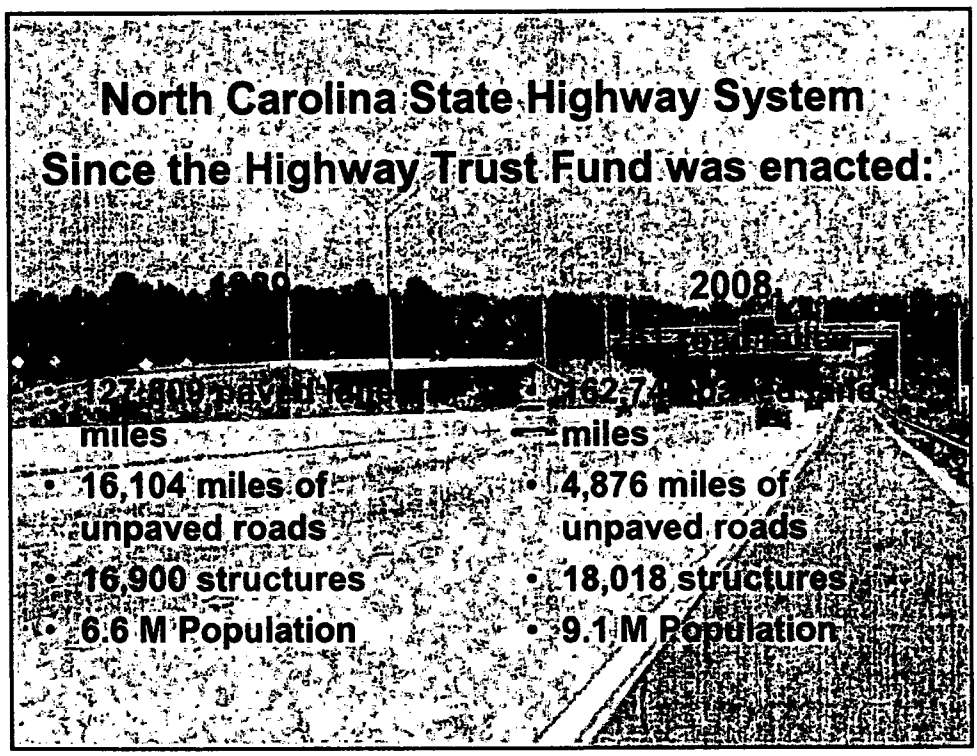
Report to the
Joint
Subcommittee on
Transportation Appropriations

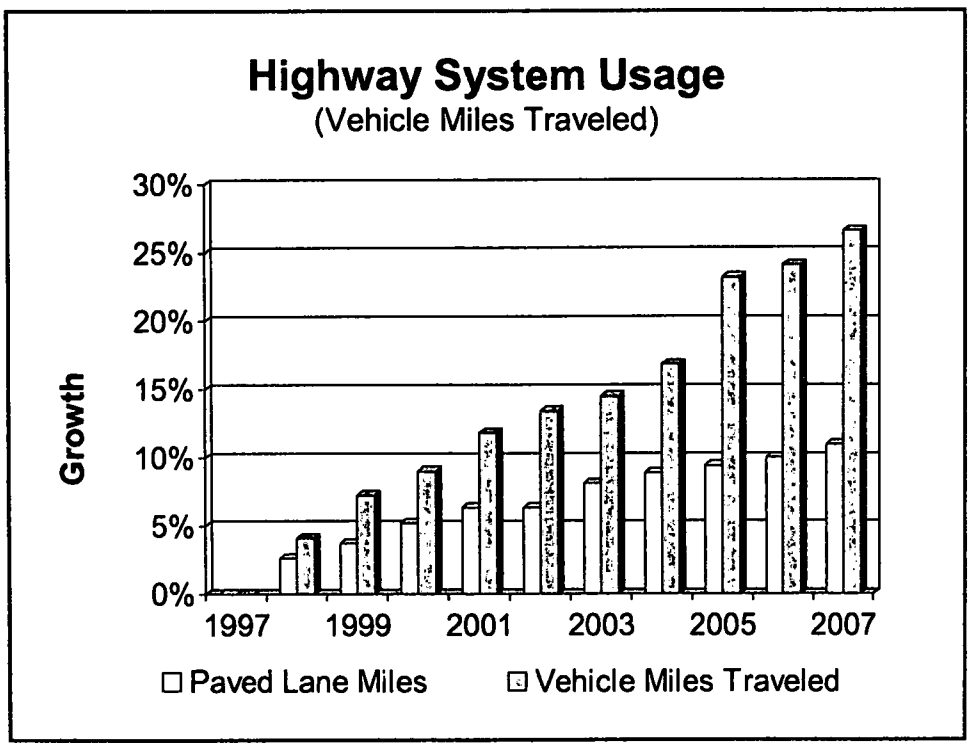
March 10, 2009

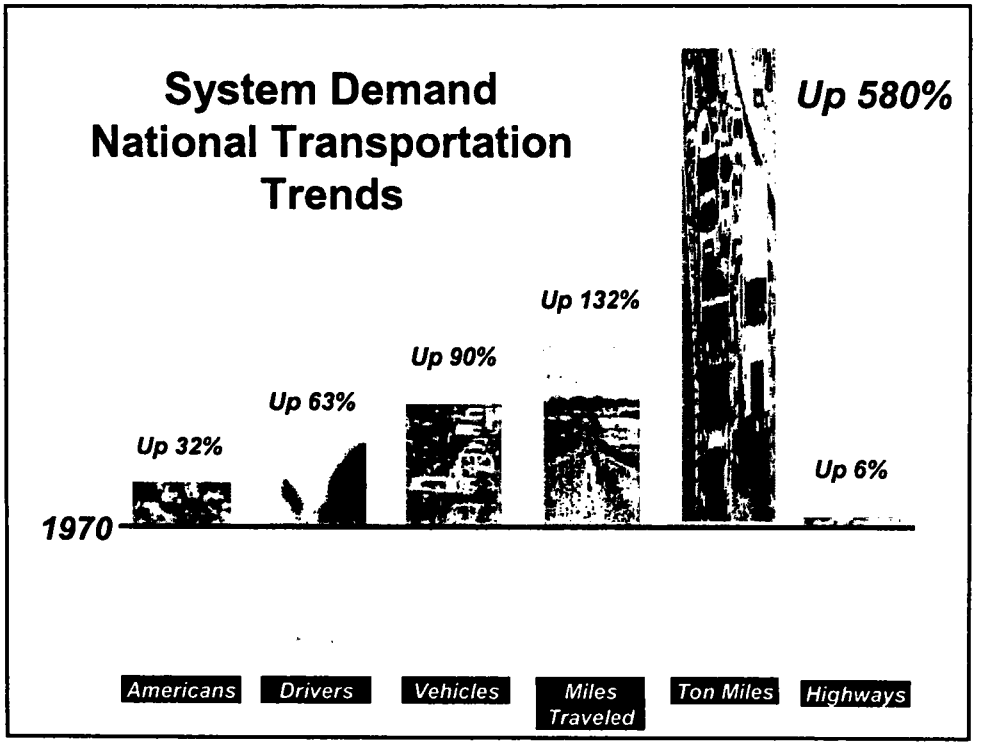
Lacy D. Love, PE
Director of Asset Management

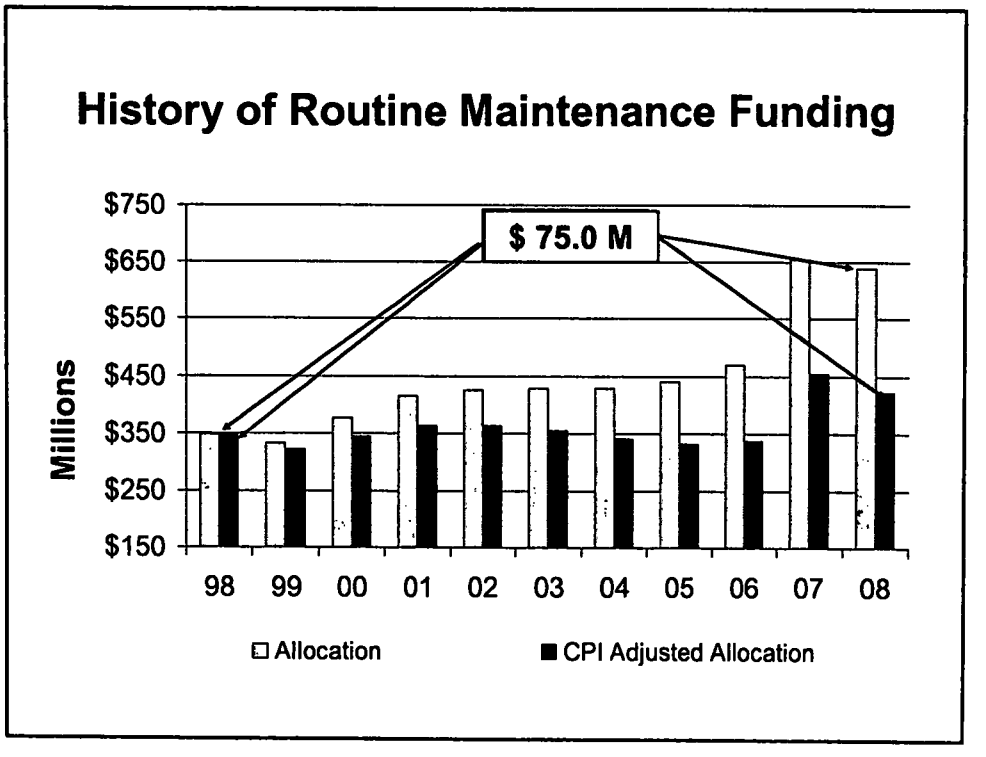
Maintenance Condition & Funding Needs For North Carolina's Highway System

- Overview of the Highway System
- Condition Assessment Results
  - Roads
  - Bridges
  - Pavements
  - Highway Operations
- Conclusions
  - Funding Needs
  - Condition Scenarios

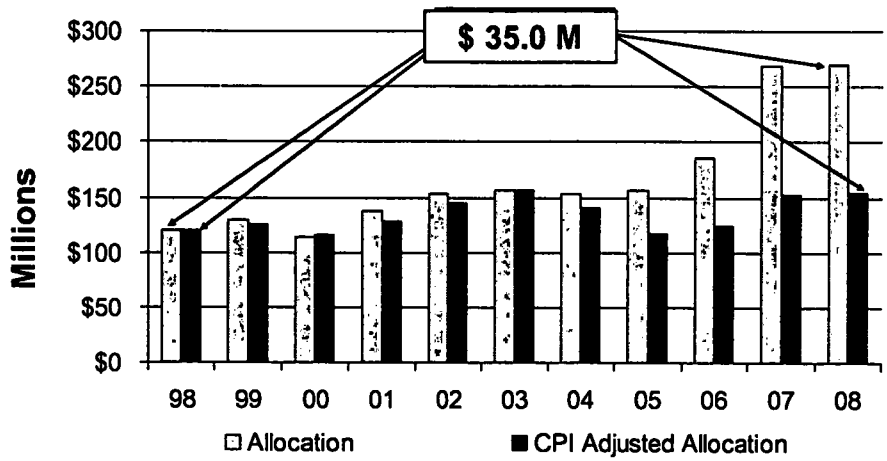

North Carolina State Highway System
Since the Highway Trust Fund was enacted:
2008
miles
• 16,104 miles of unpaved roads
• 16,900 structures
• 6.6 M Population
miles
• 4,876 miles of unpaved roads
• 18,018 structures
• 9.1 M Population


Highway System Usage
(Vehicle Miles Traveled)
Growth
30%
25%
20%
15%
10%
5%
0%
1997
1999
2001
2003
2005
2007
Paved Lane Miles
Vehicle Miles Traveled

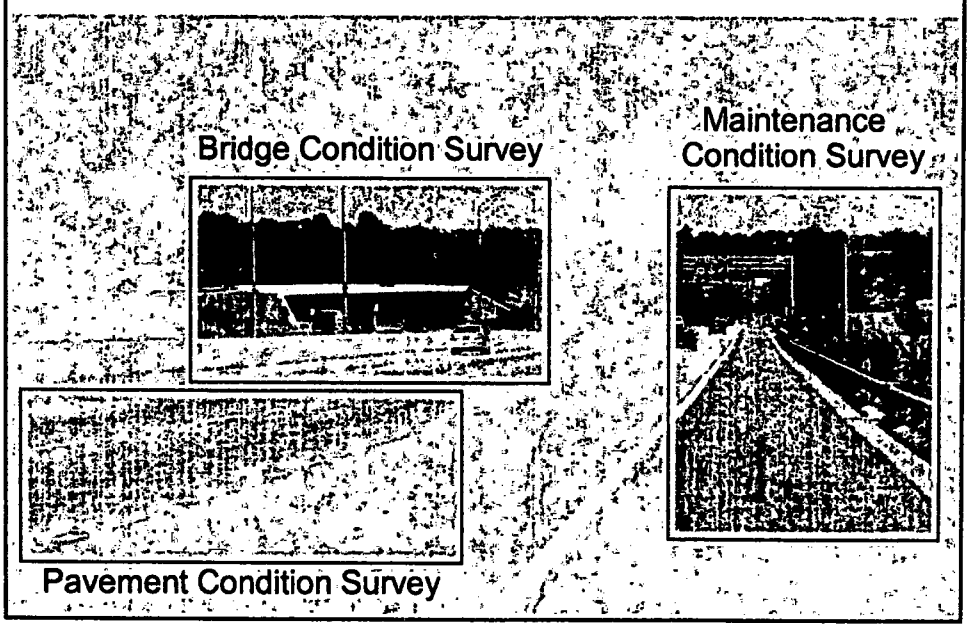

System Demand
National Transportation
Trends
Up 580%
Up 132%
Up 90%
Up 63%
Up 32%
Up 6%
1970
Americans
Drivers
Vehicles
Miles Traveled
Ton Miles
Highways


History of Routine Maintenance Funding
$750
$650
$550
$450
$350
$250
$150
Millions
$ 75.0 M
98
99
00
01
02
03
04
05
06
07
08
Allocation
CPI Adjusted Allocation

History of Resurfacing Funding



Rating the Condition of the Highway System



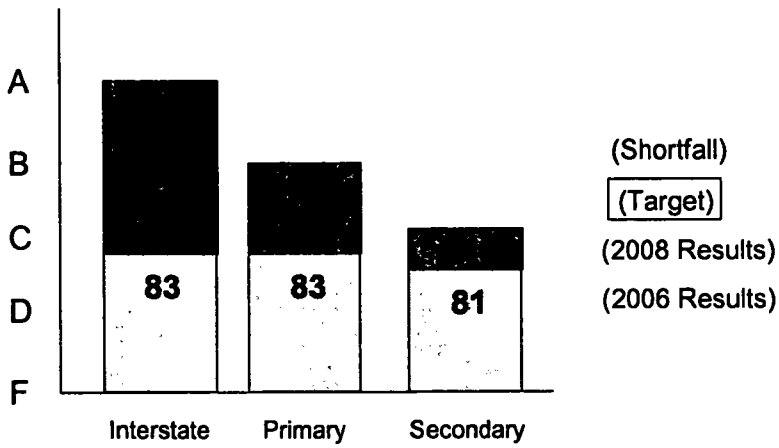
Maintenance Condition Survey Results

Roadway			Interstate		Primary		Secondary	
	ELEMENT	PERFORMANCE MEASURE	2008 Target	State Avg Score	2008 Target	State Avg Score	2008 Target	State Avg Score
SHLD & DITCH	Low Shoulder	No dropoff's greater than 2 inches	95	90	95	[illegible]	92	90
	High Shoulder	No shoulders higher than 1 inch	95	[illegible]	95	92	92	93
	Lateral Ditches	No blocked eroded or non functioning ditches	95	93	95	93	92	92
DRAINAGE	Crossline Pipe (Blocked) < 54"	Greater than 50% diameter open	95	97	90	[illegible]	85	88
	Crossline Pipe (Damaged) < 54"	No damage or structural deficiency	95	98	90	98	85	93
	Curb & Gutter (Blocked)	No obstruction greater than 2 inches for 2 feet	95	94	92	94	92	96
	Curb & Gutter (Damaged)	No damage	95	99	92	98	92	96
	Drop Inlets, CB's etc (Blocked)	Grates and inlets not blocked greater than 50%	96	[illegible]	95	90	92	91
	Drop Inlets CB's etc (Damaged)	Inlets and outlets are not damaged	98	93	95	96	92	96
ROADSIDE APPURT	Guardrail/Cable/Median Barrier/Conc	Rail is functional	99	100	97	99	95	99
	ROW Fence	Functioning as designed and undamaged	94	98	94	98	N/A	N/A
	Stormwater Devices	Functioning as designed	90	[illegible]	N/A	N/A	N/A	N/A
	Impact Attenuators	Properly functioning as designed and operational	99	96	97	94	N/A	N/A

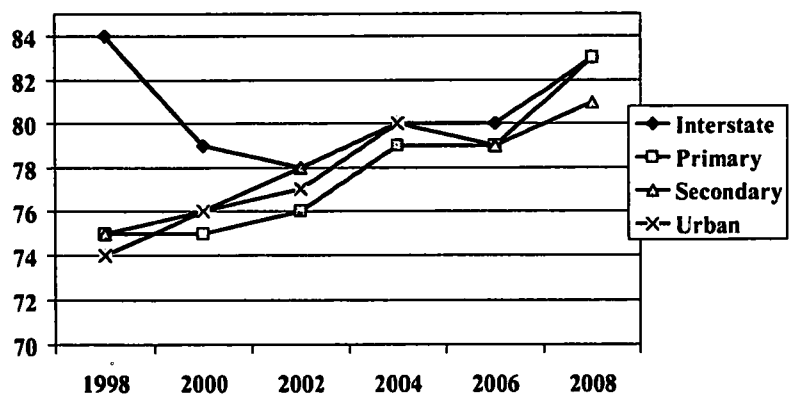
Maintenance Condition Survey Results

Roadway			Interstate		Primary		Secondary	
	ELEMENT	PERFORMANCE MEASURE	2008 Target	State Avg Score	2008 Target	State Avg Score	2008 Target	State Avg Score
ROADSIDE	Mowing	Grass height not to exceed 15 inches	90	[illegible]	85	[illegible]	80	[illegible]
	Brush & Tree Control	Vertical clearance of 15 feet over roadway and 10' back of ditch or shoulder point	90	85	85	[illegible]	80	[illegible]
	Turf Condition	Free of bare dead, diseased, distressed or weedy areas	90	[illegible]	85	83	80	86
	Uncontrolled Growth	Vegetation height around guardrail does not exceed bottom of rail, and uniform with roadside at signs	78	71	85	[illegible]	80	[illegible]
	Litter & Debris Control	Less than 100 pieces of litter or debris	90	[illegible]	85	[illegible]	80	84
	Landscape Beds	Free of dead or damaged plant material, decomposed mulch unwanted vegetation	90	[illegible]	90	[illegible]	N/A	N/A
	Rest Areas & Welcome Center	Condition Rating	96	[illegible]	90	92	N/A	N/A
TRAFFIC/ITS	Long line pavement markings	Present, visible and reflective at night	95	[illegible]	90	[illegible]	80	[illegible]
	Words & Symbols	Present, visible and reflective at night	95	92	90	[illegible]	80	78
	Pavement Markers	Present and reflective	95	[illegible]	85	[illegible]	N/A	N/A
	Signs ground	Visible and legible	92	94	85	89	85	96
	Overhead Signs	Visible and legible	92	98	85	96	N/A	N/A
PVMT	Pvmt Shoulder Condition	Pavement failures are repaired	90	[illegible]	85	83	80	[illegible]
	Asphalt pavement repair	Potholes fixed, rut depths < 25" cracks > 5" sealed	95	[illegible]	90	[illegible]	85	[illegible]
	Total		93	[illegible]	90	[illegible]	86	[illegible]

Maintenance Condition Survey Results
Level of Service



Performance Measure Trends
(Maintenance Condition Survey Results)

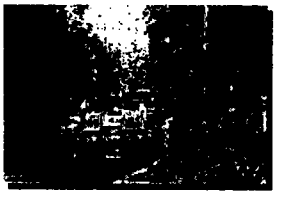


Pavements

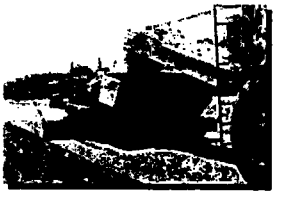


Pavement Management Comprehensive Strategy

- Pavement Preservation
  - For pavements in good to fair condition



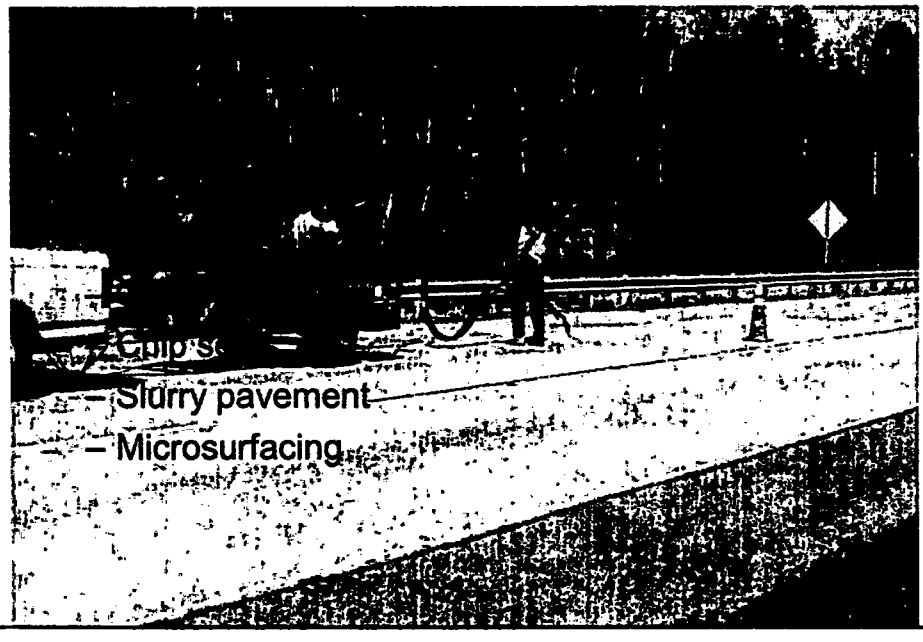
- Contract Resurfacing
  - For pavements in fair to poor condition



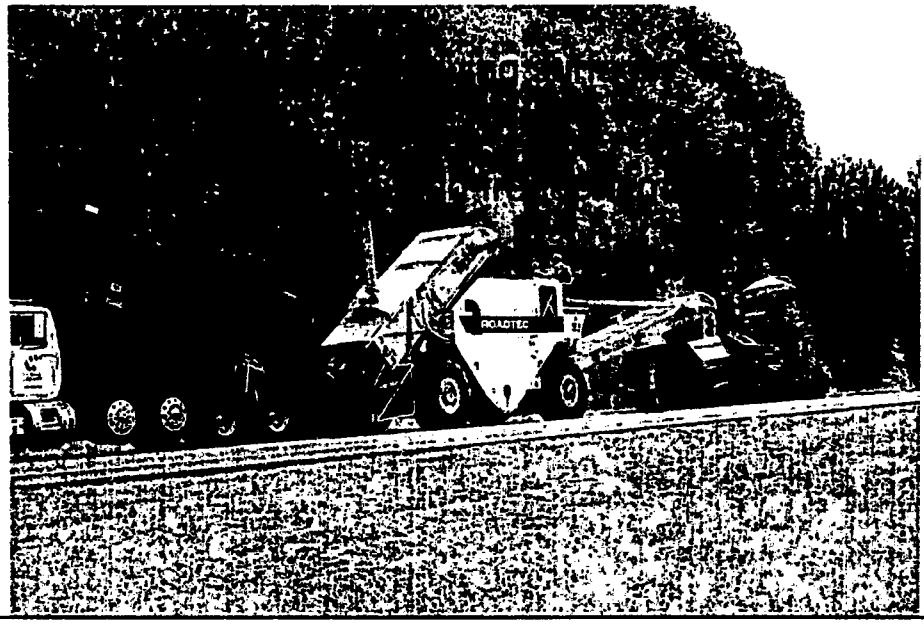
- Rehabilitation
  - For pavement in very poor condition



Pavement Preservation

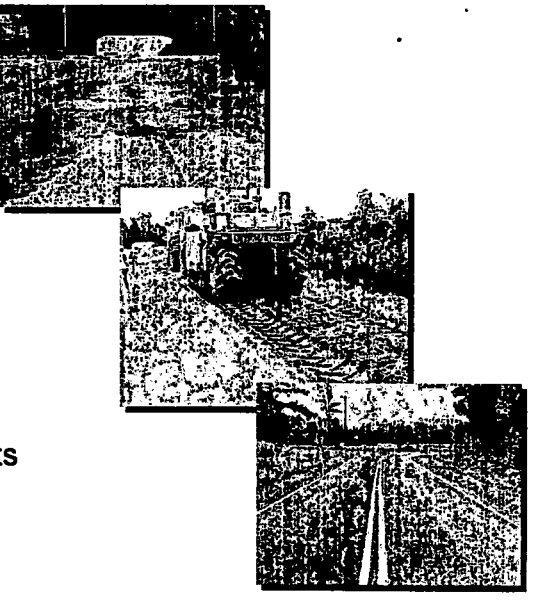


Contract Resurfacing

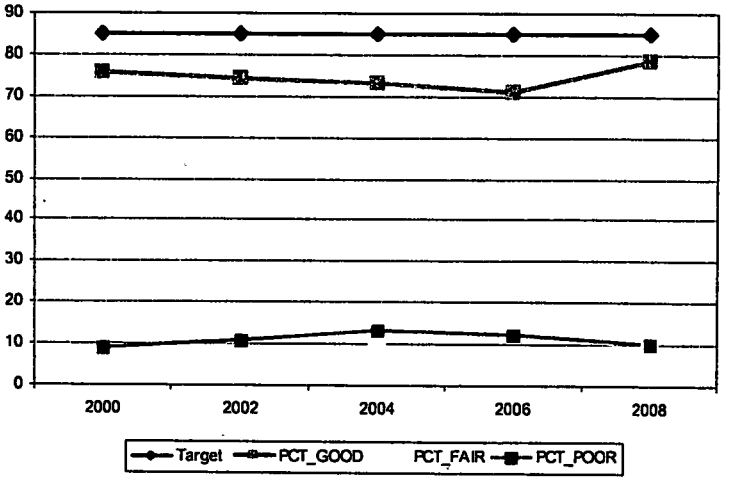


Pavement Rehabilitation

- Restores pavement condition
- Increases pavement structure
- Treatments include:
  - Mill and replace
  - Overlay with thicker lifts

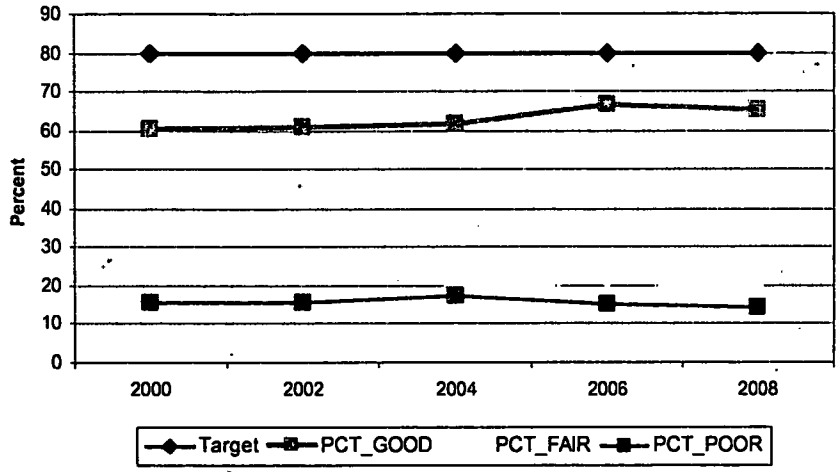


Interstate Pavement Condition



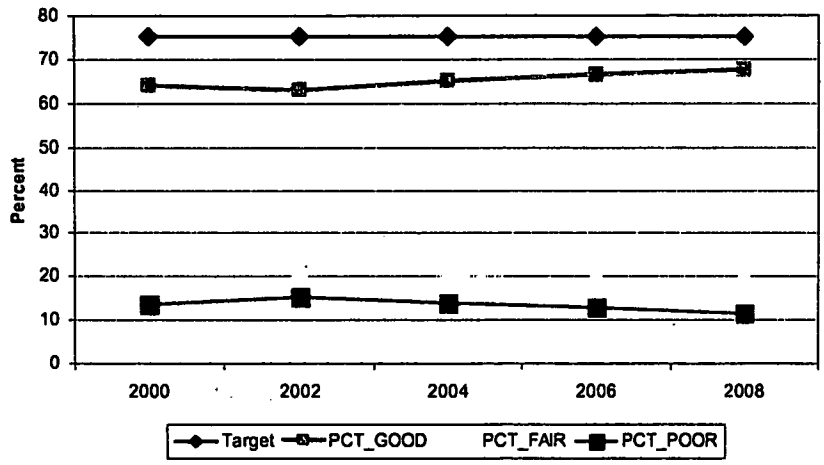
Years 2000 - 2008

Primary Pavement Condition



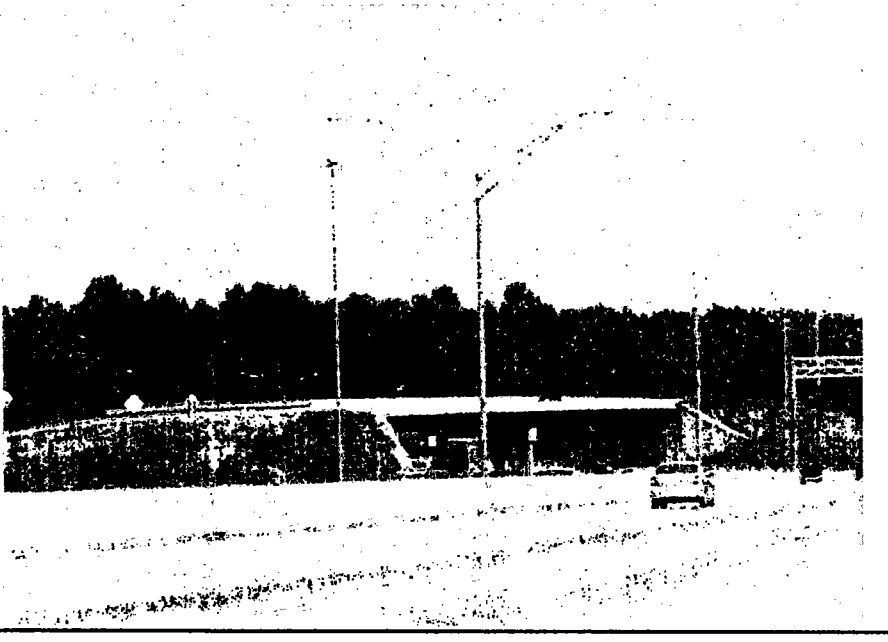
Years 2000 - 2008

Secondary Pavement Condition



Years 2000 - 2008

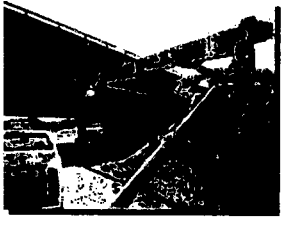
Bridges

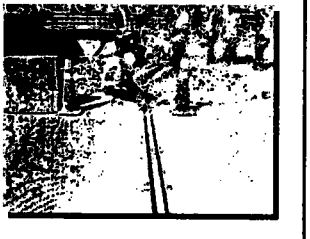


Bridge Preservation

- Painting Structural Steel
- Cleaning Bearings
- Repair and Replace Expansion Joints
- Apply Material to Slow Corrosion
- Waterproofing and Resurfacing Decks







Bridge Rehabilitation

- Restore Bridge Components
- More Expensive than Preservation
- Cost effective on some bridges

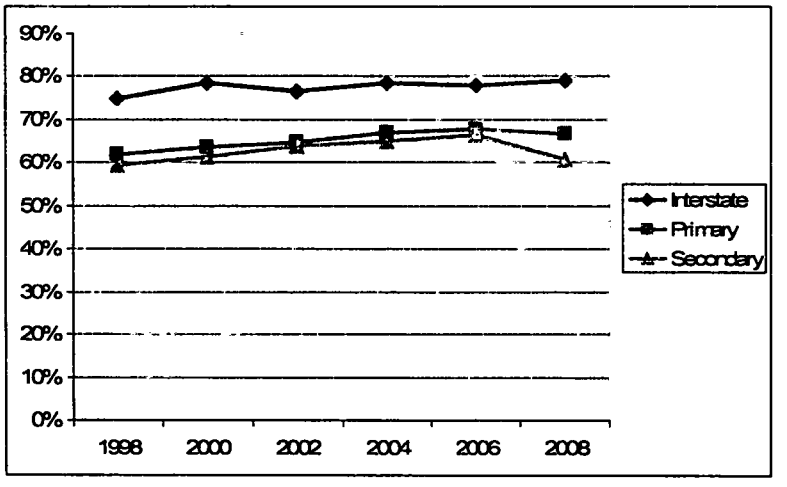




Bridge Condition Survey Results

Bridges			Interstate		Primary		Secondary	
	ELEMENT	PERFORMANCE MEASURE	2008 Target	State Average Score	2008 Target	State Average Score	2008 Target	State Average Score
Bridge Deck	Concrete	% of decks rating greater than or equal to 6	85	84	80	79	75	83
	Timber		85	N/A	80	83	75	86
	Steel Planks		85	N/A	80		75	85
	Open Gnd Steel		85	N/A	80		75	N/A
Super-structure	Concrete	% of superstructure rating greater than or equal to 6	90		85		80	
	Steel Planks		90	90	85	83	80	82
	P/S Concrete		90	97	85	99	80	93
	Timber		90	N/A	85		80	
Sub-structure	Timber	% of substructure rating greater than or equal to 6	90	N/A	85		80	
	Concrete Pile		90	85	85		80	84
	Steel Pile		90	92	85	90	80	92
	Concrete Piers		90	92	85	81	80	87

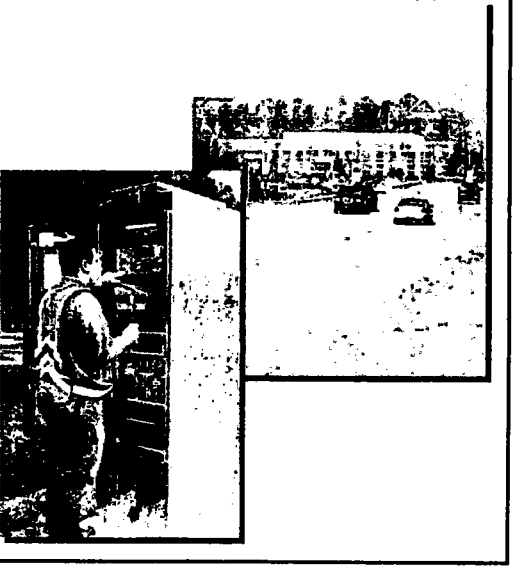
Overall Bridge Health



Years 1998 - 2008

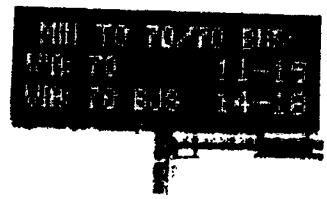
Highway Operations

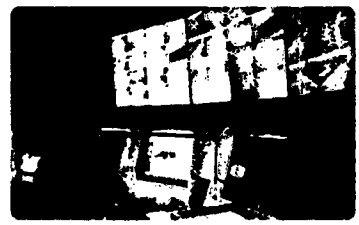
- 8800 traffic signals statewide
- Signal maintenance provides:
  - Improved safety
  - Reduction in delays
  - Reduced fuel consumption
  - Improved air quality

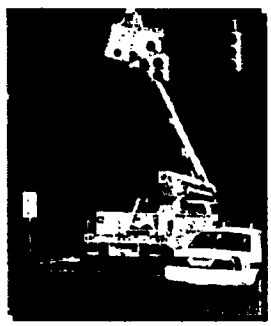


Highway Operations

- Overhead dynamic message boards
- Camera systems
- Speed detection devices
- Incident Management Assistant Patrols (IMAP)





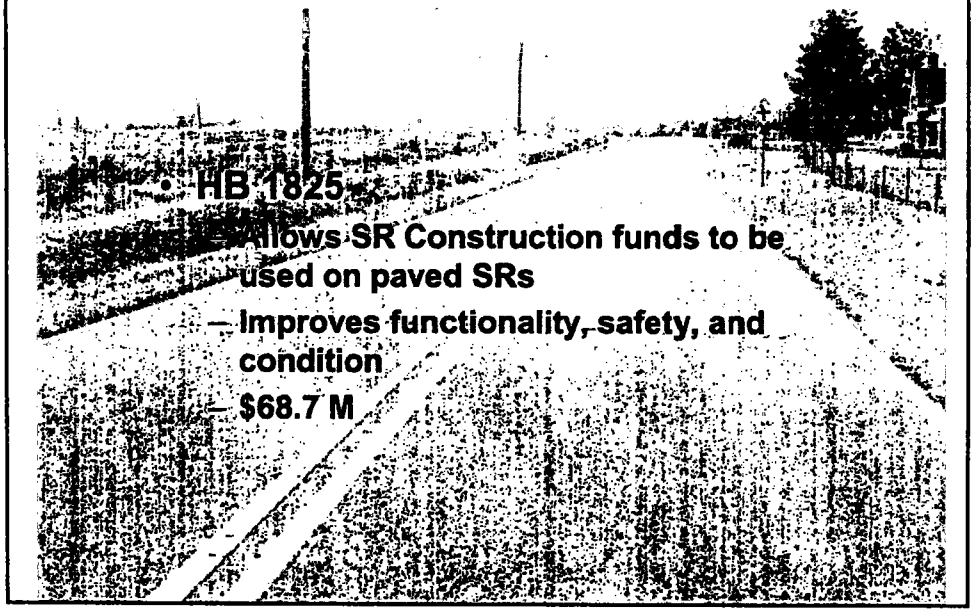


Alternate Funding

- TIP Funds
  - Signal Preventive Maintenance Program
  - Intelligent Transportation System/Incident Response Program
  - Positive Guidance
  - $41.5 M

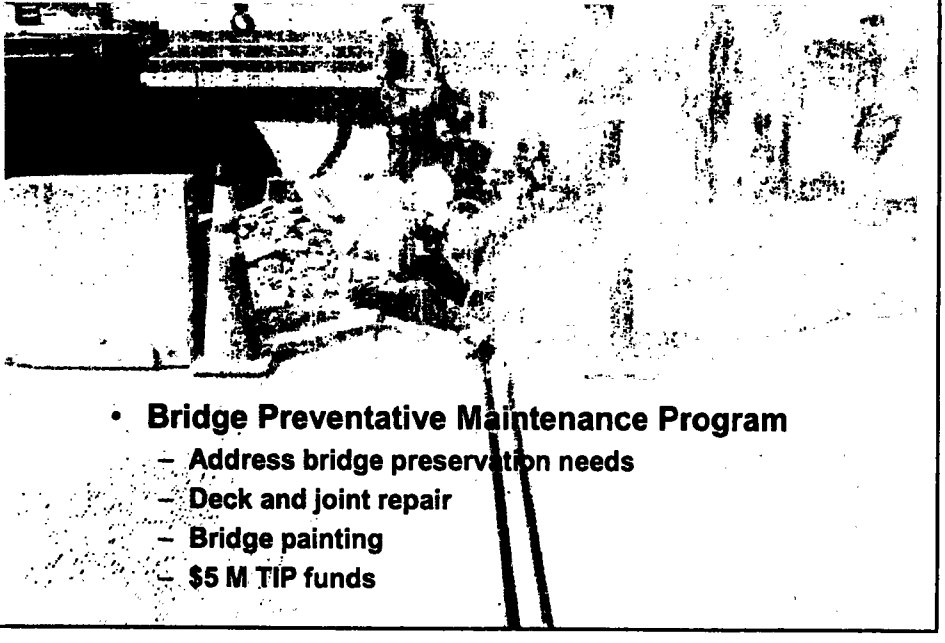


Alternate Funding



- HB 1825
  - Allows SR Construction funds to be used on paved SRs
  - Improves functionality, safety, and condition
  - $68.7 M

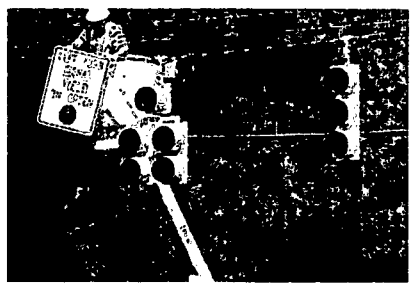
Alternate Funding



- Bridge Preventative Maintenance Program
  - Address bridge preservation needs
  - Deck and joint repair
  - Bridge painting
  - $5 M TIP funds

Maintenance Operational Improvements

- LED replacement for signal bulbs
- Signal preventive maintenance
- ITS (IMAP) initiatives
- Incentive pay programs
- DOC litter pickup program
- Winter anti-icing operations
- Conversion to low maintenance centipede turf



Conclusions

	Level of Service	
System	**Target**	**Current**
Interstate	A	C
Primary	B	D
Secondary	C	D

Maintenance Funding Needs (Millions)

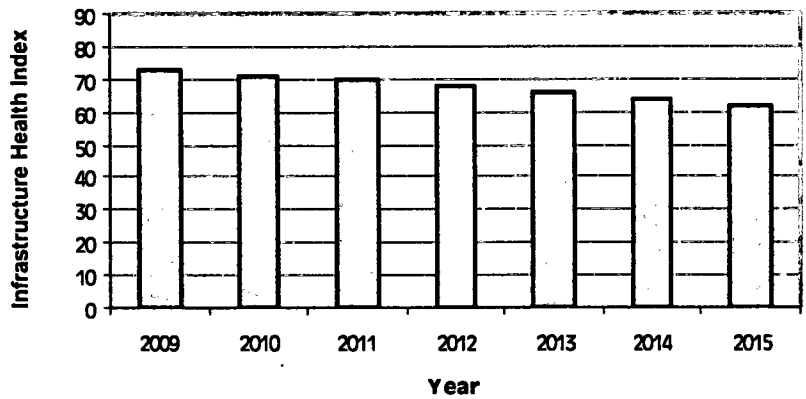
	FY '09 -'10 Needs
Maintenance Operations	$ 907.6
Disasters	$ 15.0
Contract Resurfacing	$ 443.9
Pavement & Bridge Preservation	$ 309.0
Total Maintenance & Preserv. Needs	$1,675.5
Alternate Maintenance Funds	- $ 115.2
Adjusted Maintenance Funding Needs	$1,560.3
System Rehabilitation Needs	$407.5

Statewide Annual Maintenance Funding Plan

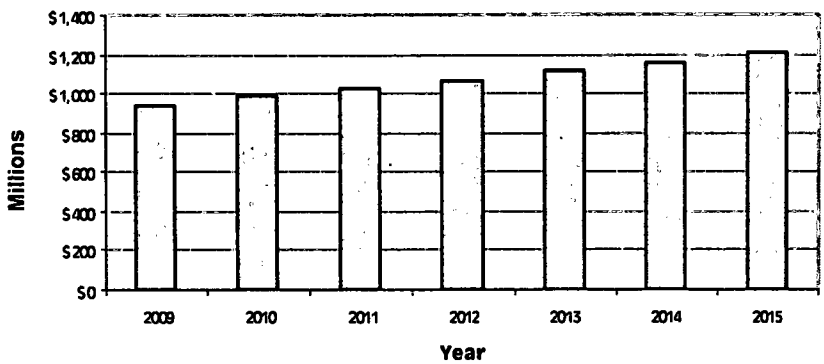
Fiscal Year ($ Millions)					
Maintenance Programs	**2009-2010**	**2010-2011**	**2011-2012**	**2012-2013**	**2013-2014**
Maintenance & Operations	907.61	944.60	983.14	1023.29	1065.14
Disasters/Emergencies	15.00	15.00	15.00	15.00	15.00
Contract Resurfacing	443.85	462.49	481.92	502.16	523.25
Pavement & Bridge Preserv	308.96	321.94	335.46	349.55	364.23
Total Maint. Funding Needed	1,675.42	1,744.03	1,815.52	1,890.00	1,967.62
Alternate Maint. Funds	115.20	115.20	115.20	115.20	115.20
Estimated Maint. Fund Alloc.*	897.15	897.15	897.15	897.15	897.15
Shortfall	*(663.07)*	*(731.68)*	*(803.17)*	*(877.65)*	*(955.27)*

***Estimated Maint. Fund Alloc. Is based on the Continuing Budget**

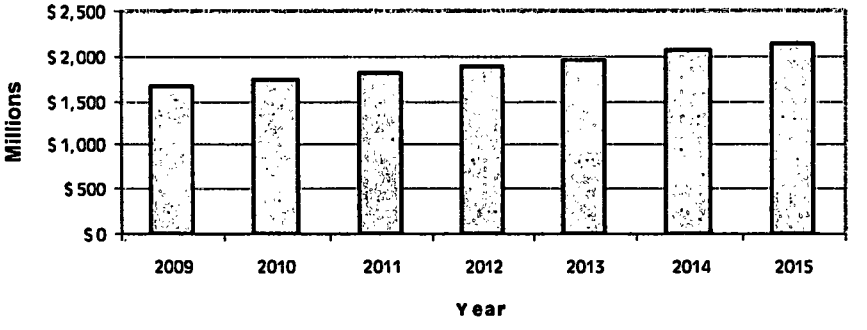
Condition Scenario 1
(LOS at Current Funding Level)



Condition Scenario 2
(Estimated Dollars to Maintain Current LOS)



Condition Scenario 3
(Funding Needed to Meet Target LOS)



Questions?

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Wednesday, March 11, 2009
TIME: 9:00 am
LOCATION: 1228 LB

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11 o'clock on **March 05, 2009**.

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Tuesday, March 17, 2009
TIME: 9:00 am
LOCATION: 1228 LB

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **16** o'clock on **March 12, 2009.**

☑ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

Joint Appropriations Subcommittee

on

Transportation

The Joint Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met on Tuesday, March 17, 2009, at 9:00 A. M. Representative Nelson Cole, Chairman, presided. House members attending included the following: Representative Grier Martin, Chairman; Representative Lucy Allen, Vice Chairman; Representative Lorene Coats, Vice Chairman; Representative William Current; Representative Jerry Dockham; Representative Phillip Frye; Representative Jim Gulley; Representative Pat McElrath; and Representative Arthur Williams. Representative Bonner Stiller was unable to attend due to illness. Senate members attending included the following: Senator Steve Goss, Chairman; Senator Harry Brown; Senator Neal Hunt; Senator Bob Rucho; and Senator Josh Stein. Staff members from the Fiscal Research Division were Ms. Karlynn O'Shaughnessy, Mr. Bob Weiss, Ms. Amna Cameron, and Mr. Ryan Blackledge.

Chairman Cole welcomed members and visitors. He recognized pages serving the meeting: Mariah Governor from Columbus County, sponsored by Representative Dewey Hill; Preston Rodeniser from Wake County, sponsored by Senator Richard Stevens; Tyler Smith from Buncombe County, sponsored by Senator Martin Nesbitt; Allen Bridger from Cleveland County, sponsored by Senator Debbie Clary, Charles Nowotny from Granville County, sponsored by Senator Doug Berger; and Darius Taylor from Wake County, sponsored by Representative Dan Blue.

Chairman Cole called upon Mr. Lacy Love, Director of Asset Management of the North Carolina Department of Transportation, to answer some questions from the previous meeting. Because of time constraints, Mr. Love had not had the opportunity to answer all questions. Representative Current asked about funds spent for litter removal. Mr. Love said that $10.5 million had been allotted to the Corrections Department for litter removal, tree trimming, and other assignments performed by inmates. Senator Hunt asked about other uses for this $10.5 million allotment. Mr. Love indicated that the majority of these funds went to guards who supervised inmates while they worked.

Chairman Cole introduced Mr. Delbert Roddenberry, Secondary Roads Program Manager, of the North Carolina Department of Transportation. Mr. Roddenberry presented information about the Secondary Road Program in North Carolina.

[Exhibit A] According to Mr. Roddenberry, this division of the NC DOT is working efficiently and effectively, but he acknowledged that there is always room for improvement. Following his presentation, Mr. Roddenberry answered questions from committee members.

Chairman Cole concluded the meeting by thanking members, staff, and guests for their attendance.

The next meeting is to convene on Wednesday, March 18, 2009, at 8:30 A. M. in room 1228. Mr. Mark Foster, Chief Financial Officer of NC DOT, will present the Governor's Budget.

The meeting was then adjourned.

Respectfully submitted,

Linda Laton

Linda Laton, Committee Assistant

Nelson Cole

Representative Nelson Cole, Chairman

Joint Subcommittee on Transportation Appropriations

Tuesday, March 17, 2009
9:00 am
Room 1228/1327 LB

AGENDA

Chairs: Representatives Martin and Cole, Senators Goss and Graham

Secondary Roads Program

- Secondary Roads Program
  - Delbert Roddenberry, Secondary Roads Program Manager, NCDOT

Future Meetings:

Wednesday, March 18, **8:30 am (note time change)**
Mark Foster, Chief Financial Officer, NCDOT presents the Governor's Budget

Thursday, March 19, 9:00 am
Division of Motor Vehicles presentation

Exhibit A

Secondary Road Program



The **Secondary Roads Construction and Improvement Program** priority is to pave unpaved roads and to improve mobility and safety on existing paved roads.

Joint Subcommittee on Transportation

March 12, 2009

North Carolina State Highway System

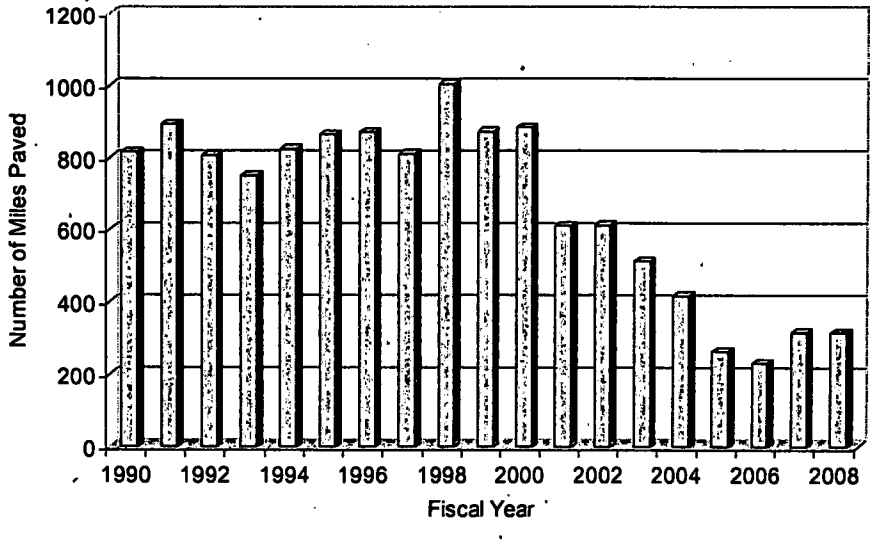
- ~79,000 miles of Roadway - Total System

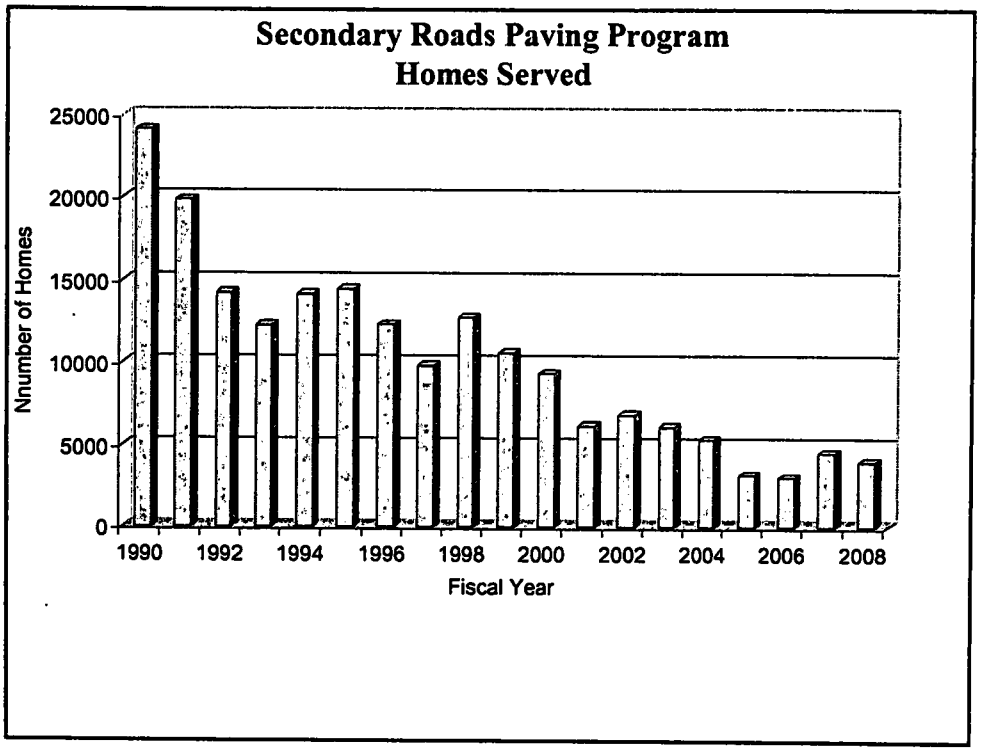
- ~64,000 miles of Secondary System
  - 92.4% Paved (59,330 miles)
  - 7.6% Unpaved (4876 miles)
- 1836 miles Eligible for Paving

Unpaved Secondary Road

- Miles on Hold List 2750
  (Due to unavailable R/W or costly Environmental Impacts)
- Eligible for Programming
  - Number of Roads ~ 3000
  - Number of Homes~ 12,800
  - Unpaved Miles 1836
- Programmed/In Process 290

Total Unpaved Miles 4876





Secondary Road Program Funding

Highway Fund and the Highway Trust Fund

Highway Fund appropriation--G.S. 136-44.2A

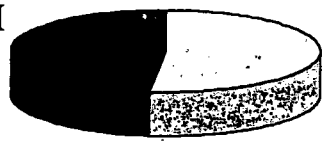
- requires 1 ¾ cents of the motor fuels tax collected per gallon be allocated for the secondary road program.

Highway Trust Fund appropriation--G.S. 136-176(b)(4)

- requires that 6.5% of the Highway Trust Fund be used for secondary road construction as provided in G.S. 136-182.

Fiscal Year 2008-2009 Allocations

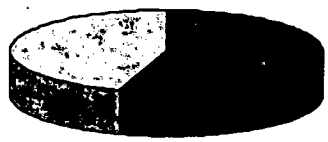
***Trust Fund**
$ 71.51M



Highway Fund
$ 92.83M

Projected Allocations for FY 2009-10 (Continuation Budget/Reduced Revenue)

***Trust Fund**
$ 53.39M



Highway Fund
$ 84.48M

*** Amounts adjusted for debt service**

Allocations to Counties

Prior to 2007:

HF - first $68.67M allocated based on the county's percentage of the state's total unpaved miles.

HF dollars > $68.67M + HTF dollars allocated based on the county's percentage of the state's unpaved miles that carry 50 or more vehicles per day.

Secondary Road Construction
Old Funding/Allocation Structure
PROGRAM CHALLENGES

- Right-of-Way
- Constructability and environmental permitting issues
- Maintenance cost of roads which have been paved since the 1989 Trust Fund Law
- Increasing cost of construction versus homes served

Secondary Road Construction & Improvement Program

Statutory Changes in 2005 & 2006

Transition to an Improvement Program to better address safety and mobility needs through modernization improvements on the secondary road system

Incorporate widening, resurfacing, safety, and bridge replacement projects on the Secondary Paved System (Modeled the NC Moving Ahead program)

Emphasis placed on completion of the paving program to the extent possible in counties where the unpaved mileage is significant.

Secondary Road Construction & Improvement Program

(Statutory Changes in 2005 & 2006)

For Fiscal Years 2008, 2009 & 2010

County HF Allocations include percentage of county's paved & unpaved road mileage

County HTF Allocations based on percentage of county's unpaved road mileage eligible for programming (e.g. not on hold list or previously programmed)

Secondary Road Improvement Program

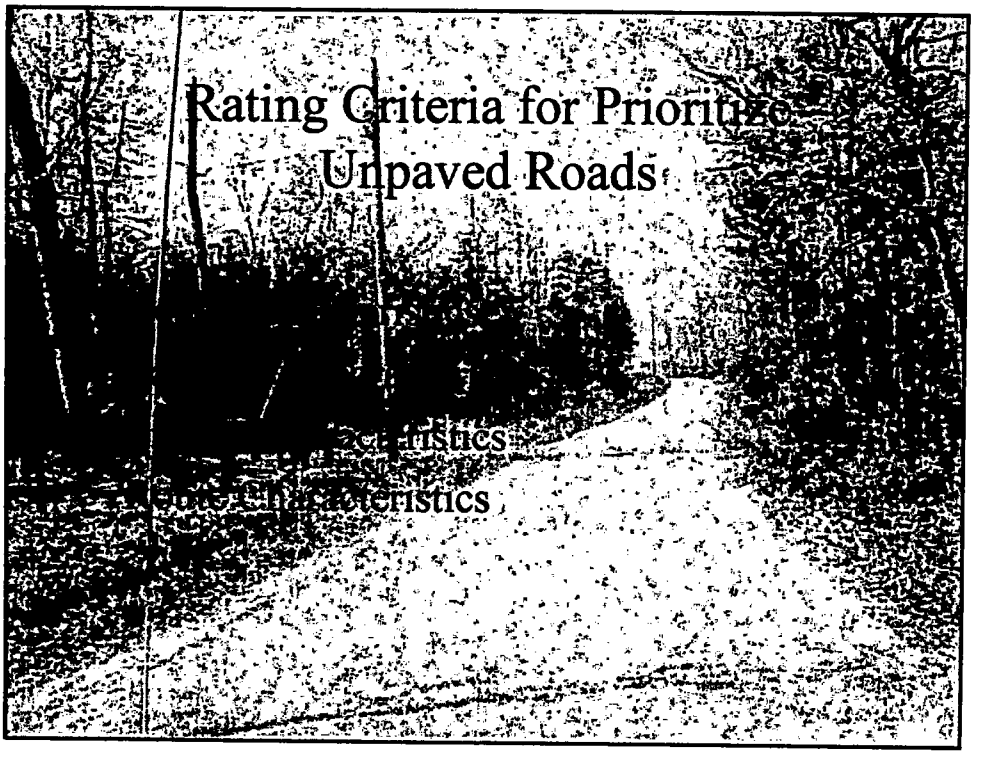
- Beginning FY 2011
  - Allocation formula simplified for both fund Highway Fund and Trust Fund
  - Funds will be allocated to counties based on the county's percentage of total statewide secondary road miles
  - A recurring fund source for the secondary road improvement program to fund modernization, safety and bridge replacement projects

Secondary Road Improvement Program

Project Selection

Unpaved Road Prioritization:
Projects are identified through a priority rating system where roads are rated every 4 years using a rating sheet which looks at various route elements

Paved Road Improvement Projects:
Projects identified through Board of Transportation adopted Project Selection Guidelines



Unpaved Road Rating Criteria

- Road Characteristics
  - **Length** (miles)
  - Base Type
  - Base Width
  - Ditch-Ditch Width

Unpaved Road Rating Criteria

- Land Use Characteristics

– # Homes (Full Time/Part Time)		6 pts/3pts
– # Schools		10 pts
– # Churches		10 pts
– # Businesses		10 pts
– # Industries		10 pts
– # Recreation Facility		5 pts
	Sub Total	___
	Divided by Length	___
	Total Points	___

Unpaved Road Rating Criteria

- Traffic Characteristics
  - School Bus Route 10 pts
  - Average 24 hr Traffic 1pt/veh

Unpaved Road Rating Criteria

- Route Characteristics
  - County Thoroughfare (y/n)
    - Full = 10 pts
    - Half = 5 pts
    - N = 0 pts

Rating Criteria
Example for Rural Road 2.0 miles

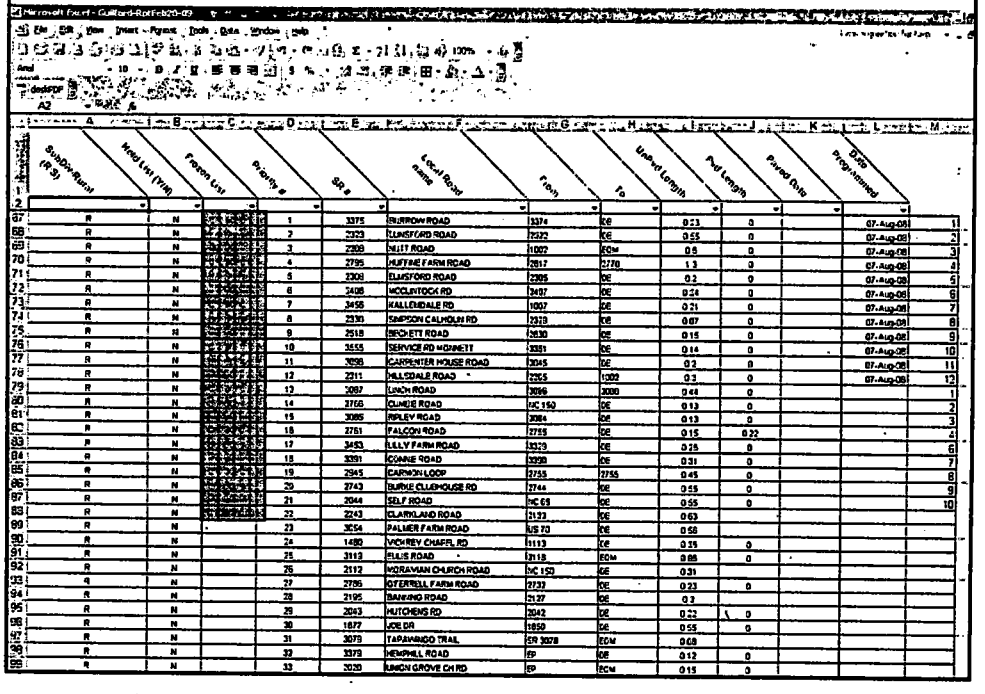
• Land Use Characteristics		Total Points
– 12 Homes (Full Time)	6 pts ea.	72
– 0 Schools	10 pts ea.	0
– 1 Churches	10 pts ea.	10
– 0 Businesses	10 pts	0
– 0 Industries	10 pts	0
– 0 Recreation Facility	5 pts	0
	Sub Total	82

Total Points for Land use Divided by Length 41

Rating Criteria
Example for Rural Road 2.0 miles

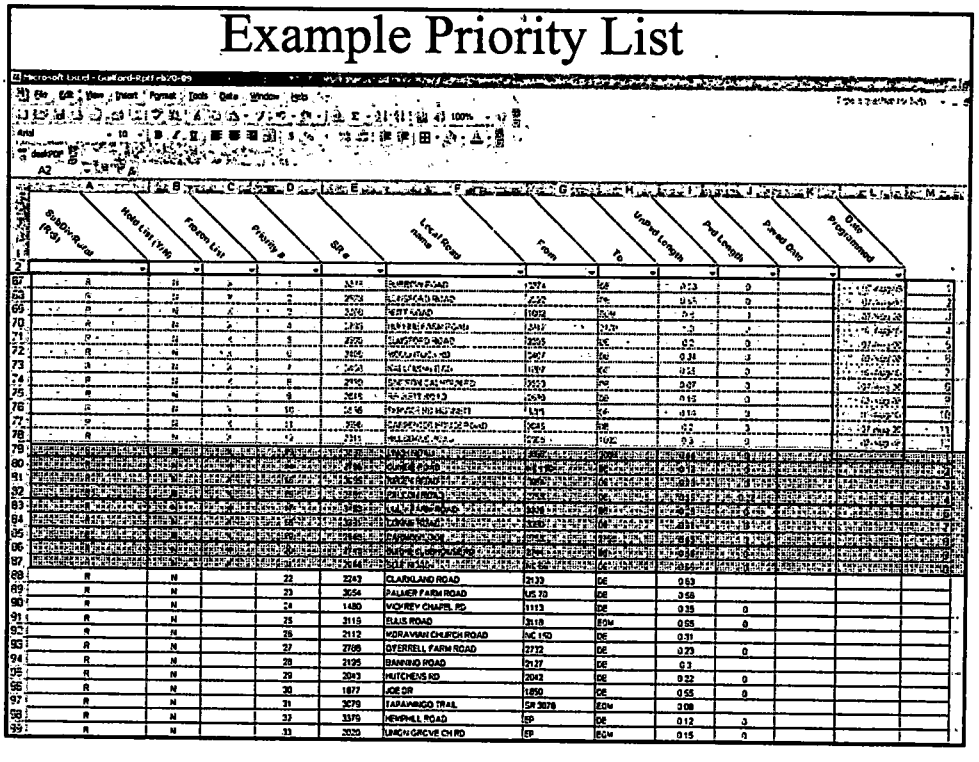
	Total Points
Total Points for Land use	41
School Bus Drive (y)	10
24 Hour Traffic Volume	100
Thoroughfare (n)	0
Total Points for priority ranking	151

Example Priority List



SubDiv-Route (R-S)	Weed List (Y/N)	Fescue List	Priority #	SR #	Local Road name	From	To	Unpved Length	Pvd Length	Paved Date	DSS Programmed	
R	N		1	3375	RURROW ROAD	3374	DE	0.23	0		07-Aug-09	1
R	N		2	2323	TUNSTARD ROAD	2322	DE	0.55	0		07-Aug-09	2
R	N		3	2200	MILLT ROAD	1007	EOM	0.5	0		07-Aug-09	3
R	N		4	2795	HUFFINE FARM ROAD	2817	2778	1.3	0		07-Aug-09	4
R	N		5	2308	DUNSFORD ROAD	2305	DE	0.2	0		07-Aug-09	5
R	N		6	3408	MCCLINTOCK RD	3407	DE	0.24	0		07-Aug-09	6
R	N		7	3458	HALLENDALE RD	1007	DE	0.21	0		07-Aug-09	7
R	N		8	2530	SIMPSON CALHOUN RD	2329	DE	0.67	0		07-Aug-09	8
R	N		9	2518	BROWETT ROAD	2530	DE	0.15	0		07-Aug-09	9
R	N		10	3555	SERVICE RD MONNETT	3551	DE	0.14	0		07-Aug-09	10
R	N		11	3058	CARPENTER HOUSE ROAD	3045	DE	0.2	0		07-Aug-09	11
R	N		12	2211	HILLSDALE ROAD	2255	1202	0.3	0		07-Aug-09	12
R	N		13	3087	LINCH ROAD	3086	3088	0.44	0			1
R	N		14	2705	QUAGE ROAD	NC 150	DE	0.13	0			2
R	N		15	3085	RIPLEY ROAD	3084	DE	0.13	0			3
R	N		16	2751	FALCON ROAD	2755	DE	0.15	0.22			4
R	N		17	3453	LILLY FARM ROAD	3029	DE	0.25	0			5
R	N		18	3091	JOANIE ROAD	3090	DE	0.31	0			6
R	N		19	2945	CARMON LOOP	2755	7755	0.45	0			7
R	N		20	2743	BURKE CLUBHOUSE RD	2744	DE	0.55	0			8
R	N		21	2044	SELF ROAD	NC 68	DE	0.55	0			9
R	N		22	2243	CLARKLAND ROAD	2133	DE	0.63				10
R	N		23	3054	PALMER FARM ROAD	US 70	DE	0.58				
R	N		24	1480	VICKREY CHAPEL RD	1113	DE	0.35	0			
R	N		25	3113	ELLIS ROAD	3118	EOM	0.55	0			
R	N		26	2112	MORAVIAN CHURCH ROAD	NC 150	DE	0.31				
R	N		27	2705	DYERRELL FARM ROAD	2772	DE	0.23	0			
R	N		28	2195	BANNING ROAD	2127	DE	0.3				
R	N		29	2043	HUTCHENS RD	2042	DE	0.22	0			
R	N		30	1877	JOE DR	1850	DE	0.55	0			
R	N		31	3079	TAPAWINGO TRAIL	SR 3078	EOM	0.68				
R	N		32	3379	NEWHILL ROAD	EP	DE	0.12	0			
R	N		33	2020	UNION GROVE CH RD	EP	EOM	0.15	0			

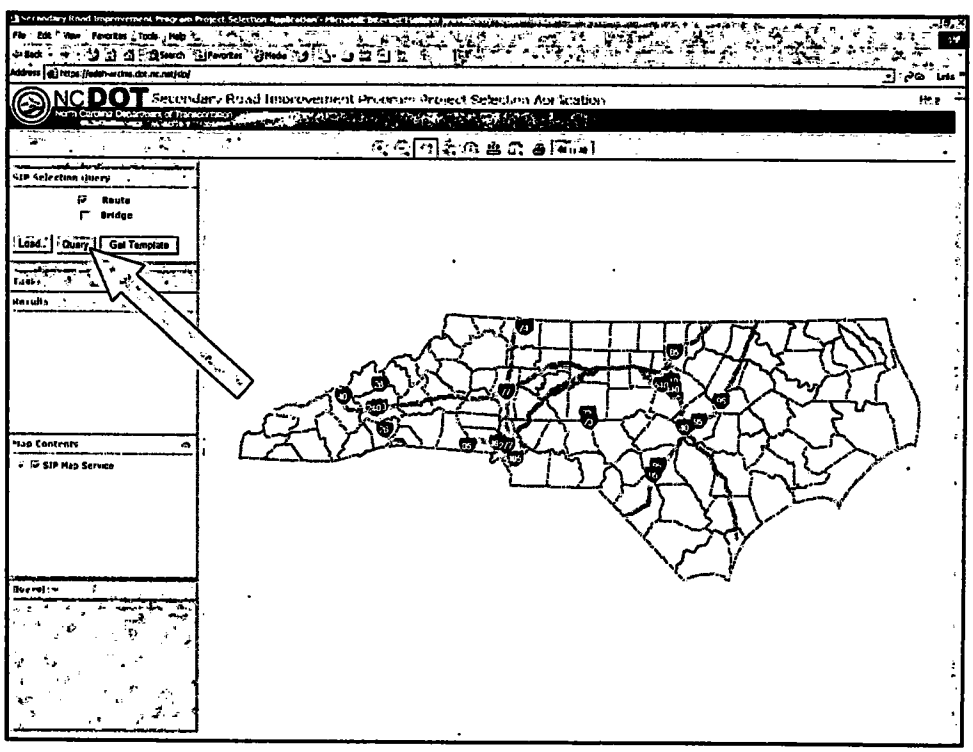
Example Priority List

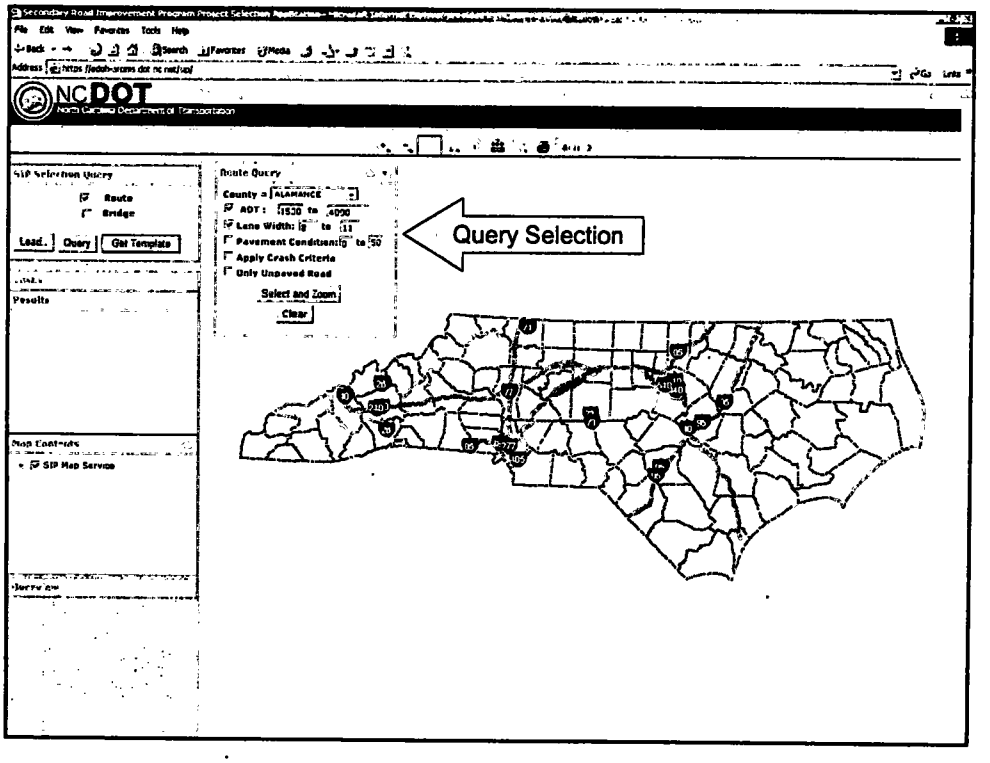


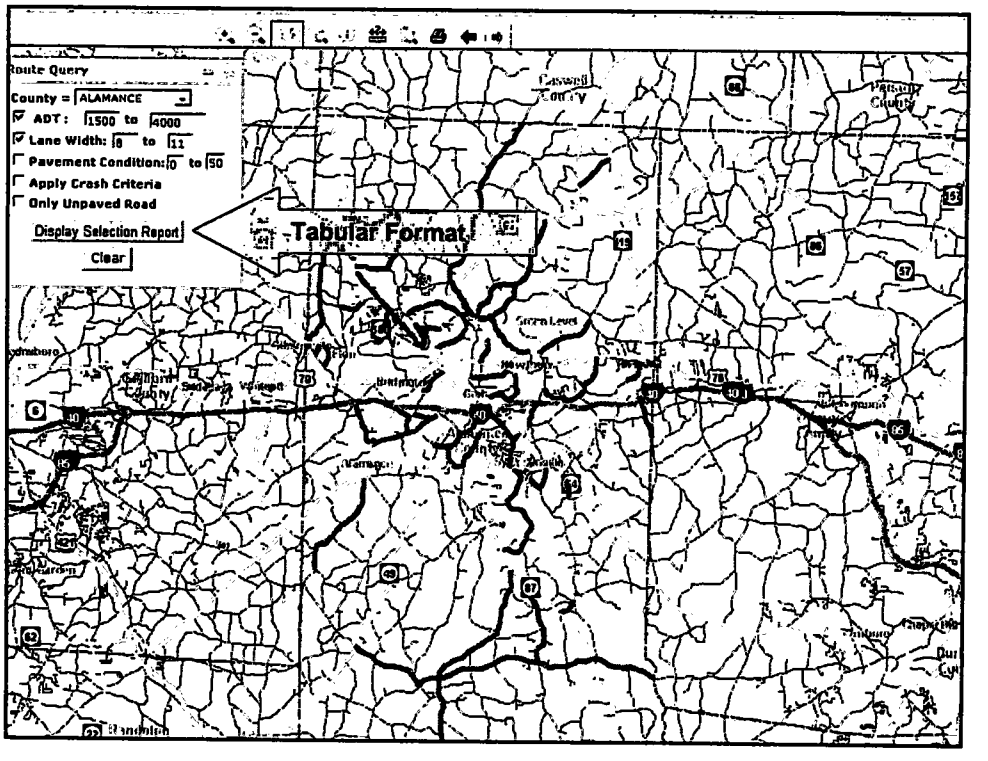
SubDiv-Route (R-S)	Weed List (Y/N)	Fescue List	Priority #	SR #	Local Road name	From	To	Unpved Length	Pvd Length	Paved Date	DSS Programmed	
R	N		22	2243	CLARKLAND ROAD	2133	DE	0.63				
R	N		23	3054	PALMER FARM ROAD	US 70	DE	0.58				
R	N		24	1480	VICKREY CHAPEL RD	1113	DE	0.35	0			
R	N		25	3113	ELLIS ROAD	3118	EOM	0.55	0			
R	N		26	2112	MORAVIAN CHURCH ROAD	NC 150	DE	0.31				
R	N		27	2705	DYERRELL FARM ROAD	2772	DE	0.23	0			
R	N		28	2195	BANNING ROAD	2127	DE	0.3				
R	N		29	2043	HUTCHENS RD	2042	DE	0.22	0			
R	N		30	1877	JOE DR	1850	DE	0.55	0			
R	N		31	3079	TAPAWINGO TRAIL	SR 3078	EOM	0.68				
R	N		32	3379	NEWHILL ROAD	EP	DE	0.12	0			
R	N		33	2020	UNION GROVE CH RD	EP	EOM	0.15	0			

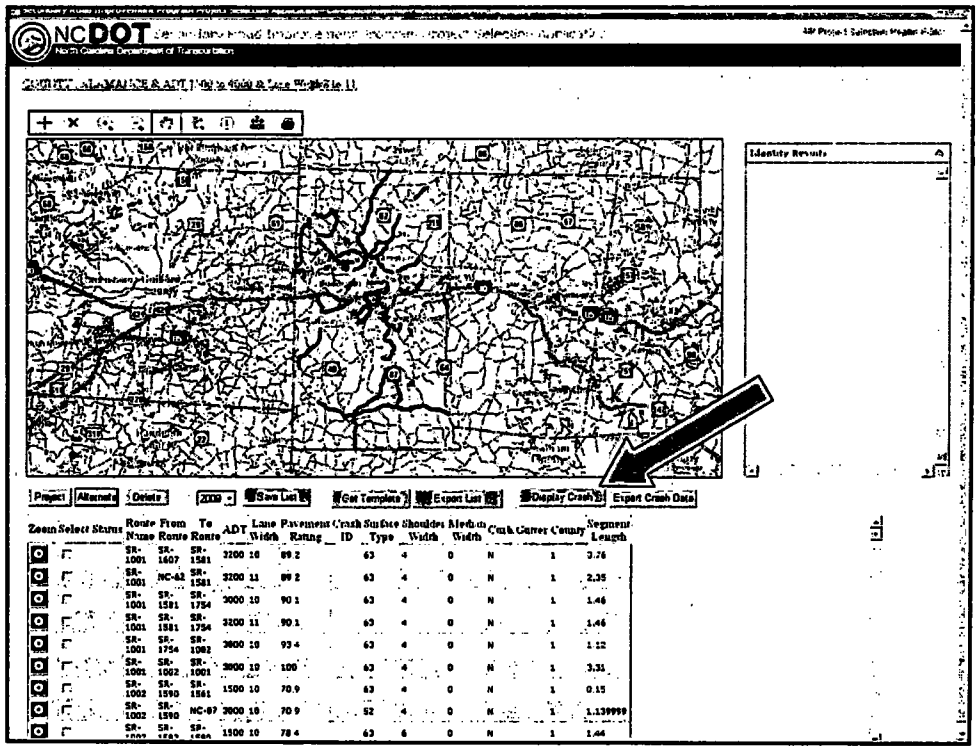
Project Selection Guidelines for Paved Road Improvements

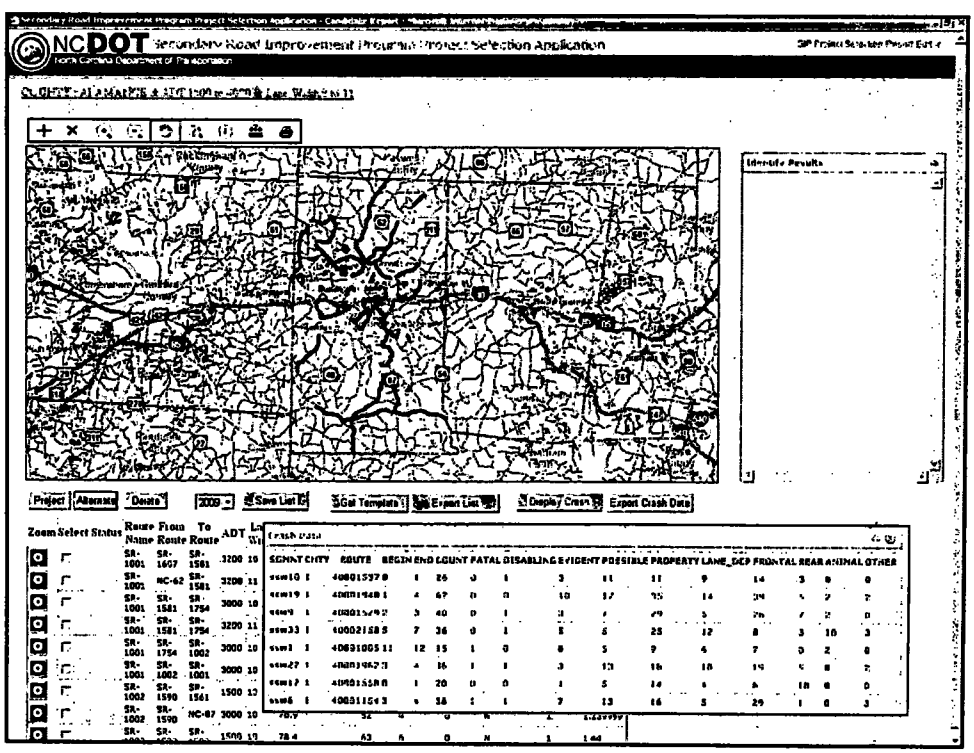
- Traffic Volume >1500 ADT
- Lane Width < 11 feet
- Shoulder Width (Vehicle Recovery Area)
- Crash Data
- Traffic Flow Assessment
- Minimal R/W Requirements
- Minimum Environmental Mitigation
- Bridge Replacement Eligibility Requirements




NCDOT
Route Query
County = ALAMANCE
ADT : 1500 to 4000
Lane Width: 8 to 11
Pavement Condition: 0 to 50
Apply Crash Criteria
Only Unpaved Road
Select and Zoom
Clear
Query Selection


Route Query
County = ALAMANCE
ADT : 1500 to 4000
Lane Width: 8 to 11
Pavement Condition: 0 to 50
Apply Crash Criteria
Only Unpaved Road
Display Selection Report
Clear
Tabular Format

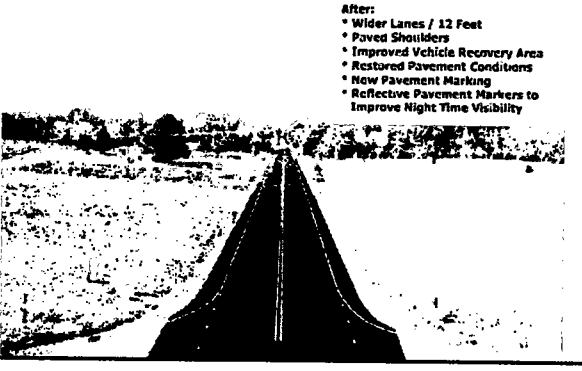

NCDOT
Project
Alternate
Delete
Save List
Get Template
Export List
Display Crash
Export Crash Data
Identify Results


NCDOT Secondary Road Improvement Program Project Selection Application
Project
Alternate
Delete
Save List
Get Template
Export List
Display Crash
Export Crash Data
Identify Results

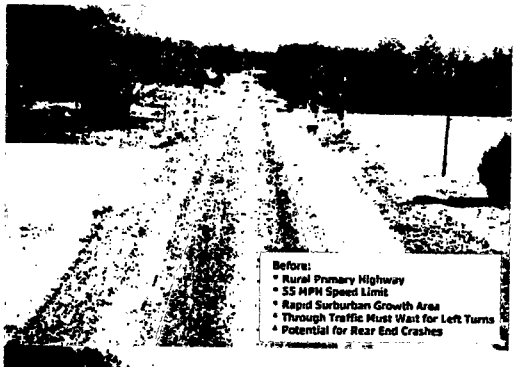
Before



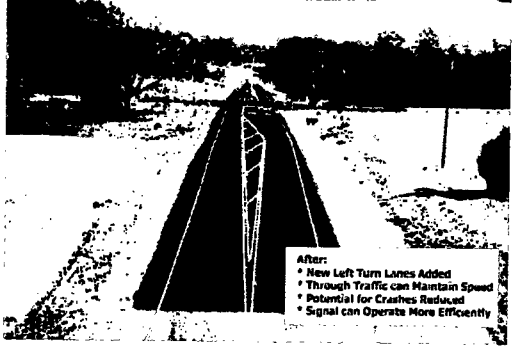
After



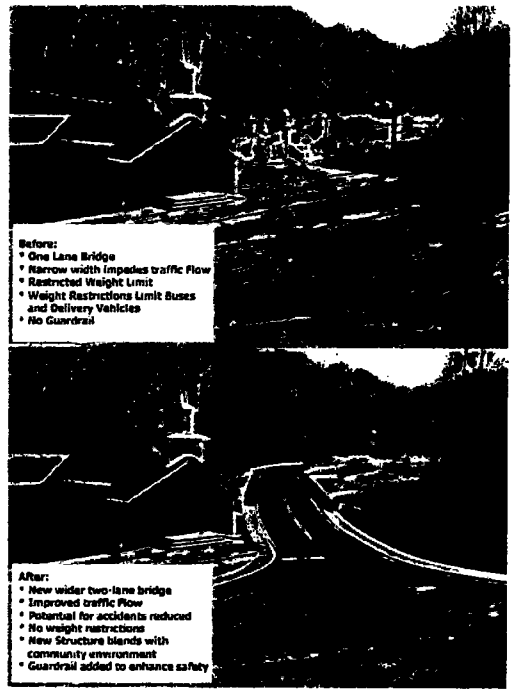
Before



After



Before



After

Last Year Project Expenditures

- HF Expenditures = $104.5M
  on 965 projects

- HTF Expenditures = $88.4M
  on 675 projects

HF + HTF Expenditures = $192.9M

$133.2M on Paving Projects
Average cost/mile -- $458,763



Questions?

NORTH CAROLINA SECONDARY ROADS

PROJECT SELECTION GUIDELINES
For Modernization Improvements to Routes on the Secondary System

Beginning this FY 2007-08 and continuing through FY2009-10 the Secondary Road Construction allocations will come in three parts:

G.S. 136-44.5b - First $68.6M of Highway Fund Appropriation will be allocated to counties based on the county's pro rata share of paved secondary road mileage and unpaved mileage on the right-of-way hold list.

G.S. 136-44.5c - Highway Fund Appropriation in excess of $68.6M will be allocated to counties based on the county's pro rata share of secondary road unpaved mileage.

G.S. 136-182 - Highway Trust Fund Appropriation will be allocated to counties based on the county's pro rata share of unpaved secondary road mileage eligible for paving.

Beginning with FY 2010-11, Highway Fund & Highway Trust Fund appropriations for the Secondary Road Improvement Program will be allocated to each county based on the county's percentage of state maintained secondary road mileage.

The purpose of the funds will be to enhance the secondary road system consistent with the Department's long-range transportation plan, particularly through: [1]*Modernization - upgrades to the system safety, functionality, and overall operational efficiency, without adding capacity (e.g., intersection improvements and rolling stock upgrades).* [[1]Ref: Charting a New Direction for NCDOT, North Carolina's Long - Range Statewide Multimodal Transportation Plan; Page 9]

Blending with other fund sources (Contract Resurfacing, Spot Safety, etc) may maximize efficient use of this funding to accomplish planned objectives.

These project selection guidelines are intended to provide a tool for creating a consistent Secondary Road Improvement Program that is acceptable to county commissioners and results in safety & modernization of the sub regional tier of the long range transportation plan. A two-step process is recommended.

Step one - develop a complete countywide needs including a review of the operation of the road network with a focus on the secondary road thoroughfare system developed to meet demands generated by anticipated growth. The needs analysis should also be consistent with accomplishing performance targets for the sub-regional tier network utilizing quantitative data such as ADT, crash rates, pavement condition ratings, lane widths, and bridge condition ratings.

Step two - develop a planned strategy to provide safety and operational improvements. The plan may need to include phasing options over multiple years to facilitate improvements. A practical priority order for road improvement selection process may be to start with the arterial routes, then collector routes, then minor secondary routes. In most cases subdivision roads would have the least rank in prioritizing road improvements since these routes serve the least amount of traffic volume.

Recommended activities to meet planned objectives include but are not limited to:

- Addition of turn lanes
- Lane/Shoulder Widening
- Strengthening
- Culvert Replacements/Extensions (that accommodate lane/shoulder widening)
- Stripping/Marking (subsequent to Secondary Road Improvement Projects only)
- Horizontal/Vertical Curve Realignments
- Intersection Realignments
- Bridge Replacement

Project Selection Guidelines

Traffic Volume (ADT)/Thoroughfare Characteristics

- Initial priority should be given to secondary routes with highest traffic volume, beginning with routes having ADT > 1500.
- Projects considered on lower volume secondary routes should generally be selected based on crash history or bridge replacement needs.

Pavement or Lane Width

- Initial priority should be given to secondary routes having deficient lane widths, beginning with the routes having with lane widths < 11-ft and ADT > 1500.
- Secondary routes with lane widths <11-ft and ADT < 1500 may be considered based on crash rates and traffic use characteristics.
- Any route with lane width < 9-ft should be evaluated with respect to ADT and crash rates.

Shoulder Width/Vehicle Recovery Area

- Roadways that do not meet minimum shoulder or recovery area design should be evaluated with respect to crash rates and history.
- Roadside hazards such as trees, headwalls, driveway pipes, utility poles, etc. should be moved, improved, or mitigated to improve vehicle recovery area and reduce potential crash severity.
- Shoulder widths may be increased utilizing culvert extensions or headwalls.

Crash Data

- Priority should be given to routes with elevated crash rate versus County Average (mapping provided by Traffic Services).
- Projects should be considered where crash data suggests that pavement width, vehicle recovery area, lack of turn lanes, sight distance, delineation, pavement condition, or markings may be contributory.

Pavement Condition Assessment

- For Pavement Condition Survey Rating of 80 or less – consider hotmix overlay and widening if needed.
- For Pavement Condition Survey Rating >80 – evaluate for widening only.
- Strengthen posted roads to remove light weight ordinance
- Routes for strengthening (Reclamation/Reconstruction)

Adopted by Board of Transportation's Secondary, Road Maintenance & Equipment Committee June 6, 2007

Traffic Flow Assessment

- Addition of turn lanes to improve traffic flow and potentially reduce crashes.
- Improvements to maintain current posted speeds or avoid a reduction in traffic flow.

Environmental Impacts

- Projects will be subject to SEPA requirements (Min. Criteria, CE or EA).
- Look for opportunities to minimize mitigation impacts.

Right of Way Requirements

- Valid r/w of 60-ft or greater preferred (may consider maintenance limits).
- Purchase of r/w or easements should be held to a minimum.
- Utility relocation costs are an eligible expenditure, but should be held to a minimum.

Bridge Replacement Eligibility Requirements

- Candidate projects should have a target condition rating < 50.
- Functional obsolescence should also be considered. Narrow bridges not meeting the above sufficiency-rating threshold are eligible based on crash history or traffic use.
- Crash history should be considered as part of project evaluation.
- Traffic use characteristics should be considered (commercial/delivery trucks, major detour routes, etc.).
- Projects should be limited to cored slab designs when replacing a bridge with a bridge.
- Only projects with off-site detours should be considered.
- Replacement of non-inventoried pipes or culverts will be considered only as part of other planned roadway improvements such as widening.

Other Screening Criteria

- Projects should be coordinated with other improvement programs such as Spot Safety, Pavement Preservation, Flexible Maintenance Funding, Force Account Bridge Replacement, Contract Resurfacing, Positive Guidance etc.

- Projects with different funding sources can be combined to expand the effectiveness of the program.

- Capacity Improvements may be considered only where increasing from 2 lanes to 3 will benefit safety & operation. Increasing from 2 lanes to more than 3 lanes may be considered at intersections only to address warranted turn movement volumes.

- Spot Improvement projects such as guardrail, turn lanes and sight distance improvements are eligible.

For suggested design criteria on Local, Collector and Arterial Routes see chapters 5,6 &7 of *A Policy on Geometric Design of Highways and Streets* –2004.

House Pages

TRANS Appro.

Name Of Committee: _____ Date: 3/12/09

1. Name: Mariah Governor
   County: Columbus
   Sponsor: D. Hill

2. Name: Treston Roleniser
   County: Wake
   Sponsor: Stevens

3. Name: Tyler Smith
   County: Buncombe
   Sponsor: Nesbitt

4. Name: Alen Bridges
   County: Cleveland County
   Sponsor: Debbie Clary

5. Name: Charles Nowotny
   County: Granville
   Sponsor: D. Berger

6. Darius Taylor
   Wake
   D. Blue

HOUSE Sgt-At-Arms	SENATE
1. Name: MARVIN LEE	
2. Name: TOUSSAINT AVENT	
3. Name:	
4. Name:	
5. Name:	

VISITOR REGISTRATION SHEET

Trans Approp. — 3/17/09

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jay Stem	NCAA
Johanna Reese	DOT
Julie White	NCMMC
Elizabeth Parker	PEFNC
Lydia Brown	Speaker's Office

VISITOR REGISTRATION SHEET

House Committee on Insurance — 3-13-09

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Chuck Allen	US Airways
John White	Durham Chamber
Allison Waller	Charlotte Chamber
[signature]	MVC
[signature]	Sage
Heather Barrett	Hunton & Williams
Chris Fitzsimon	NC Policy Watch
Cam Cook	BPMLC

VISITOR REGISTRATION SHEET

Trans Approp. — 3/17/09

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
	RMC - Thy Park
	MWC
Chris Hills	Kirk Gates
Beau Memory	NCTA
Whit Webb	HNTB
John Pollard	VCRMA
Marshall Hutson	MWC
Dominion Graham	TTA
C Ryan	MWC
B. Mann	NC Self Sh
D. Mast	" " "

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Wednesday, March 18, 2009
TIME: 8:30 am
LOCATION: 1228 LB

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **16** o'clock on **March 12, 2009.**

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

MINUTES

JOINT APPRORIATIONS SUBCOMMITTEE ON TRANSPORTATION

March 19, 2009
9:00 a.m.
Room 1228, Legislative Building

The Joint Appropriations Subcommittee on Transportation met on Tuesday, March 10, 2009 at 9:00 a.m. in Room 1228 of the Legislative Building. Co-Chairs present were: Senators Steve Goss and Julia Boseman, Representatives Nelson Cole and Grier Martin. House members present were: Representatives Lucy Allen, Lorene Coates, William Current, Margaret Dickson, Phillip Frye, Mitch Gillespie, James Gulley, Ty Harrell and Bonner Stiller. Senate members present were: Senators Harry Brown, Neal Hunt and Robert Rucho. Staff members present were: Mr. Bob Weiss, Ms. Anna Cameron, Ms. Karlynn O'Shaughnessy and Mr. Ryan Blackledge. Sergeant-at-Arms present were: Marvin Lee, Toussaint Avent, Stan Johnson and Richard Telfair. The visitor sheet is attached as Attachment #1.

Representative Martin called the meeting to order, welcoming everyone and introduced Mr. Mike Robertson, Commissioner of Motor Vehicles, NC Department of Transportation. Mr. Robertson's presentation is attached as Attachment #2.

Following some discussion, the meeting was adjourned at 9:50 a.m.

Respectfully submitted,

Grier Martin

Representative Grier Martin
Chair

Sylvia Hammons

Sylvia Hammons
Committee Assistant

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Thursday, March 19, 2009
TIME: 9:00 am
LOCATION: 1228 LB

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **12** o'clock on **March 17, 2009.**

☐ Principal Clerk
☐ Reading Clerk – House Chamber

✓ **Sylvia Hammons** (Committee Assistant)

Joint Subcommittee on Transportation Appropriations

Thursday, March 19, 2009
9:00 am
Room 1228/1327 LB

AGENDA

Chairs: Representatives Martin and Cole, Senators Goss and Graham

Division of Motor Vehicles Budget and Operations

- Presentation
  - Mike Robertson, Commissioner of Motor Vehicles, NCDOT

Future Meetings:

Tuesday, March 24, 9:00 am
Ferry Division

Wednesday, March 25, 9:00 am
Public Transportation Division

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Joint Appropriations Subcommittee for Transportation — March 19, 2009

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Portia Mankey	DMV
Maggie Thomas	DOT/JT
Hope McLaud	NCDMV
Mercidel Benton	NCDOT BM
Mac Boxley	NC Aggregates
Zadia Brown	Speaker's Office
Cam Cowell	BPMHL
Boyd Bennett	Foley NC
MIKE DOUGHERTY	EAEJ, NC
John Pollard	NCAMPA
Patrick Baker	NMRS

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Trans Approp. — 3/19/09

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Alicia Dodd	MWC
Johanna Reese	DOT
Tony Spence	DMV - DOT
Casey Schmidt	DMV/DOT
Marge Hewlett	DMV/DOT
Chris Hollis	K&L Gates

Maintenance Funding Needs

for North Carolina's Highway System

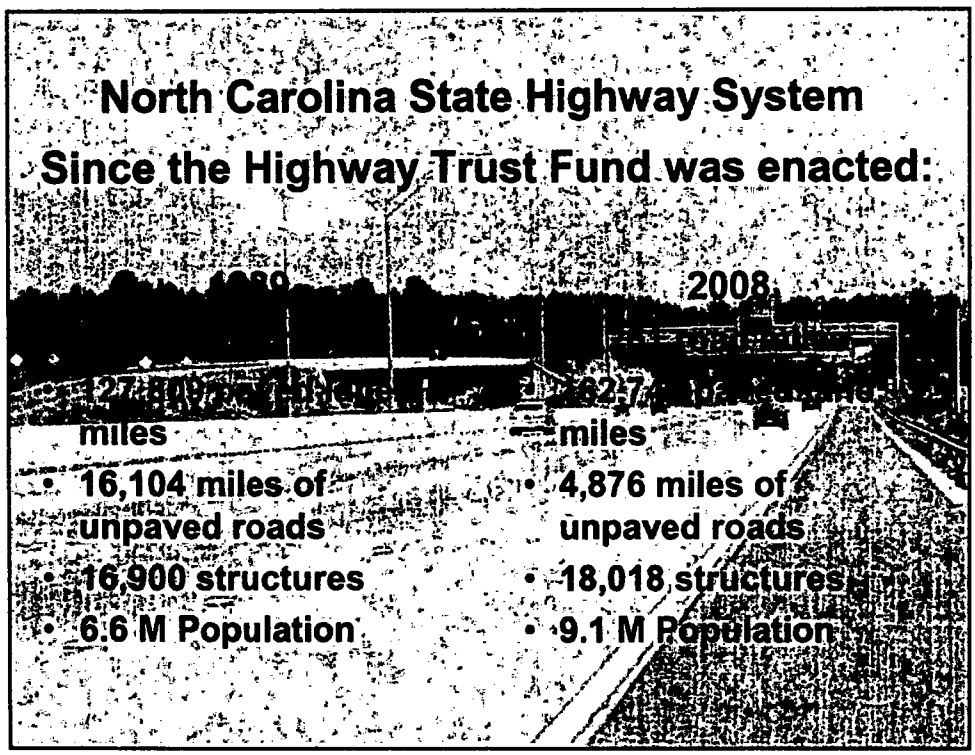
Report to the
Joint
Subcommittee on
Transportation Appropriations

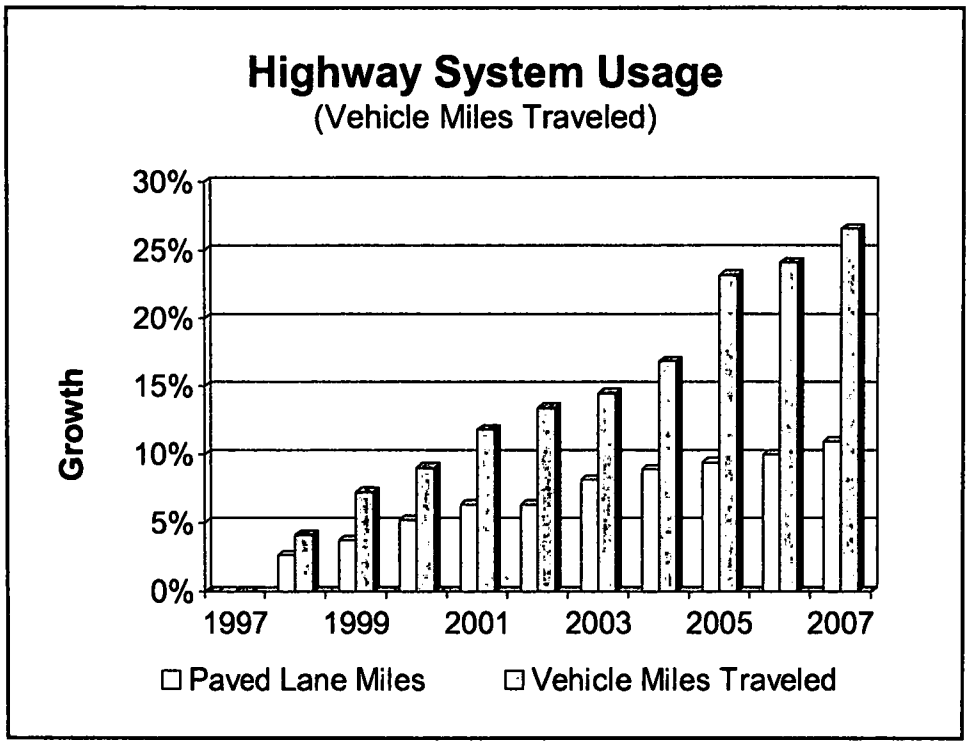
March 10, 2009

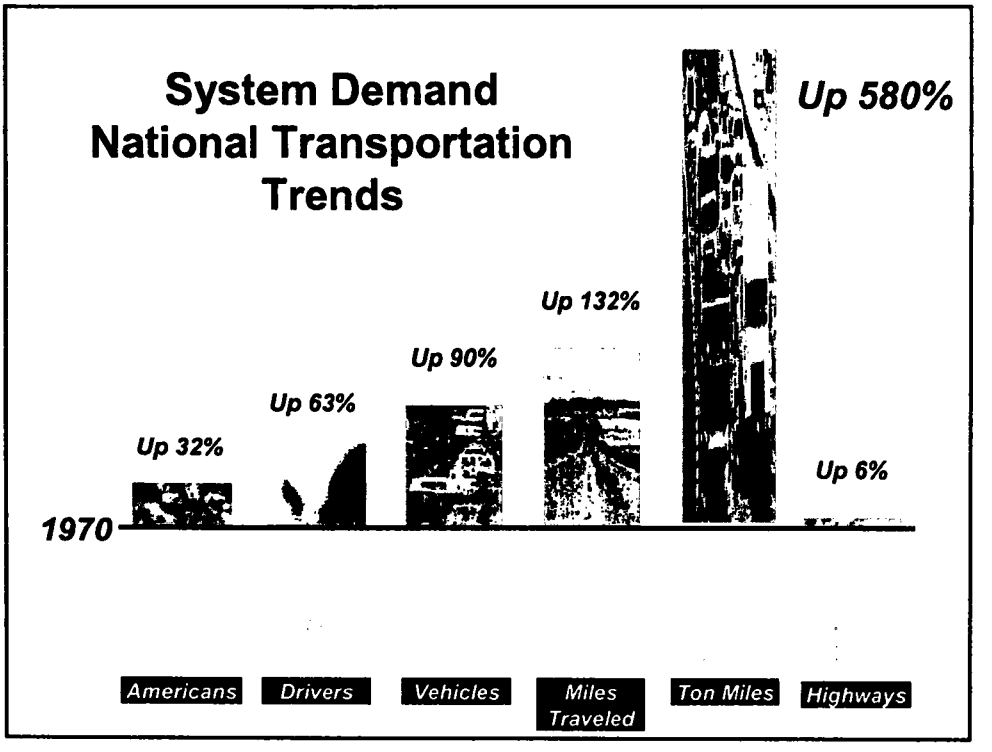
Lacy D. Love, PE
Director of Asset Management

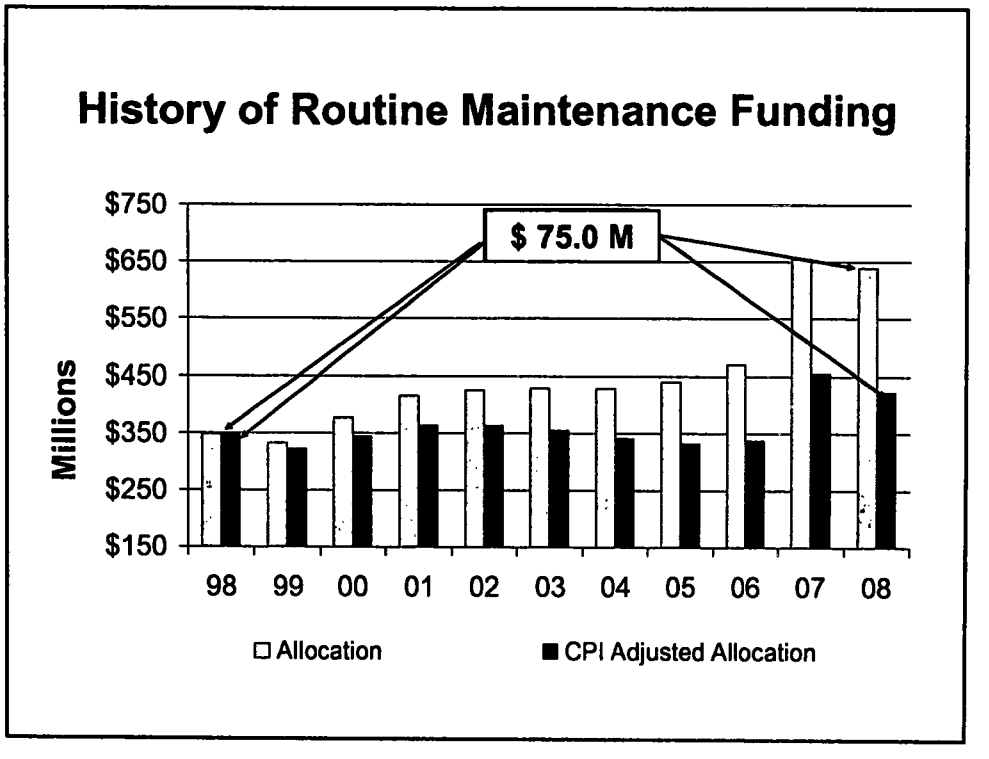
Maintenance Condition & Funding Needs For North Carolina's Highway System

- Overview of the Highway System
- Condition Assessment Results
  - Roads
  - Bridges
  - Pavements
  - Highway Operations
- Conclusions
  - Funding Needs
  - Condition Scenarios

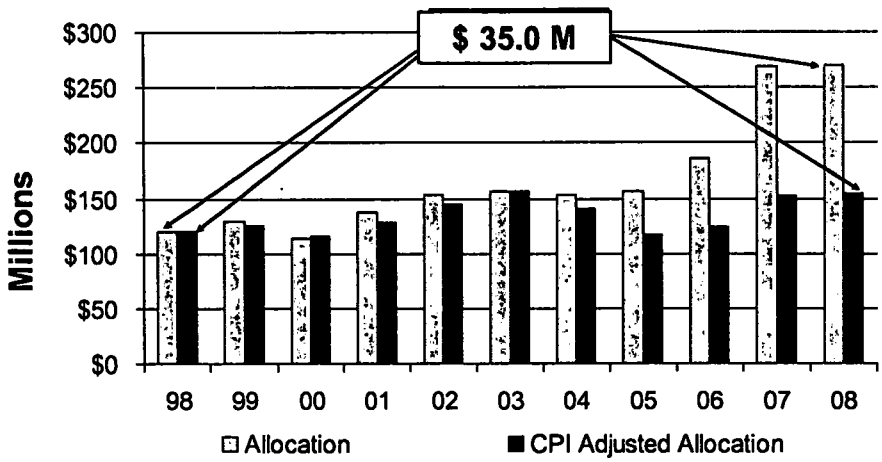

North Carolina State Highway System
Since the Highway Trust Fund was enacted:
2008
miles
• 16,104 miles of unpaved roads
• 16,900 structures
• 6.6 M Population
miles
• 4,876 miles of unpaved roads
• 18,018 structures
• 9.1 M Population


Highway System Usage
(Vehicle Miles Traveled)
Growth
30%
25%
20%
15%
10%
5%
0%
1997
1999
2001
2003
2005
2007
Paved Lane Miles
Vehicle Miles Traveled

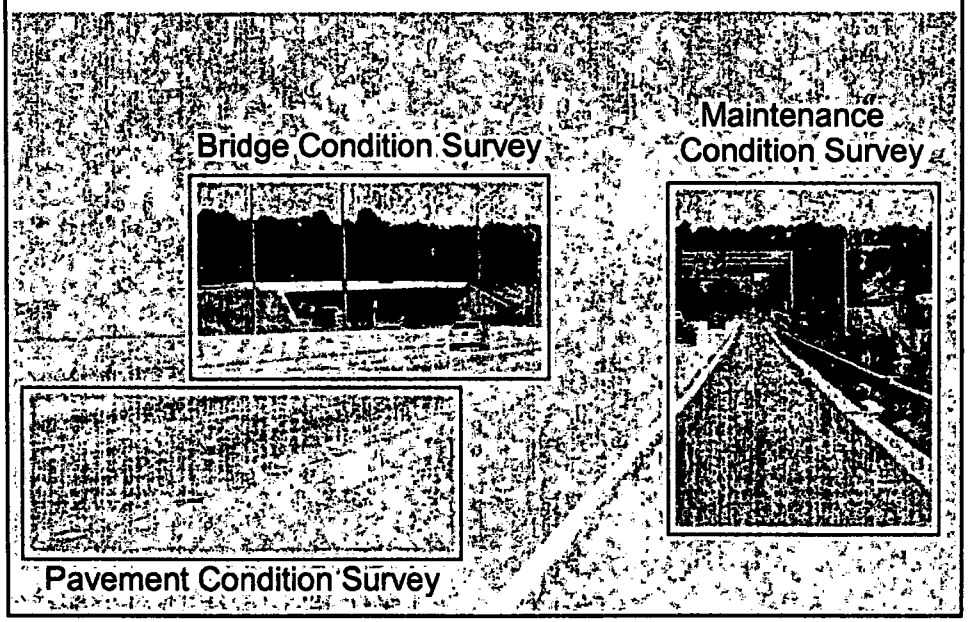

System Demand
National Transportation
Trends
Up 580%
Up 132%
Up 90%
Up 63%
Up 32%
Up 6%
1970
Americans
Drivers
Vehicles
Miles Traveled
Ton Miles
Highways


History of Routine Maintenance Funding
$ 75.0 M
$750
$650
$550
$450
$350
$250
$150
Millions
98
99
00
01
02
03
04
05
06
07
08
Allocation
CPI Adjusted Allocation

History of Resurfacing Funding



Rating the Condition of the Highway System



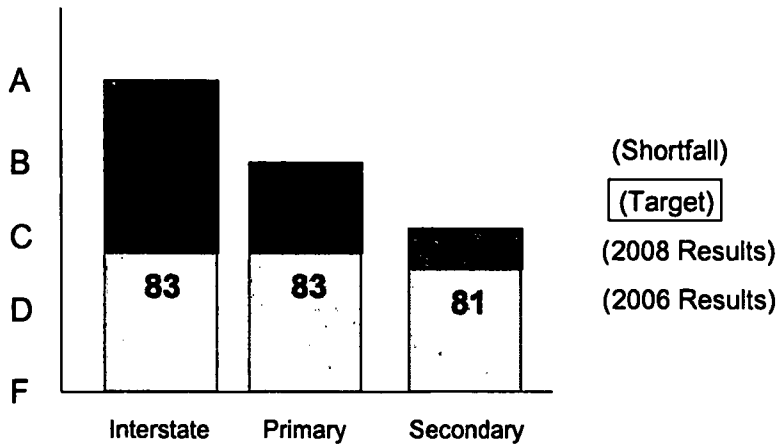
Maintenance Condition Survey Results

Roadway			Interstate		Primary		Secondary	
	ELEMENT	PERFORMANCE MEASURE	2008 Target	State Avg. Score	2008 Target	State Avg Score	2008 Target	State Avg. Score
SHLD & DITCH	Low Shoulder	No dropoff's greater than 2 inches	95	90	95	95	92	90
	High Shoulder	No shoulders higher than 1 inch	95	[illegible]	95	92	92	93
	Lateral Ditches	No blocked, eroded or non functioning ditches	95	93	95	93	92	92
DRAINAGE	Crossline Pipe (Blocked) < 54"	Greater than 50% diameter open	95	97	90	[illegible]	85	88
	Crossline Pipe (Damaged) < 54"	No damage or structural deficiency	95	98	90	98	85	93
	Curb & Gutter (Blocked)	No obstruction greater than 2 inches for 2 feet	95	94	92	94	92	98
	Curb & Gutter (Damaged)	No damage	95	99	92	88	92	98
	Drop Inlets, CB's, etc (Blocked)	Grates and inlets not blocked greater than 50%	98	[illegible]	95	90	92	91
	Drop Inlets, CB's, etc (Damaged)	Inlets and outlets are not damaged	98	93	95	95	92	98
ROADSIDE APPURT	Guardrail/Cable/Median Barrier/Conc	Rail is functional	99	100	97	99	85	99
	ROW Fence	Functioning as designed and undamaged	94	98	94	98	N/A	N/A
	Stormwater Devices	Functioning as designed	90	[illegible]	N/A	N/A	N/A	N/A
	Impact Attenuators	Properly functioning as designed and operational	99	98	97	94	N/A	N/A

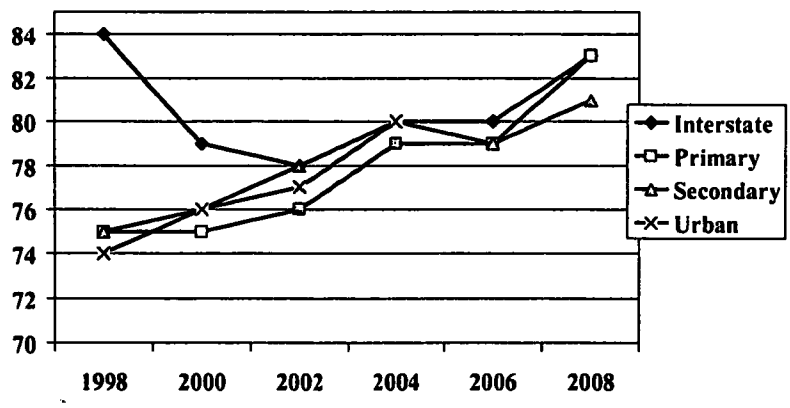
Maintenance Condition Survey Results

Roadway			Interstate		Primary		Secondary	
	ELEMENT	PERFORMANCE MEASURE	2008 Target	State Avg. Score	2008 Target	State Avg. Score	2008 Target	State Avg Score
ROADSIDE	Mowing	Grass height not to exceed 15 inches	90	[illegible]	85	[illegible]	80	[illegible]
	Brush & Tree Control	Vertical clearance of 15 feet over roadway and 10' back of ditch or shoulder point	90	85	85	[illegible]	80	[illegible]
	Turf Condition	Free of bare, dead, diseased, distressed, or weedy areas	90	[illegible]	85	83	80	88
	Uncontrolled Growth	Vegetation height around guardrail does not exceed bottom of rail, and uniform with roadside at signs	70	71	65	[illegible]	60	[illegible]
	Litter & Debris Control	Less than 100 pieces of litter or debris	90	[illegible]	85	[illegible]	80	84
	Landscape Beds	Free of dead or damaged plant material, decomposed mulch, unwanted vegetation	90	[illegible]	90	90	N/A	N/A
	Rest Areas & Welcome Center	Condition Rating	90	91	90	92	N/A	N/A
TRAFFIC/ITS	Long line pavement markings	Present, visible and reflective at night	95	[illegible]	90	[illegible]	80	[illegible]
	Words % Symbols	Present, visible and reflective at night	95	92	90	88	80	78
	Pavement Markers	Present and reflective	95	[illegible]	85	[illegible]	N/A	N/A
	Signs ground	Visible and legible	92	94	85	89	85	86
	Overhead Signs	Visible and legible	92	99	85	95	N/A	N/A
PVMT	Pvmt Shoulder Condition	Pavement failures are repaired	90	[illegible]	85	83	80	[illegible]
	Asphalt pavement repair	Potholes fixed, rut depths < 25", cracks > 5' sealed	95	[illegible]	90	[illegible]	85	[illegible]
	Total		93	[illegible]	90	[illegible]	86	[illegible]

Maintenance Condition Survey Results
Level of Service



Performance Measure Trends
(Maintenance Condition Survey Results)



Pavements



Pavement Management Comprehensive Strategy

- Pavement Preservation
  - For pavements in good to fair condition



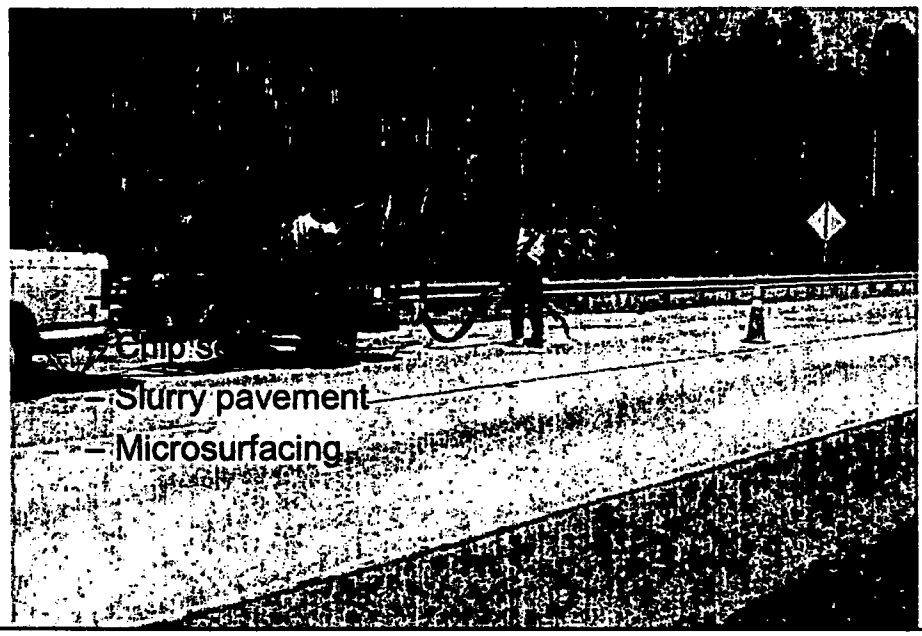
- Contract Resurfacing
  - For pavements in fair to poor condition



- Rehabilitation
  - For pavement in very poor condition



Pavement Preservation

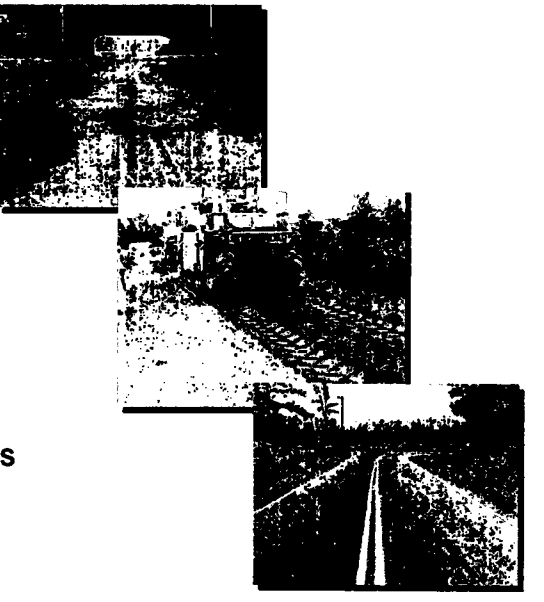


Contract Resurfacing

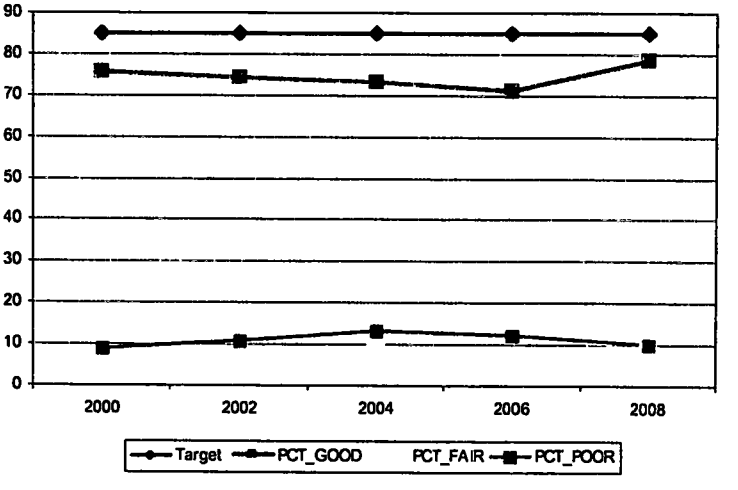


Pavement Rehabilitation

- Restores pavement condition
- Increases pavement structure
- Treatments include:
  - Mill and replace
  - Overlay with thicker lifts

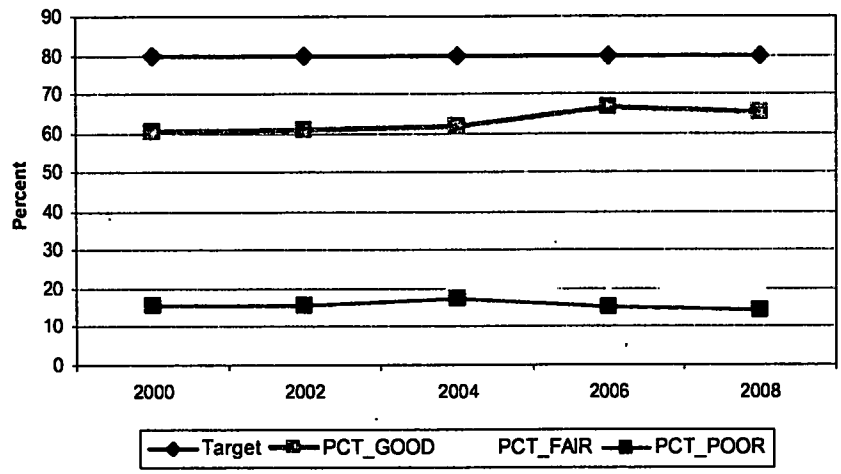


Interstate Pavement Condition



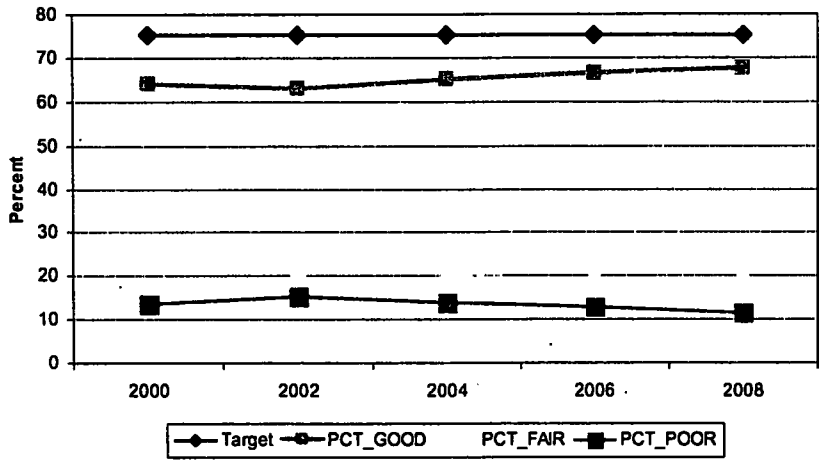
Years 2000 - 2008

Primary Pavement Condition



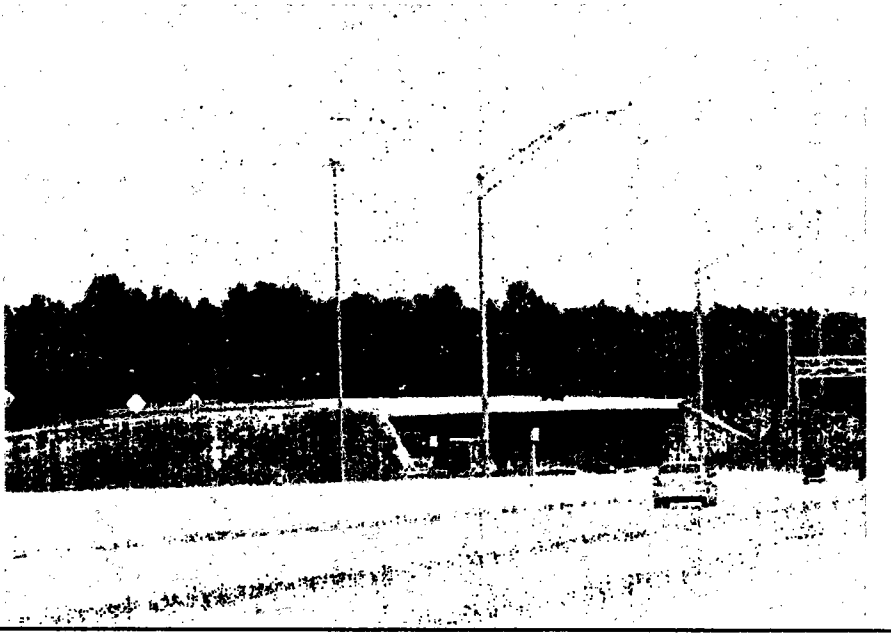
Years 2000 - 2008

Secondary Pavement Condition



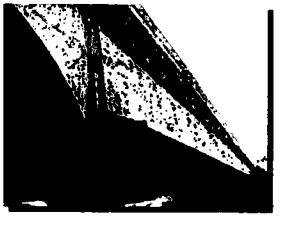
Years 2000 - 2008

Bridges

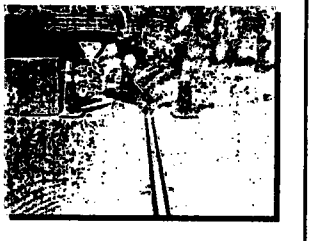


Bridge Preservation

- Painting Structural Steel
- Cleaning Bearings
- Repair and Replace Expansion Joints
- Apply Material to Slow Corrosion
- Waterproofing and Resurfacing Decks

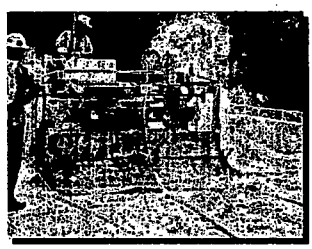
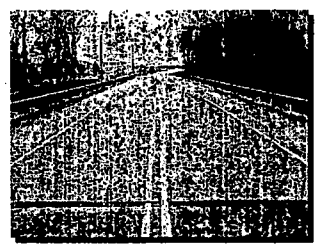






Bridge Rehabilitation

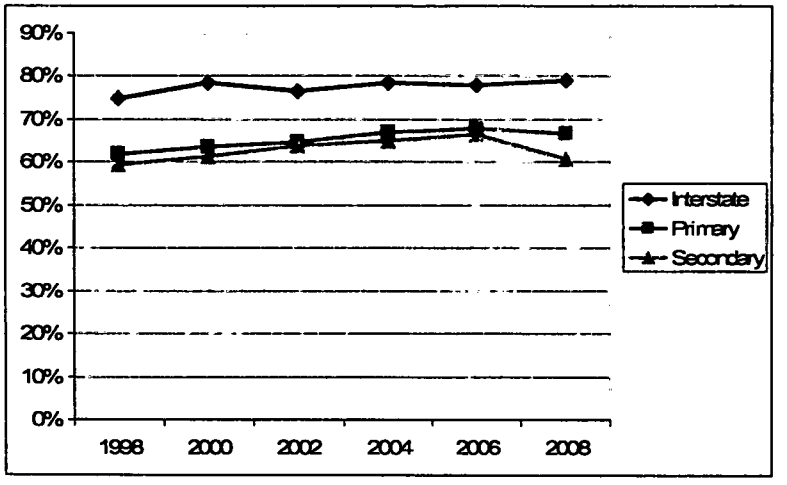
- Restore Bridge Components
- More Expensive than Preservation
- Cost effective on some bridges

Bridge Condition Survey Results

Bridges			Interstate		Primary		Secondary	
	ELEMENT	PERFORMANCE MEASURE	2008 Target	State Average Score	2008 Target	State Average Score	2008 Target	State Average Score
Bridge Deck	Concrete	% of decks rating greater than or equal to 6	85	84	80	79	75	83
	Timber		85	N/A	80	83	75	86
	Steel Planks		85	N/A	80	89	75	86
	Open Grid Steel		85	N/A	80	89	75	N/A
Super-structure	Concrete	% of superstructure rating greater than or equal to 6	90	94	85	93	80	96
	Steel Planks		90	90	85	93	80	92
	P/S Concrete		90	97	85	96	80	93
	Timber		90	N/A	85	97	80	94
Sub-structure	Timber	% of substructure rating greater than or equal to 6	90	N/A	85	79	80	93
	Concrete Pile		90	85	85	79	80	84
	Steel Pile		90	92	85	90	80	92
	Concrete Piers		90	92	85	81	80	87

Overall Bridge Health



Years 1998 - 2008

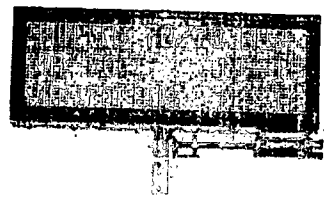
Highway Operations

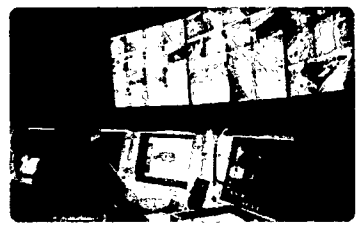
- 8800 traffic signals statewide
- Signal maintenance provides:
  - Improved safety
  - Reduction in delays
  - Reduced fuel consumption
  - Improved air quality



Highway Operations

- Overhead dynamic message boards
- Camera systems
- Speed detection devices
- Incident Management Assistant Patrols (IMAP)





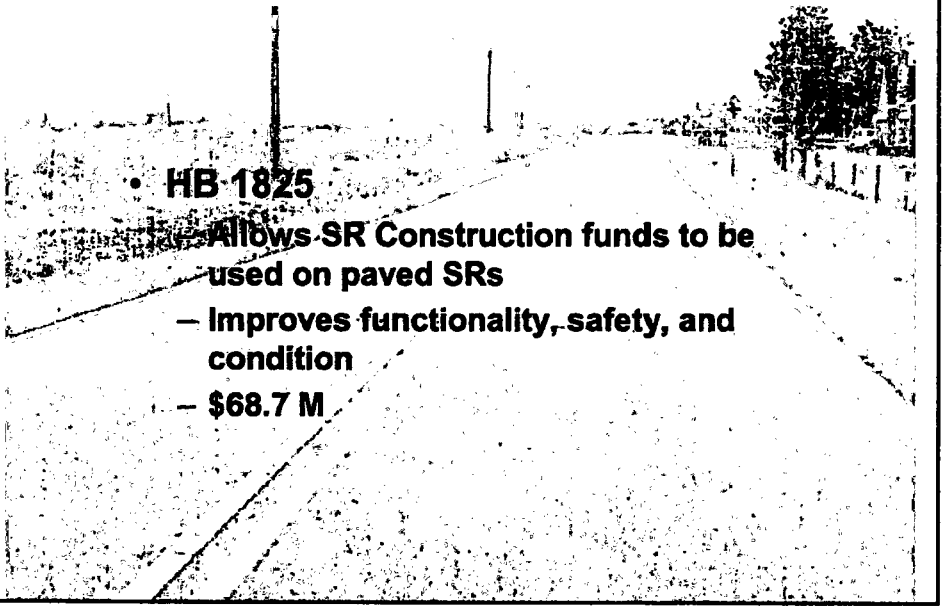


Alternate Funding

- TIP Funds
  - Signal Preventive Maintenance Program
  - Intelligent Transportation System/Incident Response Program
  - Positive Guidance
  - $41.5 M

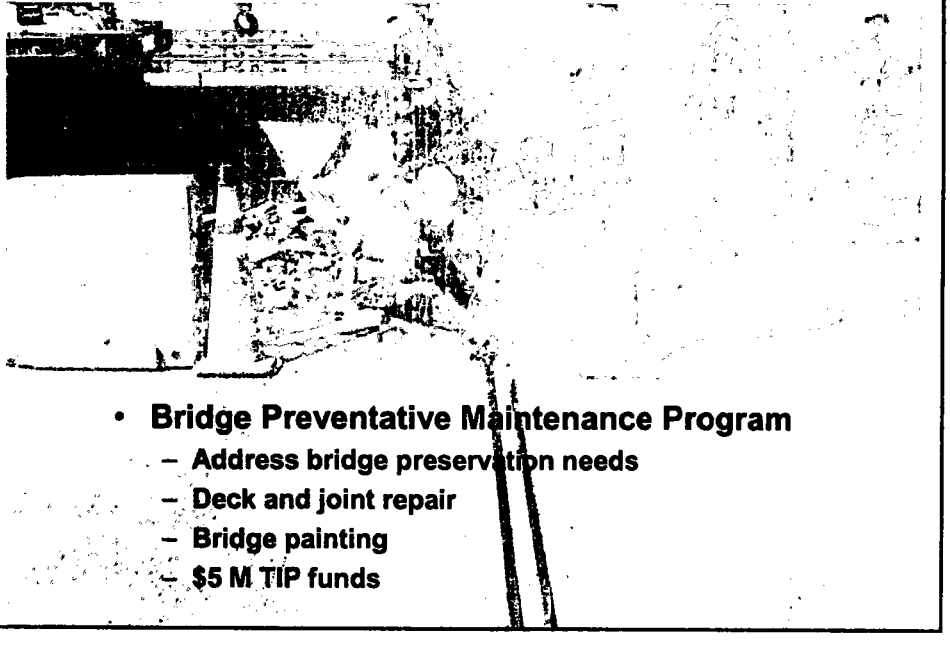


Alternate Funding



- HB 1825
  - Allows SR Construction funds to be used on paved SRs
    - Improves functionality, safety, and condition
    - $68.7 M

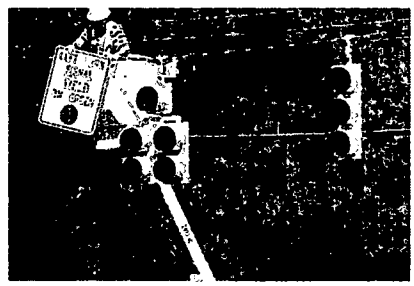
Alternate Funding



- Bridge Preventative Maintenance Program
  - Address bridge preservation needs
  - Deck and joint repair
  - Bridge painting
  - $5 M TIP funds

Maintenance Operational Improvements

- LED replacement for signal bulbs
- Signal preventive maintenance
- ITS (IMAP) initiatives
- Incentive pay programs
- DOC litter pickup program
- Winter anti-icing operations
- Conversion to low maintenance centipede turf



Conclusions

	Level of Service	
System	**Target**	**Current**
Interstate	A	C
Primary	B	D
Secondary	C	D

Maintenance Funding Needs (Millions)

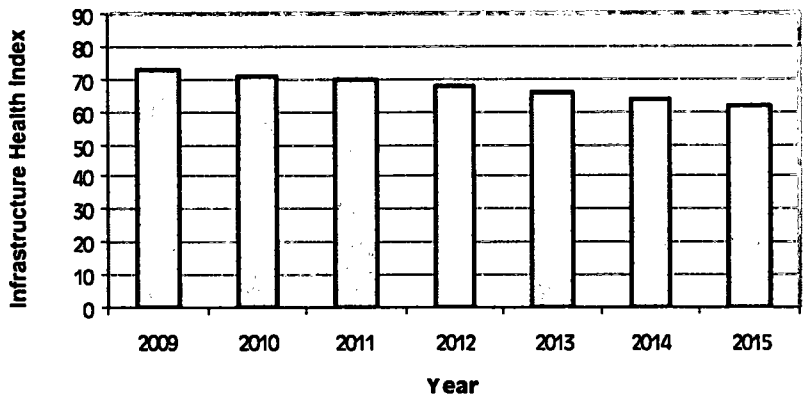
	FY '09 -'10 Needs
Maintenance Operations	$ 907.6
Disasters	$ 15.0
Contract Resurfacing	$ 443.9
Pavement & Bridge Preservation	$ 309.0
Total Maintenance & Preserv. Needs	$1,675.5
Alternate Maintenance Funds	- $ 115.2
Adjusted Maintenance Funding Needs	$1,560.3
System Rehabilitation Needs	$407.5

Statewide Annual Maintenance Funding Plan

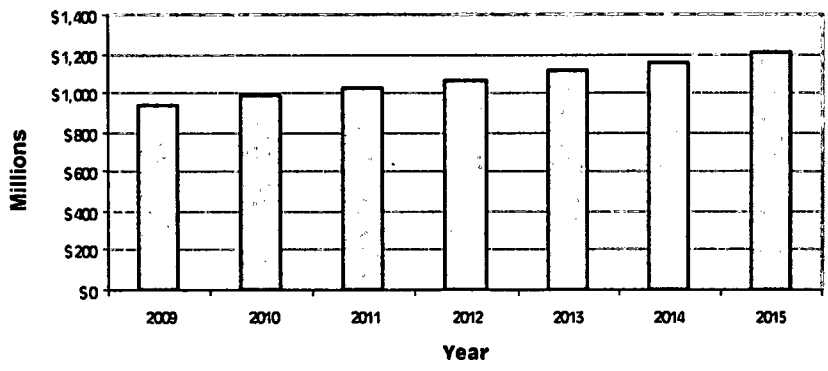
Fiscal Year ($ Millions)					
Maintenance Programs	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Maintenance & Operations	907.61	944.60	983.14	1023.29	1065.14
Disasters/Emergencies	15.00	15.00	15.00	15.00	15.00
Contract Resurfacing	443.85	462.49	481.92	502.16	523.25
Pavement & Bridge Preserv	308.96	321.94	335.46	349.55	364.23
Total Maint. Funding Needed	**1,675.42**	**1,744.03**	**1,815.52**	**1,890.00**	**1,967.62**
Alternate Maint. Funds	115.20	115.20	115.20	115.20	115.20
Estimated Maint. Fund Alloc.*	897.15	897.15	897.15	897.15	897.15
Shortfall	*(663.07)*	*(731.68)*	*(803.17)*	*(877.65)*	*(955.27)*

*Estimated Maint. Fund Alloc. Is based on the Continuing Budget

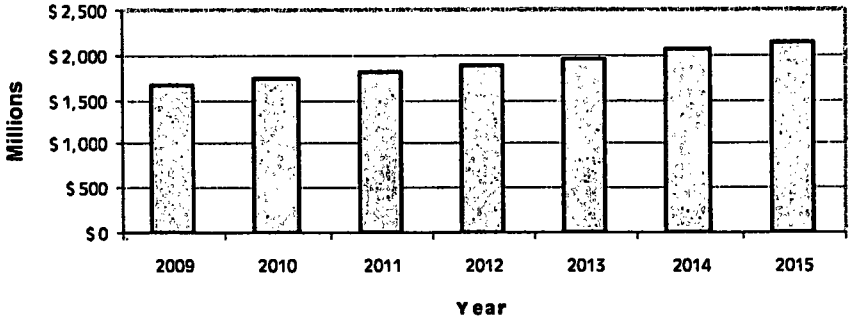
Condition Scenario 1
(LOS at Current Funding Level)



Condition Scenario 2
(Estimated Dollars to Maintain Current LOS)



Condition Scenario 3
(Funding Needed to Meet Target LOS)



Questions?

Questions

Rep Martin
Rep Cole
Sen. Sasser
Rep. Allen

Rep. Fuye
Rep. Stein
Sen. Hunt
Sen.

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Tuesday, March 24, 2009
TIME: 9:00 am
LOCATION: 1228 LB

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **16** o'clock on **March 18, 2009**.

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Wednesday, March 25, 2009
TIME: 9:00 am
LOCATION: 1228 LB

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **16** o'clock on **March 18, 2009.**

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

2009-2010

JOINT APPROPRIATIONS – TRANSPORTATION

MINUTES

House Appropriations Subcommittee

on

Transportation

The House Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met on Wednesday, April 15, 2009, at 9:00 A. M. Representative Nelson Cole, Chairman, presided. House members attending included the following: Representative Grier Martin, Chairman; Representative Lorene Coates, Vice Chairman; Representative William Current; Representative Margaret Dixon; Representative Phillip Frye; Representative Mitch Gillespie; Representative Jim Gulley; Representative Nick Mackey; Representative Bonner Stiller; and Representative Arthur Williams. Representative Jerry Dockham was unable to attend due to illness. Staff members from the Fiscal Research Division were Ms. Karlynn O'Shaughnessy, Mr. Bob Weiss, Ms. Amna Cameron, and Mr. Ryan Blackledge.

Chairman Cole welcomed members and visitors. He recognized pages serving the meeting: Chelsea Suitt from Durham County, sponsored by Representative Larry Hall, and Jordan Williamson from Watauga County, sponsored by Representative Cullie Tarleton.

Chairman Cole called upon Bob Weiss of the Fiscal Research staff to present information comparing the budget compiled by Governor Beverly Perdue and the one approved by the North Carolina Senate concerning recommended changes to the Highway Fund Budget. [Exhibit A] In some areas, the two proposed budgets were identical, but differences were evident in other areas. Chairman Cole reminded members that actual numbers for available funds would not be available for several days.

Following, Mr. Weiss's presentation, Chairman Cole entertained brief questions from members. Because of time constraints, members were asked to look more closely at figures on their own.

Chairman Cole concluded the meeting by thanking members, staff, and guests for their attendance.

The next meeting is to convene on Tuesday, April 21, 2009, at 8:30 A. M. in room 1228, as a joint meeting with Senate members for a discussion of House Bill 1779, Cost Review.

The meeting was then adjourned.

Respectfully submitted,

Linda Laton, Committee Assistant

Representative Nelson Cole, Chairman

House Subcommittee on Transportation Appropriations

Wednesday, April 15, 2009
9:00 am
Room 1228/1327 LB

AGENDA

Chairs: Representatives Martin and Cole

- Senate Transportation Budget
  - Committee Staff

Future Meetings

Thursday, April 16, 9:00 am (Joint meeting with Senate)
Jim Westmoreland, Deputy Secretary for Transit, DOT
Pat Simmons, Director, Rail Division, DOT

Tuesday, April 21, **8:30 am** (Joint meeting with Senate)
HB 1779 Cost Review

Wednesday, April 22, Full Appropriations, No Subcommittee Meeting

VISITOR REGISTRATION SHEET

Trans Approv. 4-15-09

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Zadia Brown	
Mercedes Barton	NC OSBM
Johanna Reese	DOT
Mel Bacon	RANC

VISITOR REGISTRATION SHEET

Trans Appr — Name of Committee

4-15-09 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Gene Causby	NMCA
Alicia Dark	MWC
Durward Longhofer	NS

Exhibit A

GENERAL ASSEMBLY OF NORTH CAROLINA

FINAL

SENATE BUDGET

FY 2009-11

APRIL 10, 2009

ımmended Changes to the Highway Fund Budget
FY 2009-10

	2/14/09 2 p.m..	2008-09	Governor's 2009-10			SENATE 2009-10		
		Certified	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended
1	DOT-General Administration	74,260,879	86,303,924	(5,493,402)	80,810,522	86,303,924	(5,493,402)	80,810,522
2	Highway Division Administration	32,703,136	34,905,207	(1,966,224)	32,938,983	34,905,207	(1,966,224)	32,938,983
3	Federal Aid Match - Planning and Research	4,700,000	4,055,402	-	4,055,402	4,055,402	-	4,055,402
4	Construction Program:							-
5	State Secondary System	94,881,541	84,481,404	2,589,860	87,071,264	84,481,404	(84,481,404)	-
6	Discretionary Funds	15,000,000	15,000,000	(1,050,000)	13,950,000	15,000,000	(1,050,000)	13,950,000
7	Spot Safety Improvements - Recurring	-	-	9,100,000	9,100,000	-	9,100,000	9,100,000
8	Spot Safety Improvements - Nonrecurring	9,100,000	-		-	-		-
9	Access and Public Service Roads	2,000,000	2,000,000	(140,000)	1,860,000	2,000,000	(140,000)	1,860,000
10	Small Urban Const.	21,000,000	21,000,000	(1,470,000)	19,530,000	21,000,000	(7,000,000)	14,000,000
11	Total Construction Program	141,981,541	122,481,404	9,029,860	131,511,264	122,481,404	(83,571,404)	38,910,000
12	Maintenance Program:							
13	Primary System	155,323,184	206,701,413	(18,951,189)	187,750,224	206,701,413	2,951,041	209,652,454
14	Secondary System	243,316,065	294,839,472	(25,120,853)	269,718,619	294,839,472	4,209,372	299,048,844
15	Contract Resurfacing	277,080,315	274,525,663	(23,698,886)	250,826,777	274,525,663	3,919,356	278,445,019
16	System Preservation	107,419,739	78,589,071	(7,055,063)	71,534,008	78,589,071	1,122,003	79,711,074
17	General Maintenance Reserve	151,003,126	42,493,525	(2,974,547)	39,518,978	42,493,525	606,673	43,100,198
18	Interstate 40 Resurfacing	10,000,000	-	-	-	-	-	-
19	Total Maintenance Program	944,142,429	897,149,144	(77,800,538)	819,348,606	897,149,144	12,808,444	909,957,588
20	Ferry Operations	32,313,921	28,765,439	1,440,770	30,206,209	28,765,439	1,360,770	30,126,209
21	State Aid to Municipalities	94,881,541	84,481,404	2,589,860	87,071,264	84,481,404	2,589,860	87,071,264
22	State Aid to Railroads	21,330,883	17,101,153	-	17,101,153	17,101,153	-	17,101,153
23	State Aid for Public Transportation	73,144,229	96,544,229	(24,948,267)	71,595,962	96,544,229	(24,948,267)	71,595,962
24	Airports	19,407,815	19,349,592	(2,000,000)	17,349,592	19,349,592	(2,000,000)	17,349,592
25	OSHA	425,000	425,000	(69,611)	355,389	425,000	(69,611)	355,389
26	Governor's Highway Safety Program	335,449	351,779	-	351,779	351,779	-	351,779
27	Division of Motor Vehicles	100,173,970	105,621,605	(3,888,792)	101,732,813	105,621,605	(3,888,792)	101,732,813
28	Total Department of Transportation	1,539,800,793	1,497,535,282	(103,106,344)	1,394,428,938	1,497,535,282	(105,178,626)	1,392,356,656
29	Transfers to Other State Agencies:							
30	Agriculture	4,934,152	4,972,215		4,972,215	4,972,215		4,972,215
31	Revenue	5,786,604	6,238,753		6,238,753	6,238,753		6,238,753
32	State Treasurer	17,610,000	17,557,170		17,557,170	17,557,170		17,557,170
33	OSC - Best Shared Services	-	444,037		444,037	444,037		444,037
34	Public Instruction-Driver Education	33,949,682	33,959,859		33,959,859	33,959,859		33,959,859
35	Public Instruction - Civil Penalties	-	22,000,000		22,000,000	22,000,000		22,000,000
36	CCPS - Highway Patrol	195,045,494	209,386,801	(11,035,522)	198,351,279	209,386,801	(13,868,129)	195,518,672
37	DENR - LUST Trust Fund	4,578,265	1,910,123	590,000	2,500,123	1,910,123	590,000	2,500,123
38	DHHS - Chemical Test	673,803	709,719	(49,680)	660,039	709,719	(49,680)	660,039
39	Total-Other State Agencies	262,578,000	297,178,677	(10,495,202)	286,683,475	297,178,677	(13,327,809)	283,850,868
				-0.61%				

	2/14/09 2 p.m..	2008-09	Governor's 2009-10			SENATE 2009-10		
		Certified	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended
40	Reserves and Transfers:							
41	Salary Adjustment	1,650,000	3,922,758	(3,922,758)	-	3,922,758	(3,922,758)	-
42	Minority Contractor Development	150,000	150,000	-	150,000	150,000	-	150,000
43	State Fire Protection Grant	150,000	150,000	-	150,000	150,000	-	150,000
44	Storm Water Management	500,000	500,000	-	500,000	500,000	-	500,000
45	Reserve for Visitor's Centers	400,000	400,000	-	400,000	400,000	-	400,000
46	Global Transpark	1,600,000	1,600,000	-	1,600,000	1,600,000	-	1,600,000
47	Reserve for Administrative Reduction	(2,500,000)	(2,500,000)	-	(2,500,000)	(2,500,000)	-	(2,500,000)
48	Reserve for Legislative Increase	35,216,310	-	-	-	-	-	-
49	Reserve for Compensation Adjustment	1,462,000	-	-	-	-	-	-
50	Reserve for Health Insurance Adjustment	5,734,876	-	3,920,922	3,920,922	-	5,992,476	5,992,476
51	Employer's Contribution to Retirement	1,723,800	-	1,000,000	1,000,000	-	1,000,000	1,000,000
52	Reserve for Longevity Payments	-		(2,833,335)	(2,833,335)			-
53	Total Reserves	46,086,986	4,222,758	(1,835,171)	2,387,587	4,222,758	3,069,718	7,292,476
54	Total Current Operations	1,848,465,779	1,798,936,717	(115,436,717)	1,683,500,000	1,798,936,717	(115,436,717)	1,683,500,000
55	Capital Improvements	9,084,221	-	-	-	-	-	-
56	Total Highway Fund Appropriation	1,857,550,000	1,798,936,717	(115,436,717)	1,683,500,000	1,798,936,717	(115,436,717)	1,683,500,000
57	**% Inc/(Dec) Over Prior Year**				**-9.37%**			**-9.37%**

Recomm FY 2010-

Changes to the Highway Fund Budget

2/14/09 2 p.m..

		2008-09	Governor's 2010-11			SENATE 2010-11		
		Certified	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended
1	DOT-General Administration	74,260,879	86,354,752	(4,457,479)	81,897,273	86,354,752	(4,457,479)	81,897,273
2	Highway Division Administration	32,703,136	34,963,043	(1,969,866)	32,993,177	34,963,043	(1,969,866)	32,993,177
3	Federal Aid Match - Planning and Research	4,700,000	4,055,402		4,055,402	4,055,402		4,055,402
4	Construction Program:							-
5	State Secondary System	94,881,541	83,214,183	2,986,368	86,200,551	83,214,183	2,986,368	86,200,551
6	Discretionary Funds	15,000,000	15,000,000	(1,050,000)	13,950,000	15,000,000	(1,050,000)	13,950,000
7	Spot Safety Improvements - Recurring	-	-	9,100,000	9,100,000	-	9,100,000	9,100,000
8	Spot Safety Improvements - Nonrecurring	9,100,000	-		-	-		-
9	Access and Public Service Roads	2,000,000	2,000,000	(140,000)	1,860,000	2,000,000	(140,000)	1,860,000
10	Small Urban Const.	21,000,000	21,000,000	(1,470,000)	19,530,000	21,000,000	(7,000,000)	14,000,000
11	Total Construction Program	141,981,541	121,214,183	9,426,368	130,640,551	121,214,183	3,896,368	125,110,551
12	Maintenance Program:							
13	Primary System	155,323,184	206,701,413	(26,813,150)	179,888,263	206,701,413	(25,814,245)	180,887,168
14	Secondary System	243,316,065	294,839,472	(32,982,814)	261,856,658	294,839,472	(31,664,258)	263,175,214
15	Contract Resurfacing	277,080,315	274,525,663	(31,560,847)	242,964,816	274,525,663	(30,282,248)	244,243,415
16	System Preservation	107,419,739	78,589,071	(15,153,194)	63,435,877	78,589,071	(14,753,631)	63,835,440
17	General Maintenance Reserve	151,003,126	42,493,525	(2,974,547)	39,518,978	42,493,525	(2,974,547)	39,518,978
18	Interstate 40 Resurfacing	10,000,000	-	-	-	-	-	-
19	Total Maintenance Program	944,142,429	897,149,144	(109,484,552)	787,664,592	897,149,144	(105,488,929)	791,660,215
20	Ferry Operations	32,313,921	28,765,439	1,344,770	30,110,209	28,765,439	960,770	29,726,209
21	State Aid to Municipalities	94,881,541	83,214,183	2,986,368	86,200,551	83,214,183	2,986,368	86,200,551
22	State Aid to Railroads	21,330,883	17,101,153	-	17,101,153	17,101,153	-	17,101,153
23	State Aid for Public Transportation	73,144,229	96,544,229	(24,912,267)	71,631,962	96,544,229	(24,912,267)	71,631,962
24	Airports	19,407,815	19,291,543	(2,000,000)	17,291,543	19,291,543	(2,000,000)	17,291,543
25	OSHA	425,000	425,000	(69,611)	355,389	425,000	(69,611)	355,389
26	Governor's Highway Safety Program	335,449	352,325	-	352,325	352,325	-	352,325
27	Division of Motor Vehicles	100,173,970	105,732,881	(3,985,252)	101,747,629	105,732,881	(3,985,252)	101,747,629
28	Total Department of Transportation	1,539,800,793	1,495,163,277	(133,121,521)	1,362,041,756	1,495,163,277	(135,039,898)	1,360,123,379
29	Transfers to Other State Agencies:							
30	Agriculture	4,934,152	4,965,929		4,965,929	4,965,929		4,965,929
31	Revenue	5,786,604	6,244,609		6,244,609	6,244,609		6,244,609
32	State Treasurer	17,610,000	17,504,498		17,504,498	17,504,498		17,504,498
33	OSC - Best Shared Services	-	444,037		444,037	444,037		444,037
34	Public Instruction-Driver Education	33,949,682	33,321,964		33,321,964	33,321,964		33,321,964
35	Public Instruction - Civil Penalties	-	22,000,000		22,000,000	22,000,000		22,000,000
36	CCPS - Highway Patrol	195,045,494	212,175,686	(11,010,894)	201,164,792	212,175,686	(15,332,886)	196,842,800
37	DENR - LUST Trust Fund	4,578,265	1,740,553	810,000	2,550,553	1,740,553	810,000	2,550,553
38	DHHS - Chemical Test	673,803	709,719	(49,680)	660,039	709,719	(49,680)	660,039
39	Total-Other State Agencies	262,578,000	299,106,995	(10,250,574)	288,856,421	299,106,995	(14,572,566)	284,534,429

40	Reserves and Transfers:							
41	Salary Adjustment	1,650,000	3,922,758	(3,922,758)	-	3,922,758	(3,922,758)	-
42	Minority Contractor Development	150,000	150,000		150,000	150,000		150,000
43	State Fire Protection Grant	150,000	150,000		150,000	150,000		150,000
44	Storm Water Management	500,000	500,000		500,000	500,000		500,000
45	Reserve for Visitor's Centers	400,000	400,000		400,000	400,000		400,000
46	Global Transpark	1,600,000	1,600,000		1,600,000	1,600,000		1,600,000
47	Reserve for Administrative Reduction	(2,500,000)	(2,500,000)		(2,500,000)	(2,500,000)		(2,500,000)
48	Reserve for Legislative Increase	35,216,310			-			-
49	Reserve for Compensation Adjustment	1,462,000			-			-
50	Reserve for Health Insurance Adjustment	5,734,876		9,320,922	9,320,922		12,502,192	12,502,192
51	Employer's Contribution to Retirement	1,723,800		1,000,000	1,000,000		1,000,000	1,000,000
52	Reserve for Longevity Payments	-		(3,059,099)	(3,059,099)			-
53	Total Reserves	46,086,986	4,222,758	3,339,065	7,561,823	4,222,758	9,579,434	13,802,192
54	Total Current Operations	1,848,465,779	1,798,493,030	(140,033,030)	1,658,460,000	1,798,493,030	(140,033,030)	1,658,460,000
55	Capital Improvements	9,084,221		-	-	-	-	-
56	Total Highway Fund Appropriation	1,857,550,000	1,798,493,030	(140,033,030)	1,658,460,000	1,798,493,030	(140,033,030)	1,658,460,000
57	**% Inc/(Dec) Over Prior Year**				**-1.49%**			**-1.49%**

Highway Fund

	HIGHWAY FUND	
	FY 09-10	FY 10-11
Adjusted Continuation Budget	**$1,798,936,717**	**$1,798,493,030**

Legislative Changes

Administration

1 Update Printing Operations — $636,000 R

Funds are provided to consolidate print operations located at the Transportation Building and the Division of Motor Vehicles. A single printing services contract will be used, incorporating mainframe and network printing services for both locations.

2 Combined Registration & Tax Collection System - Database and Implementation

Funding from receipts is provided to continue the implementation of HB 1779. Receipts will fund the development of the Statewide database, which will calculate vehicle property taxes, and to implement the outstanding components required to complete the System.

Receipts (nonrecurring)
Database: FY 2009-10 - $1,174,232; FY 2010-11 - $1,043,460
Implementation: FY 2009-10 - $4,128,573; FY 2010-11 - $7,798,424

Aviation Division

3 Aviation Funds — ($1,128,445) R; ($1,125,523) R; ($871,555) NR; ($874,477) NR

Funds for Aviation Division are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total budget for the Aviation Division is $17,349,592 in FY 2009-10 and $17,291,543 in FY 2010-11.

Construction

4 Public Service and Access Road Funds — ($140,000) R; ($140,000) R

Funds for public service and access road construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total budget for public service and access roads is $1,860,000 in both years of the biennium.

	FY 09-10		FY 10-11	
5 Small Construction Funds Funds for small construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total budget for small construction is $14,000,000 in both years of the biennium.	($7,000,000)	R	($7,000,000)	R
6 Contingency Funds Funds for contingency construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total budget for contingency construction is $13,950,000 in both years of the biennium.	($1,050,000)	R	($1,050,000)	R
7 Secondary Road Improvement Funds Reprogrammed to Maintenance Notwithstanding G.S.136-44.2A, FY 2009-10 funding for the secondary roads improvement program from the Highway Fund is reprogrammed to Statewide maintenance programs (See Item 14, page K3) to prevent further deterioration of the State highway system due to reduced transportation revenues and maintenance expenditures.	($84,481,404)	NR		
8 Spot Safety Program Based on the Continuation Review, funding is changed from non-recurring to recurring.	$9,100,000	R	$9,100,000	R

Department-Wide

9 Administration Cuts - Receipts

Salary and operating funds for administration of the DOT, Division of Highways, and the Division of Motor Vehicles supported by Highway Trust Fund administration receipts are reduced for the biennium. The reductions are required to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

Receipts are reduced $3,814,114 in FY 2009-10 and $2,736,189 in FY 2010-11. Eleven vacant positions are eliminated in FY 2009-10 and an additional vacant position is eliminated in FY 2010-11.

	FY 09-10		FY 10-11	
10 Administration Cuts	($7,181,194)	R	($6,788,533)	R
Salary and operating funds for administration of the DOT, Division of Highways, and the Division of Motor Vehicles are reduced for the biennium. The reductions are required to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.Twenty-two vacant positions are eliminated in FY 2009-10.	($4,528,043)	NR	($4,524,423)	NR
	-22.00		-22.00	
The total budget for DOT - General Administration is $80,810,522 in FY 2009-10 and $81,897,273 in FY 2010-11. The total budget for DOT - Highway Division Administration is $32,938,983 in FY 2009-10 and $32,993,177 in FY 2010-11. The total DMV budget is $101,732,813 in FY 2009-10 and $101,747,629 in FY 2010-11.				
Division of Motor Vehicles				
11 National Motor Vehicle Title Compliance	$264,359	R	$264,359	R
Funds are provided to comply with new federal legislation that requires states to report additional motor vehicle title information from all salvage and junk yards in the State.	$96,460	NR		
	4.00		4.00	
Funds are provided for 4 License and Theft Inspector positions ($38,612 each).				
Ferry Division				
12 Implement Coast Guard Requirements for Manning of Vessels	$3,116,267	R	$3,116,267	R
US Public Law 109-241, Section 301, passed in 2006, expanded the definition of a ferry to include State-operated passenger ferries. As a result, State ferry operations are required to operate under the US Coast Guard regulations (46 USC). In order to comply with these new federal requirements, funds are provided for additional field ferry vessel personnel and rescue boats.	$400,000	NR		
	79.00		79.00	
Positions include 20 Ferry Oiler positions ($33,445 each), 27 Ferry Member II positions ($32,232 each), 27 Ferry Crew Member I positions ($28,265 each), and 5 Marine Pipefitter and Welder positions ($42,121 each).				
The 79 positions cost $2,512,924 in salaries and $603,343 in benefits.				
Nine rescue boats are funded at $400,000 in FY 2009-10.				
13 Ferry Funds	($2,155,497)	R	($2,155,497)	R
Funds for the Ferry Division are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.				
The total budget for the Ferry Division is $30,126,209 in FY 2009-10 and $29,726,209 in FY 2010-11.				

Maintenance

14 Maintenance Funds

Funds for maintenance are increased to prevent further deterioration of the State highway system. Funds are not reduced to align overall expenditures for the Highway Fund with projected revenues for FY 2010-11.

The total budget for maintenance is $909,957,588 in FY 2009-10. Changes include:

	Adj (NR)	Total
Primary System	$2,951,041	$206,701,413
Secondary System	$4,209,372	$294,839,472
Contract Resurfacing	$3,919,356	$274,525,663
System Preservation	$1,122,003	$ 78,589,071
General Maintenance Reserve	$ 606,672	$ 55,301,969

FY 09-10: $12,808,444 NR

15 Maintenance Funds

Reduces funds for maintenance of the State's highway infrastructure to align overall expenditures for the Highway Fund with projected revenues for FY 2010-11.

The total budget for maintenance is $791,660,215 in FY 2010-11. Changes include:

	Adj (R)	Adj (NR)	Total
Primary System	$-13,053,866	$-12,760,379	$180,887,168
Secondary System	$-19,223,529	$-12,440,729	$263,175,214
Contract Resurfacing	$-17,801,562	$-12,480,686	$244,243,415
System Preservation	$ -4,086,001	$-10,667,630	$ 63,835,440
Gen. Maintenance Res	$ -2,974,547	$ 0	$ 39,518,978

FY 10-11: ($57,139,505) R; ($48,349,424) NR

OSHA

16 Workplace Safety and Health Funds

Reduces funds for OSHA to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total transfer to OSHA is $355,389 in both years of the biennium.

FY 09-10: ($52,208) R; ($17,403) NR

FY 10-11: ($52,208) R; ($17,403) NR

Public Transportation Division

17 Public Transportation Funds

Funds for public transportation programs are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total budget for the Public Transportation Division is $71,595,962 in FY 2009-10 and $71,631,962 in FY 2010-11.

FY 09-10: ($16,366,078) R; ($8,582,189) NR

FY 10-11: ($16,426,078) R; ($8,486,189) NR

Reserves

18 Salary Adjustment Fund

Recurring funds available for salary adjustments are eliminated for the 2009-11 biennium.

FY 09-10: ($3,922,758) R

FY 10-11: ($3,922,758) R

	FY 09-10		FY 10-11	
19 Retirement System Contribution Employer contributions to the retirement system are increased to maintain the System's actuarially sound status.	$1,000,000	R	$1,000,000	R
State Highway Patrol				
20 SHP - Establish Management Flexibility Reserve Establishes a management flexibility reserve to provide the State Highway Patrol with the flexibility to manage additional reductions totaling $5,608,242.	($5,608,242)	R	($5,608,242)	R
21 SHP - Operating Cuts Funding for various operating accounts are reduced across the agency.	($2,253,000) ($1,500,000)	R NR	($2,253,000) ($1,450,000)	R NR
22 SHP - Freeze Step Increase for Troopers The step increase for the salaries of Troopers are frozen for both years of the biennium.	($1,674,280)	NR	($3,373,932)	NR
23 SHP - Eliminate Continuation Budget Increases Eliminates additions included in the Continuation Budget.	($2,832,607)	R	($2,647,712)	R

	FY2009-10	FY2010-11
531321 Contractual Staff	$77,825	$77,825
531411 Overtime	$400,000	$400,000
531421 Holiday Pay	$140,000	$140,000
531431 Shift Premium	$470,000	$470,000
531572 Unemployment Comp	$ 20,000	$ 20,000
531631 Workers Comp Med	$726,000	$541,105
531632 Workers Comp Disab	$222,468	$222,468
532170 Admin Services	$150,000	$150,000
532199 Misc Contract Serv	$626,314	$626,314

Statutory Adjustments

24 Aid to Municipalities Adjusts funding for aid to municipalities based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1. The total budget for aid to municipalities is $87,071,264 in FY 2009-10 and $86,200,551 in FY 2010-11.	$2,589,860	R	$2,986,368	R
25 Leaking Underground Storage Tank Fund Adjusts budget for the Leaking Underground Storage Tank Fund based on projections for the motor fuels inspection fee in accordance with G.S. 119-18. The total transfer to this trust fund is $2,500,123 in FY 2009-10 and $2,550,553 in FY 2010-11.	$590,000	R	$810,000	R

Senate Subcommittee on Transportation	FY 09-10		FY 10-11	
26 Secondary Road Improvement Program Funds Adjusts funding in FY 2010-11 for secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A. The total budget for the secondary road improvement program is $86,200,551 in FY 2010-11.			$2,986,368	R
Transfers				
27 State Health Plan Provides additional funding to continue non-contributory health benefit coverage for enrolled active and retired employees supported by the Highway fund for the biennium as appropriated in Senate Bill 287 (Third Edition). These appropriations correspond to an annual 8.6% premium increase in non-contributory premium rates for the fiscal year beginning July 1, 2009, and an additional annual premium increase of 8.6% for the fiscal year beginning July 1, 2010.	$5,992,476	R	$12,502,192	R
28 Department of Health and Human Services Funds for the Chemical Test Program are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total transfer is $660,039.	($49,680)	R	($49,680)	R
Total Legislative Changes	**($27,086,747)**	**R**	**($72,957,182)**	**R**
	($88,349,970)	**NR**	**($67,075,848)**	**NR**
Total Position Changes	61.00		61.00	
Revised Budget	**$1,683,500,000**		**$1,658,460,000**	

Highway Trust Fund

	HIGHWAY TRUST FUND			
	FY 09-10		FY 10-11	
Adjusted Continuation Budget	**$1,014,750,000**		**$1,057,460,000**	
Legislative Changes				
Highway Trust Fund				
29 Transfer to General Fund Reduces transfer to General Fund in FY 2010-11 to $2,561,829 in accordance with G.S. 105-187.9(b)2.			($367,350)	R
30 Urban Loops Reduces funds for the Urban Loops to $110,759,502 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($37,512,354)	R	($41,238,334)	R
31 Administration Reduces funds for administration to $41,092,320 in FY 2009-10 consistent with new revenue estimates and statutory formula.	($7,510,080)	R	($8,278,560)	R
32 Aid to Municipalities Reduces funds for Aid to Municipalities to $39,893,942 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($9,733,745)	R	($10,700,565)	R
33 Intrastate System Reduces funds for the Intrastate System to $352,674,316 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($92,770,076)	R	($101,984,625)	R
34 Secondary Road Construction Reduces funds for the Secondary Road construction program to $57,777,091 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($9,733,745)	R	($10,700,566)	R
Total Legislative Changes	**($157,260,000)**	R	**($173,270,000)**	R
Total Position Changes				
Revised Budget	**$857,490,000**		**$884,190,000**	

Turnpike Authority

TURNPIKE AUTHORITY

	FY 09-10	FY 10-11
Adjusted Continuation Budget	**$0**	**$0**
Legislative Changes		
Turnpike Authority		
35 Administration - Receipts		
Salary and operating funds available for administration of the Turnpike Authority supported from the Highway Trust Fund administration receipts are reduced for the biennium. The reductions are required to align overall expenditures for this receipt account with projected revenues for the 2009-11 biennium.		
Receipts (Recurring):		
2009-10: ($569,925)		
2010-11: ($413,826)		
Total Legislative Changes		
Total Position Changes		
Revised Budget	**$0**	**$0**

PART XXV. DEPARTMENT OF TRANSPORTATION

CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 25.1.(a) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$1,736.5 million
For Fiscal Year 2012-2013	$1,835.2 million
For Fiscal Year 2013-2014	$1,945.3 million
For Fiscal Year 2014-2015	$2,008.7 million

SECTION 25.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 950.4 million
For Fiscal Year 2012-2013	$1,006.9 million
For Fiscal Year 2013-2014	$1,066.4 million
For Fiscal Year 2014-2015	$1,108.3 million

MODIFY GLOBAL TRANSPARK DEBT

SECTION 25.2. G.S. 147-69.2(b)(11), as amended by Section 7 of S.L. 2005-144, Section 2 of S.L. 2005-201, Section 28.17 of S.L. 2005-276, and Section 27.7 of S.L. 2007-323 reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

...

(11) With respect to assets of the Escheat Fund, obligations of the North Carolina Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed twenty-five million dollars ($25,000,000), that have a final maturity not later than October 1, ~~2009.~~ 2011. The obligations shall bear interest at the rate set by the State Treasurer. No commitment to purchase obligations may be made pursuant to this subdivision after September 1, 1993, and no obligations may be purchased after September 1, 1994. In the event of a loss to the Escheat Fund by reason of an investment made pursuant to this subdivision, it is the intention of the General Assembly to hold the Escheat Fund harmless from the loss by appropriating to the Escheat Fund funds equivalent to the loss.

If any part of the property owned by the North Carolina Global TransPark Authority now or in the future is divested, proceeds of the divestment shall be used to fulfill any unmet obligations on an investment made pursuant to this subdivision.

...."

SMALL CONSTRUCTION AND CONTINGENCY FUNDS

SECTION 25.3. 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 construction projects recommended by the member of the Board of Transportation representing the Division in which the project is to be constructed in consultation with the Division Engineer and approved by the Board of Transportation. These funds shall be allocated equally in each

fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

(2) Thirteen million nine hundred fifty thousand dollars ($13,950,000) in fiscal year 2009-2010 and thirteen million nine hundred fifty thousand dollars ($13,950,000) in fiscal year 2010-2011 shall be used statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formulas in G.S. 136-44.5(b) and (c).

These funds are not subject to G.S. 136-44.7.

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.

USE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2009-2010

SECTION 25.4. Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2009-2010, shall remain in the Highway Fund for highway maintenance.

NC TURNPIKE AUTHORITY TRANSFERRED TO THE DEPARTMENT OF TRANSPORTATION

SECTION 25.5.(a) G.S. 136-89.182 reads as rewritten:

"**§ 136-89.182. North Carolina Turnpike Authority.**

...

(b) Administrative Placement. – The Authority shall be located within the Department of Transportation ~~for administrative purposes but shall exercise all of its powers independently of the Department of Transportation except as otherwise specified in this Article.~~ and shall be subject to and under the direct supervision of the Secretary of Transportation.

...

(d) Board of Transportation Members. – ~~No more than two members~~ Members of the North Carolina Board of Transportation may serve as members of the Authority Board.

...."

SECTION 25.5.(b) The transfer of the North Carolina Turnpike Authority to the Department of Transportation has all the elements of a Type I transfer under G.S. 143A-6.

Requested by: Senator

ALLOW THE DEPARTMENT OF TRANSPORTATION TO REQUIRE FACILITIES CONSTRUCTED WITHIN RIGHTS-OF-WAY TO BE CONSTRUCTED FROM PERMEABLE PAVEMENT

SECTION 25.6.(a) G.S. 136-18 is amended by adding a new subdivision to read:

"(41) The Department shall, prior to the beginning of construction, determine whether all sidewalks and other facilities primarily intended for the use of pedestrians and bicycles that are to be constructed within the right-of-way of

a public street or highway that is a part of the State highway system or an urban highway system must be constructed of permeable pavement. "Permeable pavement" means paving material that absorbs water or allows water to infiltrate through the paving material. Permeable pavement materials include porous concrete, permeable interlocking concrete pavers, concrete grid pavers, porous asphalt, and any other material with similar characteristics. Compacted gravel shall not be considered permeable pavement."

SECTION 25.6.(b) This act becomes effective October 1, 2009, and applies to facilities constructed on or after that date.

2009-9024

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Tuesday, April 21, 2009
TIME: 8:30 am
LOCATION: 1228 LB

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **10** o'clock on **April 15, 2009**.

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

MINUTES

JOINT APPRORIATIONS SUBCOMMITTEE ON TRANSPORTATION

April 23, 2009
9:00 a.m.
Room 1228, Legislative Building

The Joint Appropriations Subcommittee on Transportation met on Thursday, April 23, 2009 at 9:00 a.m. in Room 1228 of the Legislative Building. Co-Chairs present was: Senator Steve Goss, Representatives Nelson Cole and Grier Martin. Vice Chair present was Representative Lorene Coates. House members present were: Representatives Lucy Allen, William Current, Margaret Dickson, Jerry Dockham, Phillip Frye, Mitch Gillespie, James Gulley, Bonner Stiller and Arthur Williams. Senate members present were: Senators Harry Brown, Neal Hunt and Robert Rucho. Staff members present were: Mr. Bob Weiss, Ms. Anna Cameron, Ms. Karlynn O'Shaughnessy and Mr. Ryan Blackledge. The visitor sheet is attached as Attachment #1.

Representative Martin called the meeting to order, welcoming everyone and introduced Mr. Jim Westmoreland, Deputy Secretary for Transit of the NC Department of Transportation. Mr. Westmoreland's presentation is attached as Attachment #2.

Representative Martin then introduced Ms. Pat Simmons, Director, Rail Division of the NC Department of Tranportation who provided a presentation on the Rail Division. This presentation is attached as Attachment #3.

Following some discussion, the meeting was adjourned at 9:50 a.m.

Respectfully submitted,

Representative Grier Martin
Chair

Sylvia Hammons
Committee Assistant

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Transportation — April 23, 2009

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John Shaw	Wake Up Wake Co.
Chris Ellis	K & L Gates
Johanna Reese	DOT
Michelle Frazier	MF+S
Jennifer Sasser	Williams Mullen
Zadia Brown	
Mallory Hutchens	MWL
Thomas C. Caves, Jr.	NC Dept. of Crime Control & Public Safety
Fred Baggett	Smith Moore Leatherwood
Boyd Cauley	City of Charlotte
Angie Harris	Williams Mullen

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Transportation — April 23, 2009

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
	RMC
	RMC
Mercifer Benton	OSBM
Durwood Loughridge	NS
JOE LANIER	SZDWICKER

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Transportation — April 23, 2009

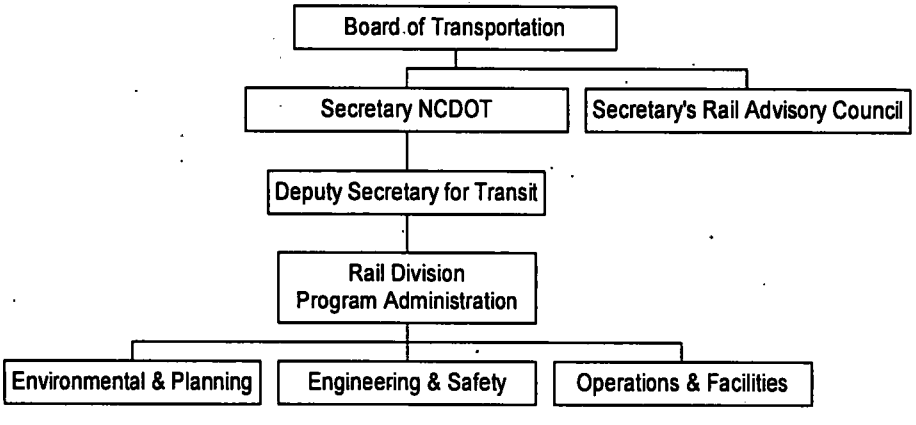
Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John Dillard	CSX

The mission of the Rail Division is to improve highway-railroad crossing safety, monitor industry safety, expand economic development, develop intercity passenger rail services, and preserve rail corridors for future transportation uses.

NCDOT-Rail Division Organization



Rail Division - Environmental & Planning

- Short & Long Range Planning for Freight & Passenger Services
- STIP project scoping
- Environmental Documentation
- State Rail Plan
- Corridor Acquisition
- Southeast High Speed Rail Corridor
- Rail Industrial Access Program
- Grants to Shortlines

Rail Division - Engineering & Safety

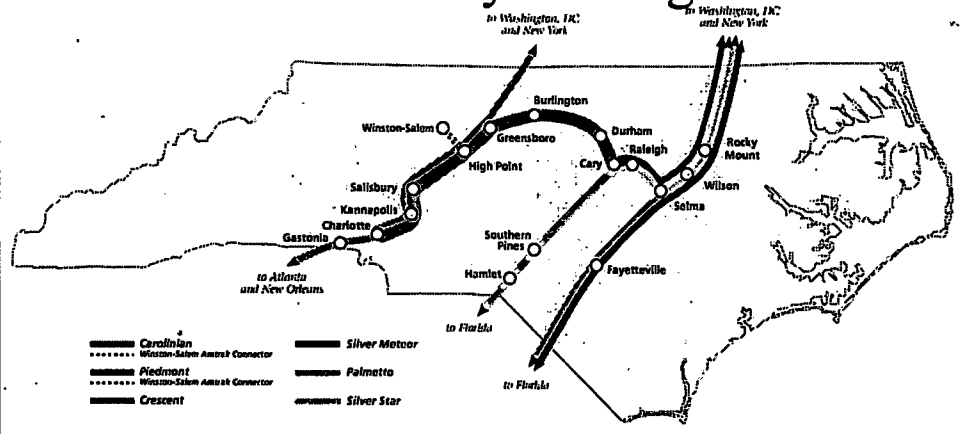
- Engineering
  - Infrastructure improvements-freight, commuter, intercity and hsr
  - Rail Industrial Access and Shortline Grant Programs
- Safety
  - FRA-certified safety inspectors – track, equipment & signals
  - Commuter rail safety oversight
- Crossing Safety
  - Gates, lights and signal improvements
  - Crossing Inventory
  - Sealed Corridor and Traffic Separation Studies

Rail Division – Operations & Facilities

- *Carolinian & Piedmont*
- Amtrak system trains
- Stations & security
- Program support
  - Station attendants, volunteers, 1.800.ByTrain, web sites & graphics
- Equipment & Mechanical
  - Capital Yard Mechanical Facility, equipment rebuilds
- Compliance
  - FRA, ADA, TSA, HSA, EPA, & others
  - Corridor Management—13 corridors total of 102 miles

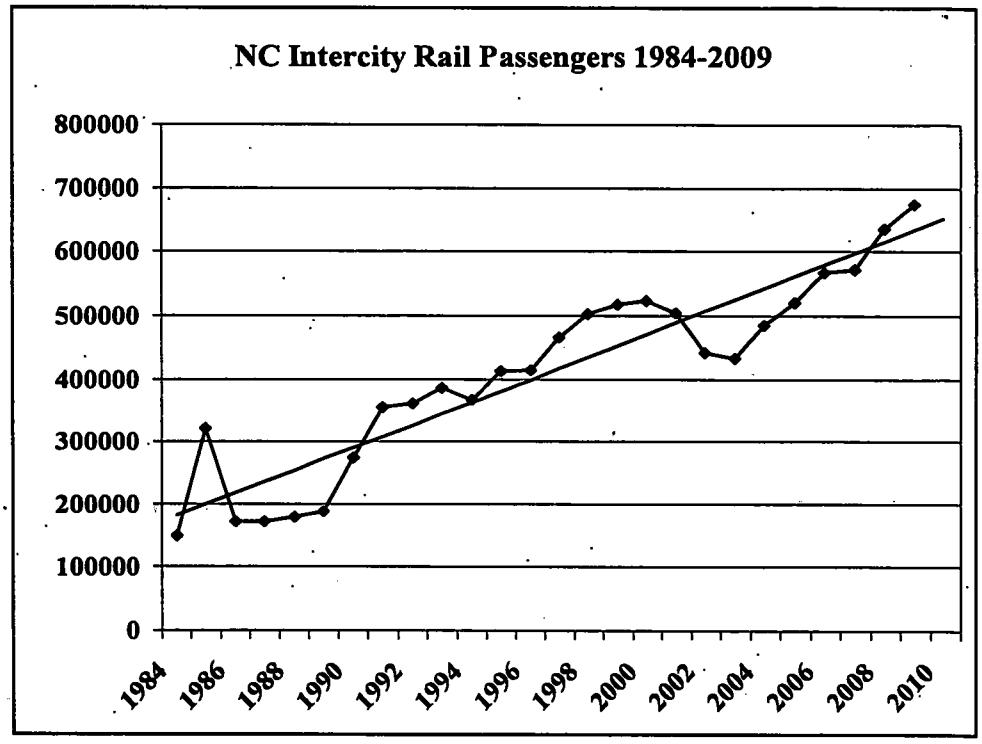
Fund 84210-7829		
Rail Program Budget		
	Certified	Recommended
Line Item	FY 08/09	FY 09/10
Environmental & Planning	750,000	1,750,000
Engineering & Safety	1,750,000	1,750,000
Travel Time Improvements	1,200,000	3,200,000
Maintenance	2,100,000	2,100,000
Passenger Operations	7,445,000	4,445,000
Capital & Safety	2,856,153	2,856,153
Grants to Short Lines	1,000,000	-
Rail Industrial Access Program	1,000,000	1,000,000
Freight Operations Streamlining	3,229,730	-
	21,330,883	17,101,153
GTP Freight Trans. System	29,000,000	-

2009 NC Intercity Passenger Rail



NC Passenger Train Service

- State Sponsored - *Carolinian* (CLT-NYP) & *Piedmont* (RGH-CLT)
- National System – *Crescent* (NYP-NOL), *Palmetto* (NYP to SAV), *Silver Meteor* (NYP-MIA) & *Silver Star* (NYP-MIA)
- All trains operated by Amtrak



NC Impacts of Intercity Passenger Train Service

- 694,290 passengers traveled 118,223,701 miles in FFY2008, 52% on state sponsored trains
- State operations investment of $10,643,750 in SFY 2008-2009. Fare box recovery of 72%.
- Goods and services purchased by Amtrak and Herzog in NC were $5,773,100 during 2008
- 200 employees in NC were paid wages of $9,533,069 during 2008

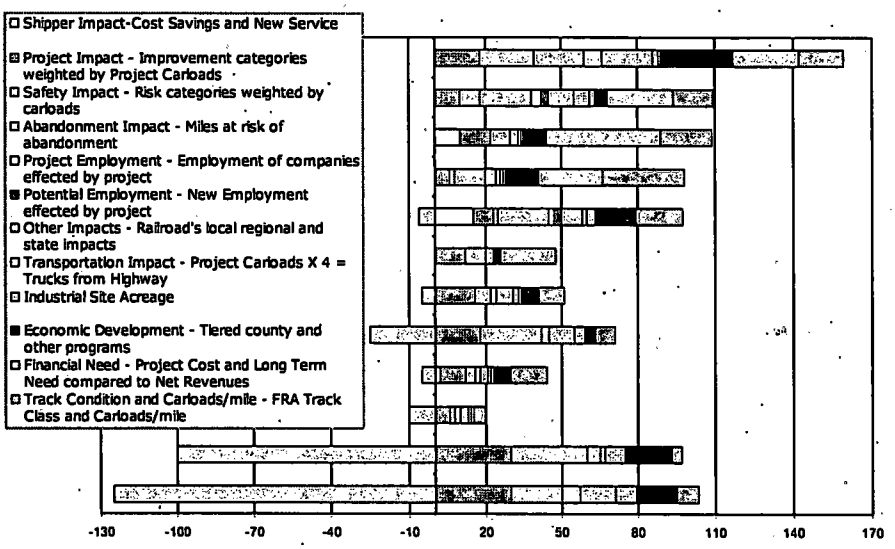
Highway Railroad Crossing Safety

- FHWA funds of $16M/year
- FRA funds of $2M/year
- Corridor analyses, crossing closures, mitigation projects, grade separations and active crossing protection
- Program $175,000 x 100+/- projects annually, Investigative Index

Shortline Grant Priorities

1. Preservation of the railroad
2. Safety
3. Retention of current customers
4. Allowing current customers to expand and prosper
5. Meeting needs of proposed customers
6. Attracting new customers
7. Reaching 286K for future not current customers

Grants to Short Lines
Project Scoring - 2009



Grants to Short Lines - 2009

10 project requests totaling $5,228,047

Includes – 39,000 ties, 2.2 miles of rail and repair of 16 bridges

Benefits 83 Companies

RECOMMENDED PROJECTS/FUNDING			ECONOMIC BENEFITS			COMMUNITY IMPACTS:			
Short Line Railroad	*Funding*	*Cost*	*Project Cars/Yr.*	*Equiv.*	*Project Cost/Jobs*	*West*	*Piedmont*	*East*	*County(ies)*
Aberdeen Carolina & Western Rwy. (ACWR)	$560,000	$1,120,043	1,485	5,940	$53		X		Montgomery*
Aberdeen & Rockfish Railroad (AR)	$270,000	$547,416	148	592	30			X	Hoke, Cumberland*
Alexander Railroad (ARC)	$113,000	$423,817	523	2,092	228		X		Iredell
Atlantic & Western Railway (ATW)	$176,000	$359,180	4,297	17,188	218		X		Chatham, Lee
Caldwell County Railroad (CWCY)	$50,000	$100,000	339	1,356	518	X			Catawba, Caldwell*
Carolina Coastal Railway (CLNA)	$580,000	$1,171,000	5,580	22,320	2,646			X	Nash, Wilson*, Greene*Pitt, Beaufort*, Washington*
Carolina Southern Railroad (CALA)	$355,000	$711,208	1,799	7,196	335			X	Columbus*
Great Smoky Mountains Railroad (GSMR)	$132,000	$268,842	4,154	824	45	X			Jackson
Nash County Railroad (NCYR)	$182,000	$374,041	1,565	6,260	125			X	Nash
Wilmington Terminal Railroad (WTR)	$75,000	$152,500	8,991	35,964	313			X	New Hanover
	$2,493,000	$5,228,047	28,881	99,732	5,011	2	3	5	* Tier 1- County (8)

** GSMR carried about 150,000 passengers in 2008*

American Recovery & Reinvestment Act
PL 111-5

Rail Programs

ARRA—Rail

- $1.3B to Amtrak
  - $450M for security
  - $340M infrastructure outside of NEC
- $8B Capital grants
  - High speed corridor development—reasonably expected to reach 110 mph
  - Intercity capital grants
  - Congestion grants

ARRA—Rail

- Competitive Discretionary Grants @ 100%
  - States, Compacts & Amtrak
- Equipment, track, engineering, crossing safety, signals, property acquisition
- High priority rail corridor projects necessary to reduce congestion or facilitate ridership growth

ARRA—Rail

- "Ready to go" means planning, environmental and preliminary engineering completed
- Final design and construction and/or design-build
- Contracts with NCRR/NS/CSXT
- Project Management Plan
- Operating Plan
- April 18th Strategic Plan-schedule & criteria
- June 17th Interim Guidance-grant terms & conditions, timeframes, etc.—45 days to apply
- Grant Awards Fall 2009

Railway Association of North Carolina

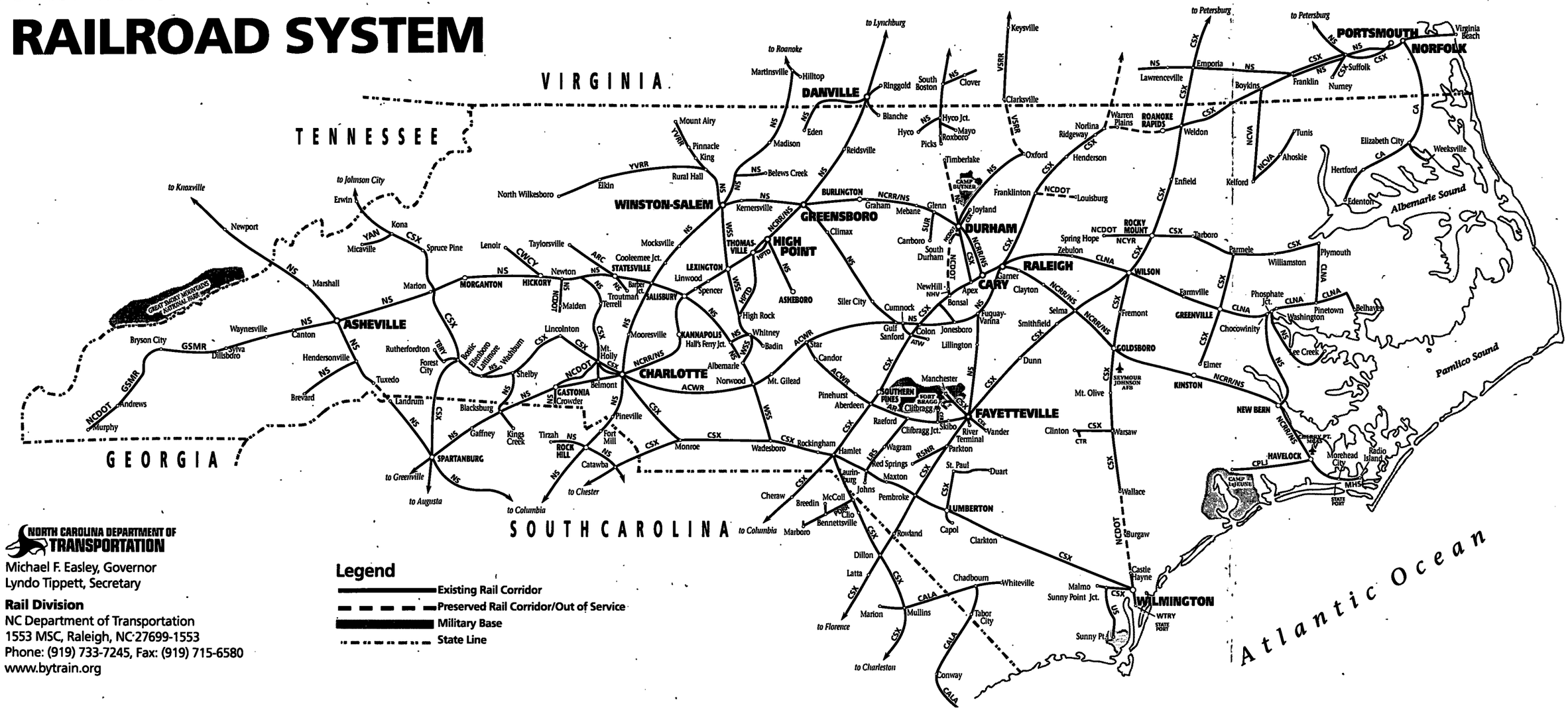
Shortlines	21
Miles in North Carolina	930
Carloads 2006	113,300
Counties Served (Rural and Small Urban Areas)	46
Industries Served	
Number	201
Added in Last Three Years	>17
Employment	13,954
Intermodal Facilities Served	
State Ports - Ship to Rail	Both
Rail to/from Truck Intermodal	9
Industrial Development Sites	
Range in Acerage of Top Three Sites	1 - 1,500
Total Acerage - Top Three Sites for all Railroads	6,422
Infrastructure Needs	
Millions of $s	$ 113
Railroad Age	
Corridor Age - Range (years)	98 - 123
Average Years Owned or Leased by Current Shortline	45

Industry Groups Served	
Agriculture	
Livestock	Feed ingredients
Farm inputs	Lime, phosphate, other fertilizers
Farm Produce	Corn, peanuts
Forestry	
Wood Products	Intermediate/finished wood & paper products
Heavy Manufacturing	
Specialty Chemicals	Raw-finished chemicals
Light Manufacturing	
Injection Molding	Raw-intermediate plastics
Building & Construction	
Quarries	Stone, sand, minerals
Construction	Lumber, cement, bricks
Steel	Scrap & metal components
Energy	Fuels, coal, waste oil
Emerging Business	
Ethanol	Grain, plant fibers

Information by Railroad	Miles	2006 Carloads	County Served	Top Three NC Customers
Aberdeen & Rockfish Railroad	47	2,650	Moore, Hoke, Cumberland	Hexion Specialty Chemical, Mid Atlantic Transloading & Logistics, Farm Chemicals
Aberdeen Carolina & Western Railroad	140	14,637	Mecklenburg, Cabarrus, Stanly, Montgomery, Moore, Chatham	Mountaire Farms, Perdue Farms, Jordan Lumber
Alexander Railroad Company	18	3,574	Iredell, Alexander	International Paper, Star Milling, Deal-Rite Feeds, Inc.
Atlantic & Western Railway	10.6	5,102	Lee	3M Industrial Minerals Products, Lee Iron & Metal, H.J. Baker
Caldwell County Railroad Compay	17		Catawba, Burke, Caldwell	Sealed Air Corp., Pregis, Shurtape Technologies
Cape Fear Railways	16	NA	Cumberland	
Carolina Coastal Railway Inc.	159	1,215	Washington, Beaufort, Pitt, Greene, Wilson, Nash, Johnston, Wake	NC Chip, Crop Production, Domtar
Carolna Southern Railroad Company	31	8,683	Columbus	Georgia Pacific, Idaho Timber, Atlantic Paper
Chespeake & Albermarle Railroad	68.5	8,414	Pasquotank, Perquimons, Camden, Currituck, Chowan	Vulcan Materials, Coastal Ready Mix, Commerial Ready Mix
Clinton Terminal Railroad	4	NA	Sampson	
Great Smokey Mountain Railroad	54	400	Jackson, Swain, Graham, Macon, Cherokee	Parker & Reighman, Nantahala Quarry
High Point, Thomasville & Denton Railroad	34		Guilford, Davidson	Thomasville Forest Products, Carolina Container Corp., KAO Specialities
Laurinburg & Southern Railroad	28	4,400	Scotland	LOF, Murphy Brown, LBG Milling
Morehead & South Fork Railroad	9.5		Carteret	Norfolk Southern Railway, State Ports Authority - Morehead, Sems Group Materials
Nash County Railroad	14.8	3,500	Nash	Braswell Milling, Perdue, Rocky Mount Recyclers
North Carolina & Virginia Railroad	52	22,399	Hertford, Bertie, Northampton	Nucor Steel, Georgia Pacific, Perdue Farms
Thermal Belt Railway	8.6	147	Rutherford	Continental AFA, Carbel, PPG
Virginia Southern	20	No Traffic	Granville	
Wilmington Terminal Railroad	18	9,100	New Hanover	State Ports Authority - Wilmington, Vopak, Carolina Marine
Winston Salem and Southbound Railroad	87	16,600	Forsyth, Davidson, Guilford, Stanly, Anson	Corn Products, Owens Illnois, PPG
Yadkin Valley Railroad	93	12,479	Forsyth, Stokes, Surry, Wilkes	Tyson Foods, Louisiana Pacific, Perdue
Total	**930**	**113,300**		

North Carolina

RAILROAD SYSTEM



NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

Michael F. Easley, Governor
Lyndo Tippett, Secretary

Rail Division
NC Department of Transportation
1553 MSC, Raleigh, NC 27699-1553
Phone: (919) 733-7245, Fax: (919) 715-6580
www.bytrain.org

Legend

- Existing Rail Corridor
- Preserved Rail Corridor/Out of Service
- Military Base
- State Line

AMTRAK Stations in North Carolina

Burlington	Fayetteville	High Point	Salisbury
Cary	Gastonia	Kannapolis	Selma
Charlotte	Greensboro	Raleigh	Southern Pines
Durham	Hamlet	Rocky Mount	Wilson

Information: 1-800-BYTRAIN (1-800-298-7246)
Reservations: 1-800 USA RAIL (1-800-872-7245)

Railway Association of North Carolina
www.ncrailways.net

December 2007

REPORTING MARK	RAILROAD NAME
ACWR	Aberdeen Carolina & Western Railway
AR	Aberdeen & Rockfish Railroad
ARC	Alexander Railroad
ATW	Atlantic & Western Railway, LP
CA	Chesapeake & Albemarle Railroad
CALA	Carolina Southern Railroad
CFR	Cape Fear Railways
CLNA	Carolina Coastal Railway
CPLJ	Camp Lejeune Railroad
CSX	CSX Transportation

REPORTING MARK	RAILROAD NAME
CTR	Clinton Terminal Railroad
CWCY	Caldwell County Railroad
HPTD	High Point, Thomasville & Denton Railroad
LRS	Laurinburg & Southern Company, Inc.
MHSF	Morehead and South Fork Railroad Company
NCDOT	N.C. Department of Transportation
NCRR	North Carolina Railroad Company
NCVA	North Carolina & Virginia Railroad
NHV	New Hope Valley Railroad
NS	Norfolk Southern Corporation

REPORTING MARK	RAILROAD NAME
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, Inc.
YVRR	Yadkin Valley Railroad

NCDOT Crossing Safety ON TRACK IN NC

North Carolina Railroad Directory

Class I

Reporting Mark	Railroad/Address	Contact
CSX	**CSX Transportation** Corporate Headquarters 500 Water St., Jacksonville, FL 32202	Michael J. Ward, President and CEO 1-877-744-7279, www.csx.com
	CSX Regional Development 1610 Forest Ave., Ste. 120, Richmond, VA 23229	Russ Smitley, Manager (804) 226-7504; (804) 226-7759 FAX; russ_smitley@csx.com
	CSX Public Affairs 1201 Main St., Ste. 1980, Columbia, SC 29201	John Dillard (803) 748-1280, (803) 748-1338 FAX; John_Dillard@csx.com
	CSX Florence Division 100 Oakland Ave., Florence, SC 29506	Tom Wolfe, Division Manager (843) 664-8200; (843) 664-8273 FAX, tom-wolfw@csx.com
NS	**Norfolk Southern Corporation** **Corporate Headquarters** Three Commercial Place, Norfolk, VA 23510	C. Wick Moorman, Chairman (800) 635-5768; www.nscorp.com
	NS Piedmont Division 1120 W. Washington St., Greenville, SC 29601	P.T. Whitehead, Superintendent (864) 255-4210; (864) 255-4279 FAX
	NS State Office 1500 Carson St., Raleigh, NC 27608	Durwood Laughinghouse, Resident Vice President (919) 831-3002; (919) 831-3041 FAX, durward.laughinhouse@nscorp.com
	NS Industrial Development 1500 Carson St., Raleigh, NC 27608	James Bowman (919) 831-3092; (919) 831-3041 FAX, jim.bowman@nscorp.com
	NS East Carolina Business Unit (ECBU) 1500 Carson St., Raleigh, NC 27608	Jay Traywick, General Manager (919) 831-3029, (919) 831-3021 FAX, jay.traywick@nscorp.com Kristen Nunnalley, Manager,Marketing and Sales (757) 823-5350, (757) 533-4901 FAX, kristen.nunnalley@nscorp.com
	NS Virginia Division 110 Franklin Rd. SE, Box 53, Roanoke, VA 24042	Haskel Stanback, 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**	U.S. Army Transportation Terminal	**US Army**	Right of Way
WSS	**Winston-Salem Southbound Railway** 4550 Overdale Rd., Winston Salem, NC 27107	H.W. Usrey, Operations Manager (336) 788-9407, (336) 788-9085 FAX; henry_usrey@csx.com	**CSX & NS**	Corporate

Independently Owned

Reporting Mark	Railroad/Address	Contact	Ownership	
ACWR	**Aberdeen Carolina & Western Railway** 102 Depot Street, Star, NC 27356	Robert M. Menzies, President, Carl Hollowell, General Manager (910) 428-9030; (910) 428-9930 FAX; www.acwr.com	ACWR NS (portion)	Corporate Right of Way
AR	**Aberdeen & Rockfish Railroad** PO Box 917, 101 East Main St., Aberdeen, NC 28315	Garland Horton, President (910) 944-2341; (910) 944-9738 FAX; www.aberdeen-rockfish.com	AR	Corporate & Right of Way
ARC	**Alexander Railroad** PO Box 277, 51 Second Ave. N, Taylorsville, NC 28681	Benjamin Zachary, General Manager (828) 632-2103; (828) 632-3179 FAX; arcrailroad@charter.net	ARC	Corporate & Right of Way
ATW	**Atlantic & Western Railway, L.P.** 136 S-Steel St. RML, Sanford, NC 27330	Charles Jeffries (919) 776-7521; (919) 774-4621 FAX (919)-343-8883 (cell)	Genesee & Wyoming Rochester, NY	Corporate & Right of Way
CA	**Chesapeake & Albemarle Railroad** 214 N. Railroad St., Ahoskie, NC 27910	Glen Dunkin, General Manager (252) 332-2778; (252) 332-3325 FAX www.railamerica.com	RailAmerica, Inc. Boca Raton, FL NS	Corporate Right of Way
CALA	**Carolina Southern Railroad** 171 Hwy. 905, Conway, SC 29526	Ken Pippin, President Jason Pippin, General Manager (843) 248-8008, (843) 248-8003 FAX	CALA	Corporate & Right of Way

Independently Owned continued

Reporting Mark	Railroad/Address	Contact	Ownership	
CFR	**Cape Fear Railways** PO Box 70090, Bldg. 5-5519 Honeycutt Marshalling Yd., Fort Bragg, NC 28310	Jim Torpey, Superintendent (910) 396-7683, (910) 396-7688 FAX	Seaboard Corp. Shawnee Mission, KS US Army	Corporate Right of Way
CLNA	**Carolina Coastal Railway** 116 N. Bellevue Ave., St.206, Langhorne, PA 19047	Doug Golden, President (215) 741-6007, (215) 741-6009 FAX dsg@voicenet.com, mlrail.com	CLNA NS	Corporate Right of Way
CWCY	**Caldwell County Railroad** 5725 Giles Farm Rd., Morganton, NC 28655	Don J. McGrady, President (828) 433-7409; (828) 437-9652 FAX	Southeast Shortlines Morganton, NC Caldwell Co. EDC Lenoir, NC	Corporate Right of Way
CTR	**Clinton Terminal Railroad Co.** PO Box 11, Elizabeth & Railroad Sts., Clinton, NC 28329	L. Gray Tuttle, President/General Manager (910) 592-2187, (910) 592-2287 FAX	CTR	Corporate & Right of Way
GSMR	**Great Smoky Mountains Railroad, Inc.** PO Box 1490, 225 Everett St. G&H Bryson City, NC 28713	Kim Albritton, General Manager (828) 586-8811; 800-872-4681; (828) 488-0427 FAX www.gsmr.com	American Heritage Railways Coral Gables, FL	Corporate & Right of Way
LRS	**Laurinburg & Southern Company, Inc.** PO Box 623, 915 S. Main St. Laurinburg, NC 28353	Terry Haywood, Train Master Timothy Abbott, Eastern Regional VP (910) 276-2811, (910) 276-2853 FAX laurinburgsouthe@bellsouth.net	Gulf & Ohio Railways Knoxville, TN	Corporate & Right of Way
MHSF	**Morehead and South Fork Railroad Company** 100 Terminal Rd., State Port, Morehead City, NC 28557	John Odham, General Manager Timothy Abbott, Eastern Regional VP 252-728-0758 252-247-5463 FAX	Gulf & Ohio Railways Knoxville, TN NC State Ports Authority Wilmington, NC	Corporate Right of Way
NCDOT	**North Carolina Dept. of Transportation** Rail Division, MSC 1556, Raleigh, NC 27699-1556	W. Stephen Head, Staff Engineer 1-800-334-0682 www.bytrain.org	Owner of Right of Way	
NCSPA	**North Carolina State Ports Authority** 2202 Burnett St., Wilmington, NC 28401	Bill Bennett (910) 343-6200 www.ncports.com	Owner of Right of Way	
NCRR	**North Carolina Railroad Company** 2809 Highwoods Blvd., Suite 100 Raleigh, NC 27604	Scott Saylor, President (919) 954-7601; (919) 954-7099 FAX www.ncrr.com	Owner of Right of Way	
NCVA	**North Carolina & Virginia Railroad** 214 N Railroad St., Ahoskie, NC 27910	Glen Dunkin, General Manager (252) 332-2778; (252) 332-3325 FAX www.railamerica.com	RailAmerica, Inc. Boca Raton, FL	Corporate & Right of Way
NCYR	**Nash County Railroad** 100 Coastline St., Suite 321, Rocky Mount, NC 27804	Timothy Abbott, Eastern Regional VP (252) 442-9915; (252) 442-9962 FAX	Gulf & Ohio Railways Knoxville, TN	Corporate & Right of Way
RSNR	**Red Springs & Northern Railroad** 4105 Les Arbres Dr., Apex, NC 27539	Sally Cobb, Corporate Secretary (910) 858-3997; (910) 858-3016 FAX nanasees@aol.com	Red Springs & Northern Foundation Parkton, NC	Corporate & Right of Way
TBRY	**Thermal Belt Railway** 5725 Giles Farm Rd., Morganton, NC 28655	Don J. McGrady, President (828) 433-7409; (828) 437-9652 FAX	Southeast Shortlines Morganton, NC Rutherford RR Dev. Corp. Lenoir, NC	Corporate Right of Way
VSRR	**Virginia Southern Railroad** PO Box 12, Keysville, VA 23947	Glen Dunkin, General Manager (252) 332-2778, (252) 332-3325 FAX	RailAmerica Boca Raton, FL NS	Corporate Right of Way
WTRY	**Wilmington Terminal Railway, Inc.** 1717 Woodbine St., Wilmington, NC 28401	Billy Tucker, General Manager (910) 343-0461, (910) 251-8159 FAX www.gwrr.com	Genessee & Wyoming Inc., Rochester, NY NC State Ports Authority Wilmington, NC	Corporate Right of Way
YVRR	**Yadkin Valley Railroad** PO Box 1218, 8301 Depot St., Rural Hall, NC 27045	Todd Burchette, General Manager (336) 969-6055, (336) 969-9168 FAX yvrr@triad.rr.com	Gulf & Ohio Railways Knoxville, TN NS	Corporate Right of Way

Map inquiries and suggested revisions should be submitted to Pamela Davis, NCDOT Rail Division, 1553 MSC, Raleigh, NC 27699-1553, 919-733-7245, ext. 274, email: pamdavis@dot.state.nc.us

Dec. 2007

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Tuesday, April 28, 2009
TIME: 9:00 am
LOCATION: 1228 LB
PRESENTATION: **Amna Cameron, Fiscal Research Division**
Miriam Perry on Public Transportation

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **9** o'clock on **April 20, 2009.**

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

Joint Appropriations Subcommittee

on

Transportation

The Joint Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met on Wednesday, April 29, 2009, at 9:00 A. M. Representative Nelson Cole, Chairman, presided. House members attending included the following: Representative Grier Martin, Chairman; Representative Lucy Allen, Vice Chairman; Representative Lorene Coates, Vice Chairman; Representative Ty Harrell, Vice Chairman; Representative William Current; Representative Phillip Frye; Representative Mitch Gillespie; Representative Jim Gulley; Representative Bonner Stiller; and Representative Arthur Williams. Senate members attending included the following: Senator Steve Goss, Chairman; Senator Malcolm Graham, Chairman; Senator Harry Brown; Senator Neal Hunt; and Senator Bob Rucho. Staff members from the Fiscal Research Division were Mr. Bob Weiss, Ms. Amna Cameron, and Mr. Ryan Blackledge.

Chairman Cole welcomed members and visitors. He recognized pages serving the meeting: Joseph Vaughan of Gaston County, sponsored by Representative William Current; Olena Serpukhovitina of Cleveland County, sponsored by Senator Debbie Clary; Reem Hadi of Wake County, sponsored by Senator Richard Stevens and the late Senator Vernon Malone; Caleb Fletcher of Catawba County, sponsored by Senator Austin Allran; and Brandon Crady of Forsyth County, sponsored by Senator Linda Garrou.

Chairman Cole called upon Mr. David King, General Manager of the Triangle Transit Authority, who presented information about the history, the organization, and the functioning of the TTA, "Triangle Transit: Current Operations and Plans for the Future." [Exhibit A] Mr. King noted the recent passage of House Bill 148, "The Intermodal Transport Fund," in the House of Representatives and was optimistic about the passage of the companion bill, Senate Bill 151, in the Senate.

Following Mr. King's presentation, Chairman Cole opened the floor for questions from members. Senator Rucho and Senator Graham offered some observations concerning the light rail implementation in Charlotte.

Chairman Cole recognized Mr. Pat Simmons who had presented information from the Rail Division at the last meeting. Because of time constraints, Mr. Simmons

had not had an opportunity to answer members' questions, and Chairman Cole wanted him to have time to do so.

The next meeting of the Joint Appropriations Subcommittee on Transportation will take place upon the call of the chairs.

Chairman Cole thanked members and guests for their attendance and participation and adjourned the meeting at 9:55 A. M.

Respectfully submitted,

Linda Laton, Committee Assistant

Representative Nelson Cole, Chairman

Joint Subcommittee on Transportation Appropriations

Wednesday, April 29, 2009
9:00 am
Room 1228/1327 LB

AGENDA

Chairs: Representatives Martin and Cole, Senators Goss and Graham

- Triangle Transit Authority
  - David King, General Manager

Future Meetings

At the call of the Chairs.

VISITOR REGISTRATION SHEET

Trans Approp — 4-29-09

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Major Greg Hayes	NCSHP
Meredith Benton	OSBM
Whit Webb	HNTB
Mallory Hatcher	MWC
Zadia Brown	Speaker's Office
Bill Crumpler	CATS

VISITOR REGISTRATION SHEET

TRANS APPRO — 4/29/09

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Gene Causby	NCMA
Amy Simes	DRMR
Drew Mootz	Raleigh Chamber
John Shaw	Wake Up Wake Co
Jennifer Sasser	Williams Mullen
[signature]	RAMP
[signature]	Inform Inc
Johanna Reese	DOT
VL McBride	NCTA
Sig Hutchinson	Triangle Transit

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Triangle Transit: Current Operations and Plans for the Future

April 29, 2009

Joint Transportation Appropriations Committee

North Carolina General Assembly

Exhibit A

Triangle Transit

Organization

- Established by General Assembly in 1989 as unit of local government
- 12-member Board of Trustees
- Capable of acting on a multi-jurisdictional basis in Durham, Orange & Wake counties
- Funding: $5 Vehicle Registration Fee, 5% Rental Car Tax, State Grants, Federal Grants, and Fares

Providing regional transit & planning services

- Bus, Shuttle & Paratransit Service
- Vanpool, Carpool & Transportation Demand Management (TDM)
- Long-Range Public Transportation Planning

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Triangle Transit by the Numbers

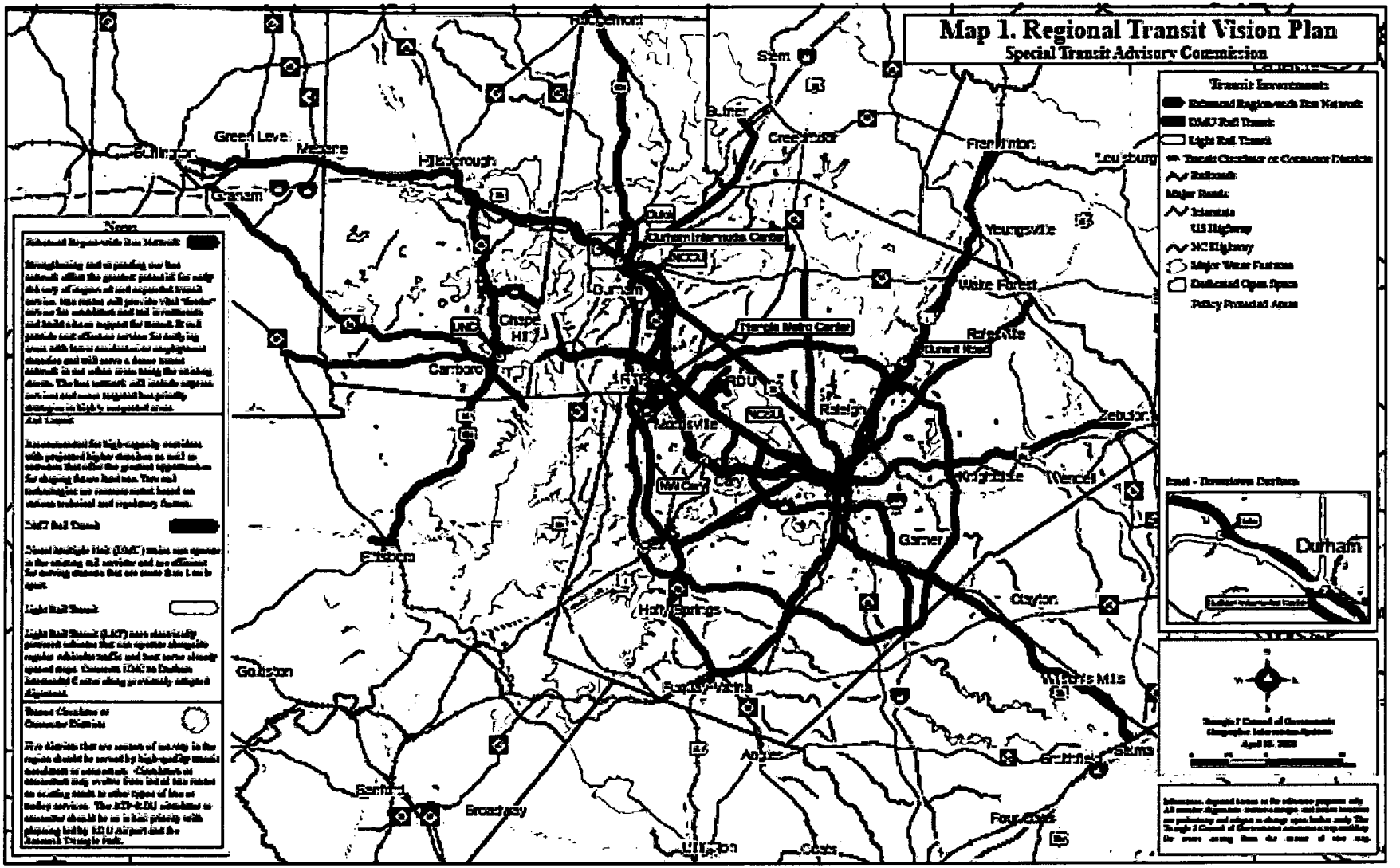
- Regional bus ridership is up **significantly** - July through March of FY 09 ridership is up 28.3% over the same period last year.
- There was a total of 866,000 passenger boardings compared to 675,000 over the same period last year.
- TTA vanpool ridership has increased over the previous year - There are 77 vans now serving 13 counties; 13 Million vehicle miles taken off area roads. There are several vanpools organized and awaiting vans.
- 266,000 calls served at the Go Triangle Regional Transit Information Center (485-RIDE) in FY 09.
- SmartCommute Challenge: participation of 12,200 in the Triangle

Special Transit Advisory Commission "STAC"

- STAC commissioned by *CAMPO* and *DCHC*
  - "Capital Area MPO" & "Durham-Chapel Hill-Carrboro MPO"
- Regional cross section of 29 stakeholders - met 16 times
- Final Report published in May 2008
  - Buses, Circulators, 51 miles of Rail ($2.27 Billion, 2007 $)
  - Assumed DMU vehicle technology except Chapel Hill to Durham LRT
  - Assumed no federal funds for first project
  - Recommended ½ cent sales tax as funding mechanism

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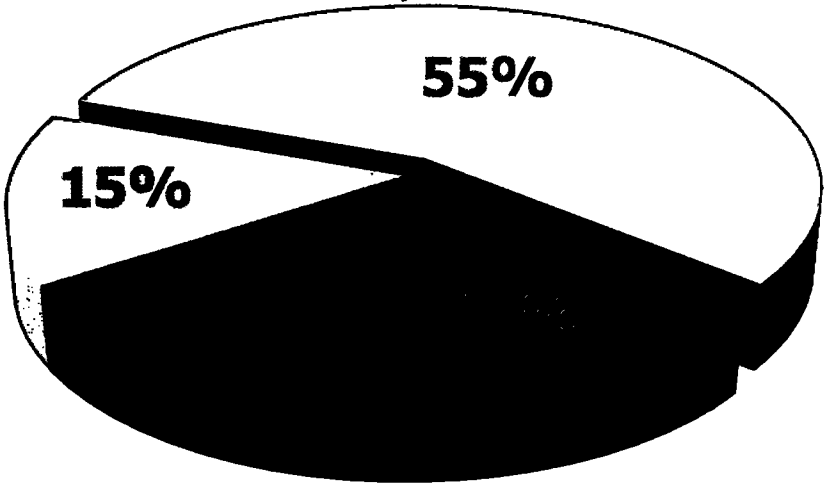


A challenge for us is creating the mobility infrastructure to match our changing state

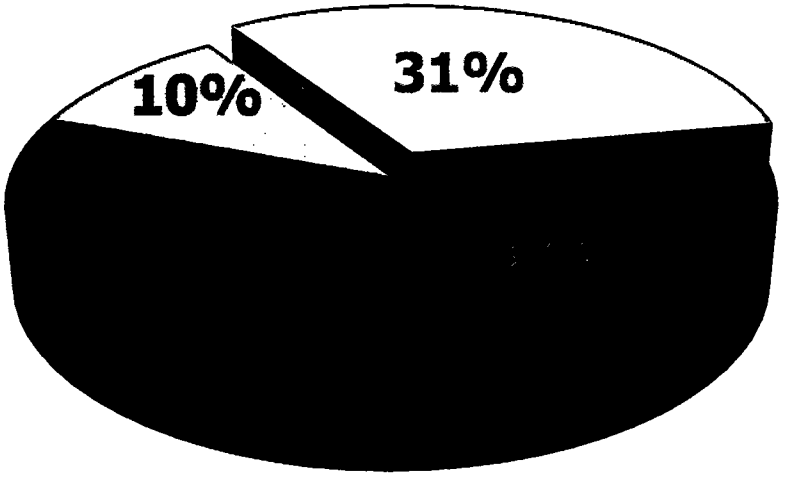
- Each of the "Big 3" will add another half million or more people by the 2030s, Charlotte and the Triangle will be >2.5 million people; 12 of the 13 regions with 2 to 3 million people today have rail systems
- 230,000 households in North Carolina have no car available, and this number has increased in each of the past 4 years
- By 2030, almost 18% of North Carolina residents will be 65 or older, up from 12% in 2000
- Increasing shares of households are made up of single-person and two-person households without children
- 20-30% of households would prefer to live in a compact, walkable neighborhood with a mix of activities

Future growth is forecast to be even more concentrated in metro areas, especially in the "Big 3"

Distribution of NC Population in 2000



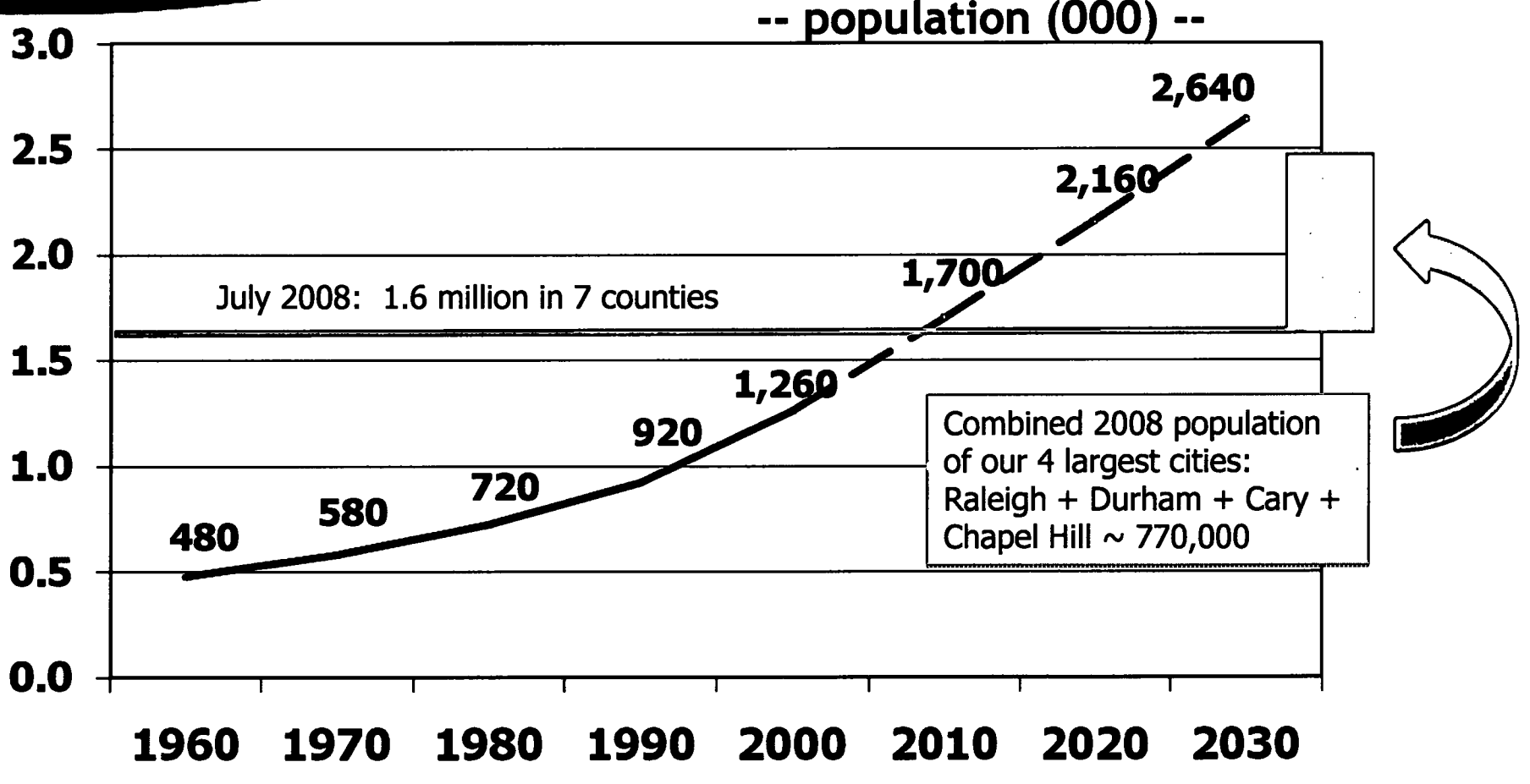
Distribution of NC Population *added* between 2000 and 2030



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Triangle Growth



data are for TJCOG region

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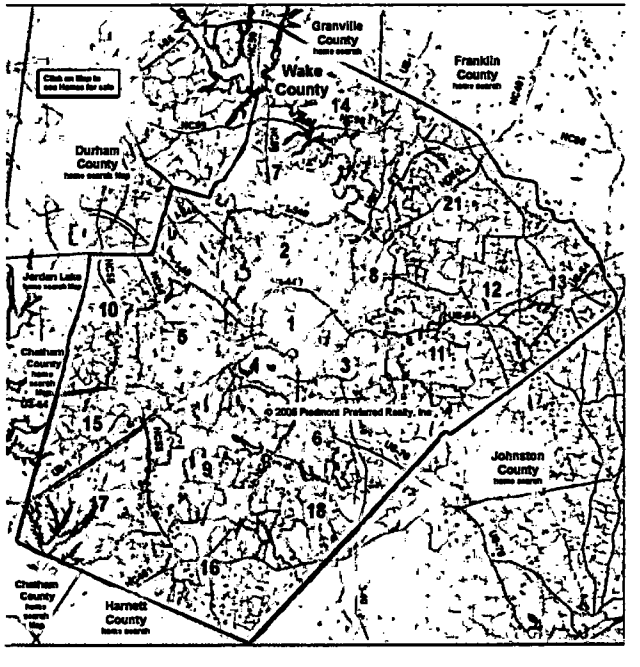
	Benchmark	Responsible Party	Completion Date
✓	STAC Plan	STAC	May 2008
✓	LRTP	DCHC/CAMPO	February 2009
	Intermodal Bill	NC Legislature	Spring 2009
	3 County Financial Plans	Triangle Transit	Calendar 2009
	Referendum Call	Durham, Orange, Wake	TBD
	Referendum Campaign	Civic Groups	TBD
	Successful Vote	Voters	TBD

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What are the Wake County Components of the Regional Plan?

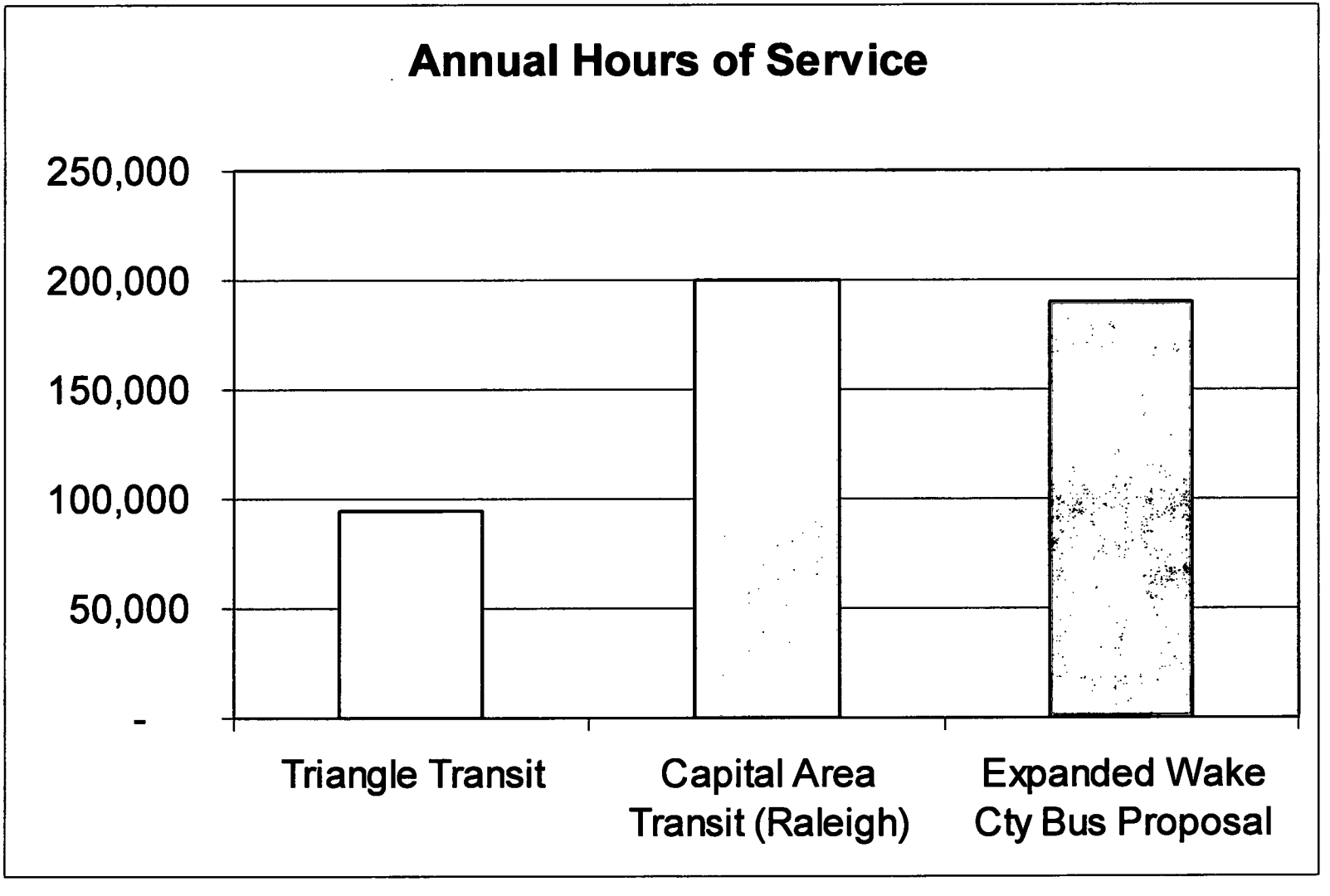
WAKE COUNTY
NORTH CAROLINA



Bus Service Expansion:

- Recommended: over 100 new buses
- 75 new buses by end of 2013 primarily for express bus service between municipalities




Annual Hours of Service
250,000
200,000
150,000
100,000
50,000
-
Triangle Transit
Capital Area Transit (Raleigh)
Expanded Wake Cty Bus Proposal

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Core Bus Recommendations for East Wake County

- **Wake Forest** express to Downtown Raleigh - EXISTING
- **Rolesville** express to Downtown Raleigh
- **Zebulon** and **Wendell** express to Downtown Raleigh (by way of Wake Med) - September 2009
- **Knightdale** express to Downtown Raleigh (by way of Wake Med) - September 2009
- All routes receive Real-Time Passenger Information and other bus amenities

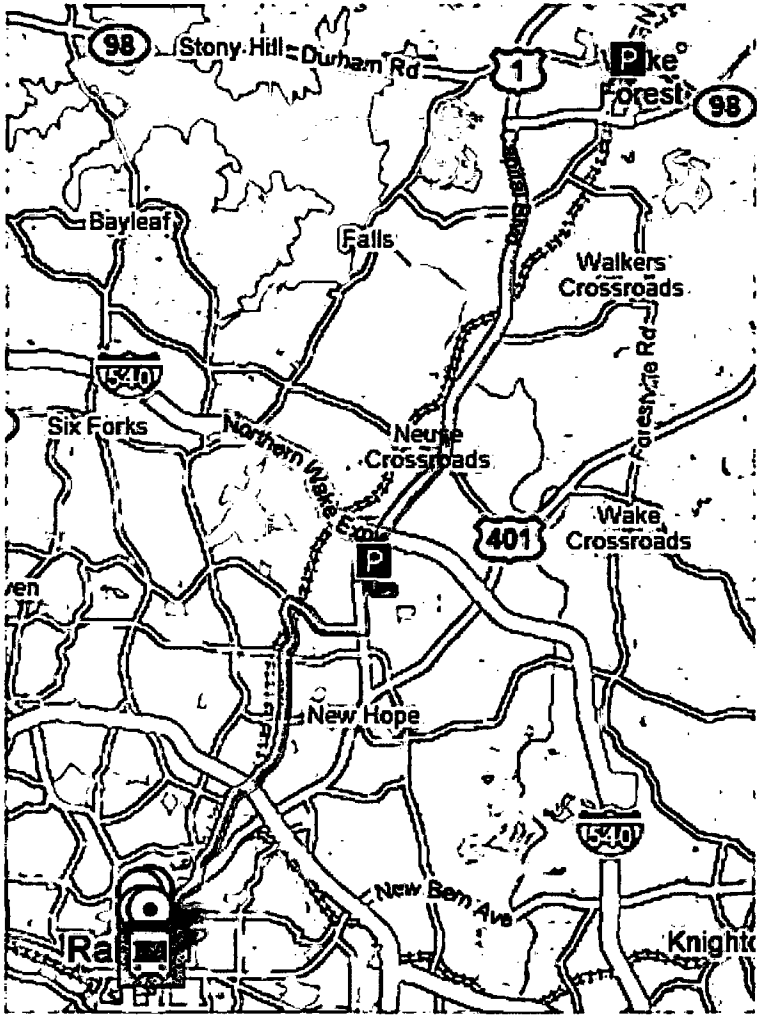




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Wake Forest-Raleigh Express Route

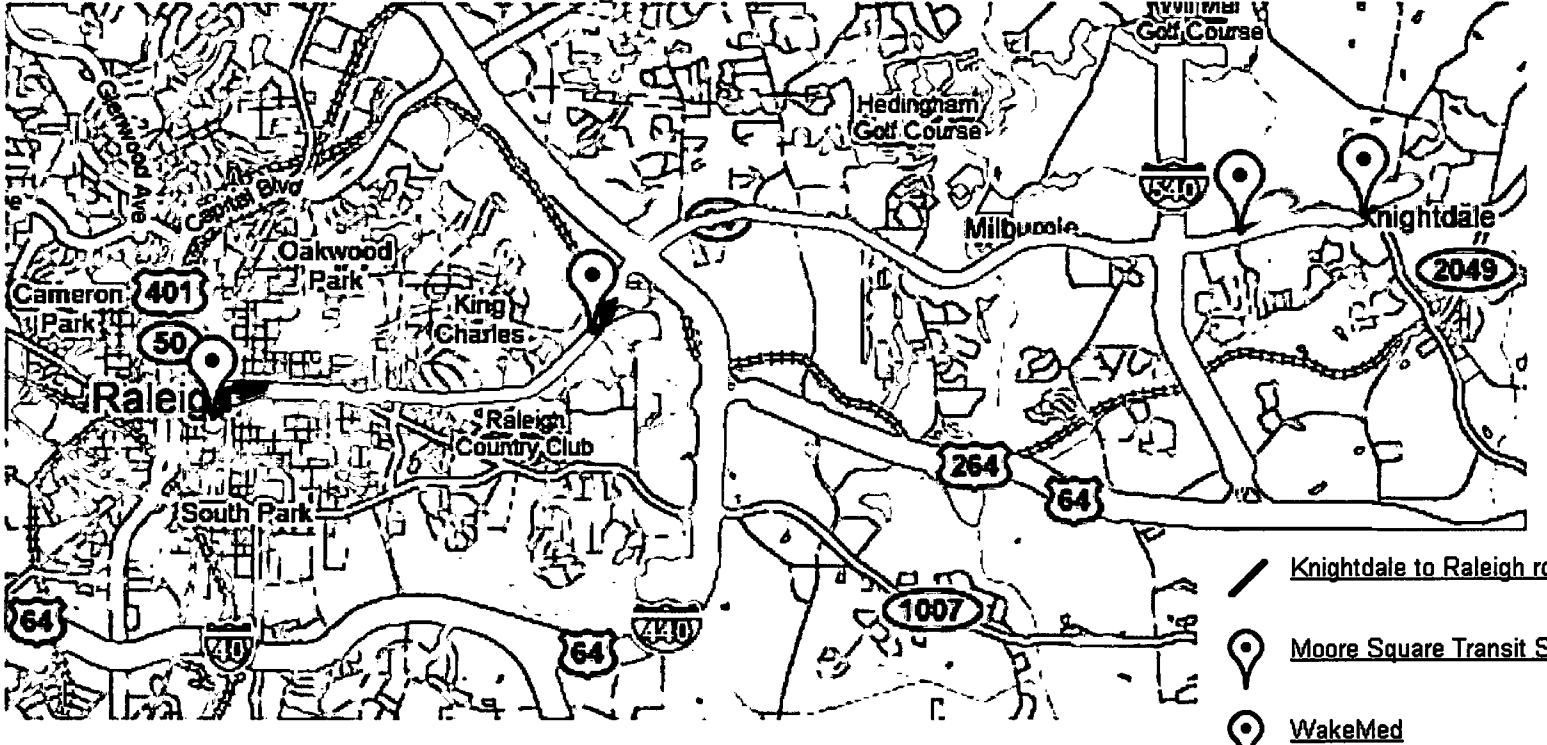


- Service from 5:00am to 8:00pm - once per hour
- Bus stop locations: Park-and-Rides in downtown WF and Triangle Town Center, State Government, and Moore Square
- Timed transfers to Wake Forest Loop and other CAT and Triangle Transit routes

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Potential Knightdale-Raleigh Express Route



Knightdale to Raleigh routing

Moore Square Transit Station

WakeMed

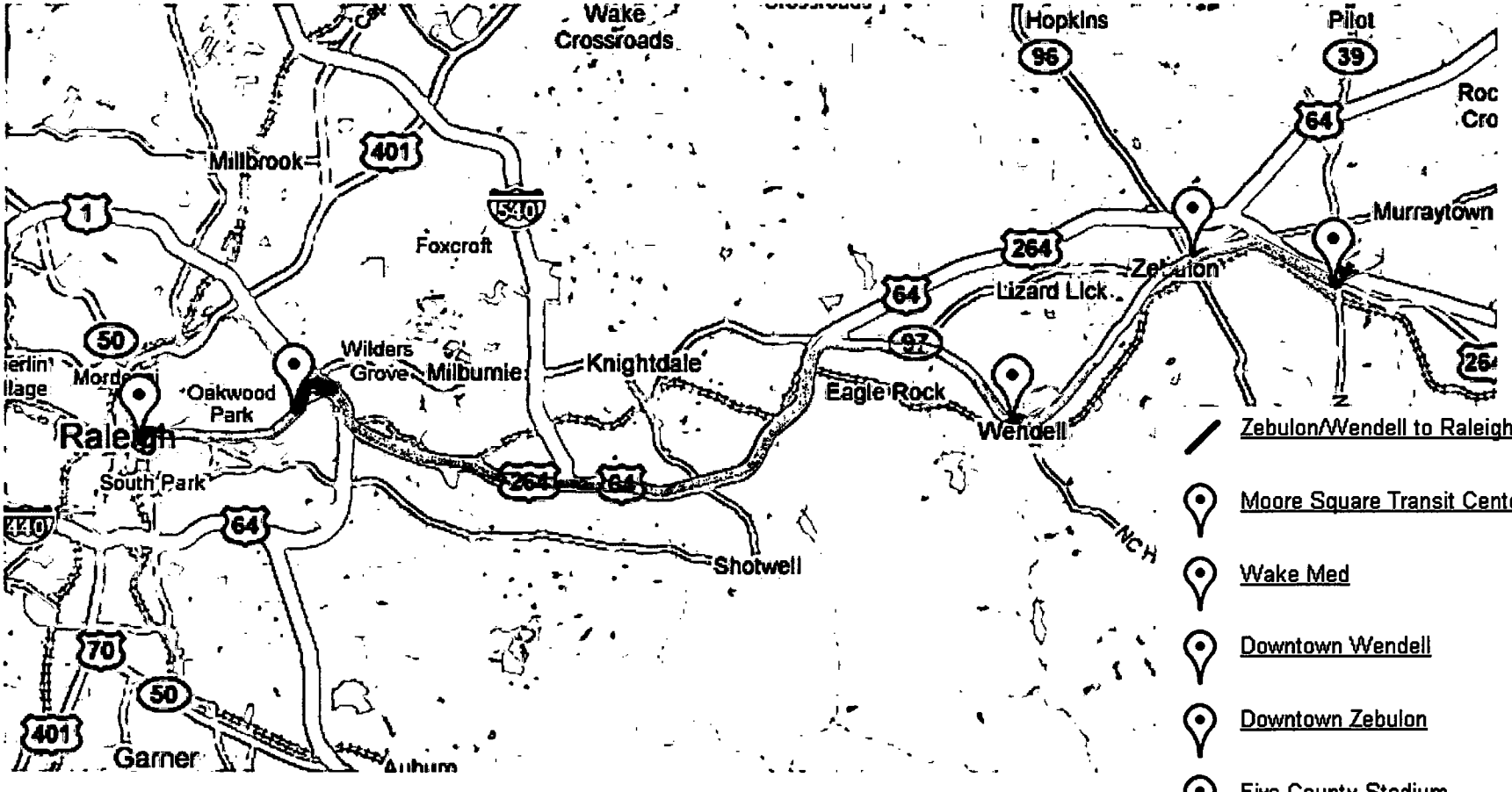
Shoppes at Midway

Knightdale Crossings Shopping Center

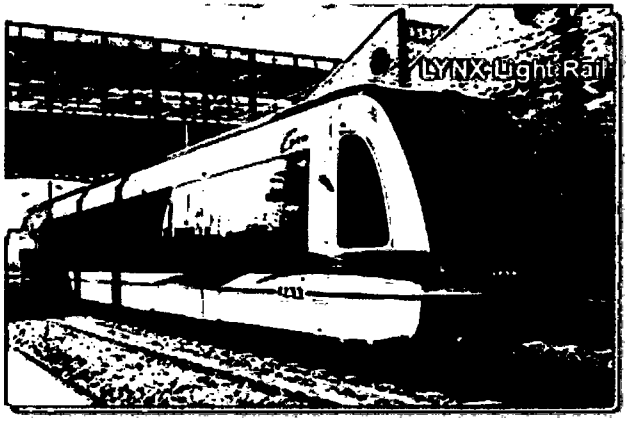
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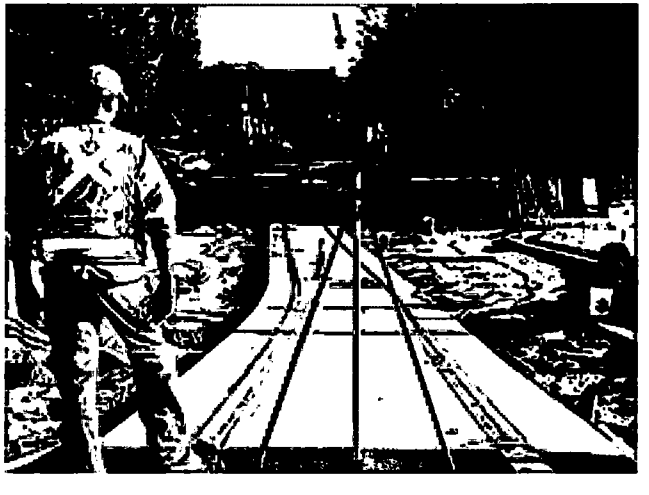
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Potential Zebulon/Wendell-Raleigh Express Route



Initial Rail Transit Construction:





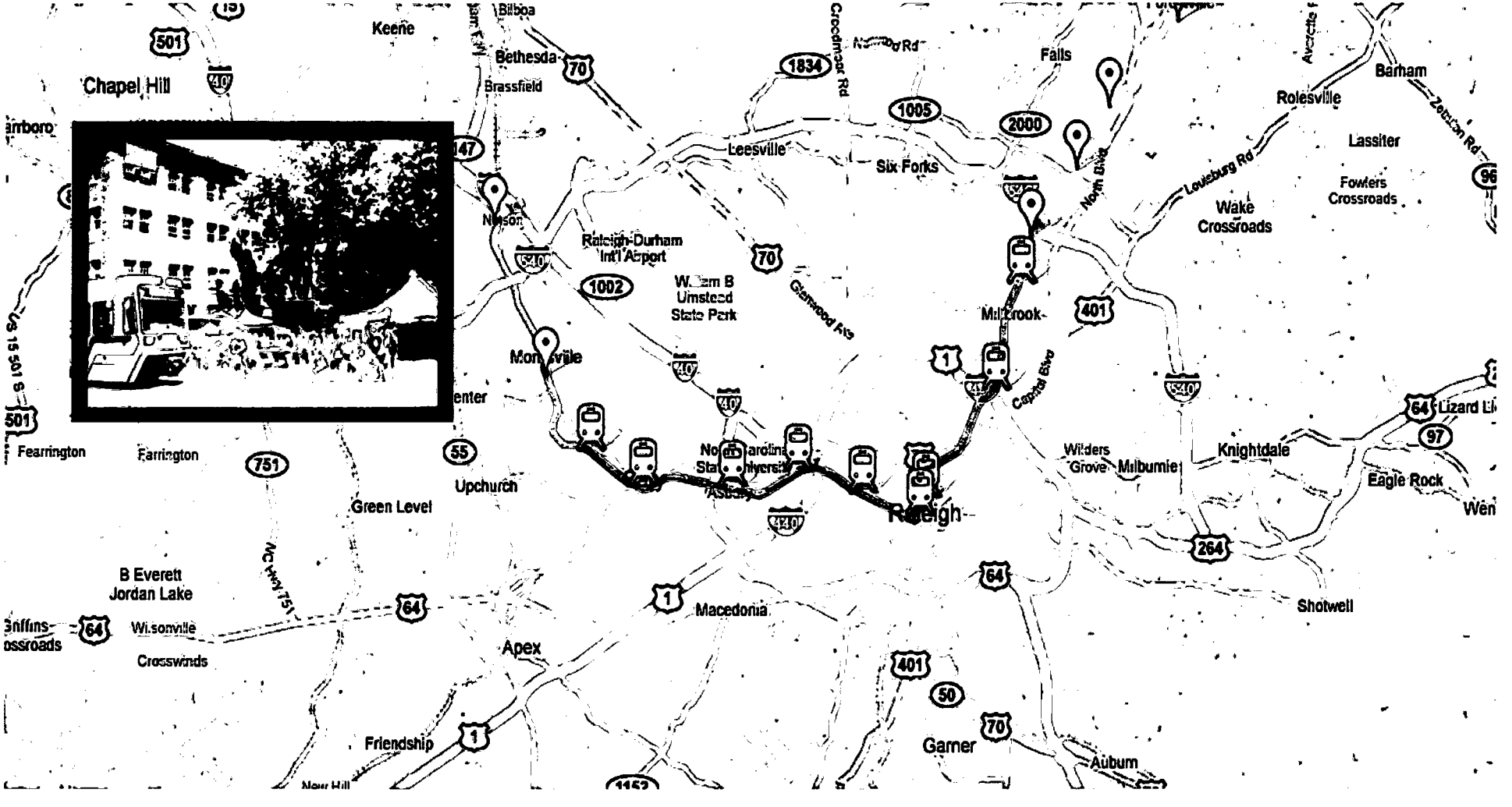
- **Proposed Technology:** Light Rail Transit (LRT) trains powered by electricity
- **Project Description:** NW Cary Station to Spring Forest Station
- **Project Length:** 17 miles
- **Opening Date:** December, 2019

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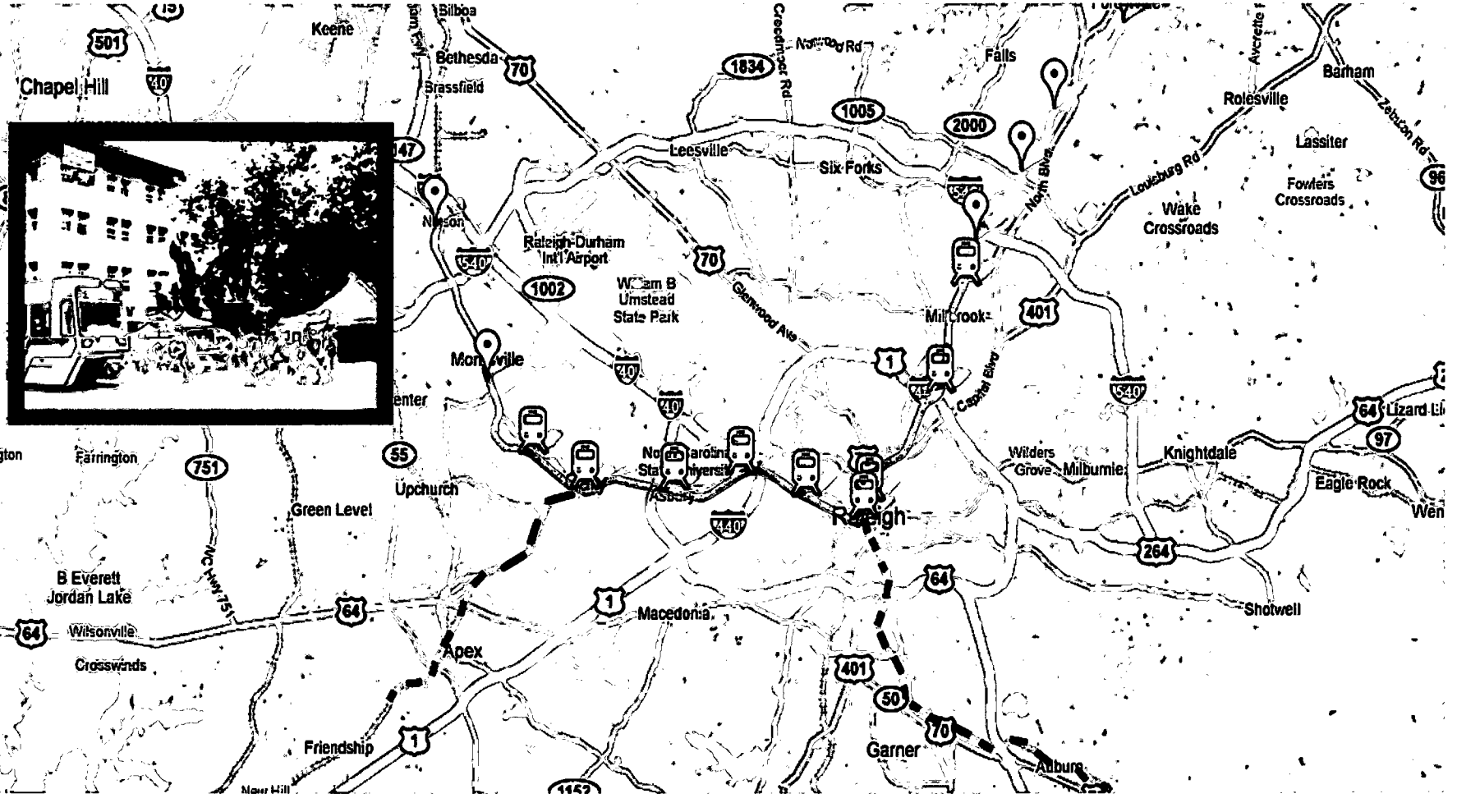
Wake Rail Investment



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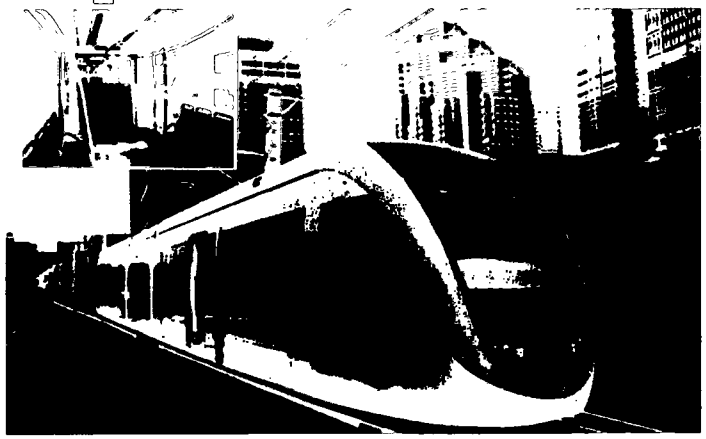
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Wake Rail Investment Continued



Funding Proposals

- 1/2 cent sales tax
- $3 increase in vehicle registration fee
- No Federal capital support for first project segment is assumed.
- Federal support and/or additional State and local support could also accelerate rail extensions north of Spring Forest and west of Cary.





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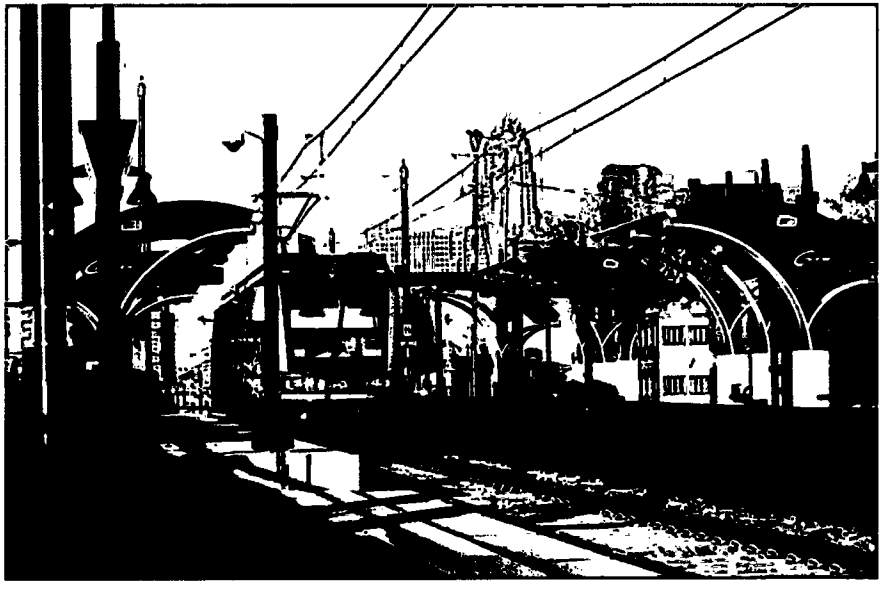
Congestion Relief/ Intermodal Transport Fund (HB 148 & SB 151)

- The Bill is modeled after the the success in Charlotte and the unanimous recommendation of the 21st Century Committee
- Introduced by Sen. Richard Stevens R-Wake and Rep. Becky Carney D-Mecklenburg with bi-partisan support
- Authorizes counties in Triangle and Triad to levy a ½ cent sales tax (dependent upon approval of referendum) and/or increase in vehicle registration fee for public transportation projects
- Authorizes all other counties to levy (upon approval of referendum) a ¼ sales tax and/or increase in vehicle registration fee for public transportation projects
- The Bill passed the House Transportation Committee and has been referred to House Finance Committee
- There is a strong coalition of support for the bill that includes business, environment, and community interest groups.

Sales tax does not include food, medicine, housing or utilities

The Charlotte Experience

- Authority provided to Mecklenburg County in 1998
- Referenda in 1998: 58% supported ½ cent for transit
- Referenda in 2007: 70% reaffirmed support for ½ cent for transit
- 2007: 9.6 mile light rail line opened; ridership nearly doubled projections in first year.
- Wake, Durham, and Orange seek identical authority



Questions?

House Appropriations Subcommittee

on

Transportation

The House Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met on Thursday, June 4, 2009, at 3:30 p.m., for a called meeting. Representative Nelson Cole, Chairman, presided. House members attending included the following: Representative Grier Martin, Chairman; Representative Lucy Allen, Vice Chairman; Representative Lorene Coates, Vice Chairman; Representative Ty Harrell, Vice Chairman; Representative William Current; Representative Margaret Dickson; Representative Phillip Frye; Representative Mitch Gillespie; Representative Jim Gulley; and Representative Arthur Williams. Representative Jerry Dockham was unable to attend due to a scheduling conflict. Staff members from the Fiscal Research Division were Mr. Bob Weiss, Ms. Amna Cameron, and Mr. Ryan Blackledge.

Chairman Cole welcomed members and visitors and stated the purpose of the meeting as reviewing the money report and the special provisions as part of the Appropriations Subcommittee on Transportation. Chairman Cole noted the Rules for the Subcommittee Procedure [Exhibit A].

Chairman Cole called upon Ms. Amna Cameron of the Fiscal Research Division staff to present the Proposed Report of the Continuation and Expansion Budgets 2009 – 2011 [Exhibit B]. Following Ms. Cameron's presentation, Chairman Cole recognized members for questions and comments.

Following Ms. Cameron's presentation, Chairman Cole recognized Mr. Bob Weiss of the Fiscal Research Division staff to present the Special Provisions for the Appropriations Subcommittee on Transportation Report [Exhibit C]. Members asked questions and made comments concerning the special provisions.

After the discussion, Chairman Cole asked for a motion to accept the transportation budget provisions. Representative Coats made the motion, and Representative Gillespie seconded. The vote was taken, with the ayes winning.

Chairman Cole thanked members and guests for their attendance and participation and adjourned the meeting.

Respectfully submitted,

Linda Laton, Committee Assistant

Representative Nelson Cole, Chairman

Exhibit A

North Carolina House of Representatives
Appropriations Committee

RULES FOR SUBCOMMITTEE PROCEDURE

June 4, 2009

The following rules govern the eligibility of amendments to subcommittee reports:

1. Amendments must be offered by formal amendments.
2. Amendments cannot increase total spending within the draft subcommittee report.
3. Amendments can only affect appropriations within the departments, agencies, or programs within the jurisdiction of the subcommittee.
4. Amendments cannot spend reversions or include "shall not revert" or "carry forward" language.
5. Nonrecurring reductions cannot be used to fund recurring items.
6. Amendments cannot change substantive policy or law.
7. No changes in "management flexibility reductions" or "management flexibility reserves."

VISITOR REGISTRATION SHEET

Appro Trans — 6/4/09

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mike Gilchrist	NCSNP
Mark Gross	RANC
Durwood Laughinghouse	NS
Gene Causby	NCSCA
[illegible]	RANC
Steve Jacobs	Budget & Tax Ctr
[illegible]	NCDOT
Johanna Reese	DOT
Beau Memory	NCTA
Jennifer Benton	OSBM
[illegible]	NCACC

VISITOR REGISTRATION SHEET

ACPTO Trans. 6/4/09

Name of Committee **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Chris McLamb	Raker

Exhibit B

HOUSE APPROPRIATIONS SUBCOMMITTEE

ON

TRANSPORTATION

PROPOSED REPORT
ON THE
CONTINUATION AND EXPANSION BUDGETS
2009-11

June 4, 2009
3:30 p.m.

Highway Fund

	HIGHWAY FUND	
	FY 09-10	FY 10-11
Recommended Budget	**$1,798,936,717**	**$1,798,493,030**

Legislative Changes

Administration

1 Combined Registration & Tax Collection System - Database and Implementation

Funding from receipts is provided to continue the implementation of HB 1779. Receipts will fund the development of the Statewide database, which will calculate vehicle property taxes, and to implement the outstanding components required to complete the System.

Receipts (nonrecurring)
Database: FY 2009-10 - $1,174,232; FY 2010-11 - $1,043,460
Implementation: FY 2009-10 - $4,128,573; FY 2010-11 - $7,798,424

Aviation Division

2 Aviation Funds	($1,128,445)	R	($1,125,523)	
	($871,555)	NR	($874,477)	

Funds for Aviation Division are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total budget for the Aviation Division is $17,349,592 in FY 2009-10 and $17,291,543 in FY 2010-11.

Construction

3 Public Service and Access Road Funds	($140,000)	R	($140,000)	R

Funds for public service and access road construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total budget for public service and access roads is $1,860,000 in both years of the biennium.

4 Contingency Funds	($3,000,000)	R	($3,000,000)	R

Funds for contingency construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total budget for contingency construction is $12,000,000 in both years of the biennium.

	FY 09-10		FY 10-11	
5 Secondary Road Improvement Funds Reprogrammed to Maintenance Notwithstanding G.S.136-44.2A, all FY 2009-10 funding and half of the FY 2010-11 funding for the secondary roads improvement program from the Highway Fund is reprogrammed to Statewide maintenance programs to prevent further deterioration of the State highway system due to reduced transportation revenues and maintenance expenditures.	($84,481,404)	NR	($41,607,092)	NR
6 Small Construction Funds Funds for small construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total budget for small construction is $7,000,000 in both years of the biennium.	($14,000,000)	R	($14,000,000)	R
7 Spot Safety Program Based on the Continuation Review, funding is changed from non-recurring to recurring.	$9,100,000	R	$9,100,000	R
Department-Wide				
8 Administration Cuts Salary and operating funds for administration of the DOT, Division of Highways, and the Division of Motor Vehicles are reduced for the biennium. These cuts represent the reductions identified in the Governor's budget. The reductions are required to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. Twenty-three vacant positions are eliminated in FY 2009-10.	($7,181,194) ($4,528,043) -23.00	R NR	($6,788,533) ($4,524,423) -23.00	R NR
9 Administration Cuts - Receipts Salary and operating funds for administration of the DOT, Division of Highways, and the Division of Motor Vehicles supported by Highway Trust Fund administration receipts are reduced for the biennium. These cuts represent the reductions identified in the Governor's budget. The reductions are required to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. Receipts are reduced $3,814,114 in FY 2009-10 and $2,736,189 in FY 2010-11. Eleven vacant positions are eliminated in FY 2009-10 and an additional vacant position is eliminated in FY 2010-11.				
10 Vacant Positions All appropriation-supported, receipt-supported, and field positions vacant prior to January 1, 2009 are eliminated. The total number of positions eliminated is 1,750 positions from all categories. Receipts are reduced $3,331,151 in both years of the biennium.	($7,380,717) -156.50	R	($7,380,717) -156.50	R

	FY 09-10		FY 10-11	
Ferry Division				
11 Ferry Funds Funds for the Ferry Division are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total budget for the Ferry Division is $26,609,942 in FY 2009-10 and $26,609,942 in FY 2010-11.	($2,155,497)	R	($2,155,497)	R
Maintenance				
12 Department of Corrections - Inmate Road Squads and Litter Crews Funds for Inmate Labor are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. Inmate labor funds from the Primary System are reduced by $1,695,000 for a total transfer of $7,345,000. Inmate labor funds from the Secondary System are reduced by $565,000 for a total transfer of $1,695,000.	($2,260,000)	R	($2,260,000)	R
13 Maintenance Funds - FY 2009-10 Funds for maintenance are increased to prevent further deterioration of the State highway system. Funds are not reduced to align overall expenditures for the Highway Fund with projected revenues for FY 2009-11. The total budget for maintenance is $943,083,553 in FY 2009-10. Changes include:	$48,194,409	NR		
14 Maintenance Funds - FY 2010-11 Funds for maintenance are increased to prevent further deterioration of the State highway system. Funds are not reduced to align overall expenditures for the Highway Fund with projected revenues for FY 2009-11. The total budget for maintenance is $938,935,439 in FY 2010-11. Changes include:			$44,046,295	NR

	Adj (NR)	Total
Primary System	$-18,951,189	$186,055,224
Secondary System	$-25,120,853	$269,153,619
Contract Resurfacing	$ 25,474,337	$300,000,000
System Preservation	$ 21,410,929	$100,000,000
General Maintenance Reserve	$ 45,381,185	$ 87,874,710

	Adj (NR)	Total
Primary System	$-18,951,189	$186,055,224
Secondary System	$-25,120,853	$269,153,619
Contract Resurfacing	$ 25,474,337	$300,000,000
System Preservation	$ 21,410,929	$100,000,000
General Maintenance Reserve	$ 41,233,071	$ 83,726,596

House Subcommittee on Transportation	FY 09-10		FY 10-11	
OSHA				
15 Workplace Safety and Health Funds	($52,208)	R	($52,208)	R
Reduces funds for OSHA to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.	($17,403)	NR	($17,403)	NR
The total transfer to OSHA is $355,389 in both years of the biennium.				
Public Transportation Division				
16 Transportation Services to the High Point Furniture Market	($300,000)	R	($300,000)	R
Funds for the High Point Furniture Market are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total transfer is $900,000.				
17 Public Transportation Funds				
Funding to the New Starts program is reduced.	($21,596,267)	NR	($20,750,267)	NR
The total budget for the Public Transportation Division is $74,647,962 in FY 2009-10 and $75,493,962 in FY 2010-11.				
Required Statutory Adjustments				
18 Aid to Municipalities	$3,332,472	R	$4,626,037	R
G.S. 136-41.1 requires an adjustment based on revised projections for motor fuels tax revenue. The total transfer is $87,813,876 in FY 2009-10 and $87,840,220 in FY 2010-11.				
19 DENR - Leaking Underground Storage Tank Fund	$710,000	R	$890,000	R
G.S. 119-18 requires an adjustment based on revised projections for gallons of gasoline sold. The total transfer to this trust fund is $2,620,123 in FY 2009-10 and $2,630,553 in FY 2010-11.				
Reserves				
20 Retirement System Contribution	$1,100,000	R	$14,500,000	R
mployer contributions to the retirement system are increased to maintain the System's actuarially sound status.				
21 Salary Adjustment Fund	($3,922,758)	R	($3,922,758)	R
Recurring funds available for salary adjustments are eliminated for the 2009-11 biennium.				

	FY 09-10		FY 10-11	

State Highway Patrol

22 Highway Fund Transfers to Crime Control and Public Safety ($7,861,242) R ($7,861,242) R
($1,500,000) NR ($1,450,000) NR

Funding for various operating accounts are reduced across the agency.

Recurring	FY2009-10	FY2010-11
Personal Services	$2,500,000	$2,500,000
Purchased Services	$1,400,000	$1,400,000
Supplies	$500,000	$500,000
Property, Plant, Equipment	$1,208,242	$1,208,242
LEO Separation Allowance	$700,000	$700,000
Rent/Lease-Voice Comm Equip	$70,000	$70,000
Other Employee Ed Expenses	$48,000	$48,000
Meals/Lodging-In State	$72,000	$72,000
Misc. Contractual Services	$13,000	$13,000
Vehicle Replacement	$1,350,000	$1,350,000

Non-Recurring	FY2009-10	FY2010-11
Vehicle Replacement	$1,500,000	$1,450,000

23 SHP - Freeze Step Increase for Troopers ($1,674,280) NR ($3,373,932) NR

The step increase for the salaries of Troopers are frozen for both years of the biennium.

24 SHP - Eliminate Continuation Budget Increases ($2,832,607) R ($2,647,712) R

Eliminates additions included in the Continuation Budget.

		FY2009-10	FY2010-11
531321	Contractual Staff	$77,825	$77,825
531411	Overtime	$400,000	$400,000
531421	Holiday Pay	$140,000	$140,000
531431	Shift Premium	$470,000	$470,000
531572	Unemployment Comp	$ 20,000	$ 20,000
531631	Workers Comp Med	$726,000	$541,105
531632	Workers Comp Disab	$222,468	$222,468
532170	Admin Services	$150,000	$150,000
532199	Misc Contract Serv	$626,314	$626,314

Transfers

25 State Health Plan $6,170,022 R $12,888,386 R

Provides additional funding to continue non-contributory health benefit coverage for enrolled active and retired employees supported by the Highway fund for the biennium as appropriated in S.L. 2009-16. These appropriations correspond to an annual 8.9% premium increase in non-contributory premium rates for the fiscal year beginning July 1, 2009, and an additional annual premium increase of 8.9% for the fiscal year beginning July 1, 2010.

26 Continuation Review of the Drivers Education Program ($33,959,859) R ($33,321,964) R
$33,959,859 NR

Changes the funding for the Drivers Education Program located in the Department of Public Instruction. Restoration of FY 2010-11 funds is subject to findings of the Continuation Review.

House Subcommittee on Transportation	FY 09-10		FY 10-11	
27 DPI - Drivers Education Program Funds for the Drivers Education Program are reduced to align overall expenditures for the Highway Fund with projected revenues for the FY 2009-10. The total transfer is $32,859,859.	($1,100,000)	NR		
28 North Carolina Global TransPark Authority Funds for the Global TransPark Authority are reduced to align overall expenditures for the Highway Fund with projected revenues for the FY 2009-11 biennium. The total transfer is $1,280,000.	($320,000)	R	($320,000)	R
29 Department of Health and Human Services Funds for the Chemical Test Program are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total transfer is $559,719.	($150,000)	R	($150,000)	R
Total Legislative Changes	**($66,232,033)**	**R**	**($43,421,731)**	**R**
	($33,614,684)	**NR**	**($28,551,299)**	**NR**
Total Position Changes	-179.50		-179.50	
Revised Budget	**$1,699,090,000**		**$1,726,520,000**	

Highway Trust Fund

	HIGHWAY TRUST FUND			
	FY 09-10		FY 10-11	
Recommended Budget	**$1,014,750,000**		**$1,057,460,000**	
Legislative Changes				
Highway Trust Fund				
30 Transfer to General Fund Reduces transfer to General Fund in FY 2010-11 to $2,513,691 in accordance with G.S. 105-187.9(b)2.			($319,212)	NR
31 Administration Reduces funds for administration to $41,634,720 in FY 2009-10 consistent with new revenue estimates and statutory formula.	($6,967,680)	NR	($6,721,920)	NR
32 Aid to Municipalities Reduces funds for Aid to Municipalities to $40,650,403 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($8,977,284)	NR	($8,634,577)	NR
33 Intrastate System Reduces funds for the Intrastate System to $359,883,973 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($85,560,419)	NR	($82,294,169)	NR
34 Secondary Road Construction Reduces funds for the Secondary Road construction program to $57,653,289 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($9,857,547)	NR	($9,593,788)	NR
35 Urban Loops Reduces funds for the Urban Loops to $113,674,786 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($34,597,070)	NR	($33,276,334)	NR
Total Legislative Changes	**($145,960,000)**	**NR**	**($140,840,000)**	**NR**
Total Position Changes				
Revised Budget	**$868,790,000**		**$916,620,000**	

Turnpike Authority

	TURNPIKE AUTHORITY	
	FY 09-10	FY 10-11
Recommended Budget	$0	$0
Legislative Changes		
Turnpike Authority		
36 Administration - Receipts Salary and operating funds available for administration of the Turnpike Authority supported from the Highway Trust Fund administration receipts are reduced for the biennium. The reductions are required to align overall expenditures for this receipt account with projected revenues for the 2009-11 biennium. Receipts (Recurring): 2009-10: ($569,925) 2010-11: ($413,826)		
Total Legislative Changes		
Total Position Changes		
Revised Budget	$0	$0

Exhibit C

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION REPORT

JUNE 4, 2009

2009-TRANS-H1(S25.1)-P 1
CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

2009-TRANS-H2(S25.2)-P 2
MODIFY GLOBAL TRANSPARK DEBT AND REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

2009-TRANS-H3(S25.3)-P 3
SMALL CONSTRUCTION AND CONTINGENCY FUNDS

2009-TRANS-H9(S25.4)-P 4
USE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2009-2010 AND USE FIFTY PERCENT OF THE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2010-2011

2009-TRANS-H10-P 5
FLEXIBLE USE OF FUNDS FOR RURAL PUBLIC TRANSPORTATION FOR FISCAL YEARS 2009-2010 AND 2010-2011

2009-TRANS-H14-P 6
DEPARTMENT OF TRANSPORTATION MAY TAKE REQUIRED ADMINISTRATIVE REDUCTION FROM ADDITIONAL ADMINISTRATIVE BUDGETS

2009-TRANS-H15A 7
STUDY THE FEASIBILITY OF ASSESSING A FEE FOR PROVIDING TRAFFIC CONTROL BY THE STATE HIGHWAY PATROL OR THE DEPARTMENT OF TRANSPORTATION AT SPECIAL EVENTS

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2009-TRANS-H1(S25.1)-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 25.1.(a) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,762.0 million
For Fiscal Year 2012-2013	$ 1,861.8 million
For Fiscal Year 2013-2014	$ 1,966.2 million
For Fiscal Year 2014-2015	$ 2,026.0 million

SECTION 25.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 972.1 million
For Fiscal Year 2012-2013	$ 1,036.0 million
For Fiscal Year 2013-2014	$ 1,104.0 million
For Fiscal Year 2014-2015	$ 1,158.8 million

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2009-TRANS-H2(S25.2)-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

MODIFY GLOBAL TRANSPARK DEBT AND REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION 25.2.(a) G.S. 147-69.2(b)(11), as amended by Section 7 of S.L. 2005-144, Section 2 of S.L. 2005-201, Section 28.17 of S.L. 2005-276, and Section 27.7 of S.L. 2007-323 reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

...

(11) With respect to assets of the Escheat Fund, obligations of the North Carolina Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed twenty-five million dollars ($25,000,000), that have a final maturity not later than October 1, ~~2009~~2011. The obligations shall bear interest at the rate set by the State Treasurer. No commitment to purchase obligations may be made pursuant to this subdivision after September 1, 1993, and no obligations may be purchased after September 1, 1994. In the event of a loss to the Escheat Fund by reason of an investment made pursuant to this subdivision, it is the intention of the General Assembly to hold the Escheat Fund harmless from the loss by appropriating to the Escheat Fund funds equivalent to the loss.

If any part of the property owned by the North Carolina Global TransPark Authority now or in the future is divested, proceeds of the divestment shall be used to fulfill any unmet obligations on an investment made pursuant to this subdivision."

SECTION 25.2.(b) The Global TransPark Authority shall report on or before May 15, 2010, to the House and Senate Appropriations Subcommittees on Transportation on its strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-five million six hundred twenty-six thousand one hundred thirty-eight dollars and seventy cents ($35,626,138.70) as of April 30, 2009.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2009-TRANS-H3(S25.3)-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

SMALL CONSTRUCTION AND CONTINGENCY FUNDS

SECTION 25.3. Of the funds appropriated in this act to the Department of Transportation:

(1) Seven million dollars ($7,000,000) shall be allocated in each fiscal year for small construction projects recommended by the member of the Board of Transportation representing the Division in which the project is to be constructed in consultation with the Division Engineer and approved by the Secretary of the Department of Transportation. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

(2) Twelve million dollars ($12,000,000) in fiscal year 2009-2010 and twelve million dollars ($12,000,000) in fiscal year 2010-2011 shall be used statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formulas in G.S. 136-44.5(b) and (c).

These funds are not subject to G.S. 136-44.7.

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 construction. 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.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2009-TRANS-H9(S25.4)-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

USE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2009-2010 AND USE FIFTY PERCENT OF THE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2010-2011

SECTION 25.4.(a) Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2009-2010, shall remain in the Highway Fund for highway maintenance.

SECTION 25.4.(b) Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, fifty percent (50%) of the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2010-2011, shall remain in the Highway Fund for highway maintenance.

DRAFT
SPECIAL PROVISION

2009-TRANS-H10-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

FLEXIBLE USE OF FUNDS FOR RURAL PUBLIC TRANSPORTATION FOR FISCAL YEARS 2009-2010 AND 2010-2011

SECTION #. In order to ensure maximum receipts of funding and to facilitate the use of funds available to the Department under the American Recovery and Reinvestment Act, P.L. 111-5, the Department of Transportation, Public Transportation Division, shall have the flexibility to transfer funding from the consolidated capital program of its rural funding programs for vehicles, technology, and facilities to the operating programs, based on the Department's ability to leverage all additional federal funds to meet the capital needs of rural transportation systems. This section applies only to fiscal years 2009-2010 and 2010-2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2009-TRANS-H14-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

DEPARTMENT OF TRANSPORTATION MAY TAKE REQUIRED ADMINISTRATIVE REDUCTION FROM ADDITIONAL ADMINISTRATIVE BUDGETS

SECTION #. The Department of Transportation may take the twelve million dollar ($12,000,000) reduction to the central administration budget, as required by S.L. 2008-107, from the central administration, Highway Division administration, and Division of Motor Vehicles administration budgets.

DRAFT
SPECIAL PROVISION



2009-TRANS-H15A

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

STUDY THE FEASIBILITY OF ASSESSING A FEE FOR PROVIDING TRAFFIC CONTROL BY THE STATE HIGHWAY PATROL OR THE DEPARTMENT OF TRANSPORTATION AT SPECIAL EVENTS

SECTION #.(a) The Joint Legislative Transportation Oversight Committee shall study the feasibility of assessing a fee for services provided by the State Highway Patrol or the Department of Transportation for certain special events. In conducting this study the Committee shall determine the costs associated with providing traffic control devices and personnel to provide traffic control and direction at special functions and events. The Committee shall also develop criteria to determine events, if any, for which a fee will be assessed and criteria to determine the amount of the fee, if any, that should be assessed.

SECTION #.(b) The Joint Legislative Transportation Oversight Committee shall make a report to the 2010 Regular Session of the 2009 General Assembly not later than April 1, 2010 detailing the information required by this Section and shall provide any recommended changes in current legislation or proposed new legislation if required.

Joint Appropriations Subcommittee

on

Transportation

Conferees' Meeting

The Conferees for the Joint Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met on Thursday, June 18, 2009, at 12:00 noon, for a called meeting. Senator Steve Goss, Chairman, presided. House members attending included the following: Representative Nelson Cole, Chairman; Representative Grier Martin, Chairman; Representative Lorene Coates, Vice Chairman; Representative Ty Harrell, Vice Chairman; Representative Margaret Dickson; Representative Phillip Frye; and Representative Arthur Williams. Senator Malcolm Graham, Chairman, and Senator Larry Shaw were also in attendance. Staff members from the Fiscal Research Division were Mr. Bob Weiss, Ms. Amna Cameron, Ms. Karlynn O'Shaughnessy, and Mr. Ryan Blackledge.

Chairman Goss called the meeting to order and reviewed the Rules for Joint Budget Subconferees. [Exhibit A] He then called upon Ms. Amna Cameron of the Fiscal Research Division staff to present the Conference Budget recommendations [Exhibit B]. This report compared the Senate and House Budgets and gave the Conference Budget.

Following Ms. Cameron's presentation, Chairman Goss recognized Mr. Bob Weiss of the Fiscal Research Division staff to present the Special Provisions, Appropriations Subcommittee on Transportation Report. [Exhibit C] Members were given the opportunity to ask questions and make comments concerning the special provisions. Mr. Weiss made two corrections to this report: on page 4, line 6, the amount should be $33,983,733; and on page 4, line 13, the amount should be $51,620,824.

Chairman Goss asked for a motion to accept the Conference Report from the Appropriations Transportation Committee conferees. Senators Graham and Shaw jointly made the motion. Members unanimously accepted the Conference Report.

Chairman Goss thanked members and guests for their attendance and participation and adjourned the meeting at 12:30 p.m.

Respectfully submitted,

Linda Laton, Committee Assistant

Senator Steve Goss, Chairman

Exhibit A

North Carolina General Assembly

Joint Appropriations Conference Committee
2009 Session

Rules for Joint Budget Subconferees

June 17, 2009

1. **Subcommittee targets are spending targets.**

2. **Regarding expansion, subcommittees:**
   a. **Shall not** fund any new expansions not funded in either the House or Senate budgets

   b. **Shall not** increase any expansion above the higher amount in either the House or Senate budget.

   c. **May** reduce or eliminate items that are not in controversy if both sides agree to re-visit the item.

   d. **Shall not** restore or expand non-recurring items funded in the FY 2008-09 budget or previous budgets (unless items are included in the House or Senate budgets).

3. **Regarding reductions, subcommittees:**
   a. **May** include reductions that are not in either the House or Senate budget.

   b. **May** increase the amount of any reduction in the House and/or Senate budgets (i.e., take a larger reduction).

   c. **May** reduce or eliminate items that are not in controversy if both sides agree to re-visit the item.

   d. **Shall not** use nonrecurring reductions to restore recurring reductions.

4. **No new special provisions,** unless a provision is necessary to conform language and money items.

5. **Any unresolved questions or items** shall be forwarded to the Joint Conference Committee Chairs for resolution.

Fiscal Research Division
Joint Budget Development Team

Exhibit B

HIGHWAY FUND

		SAME	Senate Budget				House Budget				CONFERENCE Budget			
			2009-10		2010-11		2009-10		2010-11		2009-10		2010-11	
			Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring
Administration	Update Printing Operations				$636,000.00			Not Included				Not Included		
Administration	Combined Registration & Tax Collection System - Database and Implementation	√		Receipts - Funded				Receipts - Funded				Receipts - Funded		
Aviation Division	Aviation Funds	√	-$1,128,445	-$871,555	-$1,125,523	-$874,477	-$1,128,445	-$871,555	-$1,125,523	-$874,477	-$1,128,445	-$871,555	-$1,125,523	-$874,477
Construction	Public Service and Access Road Funds	√	-$140,000		-$140,000		-$140,000		-$140,000		-$140,000		-$140,000	
Construction	Secondary Road Improvement Funds Reprogrammed to Maintenance			-$84,481,404		$2,986,368		-$84,481,404		-$41,607,092		-$50,497,671		-$31,593,359
Construction	Small Construction Funds		-$7,000,000		-$7,000,000		-$14,000,000		-$14,000,000		-$14,000,000		-$14,000,000	
Construction	Contingency Funds		-$1,050,000		-$1,050,000		-$3,000,000		-$3,000,000		-$3,000,000		-$3,000,000	
Construction	Spot Safety Program	√	$9,100,000		$9,100,000		$9,100,000		$9,100,000		$9,100,000		$9,100,000	
Department-Wide	Administration Cuts - Receipts	√		Receipts - Funded				Receipts - Funded				Receipts - Funded		
Department-Wide	Administration Cuts	√	-$7,181,194	-$4,528,043	-$6,788,533	-$4,524,423	-$7,181,194	-$4,528,043	-$6,788,533	-$4,524,423	-$7,181,194	-$4,528,043	-$6,788,533	-$4,524,423
Department-Wide	Vacant Positions						-$7,380,717		-$7,380,717		-$7,426,599 **		-$7,426,599 **	
Division of Motor Vehicles	National Motor Vehicle Title Compliance		$264,359	$96,460	$264,359			Not Included				Not Included		
Ferry Division	Implement Coast Guard Requirements for Manning of Vessels		$3,116,267	$400,000	$3,116,267			Not Included			$3,116,267	$400,000	$3,116,267	
Ferry Division	Ferry Funds	√	-$2,155,497		-$2,155,497		-$2,155,497		-$2,155,497		-$2,155,497		-$2,155,497	
Maintenance	Department of Corrections - Inmate Road Squads and Litter Crews			Not Included			-$2,260,000		-$2,260,000		-$2,260,000		-$2,260,000	
Maintenance	Maintenance Funds			$12,808,444	-$57,139,505	-$48,349,424		$48,194,409		$44,046,295		$49,254,328		$58,506,214
OSHA	Workplace Safety and Health Funds	√	-$52,208	-$17,403	-$52,208	-$17,403	-$52,208	-$17,403	-$52,208	-$17,403	-$52,208	-$17,403	-$52,208	-$17,403

Public Transportation Division	Public Transportation Funds		-$16,366,078	-$8,582,189	-$16,426,078	-$8,486,189		-$21,596,267		-$20,750,267		-$21,596,267		-$20,750,267
Public Transportation Division	Transportation Services to the High Point Furniture Market			Not Included			-$300,000		-$300,000		-$300,000		-$300,000	
Required Statutory Adjustments	Aid to Municipalities	STAT CHG	$2,589,860		$2,986,368		$3,332,472		$4,626,037		$3,332,472		$4,626,037	
Required Statutory Adjustments	DENR - Leaking Underground Storage Tank Fund	STAT CHG	$590,000		$810,000		$710,000		$890,000		$710,000		$890,000	
Reserves	Salary Adjustment Fund	√	-$3,922,758		-$3,922,758		-$3,922,758		-$3,922,758		-$3,922,758		-$3,922,758	
Reserves	Retirement System Contribution		$1,000,000		$1,000,000		$1,100,000		$14,500,000		FULL CHAIR ITEM			
State Highway Patrol	SHP - Establish Management Flexibility Reserve		-$5,608,242		-$5,608,242						-$5,608,242		-$5,608,242	
State Highway Patrol	Highway Fund Transfers to Crime Control and Public Safety						-$7,861,242	-$1,500,000	-$7,861,242	-$1,450,000	HOUSE/SENATE CUTS TOTAL SAME AMOUNT. SENATE CUTS OFFER SHP MOST FLEXIBILITY. SENATE POSITION TAKEN.			
State Highway Patrol	SHP - Operating Cuts		-$2,253,000	-$1.500,000	-$2,253,000	-$1,450,000					-$2,253,000	-$1,500,000	-$2,253,000	-$1,450,000
State Highway Patrol	SHP - Freeze Step Increase for Troopers	√		-$1.674,280		-$3,373,932		-$1,674,280		-$3,373,932	FULL CHAIR ITEM			
State Highway Patrol	SHP - Eliminate Continuation Budget Increases	√	-$2,832,607		-$2,647,712		-$2,832,607		-$2,647,712		-$2,832,607		-$2,647,712	
Transfers	State Health Plan	STAT CHG	$5,992,476		$12,502,192		$6,170,022		$12,888,386		$6,170,022		$12,888,386	
Transfers	Department of Health and Human Services		-$49,680		-$49,680		-$150,000		-$150,000		-$150,000		-$150,000	
Transfers	Continuation Review of the Drivers Education Program			Not Included			-$33,959,859	$33,959,859	-$33,321,964		-$33,959,859	$33,959,859	-$33,321,964	
Transfers	DPI - Drivers Education Program			Not Included				-$1,100,000				-$1,100,000		
Transfers	North Carolina Global TransPark Authority			Not Included			-$320,000		-$320,000		-$320,000		-$320,000	
	TOTAL CHANGES		-$24,496,887	-$88,349,970	-$72,957,182	-$64,089,480	-$68,387,530	-$33,614,684	-$45,577,228	-$28,551,299	-$64,261,648	-$64,261,648	-$54,851,346	-$703,715
	GRAND TOTAL		$1,683,500,000		$1,658,460,000		$1,699,090,000		$1,726,520,000		$1,736,590,000		$1,739,650,000	

** Vacancy cuts include:
Appropriation support - $7,426,599 -- 145 positions;
Receipt support - $3,047,812 -- 59 positions;
Work Order Positions -- $0 -- 1508 positions ;
Turnpike Authority Receipt support - $565,563 -- 6 positions

HIGHWAY TRUST FUND

			Senate Budget				House Budget				CONFERENCE Budget			
			2009-10		2010-11		2009-10		2010-11		2009-10		2010-11	
			Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring
Highway Trust Fund	Transfer to General Fund	STAT CHG			-$367,350					-$319,212				-$319,212
Highway Trust Fund	Administration	STAT CHG	-$7,510,080		-$8,278,560			-$6,967,680		-$6,721,920		-$6,367,680		-$6,512,160
Highway Trust Fund	Aid to Municipalities	STAT CHG	-$9,733,745		-$10,700,565			-$8,977,284		-$8,634,577		-$8,203,784		-$8,364,162
Highway Trust Fund	Intrastate System	STAT CHG	-$92,770,076		-$101,984,625			-$85,560,419		-$82,294,169		-$78,188,369		-$79,716,899
Highway Trust Fund	Secondary Road Construction	STAT CHG	-$9,733,745		-$10,700,566			-$9,857,547		-$9,593,788		-$9,084,047		-$9,323,373
Highway Trust Fund	Urban Loops	STAT CHG	-$37,512,354		-$41,238,334			-$34,597,070		-$33,276,334		-$31,616,120		-$32,234,194
	TOTAL CHANGES		-$157,260,000		-$173,270,000			-$145,960,000		-$140,840,000		-$133,460,000		-$136,470,000
	GRAND TOTAL		$857,490,000		$884,190,000		$868,790,000		$916,620,000		$881,290,000		$920,990,000	

TURNPIKE AUTHORITY

		Senate Budget				House Budget				CONFERENCE Budget			
		2009-10		2010-11		2009-10		2010-11		2009-10		2010-11	
		Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring
Turnpike Authority	Administration - Receipts	Receipts - Funded				Receipts - Funded				Receipts - Funded			

Exhibit B

Recon ded Changes to the Highway Fund Budget FY 2009-10

	6/18/09 12pm..	2008-09	Governor's 2009	SENATE 2009-10			HOUSE 2009-10			CONFERENCE 2009-10		
		Certified	Recommended	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended
1	DOT-General Administration	74,260,879	80,810,522	86,303,924	(5,493,402)	80,810,522	86,303,924	(12,874,119)	73,429,805	86,303,924	(8,658,496)	77,645,428
2	Highway Division Administration	32,703,136	32,938,983	34,905,207	(1,966,224)	32,938,983	34,905,207	(1,966,224)	32,938,983	34,905,207	(2,042,421)	32,862,786
3	Federal Aid Match - Planning and Research	4,700,000	4,055,402	4,055,402		4,055,402	4,055,402		4,055,402	4,055,402		4,055,402
4	Construction Program:					-			-			-
5	State Secondary System	94,881,541	87,071,264	84,481,404	(84,481,404)	-	84,481,404	(84,481,404)	-	84,481,404	(50,497,671)	33,983,733
6	Discretionary Funds	15,000,000	13,950,000	15,000,000	(1,050,000)	13,950,000	15,000,000	(3,000,000)	12,000,000	15,000,000	(3,000,000)	12,000,000
7	Spot Safety Improvements - Recurring		9,100,000		9,100,000	9,100,000		9,100,000	9,100,000		9,100,000	9,100,000
8	Spot Safety Improvements - Nonrecurring	9,100,000	-	-	-	-	-	-	-	-	-	-
9	Access and Public Service Roads	2,000,000	1,000,000	2,000,000	(140,000)	1,860,000	2,000,000	(140,000)	1,860,000	2,000,000	(140,000)	1,860,000
10	Small Urban Const.	21,000,000	19,530,000	21,000,000	(7,000,000)	14,000,000	21,000,000	(14,000,000)	7,000,000	21,000,000	(14,000,000)	7,000,000
11	Total Construction Program	141,981,541	131,511,264	122,481,404	(83,571,404)	38,910,000	122,481,404	(92,521,404)	29,960,000	122,481,404	(58,537,671)	63,943,733
12	Maintenance Program:					-			-			-
a	PrimaryDOC - Inmate Labor	9,040,000	9,040,000	9,040,000	-	9,040,000	9,040,000	(1,695,000)	7,345,000	9,040,000	(1,695,000)	7,345,000
a	SecondaryDOC - Inmate Labor	2,260,000	2,260,000	2,260,000	-	2,260,000	2,260,000	(565,000)	1,695,000	2,260,000	(565,000)	1,695,000
13	Primary System	146,283,184	178,710,224	197,661,413	2,951,041	200,612,454	197,661,413	(18,951,189)	178,710,224	197,661,413	(18,951,189)	178,710,224
14	Secondary System	241,056,065	267,458,619	292,579,472	4,209,372	296,788,844	292,579,472	(25,120,853)	267,458,619	292,579,472	(25,120,853)	267,458,619
15	Contract Resurfacing	277,080,315	250,826,777	274,525,663	3,919,356	278,445,019	274,525,663	25,474,337	300,000,000	274,525,663	25,474,337	300,000,000
16	System Preservation	107,419,739	71,534,008	78,589,071	1,122,003	79,711,074	78,589,071	21,410,929	100,000,000	78,589,071	21,410,929	100,000,000
17	General Maintenance Reserve	151,003,126	39,518,978	42,493,525	606,673	43,100,198	42,493,525	45,381,185	87,874,710	42,493,525	46,441,104	88,934,629
18	Interstate 40 Resurfacing	10,000,000	-	-	-	-	-	-	-	-	-	-
19	Total Maintenance Program	932,842,429	808,048,606	897,149,144	12,808,444	909,957,588	897,149,144	45,934,409	943,083,553	897,149,144	46,994,328	944,143,472
20	Ferry Operations	32,313,921	30,206,209	28,765,439	1,360,770	30,126,209	28,765,439	(2,155,497)	26,609,942	28,765,439	1,360,770	30,126,209
21	State Aid to Municipalities	94,881,541	87,071,264	84,481,404	2,589,860	87,071,264	84,481,404	3,332,472	87,813,876	84,481,404	3,332,472	87,813,876
22	State Aid to Railroads	21,330,883	17,101,153	17,101,153		17,101,153	17,101,153		17,101,153	17,101,153		17,101,153
23	State Aid for Public Transportation	71,944,229	70,395,962	95,344,229	(24,948,267)	70,395,962	95,344,229	(21,596,267)	73,747,962	95,344,229	(21,596,267)	73,747,962
a	HighPoint Furniture Mart	1,200,000	1,200,000	1,200,000	-	1,200,000	1,200,000	(300,000)	900,000	1,200,000	(300,000)	900,000
24	Airports	19,407,815	17,349,592	19,349,592	(2,000,000)	17,349,592	19,349,592	(2,000,000)	17,349,592	19,349,592	(2,000,000)	17,349,592
25	OSHA	425,000	355,389	425,000	(69,611)	355,389	425,000	(69,611)	355,389	425,000	(69,611)	355,389
26	Governor's Highway Safety Program	335,449	351,779	351,779		351,779	351,779		351,779	351,779		351,779
27	Division of Motor Vehicles	100,173,970	101,732,813	105,621,605	(3,888,792)	101,732,813	105,621,605	(4,249,611)	101,371,994	105,621,605	(8,348,956)	97,272,649
28	Total Department of Transportation	1,527,300,793	1,381,928,938	1,497,535,282	(105,178,626)	1,392,356,656	1,497,535,282	(88,465,852)	1,409,069,430	1,497,535,282	(49,865,852)	1,447,669,430
29	Transfers to Other State Agencies:					-			-			-
30	Agriculture	4,934,152	4,972,215	4,972,215		4,972,215	4,972,215		4,972,215	4,972,215		4,972,215
31	Revenue	5,786,604	6,238,753	6,238,753		6,238,753	6,238,753		6,238,753	6,238,753		6,238,753
32	State Treasurer	17,610,000	17,557,170	17,557,170		17,557,170	17,557,170		17,557,170	17,557,170		17,557,170
33	OSC - Best Shared Services		444,037	444,037		444,037	444,037		444,037	444,037		444,037
34	Public Instruction-Driver Education	33,949,682	33,959,859	33,959,859		33,959,859	33,959,859	(1,100,000)	32,859,859	33,959,859	(1,100,000)	32,859,859
35	Public Instruction - Civil Penalties		22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000		22,000,000
36	CCPS - Highway Patrol	195,045,494	198,351,279	209,386,801	(13,868,129)	195,518,672	209,386,801	(13,868,129)	195,518,672	209,386,801	(13,868,129)	195,518,672
37	DENR - LUST Trust Fund	4,578,265	2,500,123	1,910,123	590,000	2,500,123	1,910,123	710,000	2,620,123	1,910,123	710,000	2,620,123

	6/18/09 12pm..	2008-09	Governor's 2009	SENATE 2009-10			HOUSE 2009-10			CONFERENCE 2009-10		
		Certified	Recommended	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended
38	DHHS - Chemical Test	673,803	660,039	709,719	(49,680)	660,039	709,719	(150,000)	559,719	709,719	(150,000)	559,719
39	Total-Other State Agencies	262,578,000	286,683,475	297,178,677	(13,327,809)	283,850,868	297,178,677	(14,408,129)	282,770,548	297,178,677	(14,408,129)	282,770,548
									-			-
40	Reserves and Transfers:								-			-
41	Salary Adjustment	1,650,000		3,922,758	(3,922,758)		3,922,758	(3,922,758)		3,922,758	(3,922,758)	
42	Minority Contractor Development	150,000	150,000	150,000		150,000	150,000		150,000	150,000		150,000
43	State Fire Protection Grant	150,000	150,000	150,000		150,000	150,000		150,000	150,000		150,000
44	Storm Water Management	500,000	500,000	500,000		500,000	500,000		500,000	500,000		500,000
45	Reserve for Visitor's Centers	400,000	400,000	400,000		400,000	400,000		400,000	400,000		400,000
46	Global Transpark	1,600,000	1,600,000	1,600,000	-	1,600,000	1,600,000	(320,000)	1,280,000	1,600,000	(320,000)	1,280,000
47	Reserve for Administrative Reduction	(2,500,000)	(2,500,000)	(2,500,000)		(2,500,000)	(2,500,000)		(2,500,000)	(2,500,000)		(2,500,000)
48	Reserve for Legislative Increase	35,216,310										
49	Reserve for Compensation Adjustment	1,462,000										
50	Reserve for Health Insurance Adjustment	5,734,876	3,920,922	-	5,992,476	5,992,476	-	6,170,022	6,170,022	-	6,170,022	6,170,022
51	Employer's Contribution to Retirement	1,723,800	1,000,000		1,000,000	1,000,000		1,100,000	1,100,000			
52	Reserve for Longevity Payments		(2,833,335)									
53	Total Reserves	46,086,986	2,387,587	4,222,758	3,069,718	7,292,476	4,222,758	3,027,264	7,250,022	4,222,758	1,927,264	6,150,022
									-			-
54	Total Current Operations	1,835,965,779	1,671,000,000	1,798,936,717	(115,436,717)	1,683,500,000	1,798,936,717	(99,846,717)	1,699,090,000	1,798,936,717	(62,346,717)	1,736,590,000
									-			-
55	Capital Improvements	9,084,221	-	-	-	-	-	-	-	-	-	-
									-			-
57	Total Highway Fund Appropriation	1,845,050,000	1,683,500,000	1,798,936,717	(115,436,717)	1,683,500,000	1,798,936,717	(99,846,717)	1,699,090,000	1,798,936,717	(62,346,717)	1,736,590,000
									-			-
58	**% Inc/(Dec) Over Prior Year**		**-8.76%**			**-8.76%**			-			-
				-			1,699,090,000					1,736,590,000

Recommen ıanges to the Highway Fund Budget — FY 2010-11

6.18.09 12pm

		2008-09	Gov 2010-11	SENATE 2010-11			HOUSE 2010-11			CONFERENCE 2010-11		
		Certified	Recom'd	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended
1	DOT-General Administration	74,260,879	81,897,273	86,354,752	(4,457,479)	81,897,273	86,354,752	(11,838,196)	74,516,556	86,354,752	(7,622,573)	78,732,179
2	Highway Division Administration	32,703,136	32,993,177	34,963,043	(1,969,866)	32,993,177	34,963,043	(1,969,866)	32,993,177	34,963,043	(2,046,063)	32,916,980
3	Federal Aid Match - Planning and	4,700,000	4,055,402	4,055,402	-	4,055,402	4,055,402	-	4,055,402	4,055,402	-	4,055,402
						-			-			-
4	Construction Program:					-			-			-
5	State Secondary System	94,881,541	86,200,551	83,214,183	2,986,368	86,200,551	83,214,183	(41,607,092)	41,607,092	83,214,183	(31,593,359)	51,620,824
6	Discretionary Funds	15,000,000	13,950,000	15,000,000	(1,050,000)	13,950,000	15,000,000	(3,000,000)	12,000,000	15,000,000	(3,000,000)	12,000,000
7	Spot Safety Improvements - Rec	-	9,100,000	-	9,100,000	9,100,000	-	9,100,000	9,100,000	-	9,100,000	9,100,000
8	Spot Safety Improvements - Non	9,100,000	-	-	-	-	-	-	-	-	-	-
9	Access and Public Service Road	2,000,000	1,860,000	2,000,000	(140,000)	1,860,000	2,000,000	(140,000)	1,860,000	2,000,000	(140,000)	1,860,000
10	Small Urban Const.	21,000,000	19,530,000	21,000,000	(7,000,000)	14,000,000	21,000,000	(14,000,000)	7,000,000	21,000,000	(14,000,000)	7,000,000
11	Total Construction Program	141,981,541	130,640,551	121,214,183	3,896,368	125,110,551	121,214,183	(49,647,092)	71,567,092	121,214,183	(39,633,359)	81,580,824
						-			-			-
12	Maintenance Program:					-			-			-
a	DOC - Inmate Labor	9,040,000	9,040,000	9,040,000	-	9,040,000	9,040,000	(1,695,000)	7,345,000	9,040,000	(1,695,000)	7,345,000
a	DOC - Inmate Labor	2,260,000	2,260,000	2,260,000	-	2,260,000	2,260,000	(565,000)	1,695,000	2,260,000	(565,000)	1,695,000
13	Primary System	146,283,184	170,848,263	197,661,413	(25,814,245)	171,847,168	197,661,413	(18,951,189)	178,710,224	197,661,413	(18,951,189)	178,710,224
14	Secondary System	241,056,065	259,596,658	292,579,472	(31,664,258)	260,915,214	292,579,472	(25,120,853)	267,458,619	292,579,472	(25,120,853)	267,458,619
15	Contract Resurfacing	277,080,315	242,964,816	274,525,663	(30,282,248)	244,243,415	274,525,663	25,474,337	300,000,000	274,525,663	25,474,337	300,000,000
16	System Preservation	107,419,739	63,435,877	78,589,071	(14,753,631)	63,835,440	78,589,071	21,410,929	100,000,000	78,589,071	21,410,929	100,000,000
17	General Maintenance Reserve	151,003,126	39,518,978	42,493,525	(2,974,547)	39,518,978	42,493,525	41,233,071	83,726,596	42,493,525	55,692,990	98,186,515
18	Interstate 40 Resurfacing	10,000,000	-	-	-	-	-	-	-	-	-	-
19	Total Maintenance Program	944,142,429	787,664,592	897,149,144	(105,488,929)	791,660,215	897,149,144	41,786,295	938,935,439	897,149,144	56,246,214	953,395,358
						-			-			-
20	Ferry Operations	32,313,921	30,110,209	28,765,439	960,770	29,726,209	28,765,439	(2,155,497)	26,609,942	28,765,439	960,770	29,726,209
21	State Aid to Municipalities	94,881,541	86,200,551	83,214,183	2,986,368	86,200,551	83,214,183	4,626,037	87,840,220	83,214,183	4,626,037	87,840,220
22	State Aid to Railroads	21,330,883	17,101,153	17,101,153	-	17,101,153	17,101,153	-	17,101,153	17,101,153	-	17,101,153
23	State Aid for Public Transportation	71,944,229	70,431,962	95,344,229	(24,912,267)	70,431,962	95,344,229	(20,750,267)	74,593,962	95,344,229	(20,750,267)	74,593,962
a	HighPoint Furniture Mart	1,200,000	1,200,000	1,200,000	-	1,200,000	1,200,000	(300,000)	900,000	1,200,000	(300,000)	900,000
24	Airports	19,407,815	17,291,543	19,291,543	(2,000,000)	17,291,543	19,291,543	(2,000,000)	17,291,543	19,291,543	(2,000,000)	17,291,543
25	OSHA	425,000	355,389	425,000	(69,611)	355,389	425,000	(69,611)	355,389	425,000	(69,611)	355,389
26	Governor's Highway Safety Progra	335,449	352,325	352,325	-	352,325	352,325	-	352,325	352,325	-	352,325
27	Division of Motor Vehicles	100,173,970	101,747,629	105,732,881	(3,985,252)	101,747,629	105,732,881	(4,885,611)	100,847,270	105,732,881	(8,984,956)	96,747,925
						-			-			-
28	Total Department of Transportatio	1,539,800,793	1,362,041,756	1,495,163,277	(135,039,898)	1,360,123,379	1,495,163,277	(47,203,808)	1,447,959,469	1,495,163,277	(19,573,808)	1,475,589,469
						-			-			-
29	Transfers to Other State Agencies:					-			-			-
30	Agriculture	4,934,152	4,965,929	4,965,929	-	4,965,929	4,965,929	-	4,965,929	4,965,929	-	4,965,929
31	Revenue	5,786,604	6,244,609	6,244,609	-	6,244,609	6,244,609	-	6,244,609	6,244,609	-	6,244,609
32	State Treasurer	17,610,000	17,504,498	17,504,498	-	17,504,498	17,504,498	-	17,504,498	17,504,498	-	17,504,498
33	OSC - Best Shared Services	-	444,037	444,037	-	444,037	444,037	-	444,037	444,037	-	444,037
34	Public Instruction-Driver Educatio	33,949,682	33,321,964	33,321,964		33,321,964	33,321,964	(33,321,964)	-	33,321,964	(33,321,964)	-
35	Public Instruction - Civil Penalties	-	22,000,000	22,000,000	-	22,000,000	22,000,000	-	22,000,000	22,000,000	-	22,000,000
36	CCPS - Highway Patrol	195,045,494	201,164,782	212,175,686	(15,332,886)	196,842,800	212,175,686	(15,332,886)	196,842,800	212,175,686	(15,332,886)	196,842,800
37	DENR - LUST Trust Fund	4,578,265	2,550,553	1,740,553	810,000	2,550,553	1,740,553	890,000	2,630,553	1,740,553	890,000	2,630,553
38	DHHS - Chemical Test	673,803	660,039	709,719	(49,680)	660,039	709,719	(150,000)	559,719	709,719	(150,000)	559,719
39	Total-Other State Agencies	262,578,000	288,856,421	299,106,995	(14,572,566)	284,534,429	299,106,995	(47,914,850)	251,192,145	299,106,995	(47,914,850)	251,192,145
						-			-			-
40	Reserves and Transfers:					-			-			-

41	Salary Adju	1,650,000	-	3,922,758	(3,922,7	-	3,922,758	(3,922,758)	-	,758	(3,922,758)	-
42	Minority Co... Development	150,000	150,000	150,000	-	150,000	150,000	-	150,000	,000	-	150,...
43	State Fire Protection Grant	150,000	150,000	150,000	-	150,000	150,000	-	150,000	150,000	-	150,000
44	Storm Water Management	500,000	500,000	500,000	-	500,000	500,000	-	500,000	500,000	-	500,000
45	Reserve for Visitor's Centers	400,000	400,000	400,000	-	400,000	400,000	-	400,000	400,000	-	400,000
46	Global Transpark	1,600,000	1,600,000	1,600,000		1,600,000	1,600,000	(320,000)	1,280,000	1,600,000	(320,000)	1,280,000
47	Reserve for Administrative Reduc	(2,500,000)	(2,500,000)	(2,500,000)	-	(2,500,000)	(2,500,000)	-	(2,500,000)	(2,500,000)	-	(2,500,000)
48	Reserve for Legislative Increase	35,218,310										
49	Reserve for Compensation Adjus	1,462,000										
50	Reserve for Health Insurance Adj	5,734,876	9,320,922		12,502,192	12,502,192		12,888,386	12,888,386		12,888,386	12,888,386
51	Employer's Contribution to Retire	1,723,800	1,000,000		1,000,000	1,000,000		14,500,000	14,500,000			
52	Reserve for Longevity Payments	-	(3,059,099)			-			-			-
53	Total Reserves	46,086,986	7,561,823	4,222,758	9,579,434	13,802,192	4,222,758	23,145,628	27,368,386	4,222,758	8,645,628	12,868,386
									-			-
54	Total Current Operations	1,848,465,779	1,658,460,000	1,798,493,030	(140,033,030)	1,658,460,000	1,798,493,030	(71,973,030)	1,726,520,000	1,798,493,030	(58,843,030)	1,739,650,000
									-			-
55	Capital Improvements	9,084,221	-	-	-	-	-	-	-	-	-	-
									-			-
56	Total Highway Fund Appropriation	1,857,550,000	1,658,460,000	1,798,493,030	(140,033,030)	1,658,460,000	1,798,493,030	(71,973,030)	1,726,520,000	1,798,493,030	(58,843,030)	1,739,650,000
57	% Inc/(Dec) Over Prior Year		-1.49%			-1.49%						
				-			(68,060,000)		1,726,520,000			1,739,650,000

Table 3

2009-10 Highway Trust Fund Budget

6.17.09 12 pm

	GOVERNOR	SENATE			HOUSE			Conference		
	2009-10 Recommended Appropriation	FY 2009-10 Recommended Continuation Appropriation	Recurring	2009-10 Recommended Appropriation	FY 2009-10 Recommended Continuation Appropriation	Recurring	2009-10 Recommended Appropriation	FY 2009-10 Recommended Continuation Appropriation	Recurring	2009-10 Recommended Appropriation
Administration	41,092,320	48,602,400	(7,510,080)	41,092,320	48,602,400	(6,967,680)	41,634,720	48,602,400	(6,367,680)	42,234,720
				-			-			-
Construction				-			-			-
Intrastate System	352,674,316	445,444,392	(92,770,076)	352,674,316	445,444,392	(85,560,419)	359,883,973	445,444,392	(78,188,369)	367,256,023
Urban Loop System	110,759,502	148,271,856	(37,512,354)	110,759,502	148,271,856	(34,597,070)	113,674,786	148,271,856	(31,616,120)	116,655,736
Secondary Roads	57,777,091	67,510,836	(9,733,745)	57,777,091	67,510,836	($9,857,547)	57,653,289	67,510,836	($9,084,047)	58,426,789
				-			-			-
State Aid to Munipalities	39,893,942	49,627,687	(9,733,745)	39,893,942	49,627,687	(8,977,284)	40,650,403	49,627,687	(8,203,784)	41,423,903
	-			-			-			-
Bonds	-			-			-			-
Bond Redemption	54,065,000	54,065,000	-	54,065,000	54,065,000	-	54,065,000	54,065,000	-	54,065,000
Bond Interest	28,666,000	28,666,000	-	28,666,000	28,666,000	-	28,666,000	28,666,000	-	28,666,000
	-			-			-			-
NC Turnpike Authority	64,000,000	64,000,000	-	64,000,000	64,000,000	-	64,000,000	64,000,000	-	64,000,000
				-			-			-
Transfer to the General Fund	108,561,829	108,561,829	-	108,561,829	108,561,829	-	108,561,829	108,561,829	-	108,561,829
							-			-
Total Highway Trust Fund	857,490,000	1,014,750,000	(157,260,000)	857,490,000	1,014,750,000	(145,960,000)	868,790,000	1,014,750,000	(133,460,000)	881,290,000

2010-11 Highway Trust Fund Budget
2010-11

6.17.09 12 pm

	GOVERNOR'S			SENATE			HOUSE			CONFERENCE		
	FY 2010-11 Recommended Continuation Appropriation	Recurring	2010-11 Recommended Appropriation	FY 2010-11 Recommended Continuation Appropriation	Recurring	2009-10 Recommended Appropriation	FY 2010-11 Recommended Continuation Appropriation	Recurring	2010-11 Recommended Appropriation	FY 2010-11 Recommended Continuation Appropriation	Recurring	2010-11 Recommended Appropriation
Administration	50,652,480	(8,278,560)	42,373,920	50,652,480	(8,278,560)	42,373,920	50,652,480	(6,721,920)	43,930,560	50,652,480	(6,512,160)	44,140,320
			-			-			-			-
Construction						-			-			-
Intrastate System	471,440,180	(101,984,625)	369,455,555	471,440,180	(101,984,625)	369,455,555	471,440,180	(82,294,169)	389,146,011	471,440,180	(79,716,899)	391,723,281
Urban Loop System	159,678,513	(41,238,334)	118,440,179	159,678,513	(41,238,334)	118,440,179	159,678,513	(33,276,334)	126,402,179	159,678,513	(32,234,194)	127,444,319
Secondary Roads	71,231,921	(10,700,566)	60,531,355	71,231,921	(10,700,566)	60,531,355	71,231,921	(9,593,788)	61,638,133	71,231,921	(9,323,373)	61,908,548
			-			-			-			-
Munipalities	52,250,080	(10,700,565)	41,549,515	52,250,080	(10,700,565)	41,549,515	52,250,080	(8,634,577)	43,615,503	52,250,080	(8,364,162)	43,885,918
			-			-			-			-
Bonds			-			-			-			-
Bond Redemption	54,030,000	-	54,030,000	54,030,000	-	54,030,000	54,030,000	-	54,030,000	54,030,000	-	54,030,000
Bond Interest	25,962,750	-	25,962,750	25,962,750	-	25,962,750	25,962,750	-	25,962,750	25,962,750	-	25,962,750
			-			-			-			-
NC Turnpike	99,000,000	-	99,000,000	99,000,000	-	99,000,000	99,000,000	-	99,000,000	99,000,000	-	99,000,000
						-			-			-
Transfer to the General Fund	73,214,076	(367,350)	72,846,726	73,214,076	(367,350)	72,846,726	73,214,076	(319,212)	72,894,864	73,214,076	(319,212)	72,894,864
						-			-			-
						-			-			-
Total Highway Trust Fund	1,057,460,000	(173,270,000)	884,190,000	1,057,460,000	(173,270,000)	884,190,000	1,057,460,000	(140,840,000)	916,620,000	1,057,460,000	(136,470,000)	920,990,000

Exhibit C

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION REPORT

JUNE 18, 2009

2009-PART25-H25.1-P 1
***** HOUSE PROVISION
CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

2009-PART25-H25.2-P 2
***** HOUSE PROVISION
MODIFY GLOBAL TRANSPARK DEBT AND REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

2009-PART25-H25.3-P 3
***** HOUSE PROVISION
SMALL CONSTRUCTION AND CONTINGENCY FUNDS

2009-PART25-C25.4A 4
***** COMPROMISE PROVISION
USE PORTION OF SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEARS 2009-2010 AND 2010-2011

2009-PART25-HO25.7-P 5
***** HOUSE PROVISION
FLEXIBLE USE OF FUNDS FOR RURAL PUBLIC TRANSPORTATION FOR FISCAL YEARS 2009-2010 AND 2010-2011

2009-PART25-HO25.8-P 6
***** HOUSE PROVISION
DEPARTMENT OF TRANSPORTATION MAY TAKE REQUIRED ADMINISTRATIVE REDUCTION FROM ADDITIONAL ADMINISTRATIVE BUDGETS

2009-PART25-HO25.9-P 7
***** HOUSE PROVISION
STUDY THE FEASIBILITY OF ASSESSING A FEE FOR PROVIDING TRAFFIC CONTROL BY THE STATE HIGHWAY PATROL OR THE DEPARTMENT OF TRANSPORTATION AT SPECIAL EVENTS

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2009

DRAFT
SPECIAL PROVISION

2009-PART25-H25.1-P

PART XXV. Department of Transportation
Conference Provision

******* HOUSE PROVISION**

CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 25.1.(a) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,762.0 million
For Fiscal Year 2012-2013	$ 1,861.8 million
For Fiscal Year 2013-2014	$ 1,966.2 million
For Fiscal Year 2014-2015	$ 2,026.0 million

SECTION 25.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 972.1 million
For Fiscal Year 2012-2013	$ 1,036.0 million
For Fiscal Year 2013-2014	$ 1,104.0 million
For Fiscal Year 2014-2015	$ 1,158.8 million

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2009

DRAFT
SPECIAL PROVISION

2009-PART25-H25.2-P

PART XXV. Department of Transportation
Conference Provision

******* HOUSE PROVISION**

MODIFY GLOBAL TRANSPARK DEBT AND REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION 25.2.(a) G.S. 147-69.2(b)(11), as amended by Section 7 of S.L. 2005-144, Section 2 of S.L. 2005-201, Section 28.17 of S.L. 2005-276, and Section 27.7 of S.L. 2007-323 reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

...

(11) With respect to assets of the Escheat Fund, obligations of the North Carolina Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed twenty-five million dollars ($25,000,000), that have a final maturity not later than October 1, ~~2009~~2011. The obligations shall bear interest at the rate set by the State Treasurer. No commitment to purchase obligations may be made pursuant to this subdivision after September 1, 1993, and no obligations may be purchased after September 1, 1994. In the event of a loss to the Escheat Fund by reason of an investment made pursuant to this subdivision, it is the intention of the General Assembly to hold the Escheat Fund harmless from the loss by appropriating to the Escheat Fund funds equivalent to the loss.

If any part of the property owned by the North Carolina Global TransPark Authority now or in the future is divested, proceeds of the divestment shall be used to fulfill any unmet obligations on an investment made pursuant to this subdivision."

SECTION 25.2.(b) The Global TransPark Authority shall report on or before May 15, 2010, to the House and Senate Appropriations Subcommittees on Transportation on its strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-five million six hundred twenty-six thousand one hundred thirty-eight dollars and seventy cents ($35,626,138.70) as of April 30, 2009.

DRAFT
SPECIAL PROVISION



2009-PART25-H25.3-P

PART XXV. Department of Transportation
Conference Provision

******* HOUSE PROVISION**

SMALL CONSTRUCTION AND CONTINGENCY FUNDS

SECTION 25.3. Of the funds appropriated in this act to the Department of Transportation:

(1) Seven million dollars ($7,000,000) shall be allocated in each fiscal year for small construction projects recommended by the member of the Board of Transportation representing the Division in which the project is to be constructed in consultation with the Division Engineer and approved by the Secretary of the Department of Transportation. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

(2) Twelve million dollars ($12,000,000) in fiscal year 2009-2010 and twelve million dollars ($12,000,000) in fiscal year 2010-2011 shall be used statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formulas in G.S. 136-44.5(b) and (c).

These funds are not subject to G.S. 136-44.7.

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 construction. 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.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2009

DRAFT
SPECIAL PROVISION

2009-PART25-C25.4A

PART XXV. Department of Transportation
Conference Provision

******* COMPROMISE PROVISION**

USE PORTION OF SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEARS 2009-2010 AND 2010-2011

SECTION 25.4.(a) Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, fifty million four hundred ninety-seven thousand six hundred seventy-one dollars (~~$50,497,671~~ $33,983,733) of the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2009-2010, shall remain in the Highway Fund for highway maintenance.

SECTION 25.4.(b) Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, thirty-one million five hundred ninety-three thousand three hundred fifty-nine dollars (~~$31,593,359~~ $51,620,824) of the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2010-2011, shall remain in the Highway Fund for highway maintenance.

DRAFT
SPECIAL PROVISION



2009-PART25-HO25.7-P

PART XXV. Department of Transportation
Conference Provision

******* HOUSE PROVISION**

FLEXIBLE USE OF FUNDS FOR RURAL PUBLIC TRANSPORTATION FOR FISCAL YEARS 2009-2010 AND 2010-2011

SECTION 25.7. In order to ensure maximum receipts of funding and to facilitate the use of funds available to the Department under the American Recovery and Reinvestment Act of 2009, P.L. 111-5, the Department of Transportation, Public Transportation Division, shall have the flexibility to transfer funding from the consolidated capital program of its rural funding programs for vehicles, technology, and facilities to the operating programs, based on the Department's ability to leverage all additional federal funds to meet the capital needs of rural transportation systems. This section applies only to fiscal years 2009-2010 and 2010-2011.

DRAFT
SPECIAL PROVISION



2009-PART25-HO25.8-P

PART XXV. Department of Transportation
Conference Provision

******* HOUSE PROVISION**

DEPARTMENT OF TRANSPORTATION MAY TAKE REQUIRED ADMINISTRATIVE REDUCTION FROM ADDITIONAL ADMINISTRATIVE BUDGETS

SECTION 25.8. The Department of Transportation may take the twelve million dollar ($12,000,000) reduction to the central administration budget, as required by S.L. 2008-107, from the central administration, Highway Division administration, and Division of Motor Vehicles administration budgets.

PART XXV. Department of Transportation
Conference Provision

******* HOUSE PROVISION**

STUDY THE FEASIBILITY OF ASSESSING A FEE FOR PROVIDING TRAFFIC CONTROL BY THE STATE HIGHWAY PATROL OR THE DEPARTMENT OF TRANSPORTATION AT SPECIAL EVENTS

SECTION 25.9.(a) The Joint Legislative Transportation Oversight Committee shall study the feasibility of assessing a fee for services provided by the State Highway Patrol or the Department of Transportation for certain special events. In conducting this study, the Committee shall determine the costs associated with providing traffic control devices and personnel to provide traffic control and direction at special functions and events. The Committee shall also develop criteria to determine events, if any, for which a fee will be assessed and criteria to determine the amount of the fee, if any, that should be assessed.

SECTION 25.9.(b) The Joint Legislative Transportation Oversight Committee shall make a report to the 2010 Regular Session of the 2009 General Assembly not later than April 1, 2010 detailing the information required by this Section and shall provide any recommended changes in current legislation or proposed new legislation if required.

Exhibit C

Senate and House Differ

Money Differences

Senate Version

CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 25.1.(a) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$1,736.5 million
For Fiscal Year 2012-2013	$1,835.2 million
For Fiscal Year 2013-2014	$1,945.3 million
For Fiscal Year 2014-2015	$2,008.7 million

SECTION 25.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 950.4 million
For Fiscal Year 2012-2013	$1,006.9 million
For Fiscal Year 2013-2014	$1,066.4 million
For Fiscal Year 2014-2015	$1,108.3 million

House Version

CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 25.1.(a) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,762.0 million
For Fiscal Year 2012-2013	$ 1,861.8 million
For Fiscal Year 2013-2014	$ 1,966.2 million
For Fiscal Year 2014-2015	$ 2,026.0 million

SECTION 25.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 972.1 million
For Fiscal Year 2012-2013	$ 1,036.0 million
For Fiscal Year 2013-2014	$ 1,104.0 million
For Fiscal Year 2014-2015	$ 1,158.8 million

Senate and House Differ

Senate Version

MODIFY GLOBAL TRANSPARK DEBT

SECTION 25.2. G.S. 147-69.2(b)(11), as amended by Section 7 of S.L. 2005-144, Section 2 of S.L. 2005-201, Section 28.17 of S.L. 2005-276, and Section 27.7 of S.L. 2007-323 reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

...

(11) With respect to assets of the Escheat Fund, obligations of the North Carolina Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed twenty-five million dollars ($25,000,000), that have a final maturity not later than October 1, ~~2009.~~ 2011. The obligations shall bear interest at the rate set by the State Treasurer. No commitment to purchase obligations may be made pursuant to this subdivision after September 1, 1993, and no obligations may be purchased after September 1, 1994. In the event of a loss to the Escheat Fund by reason of an investment made pursuant to this subdivision, it is the intention of the General Assembly to hold the Escheat Fund harmless from the loss by appropriating to the Escheat Fund funds equivalent to the loss.

If any part of the property owned by the North Carolina Global TransPark Authority now or in the future is divested, proceeds of the divestment shall be used to fulfill any unmet obligations on an investment made pursuant to this subdivision.

...."

House Version

MODIFY GLOBAL TRANSPARK DEBT AND REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION 25.2.(a) G.S. 147-69.2(b)(11), as amended by Section 7 of S.L. 2005-144, Section 2 of S.L. 2005-201, Section 28.17 of S.L. 2005-276, and Section 27.7 of S.L. 2007-323 reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

...

(11) With respect to assets of the Escheat Fund, obligations of the North Carolina Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed twenty-five million dollars ($25,000,000), that have a final maturity not later than October 1, ~~2009.~~2011. The obligations shall bear interest at the rate set by the State Treasurer. No commitment to purchase obligations may be made pursuant to this subdivision after September 1, 1993, and no obligations may be purchased after September 1, 1994. In the event of a loss to the Escheat Fund by reason of an investment made pursuant to this subdivision, it is the intention of the General Assembly to hold the Escheat Fund harmless from the loss by appropriating to the Escheat Fund funds equivalent to the loss.

If any part of the property owned by the North Carolina Global TransPark Authority now or in the future is divested, proceeds of the divestment shall be

used to fulfill any unmet obligations on an investment made pursuant to this subdivision."

SECTION 25.2.(b) The Global TransPark Authority shall report on or before May 15, 2010, to the House and Senate Appropriations Subcommittees on Transportation on its strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-five million six hundred twenty-six thousand one hundred thirty-eight dollars and seventy cents ($35,626,138.70) as of April 30, 2009. House

Senate and House Differ

Various Differences

Senate Version

SMALL CONSTRUCTION AND CONTINGENCY FUNDS

SECTION 25.3. 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 construction projects recommended by the member of the Board of Transportation representing the Division in which the project is to be constructed in consultation with the Division Engineer and approved by the Board of Transportation. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

(2) Thirteen million nine hundred fifty thousand dollars ($13,950,000) in fiscal year 2009-2010 and thirteen million nine hundred fifty thousand dollars ($13,950,000) in fiscal year 2010-2011 shall be used statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formulas in G.S. 136-44.5(b) and (c).

These funds are not subject to G.S. 136-44.7.

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.

House Version

SMALL CONSTRUCTION AND CONTINGENCY FUNDS

SECTION 25.3. Of the funds appropriated in this act to the Department of Transportation:

(1) Seven million dollars ($7,000,000) shall be allocated in each fiscal year for small construction projects recommended by the member of the Board of Transportation representing the Division in which the project is to be constructed in consultation with the Division Engineer and approved by the Secretary of the Department of Transportation. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

(2) Twelve million dollars ($12,000,000) in fiscal year 2009-2010 and twelve million dollars ($12,000,000) in fiscal year 2010-2011 shall be used statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formulas in G.S. 136-44.5(b) and (c).

These funds are not subject to G.S. 136-44.7.

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 construction. 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.

Senate and House Differ

Senate Version

USE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2009-2010

SECTION 25.4. Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2009-2010, shall remain in the Highway Fund for highway maintenance.

House Version

USE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2009-2010 AND USE FIFTY PERCENT OF THE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2010-2011

SECTION 25.4.(a) Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2009-2010, shall remain in the Highway Fund for highway maintenance.

SECTION 25.4.(b) Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, fifty percent (50%) of the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2010-2011, shall remain in the Highway Fund for highway maintenance. House

Senate Only

NC TURNPIKE AUTHORITY TRANSFERRED TO THE DEPARTMENT OF TRANSPORTATION

SECTION 25.5.(a) G.S. 136-89.182 reads as rewritten:

"**§ 136-89.182. North Carolina Turnpike Authority.**

...

(b) Administrative Placement. – The Authority shall be located within the Department of Transportation ~~for administrative purposes but shall exercise all of its powers independently of the Department of Transportation except as otherwise specified in this Article.~~ and shall be subject to and under the direct supervision of the Secretary of Transportation.

...

(d) Board of Transportation Members. – ~~No more than two members~~ Members of the North Carolina Board of Transportation may serve as members of the Authority Board.

...."

SECTION 25.5.(b) The transfer of the North Carolina Turnpike Authority to the Department of Transportation has all the elements of a Type I transfer under G.S. 143A-6.

Senate Only

ALLOW THE DEPARTMENT OF TRANSPORTATION TO REQUIRE FACILITIES CONSTRUCTED WITHIN RIGHTS-OF-WAY TO BE CONSTRUCTED FROM PERMEABLE PAVEMENT

SECTION 25.6.(a) G.S. 136-18 is amended by adding a new subdivision to read:

"(41) The Department shall, prior to the beginning of construction, determine whether all sidewalks and other facilities primarily intended for the use of pedestrians and bicycles that are to be constructed within the right-of-way of a public street or highway that is a part of the State highway system or an urban highway system must be constructed of permeable pavement. "Permeable pavement" means paving material that absorbs water or allows water to infiltrate through the paving material. Permeable pavement materials include porous concrete, permeable interlocking concrete pavers, concrete grid pavers, porous asphalt, and any other material with similar characteristics. Compacted gravel shall not be considered permeable pavement."

SECTION 25.6.(b) This section becomes effective October 1, 2009, and applies to facilities constructed on or after that date.

House Only

FLEXIBLE USE OF FUNDS FOR RURAL PUBLIC TRANSPORTATION FOR FISCAL YEARS 2009-2010 AND 2010-2011

SECTION 25.7. In order to ensure maximum receipts of funding and to facilitate the use of funds available to the Department under the American Recovery and Reinvestment Act of 2009, P.L. 111-5, the Department of Transportation, Public Transportation Division, shall have the flexibility to transfer funding from the consolidated capital program of its rural funding programs for vehicles, technology, and facilities to the operating programs, based on the Department's ability to leverage all additional federal funds to meet the capital needs of rural transportation systems. This section applies only to fiscal years 2009-2010 and 2010-2011.

House Only

DEPARTMENT OF TRANSPORTATION MAY TAKE REQUIRED ADMINISTRATIVE REDUCTION FROM ADDITIONAL ADMINISTRATIVE BUDGETS

SECTION 25.8. The Department of Transportation may take the twelve million dollar ($12,000,000) reduction to the central administration budget, as required by S.L. 2008-107, from the central administration, Highway Division administration, and Division of Motor Vehicles administration budgets.

House Only

STUDY THE FEASIBILITY OF ASSESSING A FEE FOR PROVIDING TRAFFIC CONTROL BY THE STATE HIGHWAY PATROL OR THE DEPARTMENT OF TRANSPORTATION AT SPECIAL EVENTS

SECTION 25.9.(a) The Joint Legislative Transportation Oversight Committee shall study the feasibility of assessing a fee for services provided by the State Highway Patrol or the Department of Transportation for certain special events. In conducting this study, the Committee shall determine the costs associated with providing traffic control devices and personnel to provide traffic control and direction at special functions and events. The Committee shall also develop criteria to determine events, if any, for which a fee will be assessed and criteria to determine the amount of the fee, if any, that should be assessed.

SECTION 25.9.(b) The Joint Legislative Transportation Oversight Committee shall make a report to the 2010 Regular Session of the 2009 General Assembly not later than April 1, 2010 detailing the information required by this Section and shall provide any recommended changes in current legislation or proposed new legislation if required.

MINUTES

HOUSE APPRORIATIONS SUBCOMMITTEE ON TRANSPORTATION

July 30, 2009
9:30 a.m.
Room 1228, Legislative Building

The House Appropriations Subcommittee on Transportation met on Thursday, July 30, 2009 at 9:30 a.m. in Room 1228 of the Legislative Building. Co-Chairs present were: Representatives Nelson Cole and Grier Martin. Vice Chairs present were Representatives Lorene Coates and Ty Harrell. House members present were: Representatives Lucy Allen, William Current, Margaret Dickson, Phillip Frye, Mitch Gillespie, James Gulley, Frank Iler and Arthur Williams. Senate members present were: Senators Harry Brown, Neal Hunt and Robert Rucho. Staff member present was: Mr. Ryan Blackledge. Sergeants at Arms present were: Mr. Marvin Lee, Mr. Toussaint Avent, Ms. Martha Gadison and Ms. Judy Turnor. Pages present were: Alexa Cannon of Wake County, sponsored by Representative Darrell McCormick, Lindsay Stephenson of Alamance County, sponsored by Representative Alice Bordsen, Alexandra Snow of Forsyth County, sponsored by Senator Larry Brown, Nicole Beatty of Wake County, sponsored by Speaker Joe Hackney, Wilson Croft of Davidson County, sponsored by Representative Jerry Dockham and Daniel Dunlow of Halifax County, sponsored by Representative Michael Wray. The visitor sheet is attached as Attachment #1.

Representative Cole called the meeting to order, welcoming everyone.
He then recognized Representative Russell Tucker to introduce HB 1117 "Sex Offender Can't Drive Bus with Children".

After a brief discussion, Representative Coates moved that HB 1117 receive a favorable report. The motion carried and HB 1117 was passed.

With no further discussions, the meeting was adjourned at 9: 37 a.m.

Respectfully submitted,

Representative Grier Martin
Chair

Sylvia Hammons
Committee Assistant

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Trans Approp. — Name of Committee

7/30/09 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Leslie Arnold	SOG - Daily Bulletin

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Trans Appro — 7/30/09

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mark Bunson	RANC
Gene Causby	NCMA
Thomas C. Caves, Jr.	NC Dept. of Crime Control & Public Safety
Jim Stegall	U.C.P.S.

HOUSE BILL 1117:
Sex Offender Can't Drive Bus with Children

2009-2010 General Assembly

Committee:	House Appropriations Subcommittee on Transportation	**Date:**	July 30, 2009
Introduced by:	Rep. Tucker	**Prepared by:**	Ryan Blackledge
Analysis of:	First Edition		Committee Counsel

SUMMARY: House Bill 1117 would prohibit a registered sex offender from obtaining or renewing a commercial drivers license with a P or S endorsement[1], and would make it a Class F felony to operate a commercial passenger vehicle or school bus without a commercial drivers license with a P or S endorsement because the person is a registered sex offender.

BILL ANALYSIS: House Bill 1117 would prohibit sex offenders from operating commercial passenger vehicles or school buses by amending the law as follows:

- Effective December 1, 2009, DMV would be prohibited from issuing or renewing a CDL, or issuing a commercial learner's permit, with a P or S endorsement to a person registered under the sex offender and public protection registry.
- Effective December 1, 2009, anyone convicted of a registerable offense would be disqualified from driving a commercial motor vehicle that requires a CDL with a P or S endorsement for as long as that person is required to be registered.
- Any person who is on the registry and who has a valid CDL with a P or S endorsement on December 1, 2009, would not be disqualified until the license expires, as long as the person does not commit a subsequent registerable offense.
- DMV would be required to revoke the CDL with P or S endorsement of any person convicted of a registerable offense on or after December 1, 2009. The person would be able to apply for a new CDL but would continue to be disqualified from obtaining a P or S endorsement.
- Any person who operates a commercial passenger vehicle or school bus and does not have a CDL with P or S endorsement because of a conviction of a registerable offense would be guilty of a Class F felony.

EFFECTIVE DATE: The act would be effective December 1, 2009, and would apply to persons registering under the sex offender and public protection registry on or after that date and persons who were registered before that date and continue to be registered on or after that date. The criminal penalties enacted under this act would apply to offenses occurring on or after December 1, 2009.

**This summary was substantially contributed to by Wendy Ray Graf, House Transportation Committee Counsel.*

H1117-SMME-2(e1) v1

[1] A P endorsement on a commercial drivers license allows for the operation of vehicles carrying passengers and an S endorsement allows for the operation of school buses. *See* 20-37.16.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H 1

HOUSE BILL 1117

Short Title:	Sex Offender Can't Drive Bus with Children.	(Public)
Sponsors:	Representatives Tucker; Faison, Justice, Justus, McLawhorn, Parmon, Starnes, and Wray.	
Referred to:	Transportation, if favorable, Judiciary II.	

April 7, 2009

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT THE DIVISION OF MOTOR VEHICLES SHALL NOT ISSUE OR RENEW COMMERCIAL DRIVERS LICENSES WITH ENDORSEMENTS THAT QUALIFY A PERSON TO DRIVE A COMMERCIAL PASSENGER VEHICLE OR SCHOOL BUS FOR ANYONE REQUIRED TO REGISTER UNDER THE SEX OFFENDER AND PUBLIC PROTECTION REGISTRATION PROGRAMS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 27A of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-208.19. Commercial drivers license restrictions.**

(a) The Division of Motor Vehicles, in compliance with G.S. 20-37.14A, shall not issue or renew a commercial drivers license with a P or S endorsement to any person required to register under this Article.

(b) The Division of Motor Vehicles, in compliance with G.S. 20-37.13(f) shall not issue a commercial driver learner's permit with a P or S endorsement to any person required to register under this Article.

(c) A person who is convicted of a violation that requires registration under Article 27A of Chapter 14 of the General Statutes is disqualified under G.S. 20-17.4 from driving a commercial motor vehicle that requires a commercial drivers license with a P or S endorsement for the period of time during which the person is required to maintain registration under Article 27A of Chapter 14 of the General Statutes.

(d) A person who drives a commercial passenger vehicle or a school bus and who does not have a commercial drivers license with a P or S endorsement because the person was convicted of a violation that requires registration under Article 27A of Chapter 14 of the General Statutes shall be punished as provided by G.S. 20-27.1."

SECTION 2. G.S. 20-17.4 is amended by adding a new subsection to read:

"(n) Disqualification for Conviction of Criminal Offense That Requires Registration Under the Sex Offender and Public Protection Registration Programs. – Effective December 1, 2009, except as otherwise provided by this subsection, a person convicted of a violation that requires registration under Article 27A of Chapter 14 of the General Statutes is disqualified from driving a commercial motor vehicle that requires a commercial drivers license with a P or S endorsement for the period of time during which the person is required to maintain registration under Article 27A of Chapter 14 of the General Statutes. If a person who is registered pursuant to Article 27A of Chapter 14 of the General Statutes on December 1, 2009, also has a valid commercial drivers license with a P or S endorsement that was issued on or before December 1, 2009, then the person is not disqualified under this subsection until that

license expires, provided the person does not commit a subsequent offense that requires registration under Article 27A of Chapter 14 of the General Statutes."

SECTION 3. Article 2 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-17.9. Revocation of commercial drivers license with a P or S endorsement upon conviction of certain offenses.**

The Division shall revoke the commercial drivers license with a P or S endorsement of any person convicted of any offense on or after December 1, 2009, that requires registration under Article 27A of Chapter 14 of the General Statutes. The person may apply for the issuance of a new commercial drivers license pursuant to this Chapter, but, pursuant to G.S. 20-17.4, shall remain disqualified from obtaining a commercial drivers license with a P or S endorsement for the period of time during which the person is required to maintain registration."

SECTION 4. Article 2 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-27.1. Unlawful for sex offender to drive commercial passenger vehicle or school bus without appropriate commercial license or while disqualified.**

A person who drives a commercial passenger vehicle or a school bus and who does not have a valid commercial drivers license with a P or S endorsement because the person was convicted of a violation that requires registration under Article 27A of Chapter 14 of the General Statutes is guilty of a Class F felony."

SECTION 5. G.S. 20-37.13 is amended by adding a new subsection to read:

"(f) Notwithstanding subsection (e) of this section, a commercial driver learner's permit with a P or S endorsement shall not be issued to any person who is required to register under Article 27A of Chapter 14 of the General Statutes."

SECTION 6. Article 2C of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-37.14A. Prohibit issuance or renewal of certain categories of commercial drivers licenses to sex offenders.**

(a) Effective December 1, 2009, the Division shall not issue or renew a commercial drivers license with a P or S endorsement to any person who is required to register under Article 27A of Chapter 14 of the General Statutes.

(b) The Division shall not issue a commercial drivers license with a P or S endorsement to an applicant until the Division has searched both the statewide registry and the National Sex Offender Public Registry to determine if the person is currently registered as a sex offender in North Carolina or another state.

(1) If the Division finds that the person is currently registered as a sex offender in either North Carolina or another state, the Division, in compliance with subsection (a) of this section, shall not issue a commercial drivers license with a P or S endorsement to the person.

(2) If the Division is unable to access either the statewide registry or all of the states' information contained in the National Sex Offender Public Registry, but the person is otherwise qualified to obtain a commercial drivers license with a P or S endorsement, then the Division shall issue the commercial drivers license with the P or S endorsement but shall first require the person to sign an affidavit stating that the person does not appear on either the statewide registry or the National Sex Offender Public Registry. The Division shall search the statewide registry and the National Sex Offender Public Registry for the person within a reasonable time after access to the statewide registry or the National Sex Offender Public Registry is restored. If the person does appear in either registry, the person is in violation of this section, and the Division shall immediately cancel the commercial drivers

license and shall promptly notify the sheriff of the county where the person resides of the offense.

(3) Any person denied a commercial license with a P or S endorsement or who is disqualified from driving a commercial motor vehicle that requires a commercial drivers license with a P or S endorsement by the Division pursuant to this subsection shall have a right to file a petition within 30 days thereafter for a hearing in the matter, in the superior court of the county where the person resides, or to the resident judge of the district or judge holding the court of that district, or special or emergency judge holding a court in such district. The court or judge is vested with jurisdiction to hear the petition, and it shall be the duty of the judge or court to set the matter for hearing upon 30 days' written notice to the Division, and thereupon to take testimony and examine into the facts of the case and to determine whether the petitioner is entitled to a commercial drivers license with a P or S endorsement under the provisions of this subsection.

(c) Any person who makes a false affidavit, or who knowingly swears or affirms falsely, to any matter or thing required by the terms of this section to be affirmed to or sworn is guilty of a Class I felony."

SECTION 7. This act becomes effective December 1, 2009. This act applies to persons whose initial registration under Article 27A of Chapter 14 of the General Statutes occurs on or after December 1, 2009, and to persons who are registered under Article 27A of Chapter 14 of the General Statutes prior to December 1, 2009, and continue to be registered on or after December 1, 2009. The criminal penalties enacted by this act apply to offenses occurring on or after December 1, 2009.

2009 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) Cole, Martin (Chairs) for the Appropriations Subcommittee on Transportation.

☐Committee Substitute for
HB 1117 A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE DIVISION OF MOTOR VEHICLES SHALL NOT ISSUE OR RENEW COMMERCIAL DRIVERS LICENSES WITH ENDORSEMENTS THAT QUALIFY A PERSON TO DRIVE A COMMERCIAL PASSENGER VEHICLE OR SCHOOL BUS FOR ANYONE REQUIRED TO REGISTER UNDER THE SEX OFFENDER AND PUBLIC PROTECTION REGISTRATION PROGRAMS.

WITH APPROVAL OF STANDING COMMITTEE CHAIR(S) FOR REPORT TO BE MADE DIRECTLY TO THE FLOOR OF THE HOUSE:

Representative Michaux, Adams, Alexander, Crawford, Haire, Jeffus, Tolson, Yongue (Chairs) for the Standing Committee on Appropriations.

s/

s/ Maggie Jeffus

s/

☒With a favorable report.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on _____.

_____ Pursuant to Rule 36(b), the bill/resolution is placed on the Calendar of _____.

NORTH CAROLINA GENERAL ASSEMBLY
STATE LEGISLATIVE BUILDING
RALEIGH 27603

March 5, 2009

TO: Denise Weeks, House Principal Clerk

FROM: Representative Alma Adams
Representative Martha Alexander
Representative Jim Crawford
Representative Phil Haire
Representative Maggie Jeffus
Representative Mickey Michaux (Senior)
Representative Joe Tolson
Representative Doug Yongue

House Rule 36 addresses the procedure for the chair of a permanent subcommittee to follow to report a bill directly to the floor:

"With the written approval of the chair of the standing committee and with the recommendation of the subcommittee pursuant to Rule 32(b)(4) through (6), the chair of the permanent subcommittee may report the bill directly to the floor with that recommendation."

We, the Chairs of the House Appropriations Committee, have agreed that the Subcommittee Report Form shall be signed by the Senior Chair and two additional Chairs.

Sincerely,

Representative Alma Adams

Representative Maggie Jeffus

Representative Martha Alexander

Representative Mickey Michaux (Senior)

Representative Jim Crawford

Representative Joe Tolson

Representative Phil Haire

Representative Doug Yongue

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Wednesday, August 5, 2009
TIME: 9:00 am
LOCATION: 1228 LB

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 706	DMV Handicap Placard Enforcement.	Representative Floyd

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11 o'clock on **August 04, 2009.**

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

HOUSE BILL 706
Committee Substitute Favorable 5/7/09
Committee Substitute #2 Favorable 5/12/09

Short Title: DMV Handicap Placard Enforcement. (Public)

Sponsors:

Referred to:

March 23, 2009

A BILL TO BE ENTITLED

AN ACT TO ENSURE THE ACCESSIBILITY OF HANDICAPPED PARKING IN NORTH CAROLINA BY REQUIRING AN EXPIRATION DATE VISIBLE FROM AT LEAST TWENTY FEET ON ALL HANDICAPPED PLACARDS, TO ENSURE INCREASED ENFORCEMENT AND COLLECTION OF EXPIRED OR REVOKED PLACARDS BY REQUIRING THAT PLACARDS DISPLAY THE MONTH AND YEAR OF EXPIRATION, TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO ISSUE HANDICAPPED PLACARD REGISTRATION CARDS, AND TO REQUIRE THAT THE PERSON TO WHOM THE PLACARD IS ISSUED BE THE OPERATOR OF OR A PASSENGER IN THE VEHICLE IN WHICH THE PLACARD IS DISPLAYED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-37.5(4) reads as rewritten:

"(4) "Removable windshield placard" means a two-sided, hooked placard which includes on each side:

a. The International Symbol of Access, which is at least three inches in height, centered on the placard, and is white on a blue shield;

b. An identification number;

c. An expiration ~~date; and~~ date that is visible from at least 20 feet, and the month and year of expiration; and

d. The seal or other identification of the issuing authority."

SECTION 2. G.S. 20-37.6(c) reads as rewritten:

"(c) Handicapped Drivers and Passengers; Distinguishing Placards. – A handicapped person may apply for the issuance of a removable windshield placard or a temporary removable windshield placard. Upon request, one additional placard may be issued to applicants who do not have a distinguishing license plate. Any organization which, as determined and certified by the State Vocational Rehabilitation Agency, regularly transports handicapped persons may also apply. These organizations may receive one removable windshield placard for each transporting vehicle. When the removable windshield or temporary removable windshield placard is properly displayed, all parking rights and privileges extended to vehicles displaying a distinguishing license plate issued pursuant to subsection (b) shall apply. The removable windshield placard or the temporary removable windshield placard shall be displayed so that it may be viewed from the front and rear of the vehicle by hanging it from the front windshield rearview mirror of a vehicle using a parking space allowed for handicapped persons. When there is no inside rearview mirror, or when the placard cannot reasonably be hung from the rearview mirror by the handicapped person, the placard shall be displayed on the driver's side of the dashboard. A removable windshield placard placed on a motorized wheelchair or similar

vehicle shall be displayed in a clearly visible location. The Division shall establish procedures for the issuance of the placards and may charge a fee sufficient to pay the actual cost of issuance, but in no event less than five dollars ($5.00) per placard. The Division shall issue a placard registration card with each placard issued to a handicapped person. The registration card shall bear the name of the person to whom the placard is issued, the person's address, the placard number, and an expiration date. The registration card shall be in the vehicle in which the placard is being used, and the person to whom the placard is issued shall be the operator or a passenger in the vehicle in which the placard is displayed."

SECTION 3. This act becomes effective January 1, 2010.

2010

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

2009 – 2010 SESSION

CHAIRS
Representative Nelson Cole
Representative Grier Martin

VICE CHAIRS
Representative Lorene Coates
Representative Chris Heagarty

STAFF
Ryan Blackledge
Amna Cameron
Mikael Gross
Karlynn O'Shaughnessy
Bob Weiss

COMMITTEE ASSISTANTS
Sylvia Hammons
Linda Laton

NORTH CAROLINA GENERAL ASSEMBLY
APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE
2009-2010 SESSION



Representative Cole
Chair



Representative Martin
Chair



Representative Heagarty
Vice Chair



Representative Coates
Vice Chair



Representative Current



Representative Parfitt



Representative Dockham



Representative Frye



Representative Gill



Representative Gillespie



Representative Gulley



Representative Iler



Representative Mackey



Representative McElraft



Representative Williams



Representative May

HOUSE APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION

MEMBER	ASSISTANT	PHONE	OFFICE
Rep. Cole	Linda Laton	733-5779	1218 LB
Rep. Martin	Sylvia Hammons	733-5758	2123 LB
Rep. Coates	Melissa Lennon	733-5784	633 LOB
Rep. Heagarty	Ruth Merkle	733-5602	2121 LB
Rep. Current	Wendy Miller	733-5809	418A LOB
Rep. Dockham	Regina Irwin	715-2526	1213 LB
Rep. Frye	Mary Hayes	733-5661	1019 LB
Rep. Gill	Valerie Rustin	733-5880	1305 B
Rep. Gillespie	Cindy Hobbs	733-5862	1008 LB
Rep. Gulley	Brian Lehrschall	733-5800	1313 LB
Rep. Iler	Carla Farmer	301-1450	306 A2
Rep. Mackey	John Montgomery	733-5606	403 LOB
Rep. May	Shara Graham	733-5860	536LOB
Rep. McElraft	Nancy Fox	733-6275	603 LOB
Rep. Diane Parfitt	Katie Landi	733-9892	2221 LB
Rep. Williams	Pam Evans	733-5906	637 LOB

ATTENDANCE

Joint Appropriations Subcommittee on Transportation

(Name of Committee)

DATES	February 24	April 12	May 24	May 26	May 27	June 16									
HOUSE															
Rep. Cole, Chair		X	X	X	X	X									
Rep. Martin, Chair			X	X	X	X									
Rep. Coates, Vice Chair		X	X	X	X	X									
Rep. Heagarty, Vice Chair		X	X	X	X	X									
Rep. Current		A	X	X	X										
Rep. Dockham		A	X	X	X	X									
Rep. Frye		X	X	X	X										
Rep. Gill		X	X	X	X	X									
Rep. Gillespie		X	X	X	X										
Rep. Gulley		X	X	X	X										
Rep. Iler		X	X	X	X										
Rep. Mackey															
Rep. McElraft			X		X										
Rep. Parfitt		X	X	X	X	X									
Rep. Williams			X	X	X	X									
Rep. May			X	X	X	X									
SENATE															
Sen. Boseman, Chair															
Sen. Goss, Chair		X	X			X									
Sen. Soles, Vice Chair															
Sen. Berger															
Sen. Brown															
Sen. Hunt															

Sen. Graham															
Sen. Jenkins						X									
Sen. Rucho															
Sen. Shaw															
Sen. Stein						X									
STAFF															
Bob Weiss				X	X										
Amna Cameron				X	X										
Karlynn O'Shaughnessy															
Mikael Gross															
Ryan Blackledge				X	X										
COMMITTEE ASSISTANT															
Linda Layton															
Sylvia Hammons				X	X										

Joint Appropriations Subcommittee

on

Transportation

The Joint Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met jointly with the Joint Appropriations Subcommittee on Education on Monday, April 12, 2010, at 2:00 P.M. Representative Nelson Cole, Chairman, presided. Joint Appropriations Subcommittee on Transportation House members attending included the following: Representative Lorene Coats, Vice Chairman; Representative Chris Heagarty, Vice Chairman; Representative Phillip Frye; Representative Mitch Gillespie; Representative Jim Gulley; Representative Rosa Gill; Representative Frank Iler; and Representative Diane Parfitt. Senate members attending included the following: Senator Steve Goss, Chairman; Senator Malcolm Graham, Chairman; Senator Harry Brown; Senator Larry Shaw; Senator Josh Stein; and Senator Bob Rucho. Representative William Current and Representative Jerry Dockham had excused absences. Staff members from the Fiscal Research Division were Mr. Mark Bondo and Mr. Brian Matteson.

Chairman Cole welcomed members and visitors. He stated that the purpose of the joint meeting with the Education Appropriations Subcommittee was to discuss issues related to the Driver's Education Program, currently funded from monies to the North Carolina Department of Public Instruction from the Department of Transportation. Under SB 202 – S. L. 2009-451 (the Budget Bill for FY 2009-2010), the $32.9 million appropriation was changed from recurring to non-recurring.

Chairman Cole called upon Ms. Paula Collins, Chief Health and Community Relations Officer of the Department of Public Instruction, who discussed the requirements and regulations for the Driver's Education Program under state law. [Exhibit A]

Following Ms. Collins' presentation, Chairman Cole called on Mr. Paul LeSieur, Director of School Business Services for the Department of Public Instruction, for a "Continuation Review Legislative Report on Public School Driver's Training." [Exhibit B] Mr. LeSieur's presentation included the following sections: Executive Summary, Program Overview, Program Review, Program Performance, Driving Eligibility, Recommendations, and a listing of the Driver's Education Expenditures by LEA.

Chairman Cole recognized Mr. Mark Bondo, of the North Carolina General Assembly's Fiscal Research Division, for a response to the presentations. [Exhibit C] Mr. Brian Mattheson, also of the Fiscal Research Division, added further information to the discussion. [Exhibit D]

Chairman Cole opened the meeting for questions and comments from members of both the Transportation and Education Appropriations subcommittees. Ms. Collins, Mr. LeSieur, Mr. Bondo, and Mr. Mattheson answered questions and clarified points for members. Senator Richard Stevens, a member of the Education Appropriations Subcommittee, distributed a sheet giving information about Driver Education Funding and how it had evolved from 1957. [Exhibit E]

Chairman Cole thanked members and guests for their attendance and participation and adjourned the meeting at 3:20 P.M.

Respectfully submitted,

Linda Laton, Committee Assistant

Representative Nelson Cole, Chairman

Joint Appropriation Subcommittees on Education, Justice and Public Safety, and Transportation

AGENDA

Monday, April 12, 2010 – 2:00 p.m.
Room 544, Legislative Office Building

2:00 p.m. **Continuation Review on Drivers Education**

- Welcome, Representative Cole and Representative Glazier
- Presentation
  - Ms. Paula Collins, Chief Health and Community Relations Officer, Department of Public Instruction
  - Paul LeSieur, Director, School Business Services, Department of Public Instruction
- Staff Response, Mark Bondo, Fiscal Research Division
- Committee Discussion

3:30 p.m. **Continuation Review on Prisoner Education Programs**

- Welcome, Representative Glazier and Representative Love
- Introduction, Andrea Poole, Fiscal Research Division
- Presentation
  - Opening Remarks
    - Dr. Saundra Wall Williams, Senior Vice President, Technology and Workforce Development, NC Community College System Office
    - Alvin W. Keller, Secretary, Department of Correction
  - Presentation
    - Dan Lilly, Chief of Program Services, Division of Prisons., Department of Correction
    - Tracy McPherson, Director, Public Safety Programs, NC Community College System Office
- Staff Response, Andrea Poole, Fiscal Research Division
- Committee Discussion

5:00 p.m. **Education Agencies' Budget Reduction Options**

- Welcome, Representative Glazier
- Presentation
  - Philip Price, Chief Financial Officer, Department of Public Instruction
  - Jeff Davies, Chief of Staff, UNC – General Administration
  - Dr. Scott Ralls, President, NC Community College System
- Committee Discussion

Exhibit A

§ 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. (1957, c. 682, s. 1; 1965, c. 410, s. 1; 1975, c. 431; c. 716, s. 5; 1977, c. 340, s. 4; c. 1002; 1983, c. 761, s. 141; 1985 (Reg. Sess., 1986), c. 982, s. 25; 1991, c. 689, s. 32(a); 1993 (Reg. Sess., 1994), c. 761, s. 7; 1997-16, s. 3; 1997-443, s. 32.20.)

Article 14.

Driver Education.

§ 115C-215. Instruction in driver training and safety education.

There shall be organized and administered under the general supervision of the Superintendent of Public Instruction a program of driver training and safety education in the public schools of this State, said courses to be noncredit courses taught by instructors who meet the requirements established by the State Board of Education. Instructors shall not be required to hold teacher certificates. (1953, c. 1196; 1955, c. 1372, art. 23, s. 4; 1959, c. 573, s. 16; 1981, c. 423, s. 1; 1991, c. 689, s. 32(b).)

§ 115C-216. Boards of education required to provide courses in operation of motor vehicles.

(a) Course of Training and Instruction Required in Public High Schools. – The State Board of Education and local boards of education are required to provide as a part of the program of the public high schools in this State a course of training and instruction in the operation of motor vehicles, in accordance with G.S. 20-88.1.

(b) Inclusion of Expense in Budget. – The local boards of education of every local school administrative unit are hereby authorized to include as an item of instructional service and as a part of the current expense fund of the budget of the several high schools under their supervision, the expense necessary to install and maintain such a course of training and instructing eligible persons in such schools in the operation of motor vehicles.

(c) to (f) Repealed by Session Laws 1991, c. 689, s. 32(c). (1955, c. 817; 1965, c. 397; 1981, c. 423, s. 1; 1991, c. 689, s. 32(c).)

§§ 115C-217 through 115C-221. Reserved for future codification purposes.

§ 20-11. Issuance of limited learner's permit and provisional drivers license to person who is less than 18 years old.

(a) Process. – Safe driving requires instruction in driving and experience. To ensure that a person who is less than 18 years old has both instruction and experience before obtaining a drivers license, driving privileges are granted first on a limited basis and are then expanded in accordance with the following process:

(1) Level 1. – Driving with a limited learner's permit.
(2) Level 2. – Driving with a limited provisional license.
(3) Level 3. – Driving with a full provisional license.

A permit or license issued under this section must have a color background or border that indicates the level of driving privileges granted by the permit or license.

(b) Level 1. – A person who is at least 15 years old but less than 18 years old may obtain a limited learner's permit if the person meets all of the following requirements:

(1) Passes a course of driver education prescribed in G.S. 20-88.1 or a course of driver instruction at a licensed commercial driver training school.
(2) Passes a written test administered by the Division.
(3) Has a driving eligibility certificate or a high school diploma or its equivalent.

(c) Level 1 Restrictions. – A limited learner's permit authorizes the permit holder to drive a specified type or class of motor vehicle only under the following conditions:

(1) The permit holder must be in possession of the permit.
(2) A supervising driver must be seated beside the permit holder in the front seat of the vehicle when it is in motion. No person other than the supervising driver can be in the front seat.
(3) For the first six months after issuance, the permit holder may drive only between the hours of 5:00 a.m. and 9:00 p.m.
(4) After the first six months after issuance, the permit holder may drive at any time.
(5) Every person occupying the vehicle being driven by the permit holder must have a safety belt properly fastened about his or her body, or be restrained by a child passenger restraint system as provided in G.S. 20-137.1(a), when the vehicle is in motion.
(6) The permit holder shall not use a mobile telephone or other additional technology associated with a mobile telephone while operating the motor vehicle on a public street or highway or public vehicular area.

(d) Level 2. – A person who is at least 16 years old but less than 18 years old may obtain a limited provisional license if the person meets all of the following requirements:

(1) Has held a limited learner's permit issued by the Division for at least 12 months.
(2) Has not been convicted of a motor vehicle moving violation or seat belt infraction or a violation of G.S. 20-137.3 during the preceding six months.
(3) Passes a road test administered by the Division.
(4) Has a driving eligibility certificate or a high school diploma or its equivalent.

(e) Level 2 Restrictions. – A limited provisional license authorizes the license holder to drive a specified type or class of motor vehicle only under the following conditions:

(1) The license holder shall be in possession of the license.

(2) The license holder may drive without supervision in any of the following circumstances:
   a. From 5:00 a.m. to 9:00 p.m.
   b. When driving to or from work.
   c. When driving to or from an activity of a volunteer fire department, volunteer rescue squad, or volunteer emergency medical service, if the driver is a member of the organization.

(3) The license holder may drive with supervision at any time. When the license holder is driving with supervision, the supervising driver shall be seated beside the license holder in the front seat of the vehicle when it is in motion. The supervising driver need not be the only other occupant of the front seat, but shall be the person seated next to the license holder.

(4) When the license holder is driving the vehicle and is not accompanied by the supervising driver, there may be no more than one passenger under 21 years of age in the vehicle. This limit does not apply to passengers who are members of the license holder's immediate family or whose primary residence is the same household as the license holder. However, if a family member or member of the same household as the license holder who is younger than 21 years of age is a passenger in the vehicle, no other passengers under 21 years of age, who are not members of the license holder's immediate family or members of the license holder's household, may be in the vehicle.

(5) Every person occupying the vehicle being driven by the license holder shall have a safety belt properly fastened about his or her body, or be restrained by a child passenger restraint system as provided in G.S. 20-137.1(a), when the vehicle is in motion.

(6) The license holder shall not use a mobile telephone or other additional technology associated with a mobile telephone while operating the vehicle on a public street or highway or public vehicular area.

(f) Level 3. – A person who is at least 16 years old but less than 18 years old may obtain a full provisional license if the person meets all of the following requirements:

(1) Has held a limited provisional license issued by the Division for at least six months.

(2) Has not been convicted of a motor vehicle moving violation or seat belt infraction or a violation of G.S. 20-137.3 during the preceding six months.

(3) Has a driving eligibility certificate or a high school diploma or its equivalent.

A person who meets these requirements may obtain a full provisional license by mail.

(g) Level 3 Restrictions. – The restrictions on Level 1 and Level 2 drivers concerning time of driving, supervision, and passenger limitations do not apply to a full provisional license. However, the prohibition against operating a motor vehicle while using a mobile telephone under G.S. 20-137.3(b) shall apply to a full provisional license.

(h) Exception for Persons 16 to 18 Who Have an Unrestricted Out-of-State License. – A person who is at least 16 years old but less than 18 years old, who was a resident of another state and has an unrestricted drivers license issued by that state, and who becomes a resident of this State may obtain one of the following upon the submission of a driving eligibility certificate or a high school diploma or its equivalent:

(1) A temporary permit, if the person has not completed a drivers education program that meets the requirements of the Superintendent of Public Instruction but is currently enrolled in a drivers education program that meets these requirements. A temporary permit is valid for the period specified in the permit and authorizes the holder of the permit to drive a specified type or class of motor vehicle when in possession of the permit, subject to any restrictions imposed by the Division concerning time of driving, supervision, and passenger limitations. The period must end within 10 days after the expected completion date of the drivers education program in which the applicant is enrolled.

(2) A full provisional license, if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction, has held the license issued by the other state for at least 12 months, and has not been convicted during the preceding six months of a motor vehicle moving violation, a seat belt infraction, or an offense committed in another jurisdiction that would be a motor vehicle moving violation or seat belt infraction if committed in this State.

(2a) A full provisional license, if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction, has held both a learner's permit and a restricted license from another state for at least six months each, the Commissioner finds that the requirements for the learner's permit and restricted license are comparable to the requirements for a learner's permit and restricted license in this State, and the person has not been convicted during the preceding six months of a motor vehicle moving violation, a seat belt infraction, or an offense committed in another jurisdiction that would be a moving violation or a seat belt infraction if committed in this State.

(3) A limited provisional license, if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction but either did not hold the license issued by the other state for at least 12 months or was convicted during the preceding six months of a motor vehicle moving violation, a seat belt infraction, or an offense committed in another jurisdiction that would be a motor vehicle moving violation or seat belt infraction if committed in this State.

(h1) Exception for Persons 16 to 18 Who Have an Out-of-State Restricted License. – A person who is at least 16 years old but less than 18 years old, who was a resident of another state and has a restricted drivers license issued by that state, and who becomes a resident of this State may obtain one of the following:

(1) A limited provisional license, if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction, held the restricted license issued by the other state for at least 12 months, and whose parent or guardian certifies that the person has not been convicted during the preceding six months of a motor vehicle moving violation, a seat belt infraction, or an offense committed in another jurisdiction that would be a motor vehicle moving violation or seat belt infraction if committed in this State.

(2) A limited learners permit, if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction but either did not hold the restricted license issued by the other state for at least 12 months or was convicted during the preceding six months of a motor vehicle moving violation, a seat belt infraction, or an offense committed in another jurisdiction that would be a motor vehicle moving violation or seat belt infraction if committed in this State. A person who qualifies for a limited learners permit under this subdivision and whose parent or guardian certifies that the person has not been convicted of a moving violation in the preceding six months shall be deemed to have held a limited learners permit in this State for each month the person held a restricted license in another state.

(h2) Exception for Persons Age 15 Who Have an Out-of-State Unrestricted or Restricted License. – A person who is age 15, who was a resident of another state, has an unrestricted or restricted drivers license issued by that state, and who becomes a resident of this State may obtain a limited learners permit if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction. A person who qualifies for a limited learners permit under this subsection and whose parent or guardian certifies that the person has not been convicted of a moving violation in the preceding six months shall be deemed to have held a limited learners permit in this State for each month the person held an unrestricted or restricted license in another state.

(h3) Exception for Persons Less Than Age 18 Who Have a Federally Issued Unrestricted or Restricted License. – A person who is less than age 18, who has an unrestricted or restricted drivers license issued by the federal government, and who becomes a resident of this State may obtain a limited provisional license or a provisional license if the person has completed a drivers education program substantially equivalent to the drivers education program that meets the requirements of the Superintendent of Public Instruction. A person who qualifies for a limited provisional license or a provisional license under this subsection and whose parent or guardian certifies that the person has not been convicted of a moving violation in the preceding six months shall be deemed to have held a limited provisional license or a provisional license in this State for each month the person held an unrestricted or restricted license issued by the federal government.

(i) Application. – An application for a permit or license authorized by this section must be signed by both the applicant and another person. That person must be:

(1) The applicant's parent or guardian;

(2) A person approved by the applicant's parent or guardian; or

(3) A person approved by the Division.

(j) Duration and Fee. – A limited learner's permit expires on the eighteenth birthday of the permit holder. A limited provisional license expires on the eighteenth birthday of the license holder. A limited learner's permit or limited provisional license issued under this section that expires on a weekend or State holiday shall remain valid through the fifth regular State business day following the date of expiration. A full provisional license expires on the date set under G.S. 20-7(f). The fee for a limited learner's permit or a limited provisional license is fifteen dollars ($15.00). The fee for a full provisional license is the amount set under G.S. 20-7(i).

(k) Supervising Driver. – A supervising driver shall be a parent, grandparent, or guardian of the permit holder or license holder or a responsible person approved by the parent

or guardian or the Division. A supervising driver shall be a licensed driver who has been licensed for at least five years. At least one supervising driver shall sign the application for a permit or license.

(l) Violations. – It is unlawful for the holder of a limited learner's permit, a temporary permit, or a limited provisional license to drive a motor vehicle in violation of the restrictions that apply to the permit or license. Failure to comply with a restriction concerning the time of driving or the presence of a supervising driver in the vehicle constitutes operating a motor vehicle without a license. Failure to comply with the restriction regarding the use of a mobile telephone while operating a motor vehicle is an infraction punishable by a fine of twenty-five dollars ($25.00). Failure to comply with any other restriction, including seating and passenger limitations, is an infraction punishable by a monetary penalty as provided in G.S. 20-176. Failure to comply with the provisions of subsections (e) and (g) of this section shall not constitute negligence per se or contributory negligence by the driver or passenger in any action for the recovery of damages arising out of the operation, ownership or maintenance of a motor vehicle. Any evidence of failure to comply with the provisions of subdivisions (1), (2), (3), (4), and (5) of subsection (e) of this section shall not be admissible in any criminal or civil trial, action, or proceeding except in an action based on a violation of this section. No drivers license points or insurance surcharge shall be assessed for failure to comply with seating and occupancy limitations in subsection (e) of this section. No drivers license points or insurance surcharge shall be assessed for failure to comply with subsection (e) or (g) of this section regarding the use of a mobile telephone while operating a motor vehicle.

(m) Insurance Status. – The holder of a limited learner's permit is not considered a licensed driver for the purpose of determining the inexperienced operator premium surcharge under automobile insurance policies.

(n) Driving Eligibility Certificate. – A person who desires to obtain a permit or license issued under this section must have a high school diploma or its equivalent or must have a driving eligibility certificate. A driving eligibility certificate must meet the following conditions:

(1) The person who is required to sign the certificate under subdivision (4) of this subsection must show that he or she has determined that one of the following requirements is met:
   a. The person is currently enrolled in school and is making progress toward obtaining a high school diploma or its equivalent.
   b. A substantial hardship would be placed on the person or the person's family if the person does not receive a certificate.
   c. The person cannot make progress toward obtaining a high school diploma or its equivalent.

(1a) The person who is required to sign the certificate under subdivision (4) of this subsection also must show that one of the following requirements is met:
   a. The person who seeks a permit or license issued under this section is not subject to subsection (n1) of this section.
   b. The person who seeks a permit or license issued under this section is subject to subsection (n1) of this section and is eligible for the certificate under that subsection.

(2) It must be on a form approved by the Division.

(3) It must be dated within 30 days of the date the person applies for a permit or license issuable under this section.

(4) It must be signed by the applicable person named below:

a. The principal, or the principal's designee, of the public school in which the person is enrolled.

b. The administrator, or the administrator's designee, of the nonpublic school in which the person is enrolled.

c. The person who provides the academic instruction in the home school in which the person is enrolled.

c1. The person who provides the academic instruction in the home in accordance with an educational program found by a court, prior to July 1, 1998, to comply with the compulsory attendance law.

d. The designee of the board of directors of the charter school in which the person is enrolled.

e. The president, or the president's designee, of the community college in which the person is enrolled.

Notwithstanding any other law, the decision concerning whether a driving eligibility certificate was properly issued or improperly denied shall be appealed only as provided under the rules adopted in accordance with G.S. 115C-12(28), 115D-5(a3), or 115C-566, whichever is applicable, and may not be appealed under this Chapter.

(n1) Lose Control; Lose License.

(1) The following definitions apply in this subsection:

a. Applicable State entity. – The State Board of Education for public schools and charter schools, the State Board of Community Colleges for community colleges, or the Secretary of Administration for nonpublic schools and home schools.

b. Certificate. – A driving eligibility certificate that meets the conditions of subsection (n) of this section.

c. Disciplinary action. – An expulsion, a suspension for more than 10 consecutive days, or an assignment to an alternative educational setting for more than 10 consecutive days.

d. Enumerated student conduct. – One of the following behaviors that results in disciplinary action:

1. The possession or sale of an alcoholic beverage or an illegal controlled substance on school property.

2. The bringing, possession, or use on school property of a weapon or firearm that resulted in disciplinary action under G.S. 115C-391(d1) or that could have resulted in that disciplinary action if the conduct had occurred in a public school.

3. The physical assault on a teacher or other school personnel on school property.

e. School. – A public school, charter school, community college, nonpublic school, or home school.

f. School administrator. – The person who is required to sign certificates under subdivision (4) of subsection (n) of this section.

g. School property. – The physical premises of the school, school buses or other vehicles under the school's control or contract and that are used to transport students, and school-sponsored curricular or

extracurricular activities that occur on or off the physical premises of the school.

h. Student. – A person who desires to obtain a permit or license issued under this section.

(2) Any student who was subject to disciplinary action for enumerated student conduct that occurred either after the first day of July before the school year in which the student enrolled in the eighth grade or after the student's fourteenth birthday, whichever event occurred first, is subject to this subsection.

(3) A student who is subject to this subsection is eligible for a certificate when the school administrator determines that the student has exhausted all administrative appeals connected to the disciplinary action and that one of the following conditions is met:

a. The enumerated student conduct occurred before the student reached the age of 15, and the student is now at least 16 years old.

b. The enumerated student conduct occurred after the student reached the age of 15, and it is at least one year after the date the student exhausted all administrative appeals connected to the disciplinary action.

c. The student needs the certificate in order to drive to and from school, a drug or alcohol treatment counseling program, as appropriate, or a mental health treatment program, and no other transportation is available.

(4) A student whose permit or license is denied or revoked due to ineligibility for a certificate under this subsection may otherwise be eligible for a certificate if, after six months from the date of the ineligibility, the school administrator determines that one of the following conditions is met:

a. The student has returned to school or has been placed in an alternative educational setting, and has displayed exemplary student behavior, as defined by the applicable State entity.

b. The disciplinary action was for the possession or sale of an alcoholic beverage or an illegal controlled substance on school property, and the student subsequently attended and successfully completed, as defined by the applicable State entity, a drug or alcohol treatment counseling program, as appropriate. (1935, c. 52, s. 6; 1953, c. 355; 1955, c. 1187, s. 8; 1963, c. 968, ss. 2, 2A; 1965, c. 410, s. 3; c. 1171; 1967, c. 694; 1969, c. 37; 1973, c. 191, ss. 1, 2; c. 664, ss. 1, 2; 1975, c. 79; c. 716, s. 5; 1979, c. 101; c. 667, ss. 15, 16, 41; 1981 (Reg. Sess., 1982), c. 1257, s. 2; 1989 (Reg. Sess., 1990), c. 1021, s. 11; 1991, c. 689, s. 326; 1993, c. 539, s. 319; 1994, Ex. Sess., c. 24, s. 14(c); 1997-16, s. 1; 1997-443, s. 32.20; 1997-507, s. 1; 1998-149, ss. 2.1, 2.2, 2.3, 2.4, 2.5; 1998-212, s. 9.21(c); 1999-243, ss. 1, 2; 1999-276, s. 1; 1999-387, s. 4; 1999-452, s. 9; 2001-194, s. 1; 2001-487, s. 51.5(a); 2002-73, ss. 1, 2; 2002-159, s. 30; 2005-276, s. 44.1(b); 2006-177, ss. 2-7.)

NORTH CAROLINA STATE BOARD OF EDUCATION
Policy Manual

Policy Identification
Priority: Globally Competitive Students
Category: Drivers Education
Policy ID Number: GCS-R-002

Policy Title: Policy regarding driver education policy as it relates to the instructional day and the SCS

Current Policy Date: 11/05/1998

Other Historical Information: Previous board dates: 04/04/1991

Statutory Reference:

Administrative Procedures Act (APA) Reference Number and Category:

Policy on Driver education as it Relates to the Instructional Day and the SCS.

1. Driver Education will not be part of the 5.5 hour instructional day.

2. Driver Education will be removed from the Standard Course of Study.

3. Driver training will be listed on Page 44 of the Basic Education Program booklet along with other activities which are a part of "school life," but not a part of the 5.5 hour instructional day which must be provided for each student.

4. Driver education shall not be included in any credit course which counts toward the state's 20-unit requirement for high school graduation.

NORTH CAROLINA STATE BOARD OF EDUCATION
Policy Manual

Policy Identification
Priority: Globally Competitive Students
Category: Drivers Education
Policy ID Number: GCS-R-003

Policy Title: 16 NCAC 6E.0302 Policy on non-certified driver training instructor

Current Policy Date: 11/05/1998

Other Historical Information: Previous board dates: 11/07/1991, 03/01/1992

Statutory Reference:

Administrative Procedures Act (APA) Reference Number and Category: 16 NCAC 6E .0302

.0302 NON-CERTIFIED INSTRUCTOR STATUS

To qualify for non-certified instructor status, a person must, as a minimum:

(1) be at least 21 years of age and have graduated from high school or hold a high school equivalency certificate;

(2) be of good moral character;

(3) not have had convictions of moving violations totaling seven or more points in the three years preceding the date of application;

(4) have at least four years' experience as a licensed operator of a motor vehicle;

(5) not have had a revocation or suspension of his or her driver's license in the four years immediately preceding the date of application; and

(6) have completed the licensed instructor course offered through the community college system and approved by the Department and the Division of Motor Vehicles.

NORTH CAROLINA STATE BOARD OF EDUCATION
Policy Manual

Policy Identification
Priority: Globally Competitive Students
Category: Drivers Education
Policy ID Number: GCS-R-004

Policy Title: 16 NCAC 6E.0301 Policy delineating driver training requirements

Current Policy Date: 03/01/2001

Other Historical Information: Previous board dates: 11/07/1991, 05/07/1998, 05/06/1999, 01/13/2000

Statutory Reference:

Administrative Procedures Act (APA) Reference Number and Category: 16 NCAC 6E .0301

This policy is currently in effect as the result of a temporary amendment. The temporary amendment is proposed to become permanent July 1, 2002.

.0301 DRIVERS TRAINING

(a) In discharging their duty to provide a course of training and instruction in the operation of motor vehicles as set forth in G.S. 115C-216, local boards of education shall provide a program which meets the following standards and requirements:

(1) Enrollment in the program will be limited to students meeting the criteria established by G.S. 20-88.1;

(2) The program will be free of charge to eligible students;

(3) Enrollees must obtain either a temporary learner's permit or a restricted instruction permit before they begin behind-the-wheel instruction.

(4) Classroom instruction will consist of at least 30 clock hours of instruction in the topics previously listed in the Healthful Living section of the Teacher Handbook. Beginning in school year 1992-93, students may take and pass a proficiency examination developed or designated by the Department of Public Instruction to waive the classroom instruction. Each student must complete a minimum of 6 hours of behind-the-wheel instruction.

(5) The program will be reasonably available on a year-round basis to all eligible persons.

(6) The local board of education will determine class size restrictions, but may not allow instruction in the car to less than two nor more than four students.

(7) The local board of education will determine the amount of instruction per day for classroom or in-car instruction or a combination of both.

(8) The local board of education will issue a certificate to students who satisfactorily complete the prescribed course.

(9) Driver education instructors most possess a valid North Carolina driver's license and must have a driving record acceptable to the local board of education. In addition, instructors hired for driver education shall either:

(A) hold a driver education certificate issued by the SBE; or

(B) have non-certified status according to minimum standards established by Rule .0302 of this Section.

(10) Except as previously allowed by the SBE, the program shall not be provided during the regular instructional day.

(b) Two or more local boards of education may jointly operate a program under a written agreement meeting the requirements of G.S. 160A-460 et. seq. The agreement shall provide for one local board of education to assume administrative responsibility for the program.

(c) For purposes of G.S. 20-11, G.S. 20-13.2(c1), and G.S. 115C-12(28), the following definitions shall apply:

(1) "High school diploma or its equivalent" means and includes the General Equivalency Diploma (G.E.D.) and the adult high school diploma.

(2) "Making progress toward obtaining a high school diploma," means that the student must pass at least seventy percent (70%) of the maximum of possible courses each semester and meet promotion standards established by the LEA.

(3) "Substantial hardship" means a demonstrable burden on the student or the student's family as evidenced by circumstances such as the following:

(A) The parent is unable to drive due to sickness or other impairment and the student is the only person of driving age in the household.

(B) The student requires transportation to and from a job that is necessary to the welfare of the student's family and the student is unable to obtain transportation by any means other than driving.

(C) The student has been unable to attend school due to documented medical reasons, but the student is demonstrating the ability to maintain progress toward obtaining a high school diploma.

(4) A "student who cannot make progress toward obtaining a high school diploma or its equivalent" shall mean a student who has been identified by the principal or principal's designee, together with the IEP committee or the school's student assistance team, as not having the capacity to meet the requirements for a high school diploma or its equivalent due to a disability.

(5) "Exemplary behavior" shall mean that a student whose operator's permit or license has been revoked pursuant to G.S. 20-13.2(c1) and who has returned to school has, since returning to school, (i) had no additional incidents of misconduct for which expulsion, suspension, or assignment to an alternative educational setting is required; or (ii) had no violations of local school board policies such as attendance, dress codes, or other behaviors that may result in disciplinary action against the student.

(6) "Successful completion of a treatment counseling program" shall mean completion of a minimum of 12 hours of drug or alcohol treatment, counseling, a mental health treatment program, or other intervention program required by the LEA.

(d) Each LEA shall determine the process by which decisions concerning the issuance of a driving eligibility certificate shall be appealed.

(e) The principal of a high school or the principal's designee shall notify the Division of Motor Vehicles whenever a student is no longer making progress toward obtaining a high school diploma or its equivalent or when the student has dropped out of school.

(f) Each charter school, non-public school accredited by the SBE, and community college shall designate an official who shall notify the Division of Motor Vehicles whenever a student is no longer making progress toward obtaining a high school diploma.

Exhibit B

PUBLIC SCHOOLS OF NORTH CAROLINA
DEPARTMENT OF PUBLIC INSTRUCTION | June St. Clair Atkinson, Ed.D., *State Superintendent*
WWW.NCPUBLICSCHOOLS.ORG

North Carolina Department of Public Instruction
CONTINUATION REVIEW LEGISLATIVE REPORT
ON PUBLIC SCHOOL DRIVER'S TRAINING

MARCH 1, 2010

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EXECUTIVE SUMMARY

The guiding mission of the North Carolina State Board of Education is that every public school student will graduate from high school, globally competitive for work and postsecondary education and prepared for life in the 21st Century. The North Carolina Department of Public Instruction is the agency charged with implementing the state's public school laws and the State Board of Education's policies and procedures governing pre-kindergarten through 12th grade public education. The elected State Superintendent of Public Instruction heads the Department and functions under the policy direction of the State Board of Education.

The agency provides leadership and service to local public school districts and schools in the areas of curriculum and instruction, accountability, finance, teacher and administrator preparation and licensing, professional development and school business support and operations.

The Department of Public Instruction (DPI) developed the ***Standard Course of Study*** which describes the subjects and course content that should be taught in North Carolina public schools and develops the assessments and accountability model used to evaluate school and district success.

The DPI administers annual public school funds totaling approximately $8 billion in state and federal funds and licenses the approximately 120,000 teachers and administrators serving in public schools.

In November 2009, the Fiscal Research Division notified the Department of Public Instruction that the Driver's Education program had been identified for a Continuation Study by the Legislature. The DPI Legislative Liaison, the DPI Staff Attorney and staff from the Finance Division and Healthy Schools Section worked collaboratively to compile information and responses to questions required in the Continuation Report template. In compiling this information, staff identified and reviewed relevant statutes and State Board of Education (SBE) policies regarding the role and responsibility of DPI for the Driver's Education program. Staff also reviewed process and procedures applied by DPI to administer the Driver's Education program.

The Department of Public Instruction is required to administer a Driver's Education program through the Public Schools of North Carolina. The North Carolina General Assembly allocates funds to the North Carolina Department of Transportation (NCDOT) to provide Driver's Education programs across the state. The Department of Transportation annually provides funds to the Department of Public Instruction for the purpose of supporting Driver's Education in the public schools. The Finance Division at DPI allocates funds for Driver's Education to each Local Education Agency (LEA) based on an Average Daily Membership (ADM) basis for ninth grade (LEA, charter and private school) students. Each LEA is responsible for operating and providing Driver's Education instruction for qualified students at the local level. The LEAs are responsible for managing the funds allocated for Driver's Education and unexpended funds revert to DPI at the end of the fiscal year. LEAs are also responsible for the distribution and management of Driver Eligibility Certificates (DEC) for students that successfully complete Driver's Education through the public schools. The DECs are acquired by DPI and distributed to the LEAs based on the estimated number of students that complete Driver's Education in the LEA. The LEA is responsible for reporting to the Division of Motor Vehicles (DMV) when a student fails to meet the DEC retention requirements.

The Healthy Schools Section of DPI provides limited technical assistance for Driver's Education. Typically this technical assistance consists of answering questions of parents, guardians and students

regarding Driver's Education procedures and how to resolve individual problems associated with the Driver Eligibility Certificates. In most cases the questions and requests received by DPI are best answered and resolved by DMV or at the LEA level. The Healthy Schools Section works closely with the DMV, LEAs and individual schools to ensure effective communication and resolution of Driver's Education questions. The Healthy Schools Section also coordinates the acquisition of the DECs and distributes the DECs to LEAs. However, DPI plays no role in the issuance or revocation of the DECs. Those functions are local responsibilities.

The findings suggest that state funded driver's training is a valuable service to the citizens of North Carolina and that the North Carolina Department of Public Instruction should remain as fiscal agent. It is also recommended that a portion of the funds allocated for Driver's Education programs in the public schools be used for a part-time contractor to monitor and assess Driver's Education programs in public schools. Further, it is recommended that the Driver Eligibility Certification process be reviewed to determine its efficacy and benefit.

PROGRAM OVERVIEW

As per G.S.§ 20-11, a person less than 18 years old seeking a North Carolina drivers license must demonstrate acquisition and application of knowledge and experience in operating a motor vehicle in order to demonstrate proficiency as a safe driver. This may be obtained by meeting the criteria to be awarded either a Level 1 limited learner's permit, a Level 2 limited provisional license, or a Level 3 full provisional license.

In North Carolina, those persons who are at least 15 years of age but less than 18 years of age may obtain a Level 1 limited learner's permit if the following criteria have been met:

- successful completion of a course of driver's education delivered through the local public school system or via a Department of Transportation-Division of Motor Vehicle (DOT-DMV) licensed commercial driving school,
- pass a written test administered by the DOT-DMV,
- obtain a driving eligibility certificate issued by the local public school system (for public school students or out-of-state students who are NC residents), the local community college system (for GED-Basic Skills candidates), or the Division of Non Public Education (for private, private online, or home school students).

Those persons at least 16 years of age but less than 18 years of age may obtain a Level 2 limited provisional license if the following criteria have been met:

- held a Level 1 limited learner's permit issued by DOT-DMV for at least 12 months,
- not convicted of a motor vehicle moving violation, seat belt infraction, or use of a mobile phone as per G.S.§ 20-137.3 during the prior six months,
- pass a road test administered by the DOT-DMV,
- has a driving eligibility certificate.

Those persons who are at least 16 years of age but less than 18 years of age may obtain a Level 3 full provisional license if the following criteria have been met:

- held a Level 2 limited provisional license issued by DOT-DMV for at least six months,
- have not been convicted of a moving violation, seat belt infraction, or use of a mobile phone as per G.S.§ 20-137.3 during the preceding six months,
- has a driving eligibility certificate.

For Level 1 and Level 2 drivers there are time of driving, supervising driver, and passenger limitations that do not apply to Level 3 drivers.

In order to obtain a Level 1 limited learner's permit young drivers in North Carolina must successfully pass a driver training program. The driver training program may be delivered privately via DOT-DMV authorized commercial driving schools or via the public school system.

PROGRAM REVIEW

As per G.S.§ 20-88.1, 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 no charge 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 [driver training] 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 Department of Public Instruction's objective is to provide ongoing technical assistance to all local public school systems to ensure funding allocations, legislative guidelines, and state policies are applied to the administration and delivery of the driver training program among North Carolina's 115 local public school systems (LEAs).

The Department of Public Instruction, acting under the authority of the State Board of Education and the State Superintendent of Public Instruction, serves as the fiscal agent for the driver training program delivered via the 115 public school systems within the state. As per statute, each local public school system determines how the driver training program is delivered outside the 5.5 hour instructional school day via the local public high schools within its jurisdiction.

As per G.S.§ 115C-216 as well as 16 NCAC 06E .0301 it is the local school systems, as directed by their local boards of education, that are required to provide courses in the operation of motor vehicles. As outlined below:

- the State Board of Education and local boards of education are required to provide as a part of the program of the public high schools in this state a course of training and instruction in the operation of motor vehicles, in accordance with G.S.§ 20-88.1.
- the local boards of education of every local school administrative unit are hereby authorized to include as an item of instructional service and as a part of the current expense fund of the budget of the several high schools under their supervision, the expense necessary to install and maintain such a course of training and instructing eligible persons in such schools in the operation of motor vehicles.

The driver education program must include:

- instruction on the rights and privileges of the handicapped and the signs and symbols used to assist the handicapped relative to motor vehicles,
- at least six hours of instruction on the offense of driving while impaired and related subjects,
- 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.

The minimum standards for driver's training as outlined by 16 NCAC 06E.0301 and State Board of Education policy GCS-R-004 include:

- principals shall enroll students who meet the criteria established by G.S.§ 20-88.1,
- the program will be free of charge to eligible students,
- enrollees must obtain either a temporary learner's permit or a restricted instruction permit before they begin behind-the-wheel instruction.
- classroom instruction will consist of at least 30 clock hours of instruction.
- beginning in school year 1992-93, students may take and pass a proficiency examination developed or designated by the Department of Public Instruction to waive the classroom instruction.
- each student must complete a minimum of six (6) hours of behind-the-wheel instruction.
- the program will be reasonably available on a year-round basis to all eligible persons.
- the local board of education will determine class size restrictions, but may not allow instruction in the car to less than two nor more than four students.
- the local board of education will determine the amount of instruction per day for classroom or in-car instruction or a combination of both.
- the local board of education will issue a certificate to students who satisfactorily complete the prescribed course.
- driver education instructors must possess a valid North Carolina driver's license and must have a driving record acceptable to the local board of education.

Local school systems as per 16NCAC 06E.0303 may choose to contract with commercial driving schools to deliver driver training to the eligible students within that local public school system. It is the DOT-DMV that trains, supervises, and monitors the commercial driving schools within North Carolina.

Local school systems as per 16 NCAC 06E.0301 (9) (A) may choose to hire itinerant teachers to deliver the driver training program. Currently there are no driver training or driver education university degree programs toward a Driver's Education teacher license area operating within North Carolina. However, East Carolina University through the *University of North Carolina Online* program does offer a *Driver Education and Safety* program which would qualify existing North Carolina licensed school teachers to add Driver Education as a designated teaching area to their existing North Carolina teacher license. Moreover, the Department of Public Instruction does recognize those out-of-state teachers relocating to North Carolina who may have Driver Education on their out-of-state teaching license.

Furthermore, as per 16NCAC 06E.0301 (b) two or more local school boards may choose to jointly operate a driver training program to serve students within both local school systems. In this case, one local school system is designated with the administrative responsibility for operating the driver training program.

Public school systems are also expected to adhere to all State Board of Education policies related to driver training. State Board of Education policy GCS-R-002 states:

- driver education will not be part of the 5.5 hour instructional day,
- driver education will be removed from the *Standard Course of Study*,
- driver training will be listed along with other activities which are part of "school life" but not part of the 5.5 hour instructional day which must be provided to each student,

- driver education shall not be included in any credit course that counts toward the state requirements for high school graduation.

As per State Board of Education policy, GCS-R-004, each of the 115 local public school boards is charged with providing and monitoring their local driver training programs to ensure all legislative criteria and policies are met. Whether delivered by commercial driving school instructors or itinerant teachers, the driver training programs delivered via the local public school systems may exceed all legislatively mandated minimum requirements for driver training. Therefore the mechanism by which the driver training program is delivered via the public schools as well as what is contained within the driver training program varies from LEA to LEA. Annual fiscal reports to the Department of Public Instruction illustrate how LEAs expend the driver's training allocation.

PROGRAM PERFORMANCE

Each year based upon the ninth grade daily attendance of public school students, also known as Average Daily Membership or (ADM), as well as the private school students, charter school students, and federal school students within the local public school systems' jurisdiction, the Financial and Business Services Division within the Department of Public Instruction releases funds from the annual allocation received from the North Carolina Highway fund as per G.S.§ 20-88.1(c) for local school systems to operate the driver's training program.

For the 2009-10 school year, the annual allocation per ninth grade ADM is $238.04. This funding allows, as per G.S.§ 20-88.1, G.S.§ 115C-216 and 16NCAC 06E.0301, local public school systems under the direction of local school boards to deliver a program of driver's training to all qualified students in North Carolina. All 115 local public school systems whether county or city school systems, offer driver's training.

In 2003, the Department of Public Instruction studied the privatization of driver training in the state and reported out to the Joint Legislative Oversight Committee and the Joint Legislative Transportation Oversight Committee. Staff analyzed data and discussions with local education agencies as well as private driver education programs to determine the utilization of driver education funding. The results indicated that no conclusions could be made to ensure cost reductions would be realized by privatizing the driver training program across the state. Moreover, significant savings were found by those local school systems operating programs locally as well as those contracting portions (classroom and driving) of the driver training program. Therefore, the recommendation was that privatization of the driver training program should continue to be a local decision by each local education agency (LEA). The State Board of Education and the Department of Public Instruction continue to encourage local school systems to identify and apply the most economically feasible means of operating the local driver training programs.

Driver's Training (PRC 012)

History of Appropriations and Unexpended Funds

Year	Amount	Unexpended
2004-05	$ 31,939,945	$ 1,806,917
2005-06	31,984,826	1,780,950
2006-07	32,985,745	1,833,006
2007-08	33,507,876	1,359,492
2008-09	34,286,309	2,526,695
2009-10	32,899,993	

Funds are transferred from the Highway Fund once a month.

DRIVER ELIGIBILITY

Beyond successful completion of driver training, eligible students in North Carolina must also be in good academic standing and free from any enumerated student conduct that may result in disciplinary action. Whether public school, private school, home school, community college-GED candidate, or out-of-state student; all minors seeking driving privileges in North Carolina must qualify for and maintain the standards established for driving eligibility.

If the student has met criteria, a driving eligibility certificate (DEC) as per G.S.§ 20-11(n1) is issued upon successful completion of a driver training program (whether completed via the local public schools or via a commercial driver training program) by the local private school, public school, home school, or community college-GED program. Students then present a paper DEC to the local DMV office to verify the eligibility status which is monitored by a DOT-DMV statewide electronic system known as SADLS. The cost of the paper DECs exceeds $25,000 per year. This does not include personnel time at the state and local level.

A student's DEC status is reviewed each semester by the school of record to ensure the student matriculating toward a North Carolina high school diploma or its equivalent is in good academic standing; which is defined by North Carolina Administrative Code, 16 NCAC 06E .0301 as 70% academic success per semester and meeting promotion standards established by the local school system. Although out-of-state students may receive a DEC from their school system of residence, no known DEC revocation and reporting procedures to DOT-DMV exists for out-of-state students.

A driving eligibility certificate may be revoked each semester a North Carolina student falls below the 70% academic success and promotion standards established by each private school, public school, home school, or community college-Basic Skills program. Also, the DEC may be revoked at any time if a North Carolina private school, public school, home school, or community college-Basic Skills student engages in any behaviors that result in disciplinary actions, school suspension, or expulsion including any actions as defined by G.S.§ 20-11(n1) such as: physical assault, bringing, possessing or using a weapon or firearm, or possession or sale of an alcoholic beverage or illegal controlled substance. Each education agency whether private school (including home school), public school, or community college-Basic Skills, uses the SADLS electronic process to notify DOT-DMV that driving privileges have been suspended. However, the DOT-DMV SADLS coding does not distinguish academic failure per semester from high school withdrawal (dropout).

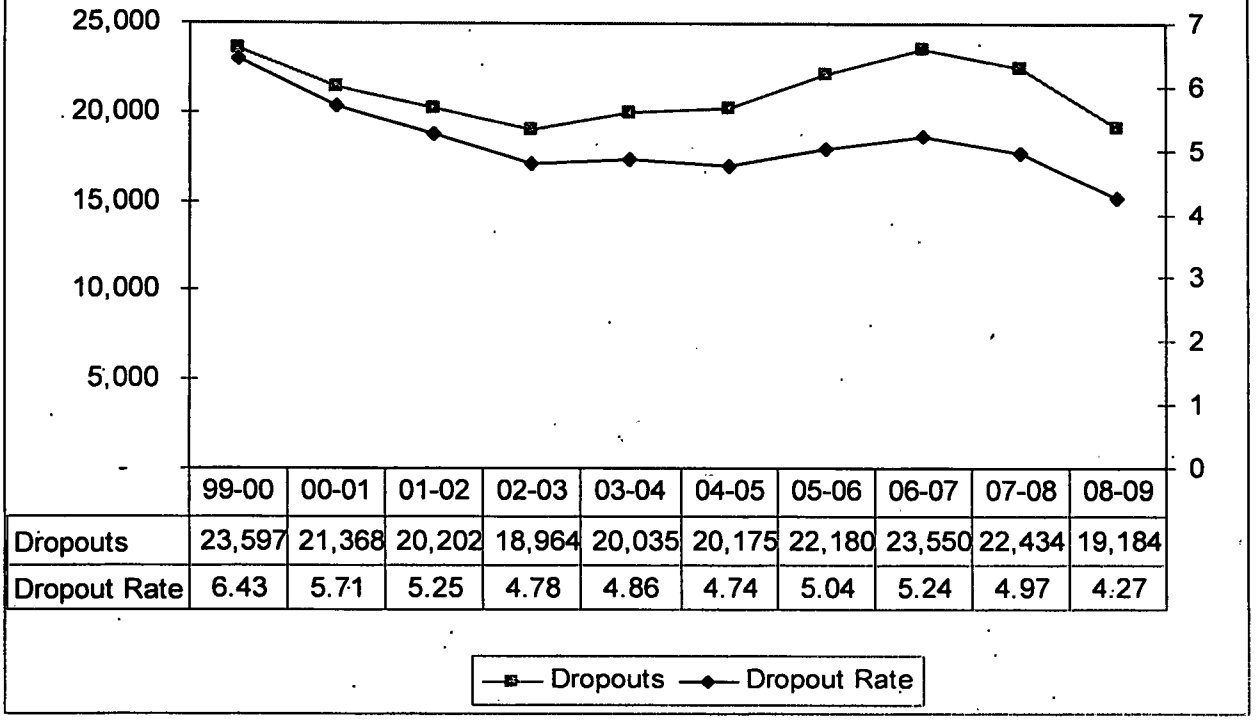
Specific criteria exist for students and their parents/guardians to have the driving eligibility certificate reinstated. The criteria may vary depending upon how the North Carolina private school, public school, home school, or community college-Basic Skills program, establishes its criteria for promotion standards. Schools outside of North Carolina are not expected to meet North Carolina promotion standards. No mechanism exists to report to DOT-DMV on students attending school outside of North Carolina.

Only those persons under age 18 seeking driving privileges with either a North Carolina learner's permit or provisional driver's license are subject to the driving eligibility certificate criteria. However, it should be noted that in some cases driving privileges could be revoked beyond age 18. If the matriculating student is 18 years of age and engages in any behaviors highlighted above, the revocation can be one year in which case the person could be 19 years of age before their North Carolina driving privileges are restored.

It should be noted that the six months of driving experience required for minors to move from a Level 1 limited learner's permit, from a Level 2 limited provisional license, and from Level 3 full provisional license are suspended when a driving eligibility certificate and therefore driving privileges are revoked.

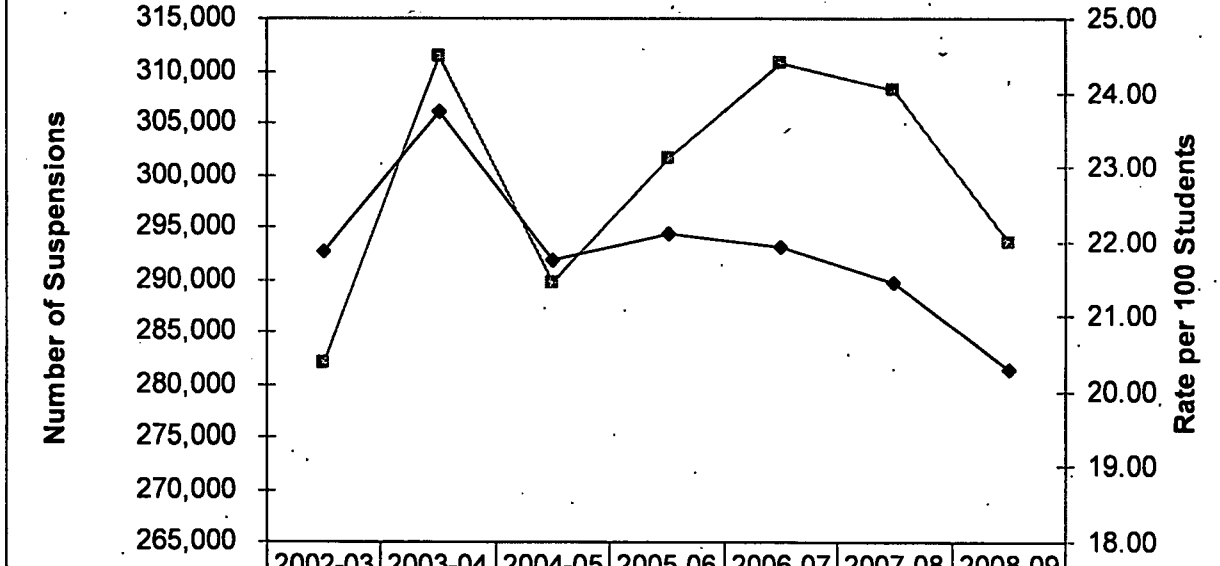
Initially the Driving Eligibility Certificate process was established as an incentive to minors to remain in school and work toward a high school diploma or its equivalent. However, driving privileges are not an incentive for every student. As multiple measures are used throughout the state to reduce high school dropout rates, data to support the efficacy of the DEC process as an incentive to reduce dropout rates and enumerated student conduct is inconclusive.

Dropouts and Dropout Rates 1999-2000 to 2008-2009



	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Dropouts	23,597	21,368	20,202	18,964	20,035	20,175	22,180	23,550	22,434	19,184
Dropout Rate	6.43	5.71	5.25	4.78	4.86	4.74	5.04	5.24	4.97	4.27

Short-Term Suspensions



	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Number	282,059	311,446	289,752	301,693	310,744	308,107	293,453
Rate	21.87	23.75	21.75	22.12	21.92	21.45	20.30

RECOMMENDATIONS

The criteria to obtain a Level 1, Level 2, or Level 3 learner's permit authorized and issued by the Department of Transportation, Division of Motor Vehicles (DOT-DMV), reflects the research-based best practice for reducing motor vehicle crash rates known as Graduated Driver's Licensing (GDL). Although there is limited to no research to support the efficacy of driver's training in reducing motor vehicle crash rates among young drivers, there is empirical evidence to support the efficacy of GDL programs in reducing motor vehicle crash rates; still the leading cause of death for Americans ages birth to 44.

Empirical evidence, as well as, the National Health Education Standards support Health Education instruction in the core health concepts, functional health knowledge, and essential health skills. When this instruction is delivered at every grade level, as outlined by the *North Carolina Standard Course of Study*, behavioral risks associated with motor vehicle car crashes can be reduced or eliminated.

State Board of Education policy, GCS-N-004 requires all North Carolina students to successfully complete one high school semester of course work in Health Education in order to receive a North Carolina high school diploma.

Therefore, it is recommended that State Board of Education policy GCS-R-002 stand in that driver training remain outside the *Standard Course of Study* and outside the 5.5 hour instructional day.

Findings of a 2003 fiscal review indicated cost savings when LEAs were authorized to choose the most economical and efficient means to operate a local driver training program. Whether contracting all or in part of the instruction with a DOT-DMV authorized commercial driving school or delivering instruction outside the instructional day with contracted personnel; significant cost savings exist when LEAs operate the program locally. Moreover, discontinuation of the Highway Funds which support driver training delivered via the public school systems in North Carolina could place an undue burden on parents/guardians especially during this current economic climate.

Therefore, it is recommended that the State Superintendent of Public Instruction as per G.S.§ 20-88.1, continue to administer driver's training delivered via the public schools with the Department of Public Instruction serving as fiscal agent. Moreover, it is recommended the Department of Public Instruction, through part-time contractual services, establish a process for monitoring local driver's training programs delivered via the local public school systems.

Initially, the Driving Eligibility Certificate process was established as an incentive for students to remain in school with appropriate behavior and work toward a high school diploma or its equivalent. However, a comprehensive statewide study, as reported to the Joint Legislative Education Oversight Committee in November 2002, indicated no conclusions could be made to support the DEC process in reducing dropout rates in the state. Moreover, anecdotal data from multiple state and local agencies have reported unintended consequences that impact North Carolina children and families as a result of this initiative.

Therefore, it is recommended a legislative review of the existing Driving Eligibility Certificate (DEC) process take place to determine the efficacy and efficiency of this multi agency initiative and its impact on school districts and students as related to dropout rates.

Finally, it should be noted that ongoing collaborations are essential for the consistent application of driver training-related legislation and policies throughout the state. At the state level this collaboration includes the Department of

Public Instruction, the Department of Transportation-Division of Motor Vehicles, the Division of Non Public Education, and the North Carolina Community College System. Locally, collaborations should include local public school systems, local community colleges, local private schools, and their regional offices for the Division of Motor Vehicles.

LEA	LEA Name	(CP)	Allotment	Salaries and Benefits	Contracted Services	Vehicles	Maintenance and Insurance	Instructional Supplies & Other Expenses	Total	Unexpended (Dollar)	Unexpended (Percent)
010	Alamance-Burlington Schools	4	$583,815.00	$70,864.01	$284,128.61	$112,890.00	$3,104.66	$62,343.31	$533,330.59	$50,484.41	8.65%
020	Alexander County Schools	1	119,221.00	99,860.24	149.40	-	8,852.98	465.04	109,327.66	9,893.34	8.30%
030	Alleghany County Schools	1	33,677.00	23,902.21	602.48	-	1,762.48	183.56	26,450.73	7,226.27	21.46%
040	Anson County Schools	1	93,656.00	71,674.12	320.85	-	7,107.98	762.05	79,865.00	13,791.00	14.73%
050	Ashe County Schools	1	65,633.00	49,687.77	-	7,319.00	7,454.75	1,171.48	65,633.00	-	0.00%
060	Avery County Schools	1	64,488.00	60,791.47	295.75	-	2,497.32	852.34	64,436.88	51.12	0.08%
070	Beaufort County Schools	3	199,358.00	16,841.44	70,268.44	28,292.26	13,308.50	39,274.70	167,985.34	31,372.66	15.74%
080	Bertie County Schools	1	85,790.00	-	51,930.00	-	-	26,661.93	78,591.93	7,198.07	8.39%
090	Bladen County Schools	1	115,780.00	108,521.00	-	-	7,228.45	23.35	115,772.80	7.20	0.01%
100	Brunswick County Schools	3	214,047.00	-	209,643.35	-	-	4,392.47	214,035.82	11.18	0.01%
110	Buncombe County Schools	4	650,790.00	- -	546,247.00	90,289.80	582.12	11,161.57	648,280.49	2,509.51	0.39%
111	Asheville City Schools	3	101,031.00	-	91,075.00	-	-	5,487.60	96,562.60	4,468.40	4.42%
120	Burke County Schools	1	293,014.00	241,396.24	3,986.29	17,497.46	22,006.71	1,021.63	285,908.33	7,105.67	2.43%
130	Cabarrus County Schools	4	669,605.00	525,346.42	1,947.88	-	79,409.20	(704.89)	605,998.61	63,606.39	9.50%
132	Kannapolis City Schools	1	117,501.00	102,014.11	250.00	-	8,840.46	215.83	111,320.40	6,180.60	5.26%
140	Caldwell County Schools	3	302,355.00	-	302,355.00	-	-	-	302,355.00	-	0.00%
150	Camden County Schools	3	37,610.00	-	29,120.00	-	-	-	29,120.00	8,490.00	22.57%
160	Carteret County Schools	4	194,195.00	77,395.42	101,760.00	-	-	7,555.61	186,711.03	7,483.97	3.85%
170	Caswell County Schools	4	75,712.00	33,531.62	30,065.76	5,890.81	5,400.12	284.43	75,172.74	539.26	0.71%
180	Catawba County Schools	1	389,374.00	331,762.29	-	(5,646.75)	37,822.50	56.24	363,994.28	-25,379.72	6.52%
181	Hickory City Schools	3	89,383.00	-	72,482.14	-	5,506.31	-	77,988.45	11,394.55	12.75%
182	Newton-Conover City Schools	1	58,013.00	50,089.29	-	-	6,208.32	773.97	57,071.58	941.42	1.62%
190	Chatham County Schools	1	188,296.00	138,857.43	-	-	19,982.44	430.00	159,269.87	29,026.13	15.42%

PRC 012 - Drivers Education Expenditures by LEA (FY2009)

Appendix

LEA	LEA Name	(CP)	Allotment	Salaries and Benefits	Contracted Services	Vehicles	Maintenance and Insurance	Instructional Supplies & Other Expenses	Total	Unexpended (Dollar)	Unexpended (Percent)
200	Cherokee County Schools	1	83,086.00	81,177.31	-	-	-	212.35	81,389.66	1,696.34	2.04%
210	Edenton-Chowan County Schools	1	85,366.00	80,992.94	286.97	-	2,480.40	125.43	83,885.74	1,480.26	1.73%
220	Clay County Schools	1	58,019.00	57,994.71	-	-	-	-	57,994.71	24.29	0.04%
230	Cleveland County Schools	1	437,308.00	312,151.38	1,098.01	35,775.03	38,926.90	5,557.12	393,508.44	43,799.56	10.02%
240	Columbus County Schools	4	182,328.00	86,970.74	95,170.00	-	-	186.81	182,327.55	0.45	0.00%
241	Whiteville City Schools	3	58,750.00	31,614.59	21,720.00	-	-	-	53,334.59	5,415.41	9.22%
250	Craven County Schools	1	364,301.00	219,791.68	49,986.00	472.05	10,925.17	7,362.65	288,537.55	75,763.45	20.80%
260	Cumberland County Schools	1	1,260,304.00	1,020,823.95	6,945.05	60,390.24	110,127.50	57,422.63	1,255,709.37	4,594.63	0.36%
270	Currituck County Schools	1	76,198.00	13,084.28	55,395.00	-	(71.11)	595.62	69,003.79	7,194.21	9.44%
280	Dare County Schools	3	91,444.00	-	81,960.00	-	-	-	81,960.00	9,484.00	10.37%
290	Davidson County Schools	1	462,136.00	359,843.43	609.83	53,151.23	31,831.76	7,257.91	452,694.16	9,441.84	2.04%
291	Lexington City Schools	4	82,349.00	423.84	32,903.35	17,231.72	11,709.72	14,097.33	76,365.96	5,983.04	7.27%
292	Thomasville City Schools	1	64,404.00	31,953.59	-	928.05	1,892.26	8.01	34,781.91	29,622.09	45.99%
300	Davie County Schools	1	140,607.00	101,261.35	341.00	16,040.48	7,803.38	378.98	125,825.19	14,781.81	10.51%
310	Duplin County Schools	1	201,570.00	152,447.48	905.05	34,510.52	12,104.14	1,602.81	201,570.00	-	0.00%
320	Durham County Schools	1	855,935.00	666,462.92	-	30,108.60	65,622.46	1,313.97	763,507.95	92,427.05	10.80%
330	Edgecombe County Schools	4	183,871.00	-	155,459.11	-	-	-	155,459.11	28,411.89	15.45%
340	Winston-Salem/Forsyth County Schools	4	1,250,471.00	483,019.21	317,560.10	63,504.50	147,505.96	238,881.23	1,250,471.00	-	0.00%
350	Franklin County Schools	3	192,966.00	-	125,257.00	-	-	11,714.37	136,971.37	55,994.63	29.02%
360	Gaston County Schools	4	668,847.00	-	624,223.56	-	-	30,805.20	655,028.76	13,818.24	2.07%
370	Gates County Schools	1	47,197.00		38,140.00	-	417.22	1,789.77	40,346.99	6,850.01	14.51%
380	Graham County Schools	1	20,403.00	16,543.53	-	3,841.68	-	-	20,385.21	17.79	0.09%
390	Granville County Schools	1	229,347.00	212,624.44	1,231.00	7,000.00	5,359.78	-	226,215.22	3,131.78	1.37%
400	Greene County Schools	1	79,891.00	74,219.32	1,175.64	-	4,330.76	165.28	79,891.00	-	0.00%

LEA	LEA Name	(CP)	Allotment	Salaries and Benefits	Contracted Services	Vehicles	Maintenance and Insurance	Instructional Supplies & Other Expenses	Total	Unexpended (Dollar)	Unexpended (Percent)
410	Guilford County Schools	3	1,398,988.00	-	921,685.02	-	-	83,814.88	1,005,499.90	393,488.10	28.13%
420	Halifax County Schools	1	134,216.00	111,081.44	446.72	-	10,357.70	361.22	122,247.08	11,968.92	8.92%
421	Roanoke Rapids City Schools	1	74,483.00	53,133.26	349.95	19,385.45	962.57	651.77	74,483.00	-	0.00%
422	Weldon City Schools	4	40,314.00	20,720.08	12,900.01	-	5,620.00	1,073.91	40,314.00	-	0.00%
430	Harnett County Schools	1	402,402.00	328,158.98	-	(3,080.00)	57,082.33	6,506.17	388,667.48	13,734.52	3.41%
440	Haywood County Schools	1	186,821.00	143,773.01	-	20,108.64	17,319.03	1,924.41	183,125.09	3,695.91	1.98%
450	Henderson County Schools	1	299,159.00	162,871.55	135,575.50	-	-	600.00	299,047.05	111.95	0.04%
460	Hertford County Schools	3	99,556.00	-	99,503.01	-	-	-	99,503.01	52.99	0.05%
470	Hoke County Schools	3	156,340.00	-	149,270.00	-	-	6,985.66	156,255.66	84.34	0.05%
480	Hyde County Schools	3	17,207.00	-	11,185.29	-	378.07	1,569.98	13,133.34	4,073.66	23.67%
490	Iredell-Statesville Schools	1	530,965.00	460,725.10	-	30,462.35	31,657.00	8,120.55	530,965.00	-	0.00%
491	Mooresville City Schools	1	121,434.00	106,683.58	14,750.42	-	-	-	121,434.00	-	0.00%
500	Jackson County Schools	1	73,991.00	65,241.59	8,767.81	-	-	-	74,009.40	(18.40)	-0.02%
510	Johnston County Schools	1	642,811.00	559,695.74	9,094.88	1,213.58	60,139.27	12,667.53	642,811.00	-	0.00%
520	Jones County Schools	4	30,235.00	10,253.45	19,470.00	-	-	-	29,723.45	511.55	1.69%
530	Lee County Schools	1	233,034.00	168,196.50	2,367.60	34,500.52	18,761.71	2,489.27	226,315.60	6,718.40	2.88%
540	Lenoir County Schools	1	263,762.00	212,454.11	2,139.87	-	21,431.47	2,789.79	238,815.24	24,946.76	9.46%
550	Lincoln County Schools	3	307,517.00	-	269,369.66	-	-	-	269,369.66	38,147.34	12.40%
560	Macon County Schools	4	118,497.00	102,386.95	10,650.00	-	5,190.71	15.00	118,242.66	254.34	0.21%
570	Madison County Schools	2	59,979.00	-	59,800.00	-	-	179.00	59,979.00	-	0.00%
580	Martin County Schools	1	90,952.00	47,577.61	2,520.00	-	52.40	2,833.10	52,983.11	37,968.89	41.75%
590	McDowell County Schools	1	134,216.00	109,930.56	-	17,351.41	6,616.38	317.65	134,216.00	-	0.00%
600	Charlotte-Mecklenburg County Schools	4	3,604,660.00	241,691.52	2,727,818.84	276,004.16	179,080.32	180,065.16	3,604,660.00	-	0.00%

PRC 012 - Drivers Education Expenditures by LEA (FY2009)

Appendix

LEA	LEA Name	(CP)	Allotment	Salaries and Benefits	Contracted Services	Vehicles	Maintenance and Insurance	Instructional Supplies & Other Expenses	Total	Unexpended (Dollar)	Unexpended (Percent)
610	Mitchell County Schools	2	53,096.00	-	53,084.00	-	-	-	53,084.00	12.00	0.02%
620	Montgomery County Schools	1	105,701.00	54,775.20	3,914.50	15,054.30	6,605.74	450.35	80,800.09	24,900.91	23.56%
630	Moore County Schools	1	300,388.00	207,514.30	536.80	52,222.83	17,064.08	15,089.76	292,427.77	7,960.23	2.65%
640	Nash-Rocky Mount Schools	4	445,420.00	22,229.64	352,391.32	-	-	11,099.51	385,720.47	59,699.53	13.40%
650	New Hanover County Schools	1	531,948.00	382,995.17	3,665.00	-	49,456.34	16,218.76	452,335.27	79,612.73	14.97%
660	Northampton County Schools	4	82,452.00	31,676.47	40,620.00	-	-	9,869.04	82,165.51	286.49	0.35%
670	Onslow County Schools	3	528,261.00	-	307,215.86	-	-	58,971.01	366,186.87	162,074.13	30.68%
680	Orange County Schools	1	192,721.00	135,722.85	923.75	22,199.00	1,500.00	13,512.76	173,858.36	18,862.64	9.79%
681	Chapel-Hill/Carrboro City Schools	4	274,578.00	4,281.10	198,009.79	-	423.79	1,192.60	203,907.28	70,670.72	25.74%
690	Pamlico County Schools	3	41,789.00	77.85	24,985.00	-	-	178.76	25,241.61	16,547.39	39.60%
700	Elizabeth City/Pasquotank County Schools	4	131,512.00	-	127,953.27	-	-	3,548.69	131,501.96	10.04	0.01%
710	Pender County Schools	4	195,424.00	64,969.98	88,952.62	16,742.00	19,387.13	5,371.41	195,423.14	0.86	0.00%
720	Perquimans County Schools	3	32,772.00	2,605.29	21,718.80	-	-	8,447.91	32,772.00	-	0.00%
730	Person County Schools	1	145,524.00	134,555.37	-	-	10,913.50	-	145,468.87	55.13	0.04%
740	Pitt County Schools	3	559,234.00	119,875.45	292,391.20	-	-	30,859.64	443,126.29	116,107.71	20.76%
750	Polk County Schools	2	58,259.00	-	58,259.00	-	-	-	58,259.00	-	0.00%
760	Randolph County Schools	1	462,526.00	401,940.73	156.00	-	55,106.19	5,323.08	462,526.00	-	0.00%
761	Asheboro City Schools	2	90,952.00	-	45,306.00	-	-	-	45,306.00	45,646.00	50.19%
770	Richmond County Schools	1	153,881.00	115,119.69	407.22	-	32,787.97	3,162.64	151,477.52	2,403.48	1.56%
780	Robeson County Schools	1	573,245.00	378,122.80	6,978.15	-	43,783.29	70,420.30	499,304.54	73,940.46	12.90%
790	Rockingham County Schools	1	346,110.00	284,690.58	2,287.64	27,493.32	26,191.46	5,436.09	346,099.09	10.91	0.00%
800	Rowan-Salisbury County Schools	1	496,796.00	340,935.70	740.96	33,133.98	35,061.26	7,104.10	416,976.00	79,820.00	16.07%
810	Rutherford County Schools	1	239,426.00	-	239,253.44	-	-	-	239,253.44	172.56	0.07%

PRC 012 - Drivers Education Expenditures by LEA (FY2009)

Appendix

LEA	LEA Name	(CP)	Allotment	Salaries and Benefits	Contracted Services	Vehicles	Maintenance and Insurance	Instructional Supplies & Other Expenses	Total	Unexpended (Dollar)	Unexpended (Percent)
820	Sampson County Schools	1	176,988.00	162,486.59	-	-	11,866.89	280.00	174,633.48	2,354.52	1.33%
821	Clinton City Schools	1	64,158.00	50,563.29	-	-	4,235.66	4,781.46	59,580.41	4,577.59	7.13%
830	Scotland County Schools	1	152,161.00	128,629.34	-	-	10,843.33	500.00	139,972.67	12,188.33	8.01%
840	Stanly County Schools	4	215,090.00	57,559.21	141,973.10	-	3,377.79	12,179.90	215,090.00	-	0.00%
850	Stokes County Schools	1	188,665.00	174,746.64	4,046.18	-	9,840.62	31.56	188,665.00	-	0.00%
860	Surry County Schools	1	199,603.00	135,242.10	1,302.21	10,631.72	26,748.21	18.02	173,942.26	25,660.74	12.86%
861	Elkin City Schools	2	27,777.00	-	27,777.00	-	-	-	27,777.00	-	0.00%
862	Mount Airy City Schools	1	50,356.00	42,980.89	-	-	2,648.11	42.50	45,671.50	4,684.50	9.30%
370	Swain County Schools	1	80,628.00	65,789.70	2,564.76	-	2,351.25	1,658.50	72,364.21	8,263.79	10.25%
880	Transylvania County Schools	1	96,114.00	80,767.51	-	3,647.00	-	1,050.38	85,464.89	10,649.11	11.08%
890	Tyrrell County Schools	1	13,520.00	12,671.70	36.00	-	780.40	-	13,488.10	31.90	0.24%
900	Union County Schools	1	833,994.00	742,691.21	2,240.41	17,184.08	31,427.71	6,982.80	800,526.21	33,467.79	4.01%
910	Vance County Schools	4	215,090.00	180,416.65	1,820.84	-	19,779.59	1,048.07	203,065.15	12,024.85	5.59%
920	Wake County Schools	3	3,244,784.00	75,639.47	2,471,604.38	224,390.40	96,937.80	372,074.28	3,240,646.33	4,137.67	0.13%
930	Warren County Schools	3	77,678.00	-	28,375.00	-	2,280.51	-	30,655.51	47,022.49	60.54%
940	Washington County Schools	1	35,968.00	-	27,225.00	-	7,856.30	886.70	35,968.00	-	0.00%
950	Watauga County Schools	4	117,701.00	69,002.24	40,170.05	-	8,020.33	508.38	117,701.00	-	0.00%
960	Wayne County Schools	3	434,113.00	-	302,746.64	58,440.00	71,854.49	1,071.87	434,113.00	-	0.00%
970	Wilkes County Schools	1	253,973.00	214,077.71	-	-	13,348.60	15,984.57	243,410.88	10,562.12	4.16%
980	Wilson County Schools	1	276,047.00	240,049.94	-	-	14,146.61	196.02	254,392.57	21,654.43	7.84%
990	Yadkin County Schools	1	134,216.00	115,051.22	-	-	13,492.12	424.54	128,967.88	5,248.12	3.91%
995	Yancey County Schools	3	59,979.00	-	57,115.00	-	-	2,727.79	59,842.79	136.21	0.23%
	Total		$33,931,599.00	$14,140,964.38	$12,843,406.09	$1,456,571.42	$1,752,807.63	$1,543,558.49	$31,737,308.01	$2,194,290.99	6.47%

Category of Programs 2008-09 (CP)

1. More than half of the LEAs (58 of 115) (50.4%) operate the Driver Education programs without contracted services to a private driving school.
2. Only 11 LEAs (9.6%) contract out the entire Driver Education program to private driving schools.
3. 18 LEAs (15.7%) contract out with a private driving school and the LEA purchases vehicles, vehicle related expenses, or supplies and materials.
4. 28 LEAs (24.3%) report contracted services and also have personnel paid by the LEA to handle a portion of the Driver Education Program.

Comparison of 2008-09 to 2002-03 Category of Programs

CP	2008-09	% of Total	2002-03	% of Total
1	58	50.4%	67	57.3%
2	11	9.6%	5	4.2%
3	18	15.7%	23	19.7%
4	28	24.3%	22	18.8%
Totals	115	100%	117	100.0%

Exhibit C

Driver Education Funding and Expenditures

Formula: Funds are distributed to LEAs based on $238.04 per total ninth grade allotted ADM, includes private, federal and charter schools. LEAs are requested to reduce allotments each year if they do not require the use of allotted funding. Priority will go to small and low wealth counties requiring additional funds to operate the program. Funding will be allotted if the LEA can adequately justify the need for additional funds to operate their programs.

History of Appropriations and Unexpended Funds

Year	Amount	Unexpended
2004-05	$ 31,939,945	$ 1,806,917
2005-06	31,984,826	1,780,950
2006-07	32,985,745	1,833,006
2007-08	33,507,876	1,359,491
2008-09	34,286,309	2,526,694
2009-10	32,899,993	

Funds are transferred from the Highway Fund once a month.

How Driver Education Program are Operated

Category of Programs

1. 58 of 115 (50.4%) operate the Driver Education programs without contracted services to a private driving school.

2. 11 LEAs (9.6%) contract out the entire Driver Education program to private driving schools.

3. 18 LEAs (15.7%) contract out with a private driving school and the LEA purchases vehicles, vehicle related expenses, or supplies and materials.

4. 28 LEAs (24.3%) report contracted services and also have personnel paid by the LEA to handle a portion of the

Comparison of 2008-09 to 2002-03 Category of Programs				
CP	**2008-09**	% of Total	**2002-03**	% of Total
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2	11	9.6%	5	4.2%
3	18	15.7%	23	19.7%
4	28	24.3%	22	18.8%
Totals	115	100%	117	100.0%

Points of Understanding

Driver Education is not part of the core curriculum, and is operated outside of the instructional day. Driver Education is operated afterschool, on weekends and during the summer.

LEAs are engaged in contracts with Driver Education Companies and need 30, 60 or 90 days depending on how their contracts are established.

LEAs are required by statute (30 day notice) to let personnel know if jobs are being eliminated.

It is critical to let LEAs know if this program will be funded next year as soon as possible. Decision will necessitate appropriate notice to staff and contractors.

PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION William C. Harrison, Ed.D., *Chairman*
DEPARTMENT OF PUBLIC INSTRUCTION June St. Clair Atkinson, Ed.D., *State Superintendent*
WWW.NCPUBLICSCHOOLS.ORG

TO Honorable Marc Basnight
Honorable Joe Hackney

FROM William C. Harrison
June St. Clair Atkinson

DATE March 29, 2010

DRIVER TRAINING BUDGET FOR FY 2010-11

Last year's Budget Bill (SB 202 – S.L. 2009-451) changed the $32.9 million appropriation for the FY 2009-10 public school driver's education program from recurring to non-recurring. The funding was eliminated from the budget for FY 2010-11 (item 28 on page K-6 of the Conference Report on the Continuation, Capital, and Expansion Budget). Section 6.6E(b)(2) of the Budget Bill outlined that the driver education program was subject to the Continuation Review Program.

Because the funding for Driver Education has been eliminated from the Budget in FY 2010-11, we have not included the Driver Training projected appropriation in the Planning Allotments for local education agencies (LEAs) for next fiscal year. The lack of funding creates two initial concerns:

1. LEAs will need to shut down driver training operations either by terminating staff (requires 30 days notice) or by terminating contracts (effective June 30).
2. Driver training is a required pre-requisite for obtaining a driver permit and drivers licenses. The legislation requiring this training has not been modified (for example, G.S. 20-11 and 115C-12(28)).

It is unfortunate that the Budget did not include non-recurring money for both years of the biennium budget which would have allowed time for the required legislation to be changed once/if the program was terminated. Since that did not occur and LEAs need to begin preparation for terminating contracts (which often require 60 to 90 day notice to terminate) and following reduction in force (RIF) procedures (letters issued by June 1).

Because of the above listed issues, we are asking for guidance as to how to proceed. If we have guidance that funding is likely to be restored (at least for FY 2010-11), we will request that the LEAs not implement contract/personnel terminating procedures. If you do not know if it is likely that funding would be restored, we will need to get the

OFFICE OF THE STATE SUPERINTENDENT
June St. Clair Atkinson, Ed.D., *State Superintendent* | jatkinson@dpi.state.nc.us
6301 Mail Service Center, Raleigh, North Carolina 27699-6301 | (919) 807-3430 | Fax (919) 807-3445

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

communication out to the LEAs to shut down driver training operations effective July 1, 2010. Because of the timeframe required to terminate contracts and implement RIF notifications, we need to communicate with the LEAs by April 15, 2010.

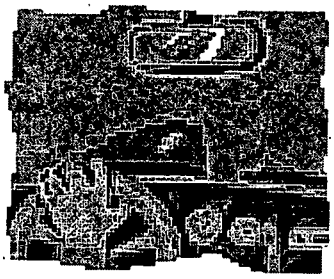
Thank you for your guidance with this matter.

WCH/JSA/PWP/tm

c: Representative Henry Michaux, Jr.
Representative Alma Adams
Representative Martha Alexander
Representative James Crawford, Jr.
Representative Phillip Haire
Representative Maggie Jeffus
Representative Joe Tolson
Representative Douglas Yongue
Senator Charles Albertson
Senator Linda Garrou
Senator A.B. Swindell, IV
Senator Charlie Dannelly
Representative Rick Glazier
Representative Marian McLawhorn
Representative Ray Rapp
Senator Tony Foriest
Senator Richard Stevens

Exhibit D

Continuation Review
Driver Education



Transportation and Education Appropriations Subcommittees
Mark Bondo
Fiscal Research Division

April 12, 2010

FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Driving If Under Age 18

- Three-step graduated driver license (GDL) process. Advancement depends on time, adherence of laws.
- Limited learner permit issued, not driver's license.
- Driver education schools (public and private) issue driver education completion certificate. Public, private, and home schools issue driving eligibility certificate (DEC). Both required for level 1 permit.
- Permit revoked if DEC revoked.

Agency Responsibilities

- DPI receives funds from DOT and allocates funds to LEA's based on Average Daily Membership for ninth grade. (G.S. 20-88.1)
- LEA responsible for paying for all students enrolled in public, private, and home schools.
- LEA responsible for DEC for public school students, DOA sets rules for private and home school students.
- DMV licenses commercial driving schools.

Driver Education: Funding

- NC spent $238.04 per student in FY 2009-10 compared to $250.06 per student in FY 2003-04
- 138,212 students in FY 2009-10
- Significant amount reverted each year

FY	Amount	Unexpended
2004-05	$31,939,945	$1,806,917
2005-06	$31,984,826	$1,780,950
2006-07	$32,985,745	$1,833,006
2007-08	$33,507,876	$1,359,491
2008-09	$34,286,309	$2,526,694
2009-10	$32,899,993	

ac2

State Comparisons

- 42 states have some type of driver education requirement, but requirements vary widely.
- The majority of states (26 states) house driver education in the education department. Other states use DOT/DMV/State/Revenue/Public Safety.
- Like NC, six other states require DMV or DOT to monitor and license commercial driving schools.
- State funding of driver education:

Fully Fund	Partially Fund	No Funding
8	10	32

State Comparisons: Cost

- According to the Highway Safety Center, costs vary significantly based upon a program's expanse.
- The larger programs with detailed requirements and oversight cost between $275 and $500 per student.
- Statutes in several states restrict funding based on availability. For example, California has a dedicated revenue source but has not funded in over a decade.
- Several states that partially fund or do not fund driver education allow localities to charge a fee.
- Some states only pay for public school programs.

State Comparisons: Funding

- North Carolina is the only state to fund driver education from the Highway Fund without a dedicated revenue source.
- The majority of states have a dedicated revenue source.
- Six states use the General Fund.
- Driver's license/ permit fees are the most common dedicated revenue source. (5 states)
- Other sources: surcharge on insurance premiums, license or vanity plate fees, penalty assessments, litigation tax, traffic violator course fees

Preliminary PED Reviews

- During the 2009 interim, the Program Evaluation Division has conducted two relevant preliminary reviews:
  - The Driver Education Program in the NC Public Schools
  - Suspension of Driving Eligibility Certificates (DEC)
- A preliminary review is used to examine a program and identify potential issues that may warrant a full study that will be included on the Committee's approved work plan.

PED: Potential Driver Ed Issues

1. DPI has delegated the organization and administration of driver education to the LEAs
2. No standardization of programs
   - No standardization between schools in same LEA
   - No class size restrictions
   - No statewide standards or outcomes
3. Appearance of no state lead agency to conduct oversight of public school programs
   - No standard curriculum
   - Lack of identified intended outcomes
   - Neither DPI nor DMV oversee public school programs

PED: Potential Driving Eligibility Certificate Issues

ac1

1. DEC suspension process experienced by parent may happen statewide.
   - DMV sent DEC revocation notice to legal minor only.
   - DMV has no requirement to notify sponsoring adult.
2. 2002 DPI Study issues have not been addressed.
3. DEC reporting process is not standard statewide.
4. No oversight of local processes to support the suspension provision.
5. DMV computer system has limited functionality.
6. DEC requirements absent from driver education curricula.
7. DEC punitive but intention was to deter dropouts.
8. Lack of lead state agency problematic.

DPI Recommendations

- Do not incorporate driver education into Standard Course of Study.
- Keep public school funding with DPI.
- DPI should increase public school monitoring.
- Encourages review of DEC process.

FRD Observations

- Empirical evidence shows graduated driver licenses reduces crash rates, but driver education does not.
- Driver education has strong industry support
- Due to the minimal information included, this CR does not justify DPI recommendations
- This CR does not meet the legislative mandate. (S.L. 2009-451, Section 6.7c, #3,4,5,7,8,9,10)

FRD Observations Continued

- The CR Did Not Include:
  - The functions performed without specific statutory authority.
  - The performance measures for the program, and how these determine efficiency and effectiveness.
  - Recommendations for statutory, budgetary, or administrative changes needed to improve the program.
  - Recommendations for improving services or reducing costs or duplication.

FRD Observations Continued

- More information is needed to make an informed decision.
- Significant body of research exists to show how to strengthen driver education programs
- Issues raised in PED preliminary reports show significant weaknesses in driver education program and DEC process.

FRD Observations Continued

Issues of greatest concern:

- Minimal oversight for program effectiveness
- Minimal outcome standards for individual or on program level
- Little inter-agency coordination
- Minimal requirements to teach driver education
- No process to find best practices or cost savings
- Lack of statutory direction for the program

FRD Recommendations

- The General Assembly's Program Evaluation Division should conduct a full report on the driver education program and DEC process.
- Continue funding until further study completed.
- Examine other funding options (through a dedicated revenue stream, partial funding, charging a fee).
- Based on the annual reversions, funding to the program can be cut by $1 million - $1.5 million in FY 2010-2011.

Comments or Questions



Contact: Fiscal Research Division

Mark Bondo, Brian Matteson, Amna Cameron, markb@ncleg.net; brianm@ncleg.net; amnac@ncleg.net; 919-733-4910

Contact: Program Evaluation Division

Larry Yates, larryy@ncleg.net; 919-301-1863

Exhibit E

April 8, 2010

Driver Education Funding

1957
Chapter 682, HB 33 creates GS 20-88.1 Driver Training and Safety Education Fund

An additional $1 is added to vehicle registration fees of $10 or more. The money is placed in a special account to be transferred to the State Board of Education.

1975
The fee is raised to $2.

1977
The fee is raised to $3. (Chapter 1002, HB 1505)

1985
Chapter 982, SB 866 Section 25
Amends GS 20-88.1 "All expenses incurred by the state in carrying out the provisions of this section shall be paid out of the General Fund."

1991
SL 1991-689 Section 32
Amends GS 20-88.1 "All expenses incurred by the state in carrying out the provisions of this section shall be paid out of the Highway Fund."

Fiscal Research Division

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE BUILDING
RALEIGH NC 27601

March 31, 2010

MEMORANDUM

TO: Members, Joint Transportation Appropriations Subcommittee

FROM: Rep. Nelson Cole, Chair
Rep. Grier Martin, Chair

SUBJECT: Meeting Notice

The Joint Transportation Appropriations Subcommittee Committee will meet with the Joint Appropriations Education Subcommittee on the following date:

DAY:	Monday
DATE:	April 12, 2010
TIME:	2:00 pm
LOCATION:	544 LOB

If you have any questions concerning this meeting, please contact Sylvia Hammons at (919) 733-5758. If you cannot attend, please contact Sylvia Hammons at martinla@ncleg.net.

Linda Laton (Rep. Cole)

From: Wendy Miller (Rep. Current)
Sent: Monday, April 12, 2010 10:37 AM
To: Rep. Nelson Cole; Rep. Grier Martin
Subject: FW: Joint Transportation Appropriations Subcommittee- Monday, April 12, 2010

Dear Nelson and Grier,

I attempted to rework my schedule to be able to attend today's meeting but had a close business associate die and will be attending his funeral this afternoon.

Sincerely,
Bill

Representative William A. Current, Sr.
District 109, Gaston County
North Carolina General Assembly
418A Legislative Office Building
Raleigh, North Carolina 27603
billcu@ncleg.net
(919) 733-5809

From: Wendy Miller (Rep. Current)
Sent: Thursday, April 08, 2010 03:47 PM
To: Rep. Nelson Cole; Rep. Grier Martin
Subject: Joint Transportation Appropriations Subcommittee- Monday, April 12, 2010

Dear Nelson and Grier,

Due to previous scheduling, in all likelihood I will not be in attendance at Monday's Joint Transportation Appropriations Subcommittee meeting.

Sincerely,
Bill

Representative William A. Current, Sr.
District 109, Gaston County
North Carolina General Assembly
418A Legislative Office Building
Raleigh, North Carolina 27603
billcu@ncleg.net
(919) 733-5809

Joint Subcommittee on Transportation Appropriations

Thursday, May 6, 2010
10:00 am
Room 1228/1327 LB

AGENDA

Chairs: Representatives Martin and Cole, Senators Goss *(presiding)* and Graham

Presentation of Governor's Transportation Budget

- Statutory Adjustments, Maintenance Fund Reduction, Transfers to Other Agencies, Agency Reserves
  - Mark Foster, Chief Financial Officer, DOT
- Ferry Division Expansion
  - Jim Westmoreland, Deputy Secretary for Transit, DOT
- Rail Division Expansion
  - Pat Simmons, Director, Rail Division
- DMV Expansion
  - Commissioner Michael Robertson, DMV
  - Lori Kroll, Director of Hearings, DMV
- IT Expansion
  - Randy Barnes, Chief Information Officer, DOT
- Mobility Fund
  - Mark Foster
- Viper Interoperable Communications Network Development
  - Major Everett Clendenin, Director of Support Operations and Logistics, State Highway Patrol
  - Mike Hodgson, Technical Services Unit, State Highway Patrol



FACTS

- 240 total sites planned for statewide coverage
    1. 145 sites constructed and on-the-air
    2. 49 sites are fully funded and under construction
    3. 25 sites PARTIALLY FUNDED via 2008 Public Safety Interoperable Communications Grant (PSIC) awaiting $4.7M State matching funds, otherwise return $13.1M to Capitol Hill
    4. 21 sites UNFUNDED
- VIPER estimated to cost $189M
    1. $110M funded to date
    2. **Pending: $4.7M** State match to realize $13.2M Public Safety Interoperable Communications grant (PSIC) or else revert to Capitol Hill
    3. **Pending: $61.1M** is left to be funded
        1. Assuming $4.7M State match met for PSIC
- VIPER maintenance and support costs
    1. $7.5M once completed
    2. Current funding = $2.5M recurring
    3. **Pending: Additional $2.5M recurring** to effectively provide maintenance and support for the existing network
- VIPER is 61% complete (number of sites) with 145 sites on-the-air
- VIPER infrastructure is 59% funded.
- VIPER infrastructure remains to be 41% funded
- 37,619 Total users (portables and mobiles) are currently on the VIPER Network
    1. Local users = 28,893
    2. State users = 8,606
    3. Federal users = 120
- 103,400 Projected total users (portable and mobiles) once the network is complete and upgraded to P25
    1. Local users = 86,900
    2. State users = 16,000
    3. Federal users = 500
- Average cost for a portable is $2,500 and $3,000 for mobiles
- 186 Emergency Responding agencies makeup the VIPER user network

Revenue

Highway Fund

The Highway Fund receives support from three revenue sources. The primary source is the excise tax on motor fuels, of which the Highway Fund receives seventy-five percent. The second source is licenses and fees collected by the Division of Motor Vehicles. The third source is interest earned on investments of Highway Fund cash balances held by the State Treasurer. Figure 11 shows the percentages of the various components of the Highway Fund revenue collections projected for fiscal year 2010-11.

Highway Fund Forecast

Fallout from the recession continues to influence consumer and business confidence even as signs of a recovery begin to take shape. Total Highway Fund revenues continue to decline for fiscal year 2009-10 but not as rapidly as experienced in fiscal year 2008-09. As of March 2010, year-to-date total revenues are off budgeted revenues by $12.6 million (or 1%). In light of inclement weather throughout February and into March, revenue collections appear to be stabilizing over the past two months. Revised total Highway Fund tax revenues are expected to fall short of certified revenue by $9.2 million (or 0.5%) for fiscal year 2009-10. Revised Highway Fund tax revenues are expected to rebound in fiscal year 2010-11 by $53 million (or 3%).

Motor Fuels Excise Tax

The motor fuel excise tax is computed in January and in July of each fiscal year. The new rate is based on a six-month weighted average of the wholesale price of gasoline and diesel motor fuels. By actions of the 2007 General Assembly, the excise tax on motor fuel was set at a rate of 29.9 cents a gallon for the period of July 1, 2007 through June 30, 2009. By actions of the 2009 General Assembly, this cap was repealed and a floor instituted. For the period of July 1, 2009 through June 30, 2011, the motor fuel excise tax rate may not fall below 29.9 cents per gallon. The January 2010 reset of the excise tax on mo-

Figure 11

Estimated Highway Fund Revenue Collections
2010-11

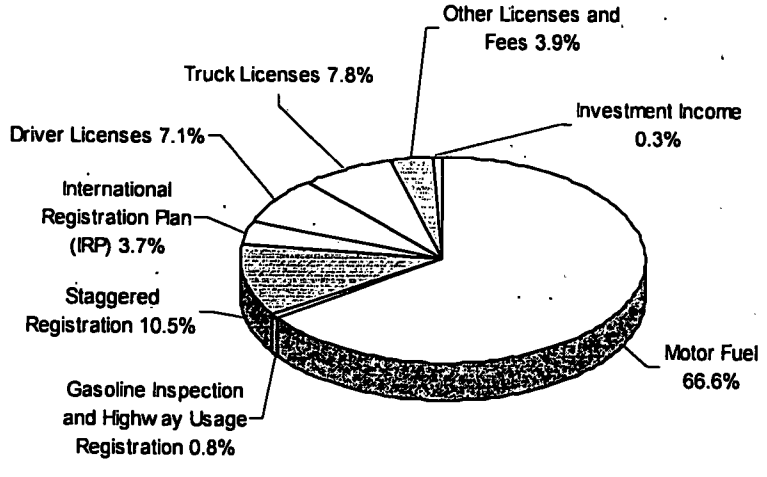


Table 9

Highway Fund Revenue

Revised Estimates for 2009-10 and 2010-11

($ Millions)

Source	2009-10 Certified	2009-10 Revised	(diff)	% Change	2010-11 Certified	2010-11 Revised	(diff)	% Change
Motor Fuels Tax								
Motor Fuels	$ 1,108.46	$ 1,129.90	$ 21.44	1.9%	$ 1,099.75	$ 1,180.14	$ 80.39	7.3%
Gasoline Inspection	13.44	$ 13.90	0.46	3.4%	13.40	13.41	0.01	0.1%
Highway Use Reg.	0.21	$ 0.30	0.09	43%	0.16	0.16	-	0.0%
Total Motor Fuel Taxes	$ 1,122.11	$ 1,144.10	$ 21.99	2.0%	$ 1,113.31	$ 1,193.71	$80	7.2%
Licenses and Fees								
Staggard Registration	$ 202.22	$ 193.50	$ (8.72)	-4.3%	$ 205.60	$ 188.06	$ (17.53)	-8.5%
International Registration Plan	65.19	58.70	(6.49)	-10.0%	66.62	66.62	-	0.0%
Driver Licenses	135.92	128.60	(7.32)	-5.4%	137.69	127.76	(9.93)	-7.2%
Truck Licenses	137.68	130.90	(6.78)	-4.9%	140.71	140.71	-	0.0%
Other Licenses and Fees	67.40	58.10	(9.30)	-13.8%	69.67	69.67	-	0.0%
Total Licenses and Fees	$ 608.41	$ 569.80	$ (38.61)	-6.3%	$ 620.29	$ 592.83	$ (27.46)	-4.4%
Investment Income	$ 6.00	$ 13.40	$ 7.40	123.3%	$ 6.00	$ 6.00	$ -	0.0%
Total Highway Fund Availability	**$ 1,736.52**	**$ 1,727.30**	**$ (9.22)**	**-0.5%**	**$ 1,739.60**	**$ 1,792.54**	**$ 52.95**	**3.0%**

* Revised Estimate based on tentative collections through March 2010.

tor fuels increased from 29.9 cents to 30.3 cents a gallon. This increase has influenced revenue collections by 1%. At the same time, taxable gallons have increased by 1.1%. Revised total motor fuel excise tax collections for fiscal year 2009-10 are expected to increase by $21 million (or 2%). Revised Highway Fund motor fuel tax collections are estimated to increase $80 million (or 7%) in fiscal year 2010-11.

Licenses and Fees

Lingering effects of the recession appear to continue to impact staggered registrations, truck registrations, driver licenses, and certain miscellaneous fees. In-state truck and international truck registrations (IRP) are clearly showing signs of a slow recovery, and both are expected to decline or experience flat revenue growth into fiscal year 2010-11. The same expectations apply to staggered registrations and driver license renewals in fiscal year 2010-11. It appears that consumers will continue to cut back on the number of vehicles maintained for highway use and drivers will reduce license renewals. Households and businesses are trying to minimize the cost associated with maintaining and insuring passenger and commercial vehicles for highway use until both household and business incomes show signs of improvement.

Investment Income

Through the first nine months of fiscal year 2009-10, current interest earnings on investments held with the State Treasurer exceeded certified revenues by $7 million. Revised investment income for fiscal year 2009-10 is expected to exceed certified revenues by $7.4 million. Investment earnings are not expected to show an increase in fiscal year 2010-11.

Revenue Availability

The revised revenue available for distribution under the Highway Fund for fiscal year 2010-11 is estimated to be $1,792.5 million or $52.9 million over certified revenues for the same period. (see Table 9).

Revenue

Highway Trust Fund

The Highway Trust Fund, established in 1989, receives support from four sources. The primary source is the highway use tax, or sales tax, on vehicle sales. The second source is the excise tax on motor fuels. The Highway Trust Fund receives twenty-five percent of this excise tax. The third source is fees on certificates of title and other miscellaneous titles. The final source is the interest earned from investments of the Highway Trust Fund cash balances held by the State Treasurer. Figure 12 shows the percentages of the various components of the Highway Trust Fund revenue collections projected for fiscal year 2010-11.

Highway Trust Fund Forecast

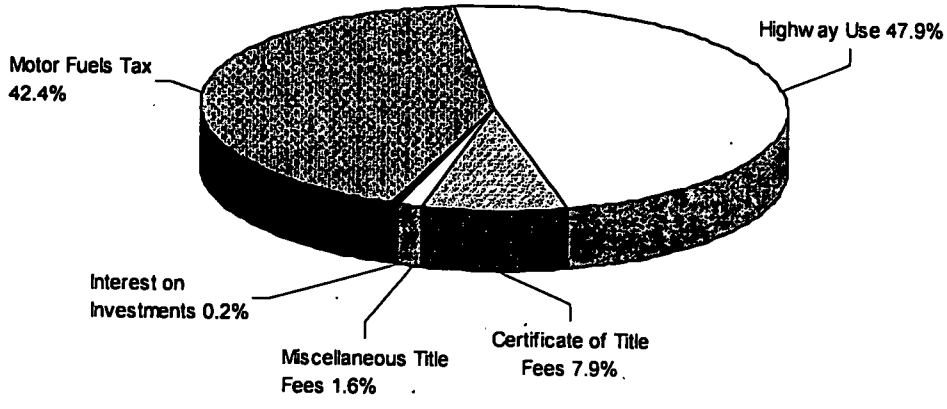
Fallout from the recession continued to influence consumer and business confidence even as signs of a recovery began to take shape. Total Highway Trust Fund revenues continued to decline for most of fiscal year 2009-10 but not as rapidly as experienced in fiscal year 2008-09. In light of the inclement weather throughout February and into March, revenue collections appear to be stabilizing over the past two months. Revised total Highway Trust Fund tax revenues are expected to exceed certified revenue by $6.5 million or 0.8% for fiscal year 2009-10. Revised Highway Trust Fund tax revenues are expected to increase slightly in fiscal year 2010-11 by $7.7 million or 0.9%.

Highway Use Tax

Highway use tax collections appear to be strengthening. For the majority of fiscal year 2009-10, highway use tax collections have struggled to meet the monthly budget forecast. In March 2010, monthly revenue collections exceeded budget forecast by $7 million or 21%. This monthly increase pushed year-to-date collections to $3.0 million or 1% above budgeted revenue projections. September 2010 also pro-

Figure 12

Highway Trust Fund Revenue
2010-11



duced similar results, however most of which can be attributed to the federal government's cash-for-clunkers program. In September, the increase in use tax collections was $4 million or 9% above monthly budgeted revenue projections. Revised use tax collections are expected to exceed certified revenues by $3.0 million or 1% for fiscal year 2009-10. Revised use tax collections, for fiscal year 2010-11, are expected to fall short of certified revenues by $17.5 million or 4%.

Motor Fuels Excise Tax

The motor fuel excise tax is computed in January and in July of each fiscal year. The new rate is based on a six-month weighted average of the wholesale price of gasoline and diesel motor fuels. By actions of the 2007 General Assembly, the excise tax on motor fuel was set at a rate of 29.9 cents a gallon for the period of July 1, 2007 through June 30, 2009. By actions of the 2009 General Assembly, this cap was repealed and a floor instituted. For the period of July 1, 2009 through June 30, 2011 the motor fuel excise tax rate may not fall below 29.9 cents per gallon. The January 2010 reset of the excise tax on motor fuels increased from 29.9 cents to 30.3 cents a gallon. This increase has influenced revenue collections by 1%. At the same time, taxable gallons have increased by 1.1%. Revised total motor fuel excise tax collections for fiscal year 2009-10 are expected to increase by $8 million or 2%. Revised Highway Trust Fund motor fuel tax collections are estimated to increase $27 million or 7% in fiscal year 2010-11.

Miscellaneous Title Fees

Certificates of title and other miscellaneous title fee collections generally trend up or down with highway use tax collections. For the majority of fiscal year 2009-10, certificate of title fee collections have struggled to meet the monthly budget forecast. In March 2010, monthly revenue collections exceed budget forecast by $0.9 million or 13%. For the same period, the loss in monthly miscellaneous title fees went from $199,000 in February to $25,000 in March. Revised total combined title fee collections are estimated to fall below certified revenues by $3.8 million or 4.3% in fiscal year 2009-10. Revised total combined title fee collections are estimated to fall below certified revenues by $1.7 million or 2% in fiscal year 2010-11.

Investment Income

Highway Trust Fund cash balances held with the State Treasurer are used to pay more frequent expenses associated with contractual activity. The monthly interest earnings are subject to more variable principal balances. Through the first nine months of fiscal year 2009-10, current interest earnings on investments held with the State Treasurer have fallen short of certified revenues by $0.6 million. Revised investment income for fiscal year 2009-10 is expected to fall short of certified revenues by $0.6 million. Investment earnings for fiscal year 2010-11 are not expected to show a significant increase.

Transfers to General Fund

Prior to the creation of the Highway Trust Fund in 1989, the sales or use tax from the retail sale and the long-term lease of motor vehicles was collected under General Fund revenues. In order to hold the General Fund harmless, an annual distribution is made from the Highway Trust Fund revenue collections to the General Fund. By actions of the 2008 General Assembly, the annual distribution will be reduced each year until the transfer to the General Fund is phased out. For fiscal year 2009-10, the transfer is $108.5 million. For fiscal year 2010-11, the transfer is $50.8 million.

Highway Trust Fund Revenue Availability

The additional revenue available for distribution under the Highway Trust Fund for fiscal year 2010-11 is estimated to be $7.7 million. The revenue available for distribution under the North Carolina Mobility Fund for fiscal year 2010-11 is estimated to be $72.6 million. (See Tables 10 and 11).

North Carolina Mobility Fund

The North Carolina Mobility Fund is created within the Highway Trust Fund. It is funded by reducing the transfer from the Highway Trust fund to the General Fund and increasing certain motor vehicle related fees. The purpose of the Fund is to create a dedicated source of revenue that can be used for projects that have statewide significance and are linked to statewide economic goals. The revenue available to the North Carolina Mobility Fund in fiscal year 2010-11 is $72.6 million. Table 11 shows the various fee schedules used to fund the North Carolina Mobility Fund for fiscal year 2010-11.

Table 10

Highway Trust Fund Revenue

Revised Estimates for 2009-10 and 2010-11

($ Millions)

Source	2009-10 Certified	2009-10 Revised	(diff)	% Change	2010-11 Certified	2010-11 Revised	(diff)	% Change
Fuel Taxes and Fees								
Motor Fuel Tax	$369.5	$377.4	$7.9	2%	$366.6	$393.4	$26.8	7%
Highway Use	421.6	424.6	$3.0	1%	462.5	445.0	($17.5)	-4%
Certificate of Title Fees	74.0	71.7	($2.3)	-3%	75.5	73.7	($1.8)	-2%
Miscellaneous Title Fees	14.8	13.3	($1.5)	-10%	15.1	15.2	$0.2	1%
Subtotal	$879.9	$887.0	$7.1	0.8%	$919.6	$927.3	$7.7	0.8%
Interest on Investments	$1.4	0.8	($0.6)	-43%	$1.4	$1.4	$0.0	0%
Subtotal Highway Trust Fund	$881.3	$887.8	$6.5	0.7%	$921.0	$928.7	$7.7	0.8%
Transfers to General Fund	$108.5	$108.5	$0.0		$50.8	$50.8	$0.0	
Total Highway Trust Fund	$772.8	$779.3	$6.5	0.8%	$870.2	$877.9	$7.7	0.9%
Proposed Fee Adjustment, NC Mobility Fund						$72.6		
Total Highway Trust Fund Availability	**$772.8**	**$779.3**	**$6.5**	**0.8%**	**$870.2**	**$950.5**	**$80.3**	**9%**

* Revised Estimate based on tentative collections through March 2010.

Table 11
North Carolina Mobility Funding
Proposed Fee Adjustment
(Annual Basis)

Proposed Changes in Fee Collections Dedicated to the North Carolina Mobility Fund

	Revenue Adjustment (millions)
Drivers License Fees	
Copies of Drivers License Records	
Increase the fee 25%	*$ 17.0*
Staggered Registrations	
Automobiles and Light Truck Registrations	
Increase fees 25%	*$ 48.9*
International Registration Plan (IRP)	
Trucks Used in Interstate Commerce	
Increase various Interstate Motor Carrier Fees	*$ 3.1*
Registration Fees	
Miscellaneous Registration Fees under the Highway Trust Funds	
Increase fees 33%	*$ 3.6*
Total Fee Adjustment to Support NC Mobility Fund	**$72.6**

Recommended Adjustments

Transportation

Highway Fund

Highway Trust Fund

Turnpike Authority

Highway Fund (84210)

Total Appropriations and Positions

	2010-11 Certified	Net Recommended Expansion and Reduction	2010-11 Recommended	Percent Change
Requirements	$2,838,032,928	$52,890,000	$2,890,922,928	1.9 %
Receipts	1,098,382,928	-	1,098,382,928	0.0 %
Appropriation	$1,739,650,000	$52,890,000	$1,792,540,000	3.0 %
Positions	13,873.000	5.000	13,878.000	0.0 %

Appropriation Items -- Recommended Adjustments

Reductions

2010-11

Mandated Adjustments

1. **Statutory Adjustment to Aid to Municipalities Allocation**

In accordance with G.S. 136-41.1, an adjustment based on the estimated gallons of motor fuel sold is necessary to update the allocation for state aid to municipalities (Powell Bill) based on revised revenue estimates for the Highway Fund for fiscal year 2010-11.

Appropriation ($785,319)

2. **Statutory Adjustment to Leaking Underground Storage Tank Fund (LUST)**

In accordance with G.S. 105-119(a) and (b), an adjustment is required to the appropriation for the Leaking Underground Storage Tank Fund to update the allocation based on revised revenue estimates for the Highway Fund for fiscal year 2010-11.

Appropriation ($40,000)

Maintenance

1. **Maintenance Funds**

It is recommended that Highway Fund appropriations for maintenance of the state's highway infrastructure be reduced to align overall requirements for the Highway Fund with projected revenues for fiscal year 2010-11.

Appropriation ($3,698,277)

Transfers to Other State Agencies

1. **Department of Public Instruction - Drivers Education**

A reduction in the funding for the Driver Education Program is recommended for fiscal year 2010-11 based on actual expenditures and historical reversion patterns for the program.

Appropriation - Nonrecurring **($1,300,000)**

Total Recommended Reductions

Recurring

Requirements	($4,523,596)
Receipts	-
Appropriation	($4,523,596)
Number of Positions	-

Nonrecurring

Requirements	($1,300,000)
Receipts	-
Appropriation	($1,300,000)
Time Limited Positions	-

Expansion

2010-11

Mandated Adjustments

1. **Statutory Adjustment to Secondary Roads Construction Allocation**

In accordance with G.S. 136-44.2A, an adjustment based on the estimated gallons of motor fuel sold is necessary to update the allocation for secondary roads construction based on revised revenue estimates for the Highway Fund for fiscal year 2010-11.

Appropriation **$3,840,718**

Ferry Division

1. **Maintain Current Level of Services**

Additional operating funds are recommended for the Ferry Division to maintain their current level of services for fiscal year 2010-11. Operating funds were reduced for the 2009-11 biennium to balance the overall requirements for the Highway Fund with projected revenues.

Appropriation **$4,805,311**

Rail Division

1. **Grants to Short Line Railroads**

Provide funds to the Rail Division for grants to short line railroad companies to fund rehabilitation projects that strengthen North Carolina's short line rail infrastructure.

Appropriation $2,000,000

2. **Pembroke Northeast Bypass Connector**

Provide funds to the Rail Division for construction of the Pembroke Northeast Bypass project. Preliminary engineering, environmental documentation and right of way acquisition have been previously authorized and are underway for this project. The connector will provide improved multi-modal access to southeast North Carolina, linking the states military bases with State Ports.

Appropriation - Nonrecurring $4,325,000

Division of Motor Vehicles

1. **Medical Certification Compliance**

Funds are recommended to allow the Division of Motor Vehicles to become compliant with new federal legislation that requires medical certification as part of the Commercial Driver License (CDL) process. All medical certificates for CDL applicants have to be reviewed to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration prior to issuance of a CDL.

Appropriation $192,351

Appropriation - Nonrecurring $7,550

Number of Positions 5.000

2. **Law Enforcement Vehicle Expenses**

Funds are recommended for motor fleet fees associated with specialized law enforcement vehicles assigned to the License and Theft Bureau within the Division of Motor Vehicles. The funds were reduced during the 2009-11 budget and are not sufficient to pay for currently assigned vehicles.

Appropriation - Nonrecurring $344,722

Administration

1. **IT - Payment Card Industry (PCI) Data Security Standard Compliance**

Funding is recommended for an information technology project that will allow the department to upgrade their computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by Master Card. Funding is requested for required hardware, software, and assessment services to maintain PCI compliance.

Appropriation $135,000

Appropriation - Nonrecurring $350,000

2. **IT - Enterprise IP Telephone System**

Funds are recommended to replace the existing Interactive Voice Response (IVR) hardware and applications and annual operating funds required for IT expenses with an upgraded telephone solution for the Division of Motor Vehicles. The current IVR system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center. The Division's current telephone technology is outdated and ineffective, and the infrastructure cannot be updated to meet its future needs.

Appropriation **$544,289**

Appropriation - Nonrecurring **$515,000**

Agency Reserves

1. **State Employees Payback**

It is recommended that all employees paid from the highway fund receive a 0.5% one-time payback for the salary reduction taken to balance the budget in FY 2008-09.

Appropriation - Nonrecurring **$2,701,641**

2. **Retirement System Contribution**

It is recommended that the State's contribution to the Teachers' and State Employees' Retirement System be increased in FY 2010-11. The increase represents the funds required for state employees that are paid from highway fund appropriations.

Appropriation **$930,050**

Transfers to Other State Agencies

1. **CC&PS-Provide Matching Funds to Continue VIPER Interoperable Communications Network Development**

Funds are recommended to be transferred to Crime Control and Public Safety to provide matching funds for the Public Safety Interoperability Communications (PSIC) grant from the U.S. Department of Commerce received by the Highway Patrol. The PSIC grant will be used to assist in the further development of the VIPER interoperable communications network.

Appropriation **$4,700,000**

2. **Department of Public Instruction - Drivers Education**

Funds are recommended to restore the recurring appropriation for the Driver Education Program based on findings of a continuation review of the program as directed by the 2009 Session of the General Assembly.

Appropriation **$33,321,964**

Total Recommended Expansion

Recurring

Requirements	$50,469,683
Receipts	-
Appropriation	$50,469,683
Number of Positions	5.000

Nonrecurring

Requirements	$8,243,913
Receipts	-
Appropriation	$8,243,913
Time Limited Positions	-

Total Recommended Adjustments for Highway Fund 2010-11

Recurring

Requirements	$45,946,087
Receipts	-
Appropriation	$45,946,087
Number of Positions	5.000

Nonrecurring

Requirements	$6,943,913
Receipts	-
Appropriation	$6,943,913
Time Limited Positions	-

Highway Trust Fund (84290)

Total Appropriations and Positions

	2010-11 Certified	Net Recommended Expansion and Reduction	2010-11 Recommended	Percent Change
Requirements	$920,990,000	$80,323,983	$1,001,313,983	8.7 %
Receipts	-	-	-	
Appropriation	$920,990,000	$80,323,983	$1,001,313,983	8.7 %
Positions	-	-	-	

Appropriation Items -- Recommended Adjustments

Reductions

2010-11

1. **Reduce Transfer to General Fund**

It is recommended that the transfer from the Highway Trust Fund to the General Fund authorized by G.S. 105-187.9 be reduced by an additional $22 million for FY 2010-11. This reinforces the Governor's pledge to eliminate this transfer by 2012.

Appropriation ($22,000,000)

2. **Statutory Adjustment to Secondary Roads Construction Allocation**

An adjustment consistent with statutory formulas is recommended to the appropriation for secondary roads construction. The adjustment is required to update the allocation based on revised revenue estimates for the Highway Trust Fund for fiscal year 2010-11.

Appropriation ($170,627)

Total Recommended Reductions

Recurring

Requirements	($22,170,627)
Receipts	-
Appropriation	($22,170,627)
Number of Positions	-

Nonrecurring

Requirements	-
Receipts	-
Appropriation	-
Time Limited Positions	-

Expansion

	2010-11

1. Establish North Carolina Mobility Fund

Notwithstanding G.S. 136-176(b), the recommended funds made available by further reducing the transfer from the Highway Trust Fund to the General Fund ($22 million) and other dedicated revenue sources from motor vehicle fees ($72.6 million) shall be used for the NC Mobility Fund. The funds will be available for all transportation modes and can only be utilized for the purposes outlined in an associated special provision that creates the fund. The request will facilitate establishment of a dedicated source of funding that can be used for projects that have statewide significance and are linked to statewide economic goals.

Appropriation **$94,583,983**

2. Statutory Adjustment to Intrastate System Allocation

An adjustment consistent with statutory formulas is recommended to the appropriation for the intrastate system. The adjustment is required to update the allocation based on revised revenue estimates for the Highway Trust Fund for fiscal year 2010-11.

Appropriation **$4,995,162**

3. Statutory Adjustment to Urban Loops Construction Allocation

An adjustment consistent with statutory formulas is recommended to the appropriation for urban loops construction. The adjustment is required to update the allocation based on revised revenue estimates for the Highway Trust Fund for fiscal year 2010-11.

Appropriation **$2,019,836**

4. Statutory Adjustment to Aid to Municipalities Allocation

An adjustment consistent with statutory formulas is recommended to the appropriations for state aid to municipalities (Powell Bill). The adjustment is required to update the allocation based on revised revenue estimates for the Highway Trust Fund for fiscal year 2010.

Appropriation **$524,109**

5. Statutory Adjustment to Program Administration Allocation

An adjustment consistent with statutory formulas is recommended to the appropriation for administration. The adjustment is required to update the allocation based on revised revenue estimates for the Highway Trust Fund for fiscal year 2010-11.

Appropriation **$371,520**

Total Recommended Expansion

Recurring

Requirements	$102,494,610
Receipts	-
Appropriation	$102,494,610
Number of Positions	-

Nonrecurring

Requirements	-
Receipts	-
Appropriation	-
Time Limited Positions	-

Total Recommended Adjustments for Highway Trust Fund 2010-11

Recurring

Requirements	$80,323,983
Receipts	-
Appropriation	$80,323,983
Number of Positions	-

Nonrecurring

Requirements	-
Receipts	-
Appropriation	-
Time Limited Positions	-

Turnpike Authority Budget Changes (64208)

Total Appropriations and Positions

	2010-11 Certified	Net Recommended Expansion and Reduction	2010-11 Recommended	Percent Change
Requirements	$5,566,777	$0	$5,566,777	0.0 %
Receipts	5,566,777	-	5,566,777	0.0 %
Appropriation	$0	$0	$0	
Positions	24.000	-	24.000	0.0 %

House Appropriations Subcommittee on Transportation

Agenda

May 24, 2010
4:00 pm
Room 1228 LB

Chairs: Representatives Cole *(presiding)* and Martin

- Presentation of Senate Transportation Money Report and Special Provisions
  - Committee Staff

- Committee Discussion

House Appropriations Subcommittee

on

Transportation

The House Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met on Monday, May 24, 2010, at 4:00 P. M. Representative Grier Martin, Chairman, presided. House members attending included the following: Representative Nelson Cole, Chairman; Representative Lorene Coates, Vice Chairman; Representative Chris Heagarty, Vice Chairman; Representative William Current; Representative Jerry Dockham; Representative Phillip Frye; Representative Rosa Gill; Representative Mitch Gillespie; Representative Jim Gulley; Representative Frank Iler; Representative Pat McElrath; Representative Dianne Parfitt; and Representative Arthur Williams. Staff members from the Fiscal Research Division were Ms. Amna Cameron and Mr. Bob Weiss.

Chairman Martin welcomed members and visitors. He introduced his new intern, Ms. Sage Boyd.

Chairman Martin called upon Ms. Amna Cameron of the Fiscal Research Division to present the Senate Budget for Transportation [Exhibit A]. As part of the Senate Budget for Transportation, Ms. Cameron also presented the Highway Trust Fund budget changes [Exhibit B]. Following these presentations, Chairman Martin entertained questions from the members.

The next part of Ms. Cameron's presentations included special provisions from the Senate Budget for Transportation: PART XXVIII. DEPARTMENT OF TRANSPORTATION. As part of the special provisions, the Driver Education Program Fund Reversion proposal was discussed. Chairman Cole noted that there was a general consensus that the Driver Education Program needed some thorough evaluation as to certification of instructors, effectiveness of the training, the number of students actually served, and other factors affecting the total program.

Following some questions and discussion from committee members, Chairman Martin concluded the meeting by thanking members, staff, and guests for their attendance.

The meeting was adjourned at 4:35 P.M.

Respectfully submitted,

Linda Laton, Committee Assistant

Representative Grier Martin, Chairman

Exhibit A

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Presentation of Senate Budget

May 24, 2010

Senate Subcommittee on Transportation

Highway Fund

HIGHWAY FUND

	FY 10-11
Total Budget Approved 2009 Session	$1,739,650,000

Budget Changes

Administration

1 IT Payment Card Industry Data Security Standard Compliance — $254,406 R; $350,000 NR; 1.00

Provides funds to upgrade DOT's computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by MasterCard. One Business and Technology Specialist position ($95,344) is funded and will serve as the compliance officer for the program.

2 IT - Enterprise IP Telephone System — $544,289 R; $515,000 NR

Provides funds to replace the existing DMV Interactive Voice Response hardware and applications and includes annual operating funds required for related IT expenses. The current telephone system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center.

Aviation Division

3 Transfer of Department of Commerce Executive Aircraft — $500,000 R; 4.00

Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft.

Division of Motor Vehicles

4 Medical Certification Compliance — $264,951 R; $7,550 NR; 5.00

Provides funds to allow DMV to become compliant with new federal requirements for medical certification as part of the Commercial Driver License (CDL) process. Medical certificates for all CDL holders must be reviewed by January 30, 2012 and every two years afterward to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration. In order to comply with these new federal requirements, funds are provided for additional personnel and for operating support.

Positions include four Processing Assistant V positions ($27,544 each) and one Administrative Assistant I ($29,502) for a total of five positions costing $139,678 in salaries and $52,673 in benefits. Additional recurring costs of $72,600 for mailing and $7,550 in nonrecurring costs for computers and office equipment are incurred.

5 DMV Security Measures — $344,722 NR

Provides funds to enhance building security at the Charlotte and Raleigh Registration and Renewals, Titles, and Plate offices. Security cameras, panic buttons, and door swipe card access systems are needed to secure State funds and equipment and limit access into secure areas.

Ferry Division

6 Maintain Current Level of Service — $11,349,869 R

Provides operating funds to maintain the current level of services for FY 2010-11.

Maintenance

7 Maintenance Funds — ($7,709,150) R

Decreases funds for maintenance of the State's highway infrastructure.

Rail Division

8 Grants to Short Line Railroads — $2,000,000 NR

Provides funds to the Rail Division for grants to short line railroad companies for rehabilitation projects that strengthen North Carolina's short line rail infrastructure.

9 Pembroke Northeast Bypass Connector — $4,325,000 NR
Provides funds for construction of the Pembroke Northeast Bypass project, which will provide improved multi-modal access to southeast North Carolina, linking the state's military bases and State ports.

Reserves

10 Retirement System Contribution — $906,000 R
Increases employer contributions to the retirement system to maintain the system's actuarially sound status.

Statutory Adjustments

11 Leaking Underground Storage Tank (LUST) Fund — ($40,000) R
Adjusts budget for the LUST fund by -1.5% based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.

12 Secondary Road Improvement Program Funds — $3,840,718 R
Adjusts funding in FY 2010-11 for the secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.

13 Aid to Municipalities — ($785,319) R
Adjusts funding for aid to municipalities by -0.9 percent based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1

Transfers

14 DPI - Driver Education Program — $32,021,964 R
Partially restores funding to the Driver Education program. Funding was eliminated in FY2010-11 pending a Continuation Review.

15 CCPS - VIPER matching funds — $4,700,000 NR

Provides funds to the Highway Patrol for matching funds for the Public Safety Interoperability Communications grant from the US Department of Commerce. The grant will assist in the further development of the Voice Interoperability Project for Emergency Responders (VIPER) network.

16 Reduce Transfer to General Fund - Dept of State Treasurer — ($500,000) R

Reduces the transfer to the General Fund by $500,000 to account for the transfer of the Department of Commerce Executive Aircraft Division.

	$40,647,728 R
Budget Changes	**$12,242,272 NR**
Total Position	10.00
Revised Total Budget	**$1,792,540,000**

Exhibit B

Senate Subcommittee on Transportation

Highway Trust Fund

	HIGHWAY TRUST FUND	
	FY 10-11	
Total Budget Approved 2009 Session	$920,990,000	
Budget Changes		
Highway Trust Fund		
17 Administration Increases appropriation for administration for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b).	$371,520	R
18 Aid to Municipalities Increases appropriation for Aid to Municipalities for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(3).	$524,109	R
19 Intrastate System Increases appropriation for the Intrastate System for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(1).	$4,995,162	R
20 Secondary Road Construction Reduces appropriation for the Secondary Road construction program for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(4).	($170,627)	R
21 Urban Loops Increases appropriation for the Urban Loops for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(2).	$2,019,836	R
	$7,740,000	R
Budget Changes		
Total Position		
Revised Total Budget	$928,730,000	

Exhibit C

PART XXVIII. DEPARTMENT OF TRANSPORTATION

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 28.1.(a) Section 25.1 of S.L. 2009-451 is repealed.

SECTION 28.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,793.1 million
For Fiscal Year 2012-2013	$ 1,880.6 million
For Fiscal Year 2013-2014	$ 1,920.5 million
For Fiscal Year 2014-2015	$ 1,958.9 million

SECTION 28.1.(c) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 989.2 million
For Fiscal Year 2012-2013	$ 1,046.4 million
For Fiscal Year 2013-2014	$ 1,078.3 million
For Fiscal Year 2014-2015	$ 1,120.4 million

DRIVER EDUCATION PROGRAM FUND REVERSION

SECTION 28.2. G.S. 20-88.1 reads as rewritten:

"**§ 20-88.1. Driver education.**

...

(a1) For each fiscal year, the State Superintendent of Public Instruction shall calculate a per student allocation for the driver education program by dividing the total funds allocated for the program by the estimated number of qualified students throughout the State, as described in subsection (a) of this section. The Superintendent shall distribute funds to local school administrative units by giving each local school administrative unit an amount equal to the per student allocation multiplied by the estimated number of qualified students within that local school administrative unit's district, including students enrolled in both public and private schools. If, at the end of the fiscal year, fewer than the expected number of students have participated in the driver education program in a local school administrative unit, then the local school administrative unit shall revert the per student allocation for each student that was estimated to be eligible to participate but did not actually participate in the driver education program.

...

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund. At the end of each fiscal year, the Department of Public Instruction shall collect and revert any unused funds allocated for this program back to the Highway Fund.

..."

HOUSE PAGES

NAME OF COMMITTEE Transp. DATE 5-24-10

1. Name: _____

   County: _____

   Sponsor: _____

2. Name: _____

   County: _____

   Sponsor: _____

3. Name: _____

   County: _____

   Sponsor: _____

4. Name: _____

   County: _____

   Sponsor: _____

5. Name: _____

   County: _____

   Sponsor: _____

SGT-AT-ARM

1. Name: Trey Raley

2. Name: Martha Parrish

3. Name: _____

4. Name: _____

VISITOR REGISTRATION SHEET

Transp. — 5-24-10

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Lawless Bean	City of Wilmington
John Pollard	NCAPA
Anton Wagner	NC Public Transp. Association
Gradey McCallie	NC Conservation Network
Steve Jackson	NC Budget & Tax
Peter Griggs	CCNC
Gene Causby	NCSCA
Michelle Frazier	MF+S
Johanna Reese	DOT
Ed Lumpkin	Brooks Pierce
Chris Valaurri	Hwy 17 Assoc of NC

VISITOR REGISTRATION SHEET

Transportation — 5-24-12

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[illegible]	RANC- [illegible]
Andrew Henson	Civitas Institute
Kevin Leonard	NCACC
Julie White	NCMMC
Jay Stem	NCAA
Mac Boxley	NCAA
BERRY JENKINS	CAROLINAS AGC
[illegible]	NCRA
[illegible]	NCAE
[illegible]	Bonc! Assn.
[illegible]	IBM

MINUTES

HOUSE APPRORIATIONS SUBCOMMITTEE ON TRANSPORTATION

May 26, 2010
4:00 PM
Room 1228, Legislative Building

The Joint Appropriations Subcommittee on Transportation met on Wednesday, May 26, 2010 in Room 1228 of the Legislative Building. Co-Chairs present were: Representatives Nelson Cole and Grier Martin. Vice Chairs present were Representatives Lorene Coates and Chris Heagarty. House members present were: Representatives William Current, Jerry Dockham, Phillip Frye, Rosa Gill, Mitch Gillespie, James Gulley, Frank Iler, John May, Diane Parfitt and Arthur Williams. Staff members present were: Mr. Bob Weiss, Ms. Anna Cameron and Mr. Ryan Blackledge. The visitor sheet is attached as Attachment #1.

Chairman Martin called the meeting to order, welcoming everyone and introduced the committee staff members. He then followed introductions by recognizing staff member, Ms. Amna Cameron, to present to the committee the House Draft Transportation Money Report and Special Provisions/Draft Package for the House. A copy of the reports are attached as Attachment #2 and Attachment #3.

Following some discussions, the meeting was adjourned at 4:50 pm.

Respectfully submitted,

Representative Grier Martin
Chair

Sylvia Hammons
Committee Assistant

House Appropriations Subcommittee on Transportation

Agenda

May 26, 2010
15 Minutes after Session
Room 1228 LB

Chairs: Representatives Cole and Martin

- House Draft Transportation Money Report and Special Provisions
  - Committee Staff

- Committee Discussion

ATTACHMENT I

VISITOR REGISTRATION SHEET

House Appropriations Subcommittee on Transportation — May 26, 2010

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kellie Stoppy	John Locke Foundation
Steve Jackson	Budget & Tax
	RANC - Jim Black's
Ed Goodwin	Brooks Pierce
Jim Westmoreland	NCDOT
Stephanie King	NCDOT
Kim Padfield	NCDOT
Beau Memory	NCDOT
Thomas C. Caves, Jr.	NC Dept. of Crime Control & Public Safety
	NCMMC
Randy Barnes	DOT

VISITOR REGISTRATION SHEET

House Appropriations Subcommittee on Transportation — May 26, 2010

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John Hardee	Manning Fulton
Michelle Frazier	"
Andrew Meehan	Capstrat
Allison Walter	Charlotte Chamber
Sage Boyd	intern - Rep Martin

VISITOR REGISTRATION SHEET

APPR TRANSPORTATION — 5/26/10

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
CS Hollis	TSS
Bob Hattis	MWC
Gene Cawby	NCMA

ATTACHMENT 2

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION REPORT

MAY 25, 2010
DRAFT PACKAGE FOR HOUSE

2010-TRANS-H1(S28.1)I 1
CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

2010-TRANS-H2(S28.2) 2
DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

2010-TRANS-H3 3
REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

2010-TRANS-H5 4
ADJUST ROAD NAMING POLICY

2010-TRANS-H7 5
STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

2010-TRANS-H8 6
DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

2010-TRANS-H9 7
ESTABLISH NC MOBILITY FUND

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H1(S28.1)i

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative Cole

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 28.1.(a) Section 25.1 of S.L. 2009-451 is repealed.

SECTION 28.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,793.1 million
For Fiscal Year 2012-2013	$ 1,880.6 million
For Fiscal Year 2013-2014	$ 1,920.5 million
For Fiscal Year 2014-2015	$ 1,958.9 million

SECTION 28.1.(c) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 989.2 million
For Fiscal Year 2012-2013	$ 1,046.4 million
For Fiscal Year 2013-2014	$ 1,078.3 million
For Fiscal Year 2014-2015	$ 1,120.4 million

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H2(S28.2)

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Cole**

DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

SECTION 28.2.(a) G.S. 20-88.1 reads as rewritten:

"**§ 20-88.1. Driver education.**

...

(a1) For each fiscal year, the State Superintendent of Public Instruction shall calculate a per student allocation for the driver education program by dividing the total funds allocated for the program by the estimated number of qualified students throughout the State, as described in subsection (a) of this section. The Superintendent shall distribute funds to local school administrative units by giving each local school administrative unit an amount equal to the per student allocation multiplied by the estimated number of qualified students within that local school administrative unit's district, including students enrolled in both public and private schools. If, at the end of the fiscal year, fewer than the expected number of students have participated in the driver education program in a local school administrative unit, then the local school administrative unit shall revert the per student allocation for each student that was estimated to be eligible to participate but did not actually participate in the driver education program.

...

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund. At the end of each fiscal year, the Department of Public Instruction shall collect and revert any unused funds allocated for this program back to the Highway Fund.

..."

SECTION 28.2.(b) The Highway Safety Research Center Institute of the University of North Carolina at Chapel Hill shall work in collaboration with the Department of Public Instruction and the Governor's Highway Safety Commission to create a standard curriculum to be used for the Driver Education Program in the Department of Public Instruction. The curriculum shall be ready for use in the school year beginning in the fall of 2011 and shall be used for all driver education programs funded with State funds.

SECTION 28.2.(c) The Office of State Budget and Management (OSBM) shall review the funding and efficacy of the Driver Education Program to determine the most appropriate source of funds to support the program and outcomes of the funding on student driving. The review shall include recommendations for improving services, reducing costs and/or duplication, and alternative funding mechanisms including fees. OSBM will also work with the Department of Public Instruction to establish performance measures for the program to be used to determine the program's effectiveness. OSBM shall make recommendations to the Governor and the General Assembly no later than November 1, 2010.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H3

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION #. The Board of Directors of the Global TransPark Authority shall report on or before December 31, 2010, to the House and Senate Appropriations Subcommittees on Transportation on the Authority's strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-seven million seven hundred ninety-eight thousand eight hundred and ninety-eight dollars and fifty cents ($37,798,898.50) as of March 31, 2010.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H5

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Martin**

ADJUST ROAD NAMING POLICY

SECTION #. The Department of Transportation shall remove the existing prohibition on naming State roads after specific military veterans and shall adopt a policy for naming highways after specific military veterans. This new policy shall be part of the Department of Transportation's existing system for naming State roads after people. The Department of Transportation shall report to Joint Legislative Transportation Oversight Committee no later than December 1, 2011, on the new policy and the Department's implementation of the policy.

DRAFT
SPECIAL PROVISION



2010-TRANS-H7

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by:

STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

SECTION #. The Department of Crime Control and Public Safety, State Highway Patrol Division, shall use two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the United States Asset Forfeiture Program for the Voice Interoperability Plan for Emergency Responders (VIPER) project for expenditures that would be permitted under the Asset Forfeiture Program's rules.

In the event that the State Highway Patrol's 2010-2011 budget, as established by S.L. 2009-451, this act, or any other act, is reduced in any way, the State Highway Patrol may use, but shall not be required to use, two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the Asset Forfeiture Program for the VIPER project.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H8

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

SECTION #. The Department of Transportation, Ferry Division, shall develop a fee schedule for all ferry routes in an amount necessary to cover the operating costs of the existing ferry routes. As part of developing a fee schedule, the Department of Transportation, Ferry Division, shall provide a fee exception for schoolchildren and teachers who reside on a barrier island and travel on a ferry to attend or teach at a primary or secondary school. The Department of Transportation, Ferry Division, shall report on its planned fee schedule and implementation timeline to the House and Senate Appropriations Subcommittees on Transportation no later than February 1, 2011.

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by:

ESTABLISH NC MOBILITY FUND

SECTION #. Chapter 136 of the General Statutes is amended by adding a new article to read:

"Article 14A.

"North Carolina Mobility Fund.

"**§136-187. Creation of the North Carolina Mobility Fund.**

(a) A special account designated as the North Carolina Mobility Fund is hereby created. The Mobility Fund consists of revenue from appropriations or transfers by the General Assembly.

(b) The amounts deposited to the Mobility Fund shall be used as provided in this Article, notwithstanding any provision of Article 14 to the contrary. The provisions of G.S. 136-17.2A shall not apply to the application of the Mobility Fund.

"**§ 136-188. Use of North Carolina Mobility Fund.**

(a) The Department of Transportation shall use the Mobility Fund to fund transportation projects of statewide and regional significance that relieve congestion and enhance mobility across all modes of transportation. The Department of Transportation shall establish project selection criteria based on the provisions of this article.

(b) The initial project funded from the Mobility Fund shall be the widening and improvement of Interstate 85 north of the Yadkin River Bridge.

"**§ 136-189. Reports by Department of Transportation.**

The Department of Transportation shall develop, and update annually, a report containing a completion schedule for all projects to be funded from the Mobility Fund, including the selection criteria and reasoning used for each project. 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 report shall also include the Department's anticipated schedule for future projects. The Department shall submit the report and the annual updates to the Joint Legislative Transportation Oversight Committee."

SECTION #.(b) The Department of Transportation shall develop a selection criteria under G.S. 136-188, as enacted by this act, and shall report to the Joint Legislative Transportation Oversight Committee on its development of the selection criteria. A preliminary report on the selection criteria for projects is due to the Joint Legislative Transportation Oversight Committee by October 1, 2010. A final report is due to the Joint Legislative Transportation Oversight Committee by December 15, 2010.

SECTION #.(c) The funds appropriated to the North Carolina Turnpike Authority in fiscal year 2009-2010 under G.S. 136-176(b2) for the Monroe Connector/Bypass, twenty-four million dollars ($24,000,000), and the Mid-Currituck Bridge, fifteen million dollars ($15,000,000), are hereby transferred to the North Carolina Mobility Fund, as enacted by this act, to be used for Phase II of the Yadkin River Bridge project.

ATTACHMENT 3

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Presentation of DRAFT House Budget

May 26, 2010

Highway Fund

	FY 10-11
Total Budget Approved 2009 Session	$1,739,650,000

Budget Changes

Administration

1 IT Budget Reductions Reduces the Department's IT budget to reflect FY 2010-11 rate changes from the Office of Information Technology Services.	($207,933)	R
2 IT Payment Card Industry Data Security Standard Compliance Provides funds to upgrade DOT's computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by MasterCard. One Business and Technology Specialist position ($95,344) is funded and will serve as the compliance officer for the program.	$254,406 $350,000 1.00	R NR
3 IT - Enterprise IP Telephone System Provides funds to replace the existing DMV Interactive Voice Response hardware and applications and includes annual operating funds required for related IT expenses. The current telephone system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center.	$544,289 $515,000	R N

Aviation Division

4 Transfer of Department of Commerce Executive Aircraft Division $500,000 R

Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft. 4.00

The positions tranferred include:
60080839 Executive Pilot II
60080840 Executive Pilot II
60080842 Aircraft Mechanic
60080838 Executive Pilot II

Department-wide

5 Vacant Positions ($3,233,406) R

Eliminates positions vacant prior to January 1, 2009 in the Division of Motor Vehicles. Eliminates all other DOT positions vacant prior to January 1, 2010. This includes 7 DMV positions and 44 DOT positions supported by the Highway Fund. It includes 14 DMV positions and 1,059 DOT positions funded through projects, receipts, or through federal funds. -51.00

The total cut to DMV for the salary and benefits for the vacant Highway Fund supported positions is $416,898. The total cut to the DOT administrative budget for the salary and benefits for the vacant Highway Fund supported positions is $2,816,508.

Division of Motor Vehicles

6 Medical Certification Compliance

$264,951 R
$7,550 NR
5.00

Provides funds to allow DMV to become compliant with new federal requirements for medical certification as part of the Commercial Driver License (CDL) process. Medical certificates for all CDL holders must be reviewed by January 30, 2012 and every two years afterward to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration. In order to comply with these new federal requirements, funds are provided for additional personnel and for operating support.

Positions include four Processing Assistant V positions ($27,544 each) and one Administrative Assistant 1 ($29,502) for a total of five positions costing $139,678 in salaries and $52,673 in benefits. Additional recurring costs of $72,600 for mailing and $7,550 in nonrecurring costs for computers and office equipment are incurred.

7 DMV Security Measures

$344,722 NR

Provides funds to enhance building security at the Charlotte and Raleigh Registration and Renewals, Titles, and Plate offices. Security cameras, panic buttons, and door swipe card access systems are needed to secure State funds and equipment and limit access into secure areas.

Ferry Division

8 Maintain Current Level of Service

$11,349,869 R

Provides operating funds to maintain the current level of services for FY 2010-11.

Maintenance

9 Maintenance Funds

($1,127,811) R

Decreases funds for maintenance of the State's highway infrastructure. The total budget for maintenance is $937,117,830 in FY 2010-11. Changes include:

	Adj (R)	Total
Primary System	$0	$186,055,224
Secondary System	$0	$269,153,619
Contract Resurfacing	$0	$300,000,000
System Preservation	$0	$100,000,000
General Maintenance Reserve	$-1,127,811	$ 81,908,987

Rail Division

10 Grants to Short Line Railroads — $2,000,000 NR
Provides funds to the Rail Division for grants to short line railroad companies for rehabilitation projects that strengthen North Carolina's short line rail infrastructure.

11 Pembroke Northeast Bypass Connector — $4,325,000 NR
Provides funds for construction of the Pembroke Northeast Bypass project, which will provide improved multi-modal access to southeast North Carolina, linking the state's military bases and State ports.

Reserves

12 Retirement System Contribution — $906,000 R
Increases employer contributions to the retirement system to maintain the system's actuarially sound status.

Statutory Adjustments

13 Leaking Underground Storage Tank (LUST) Fund — ($40,000) R
Adjusts budget for the LUST fund by -1.5 percent based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.

14 Secondary Road Improvement Program Funds — $3,840,718 R
Adjusts funding in FY 2010-11 for the secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.

15 Aid to Municipalities — ($785,319) R
Adjusts funding for aid to municipalities by -0.9 percent based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1

Transfers

16 DPI - Driver Education Program — $32,021,964 R

Partially restores funding to the Driver Education program. Funding was eliminated in FY2010-11 pending a Continuation Review.

17 CCPS - VIPER matching funds — $2,200,000 NR

Provides funds to the Highway Patrol for matching funds for the Public Safety Interoperability Communications grant from the US Department of Commerce. The grant will assist in the further development of the Voice Interoperability Project for Emergency Responders (VIPER) network.

18 North Carolina Global TransPark Authority — ($640,000) R

Reduces the Global Transpark budget by 50 percent to a total of $640,000.

19 Reduce Transfer to General Fund - Dept of State Treasurer — ($500,000) R

Reduces the transfer to the General Fund by $500,000 to account for the transfer of the Department of Commerce Executive Aircraft Division.

	$43,147,728	**R**
Budget Changes	**$9,742,272**	**NR**
Total Position	-41.00	
Revised Total Budget	**$1,792,540,000**	

House Subcommittee on Transportation

Highway Trust Fund

	HIGHWAY TRUST FUND	
	FY 10-11	
Total Budget Approved 2009 Session	**$920,990,000**	
Budget Changes		
Highway Trust Fund		
20 Administration Increases appropriation for administration for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b).	$371,520	R
21 Aid to Municipalities Increases appropriation for Aid to Municipalities for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(3).	$524,109	R
22 Intrastate System Increases appropriation for the Intrastate System for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(1).	$4,995,162	R
23 Secondary Road Construction Reduces appropriation for the Secondary Road construction program for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(4).	($170,627)	R
24 Urban Loops Increases appropriation for the Urban Loops for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(2).	$2,019,836	R
	$7,740,000	R
Budget Changes		
Total Position		
Revised Total Budget	**$928,730,000**	

MINUTES

HOUSE APPRORIATIONS SUBCOMMITTEE ON TRANSPORTATION

May 27, 2010
11:00 am
Room 1228, Legislative Building

The Joint Appropriations Subcommittee on Transportation met on Wednesday, May 26, 2010 in Room 1228 of the Legislative Building. Co-Chairs present were: Representatives Nelson Cole and Grier Martin. Vice Chairs present were Representatives Lorene Coates and Chris Heagarty. House members present were: Representatives William Current, Jerry Dockham, Phillip Frye, Rosa Gill, Mitch Gillespie, James Gulley, Frank Iler, John May, Pat McElraft, Diane Parfitt and Arthur Williams. Staff members present were: Mr. Bob Weiss, Ms. Anna Cameron and Mr. Ryan Blackledge. House Pages present were Perry Wester, sponsored by Representative Hugh Holliman and Isaiah, sponsored by Representative M. Michaux (Durham). Sergeant-at-Arms present were Mr. Young Bae and Mr. Carlton Adams. The visitor sheet is attached as Attachment #1.

Chairman Martin called the meeting to order, welcoming all to the committee meeting. He then introduced staff members and Ms. Sylvia Hammons, committee assistant. Chairman Martin recognized and introduced Ms. Chelsea Horton and Ms. Paloma Jenkins who are students from Wake Early College and who were shadowing Representative Jim Gulley for the day. Chairman Martin then introduced staff member, Ms. Amna Cameron who presented changes on the Presentation of House Money Report. (See attachment #2) Ms. Cameron then proceeded to discuss the Draft Special Provision – Establish NC Mobility Fund. (See attachment #3). Mr. Bob Weiss, staff member, was introduced and submitted the Rules for Subcommittee Procedures Form.

After some discussion of various options for equity formula, the committee indicated it had not further questions or comments. Representative Cole asked to be recognized for motion that the committee move to approve the House Appropriations Subcommittee on

Transportation's report allowing any technical amendments. All members voted in favor and it passed unanimously.

With no further discussions, the meeting was adjourned at 11:40 am.

Respectfully submitted,

Representative Grier Martin
Chair

Sylvia Hammons
Committee Assistant

House Appropriations Subcommittee on Transportation

Agenda

May 27, 2010
11:00 am
Room 1228 LB

Chairs: Representatives Cole and Martin

- House Transportation Money Report and Special Provisions
  - Committee Staff

- Committee Discussion and Vote

ATTACHMENT 1

VISITOR REGISTRATION SHEET

House Appropriations Subcommittee on Transportation — May 27, 2010

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Brian Dempsey	MWC
Allison Walker	Charlotte Chamber
Beth Kincaid	John Locke Foundation
John Hardin	Manning Fulton
Michelle Frazier	
Mercedes Bellamy	OSBM
Jay Stem	NCAA
Betsy Bailey	Professional Engineers of NC
Jim Westmoreland	NCDOT
Mark Foster	NCDOT
Richard Walls	NCDOT

VISITOR REGISTRATION SHEET

House Appropriations Subcommittee on Transportation — May 27, 2010
Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jem Griffith	Intern - Chris Heagarty
Roberto Canales	NCDOT
Johanna Reese	DOT
Paloma Jenkins	Wake Early College of Health and Sciences
Chelsea Horton	Wake Early College of Health & Sciences

VISITOR REGISTRATION SHEET

House Appropriations Subcommittee on Transportation — May 27, 2010

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
	RANC - Tri Axis
Peter Grigg	CCNC
David Starling	NCDST
A. SOLARI	DST
	Brooker Pierce
Beau Memory	NCDOT
Mike Gilchrist	NCSHP
	DMV
Roadrunner	Wake Coyote

VISITOR REGISTRATION SHEET

House Appropriations Subcommittee on Transportation — May 27, 2010
Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
R E Clendenin	NCSHP
Marc Nichols	NCSHP
Dan Fenton	City of Charlotte
Stephanie King	NCDOT
Kim Padfield	NCDOT
Randy Barnes	NCDOT
Ian Maglione	Rep. McCormick Wake Early College of Health & Sciences
DESIREÉE DUNN	REP. McCormick WECHS
Khristopher Sutter	Rep. Heagarty WECHS
Oleg Kakhovsky	Rep. Heagarty WECHS
Mason Davis	Rep. Heagarty WECHS

HOUSE PAGES

NAME OF COMMITTEE Transportation DATE 5.27.2010

1. Name: Perry Wester
   County: Vance
   Sponsor: Holliman
2. Name: Isaiah
   County: Durham
   Sponsor: Michaux
3. Name:
   County:
   Sponsor:
4. Name:
   County:
   Sponsor:
5. Name:
   County:
   Sponsor:

SGT-AT-ARM

1. Name: Young Bae
2. Name: Cathon Adams
3. Name:
4. Name:

Attachment 2

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Presentation of House Money Report

May 27, 2010

House Subcommittee on Transportation

Highway Fund

HIGHWAY FUND

	FY 10-11
Total Budget Approved 2009 Session	$1,739,650,000

Budget Changes

Administration

1 IT Budget Reductions Reduces the Department's IT budget to reflect FY 2010-11 rate changes from the Office of Information Technology Services.	($207,933)	R
2 IT Payment Card Industry Data Security Standard Compliance Provides funds to upgrade DOT's computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by MasterCard. One Business and Technology Specialist position ($95,344) is funded and will serve as the compliance officer for the program.	$254,406 $350,000 1.00	R NR
3 IT - Enterprise IP Telephone System Provides funds to replace the existing DMV Interactive Voice Response hardware and applications and includes annual operating funds required for related IT expenses. The current telephone system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center.	$544,289 $515,000	R NR

Aviation Division

4 Transfer of Department of Commerce Executive Aircraft Division $500,000 R

Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft. 4.00

The positions transferred include:
60080839 Executive Pilot II
60080840 Executive Pilot II
60080842 Aircraft Mechanic
60080838 Executive Pilot II

Department-wide

5 Vacant Positions ($3,233,406) R

Eliminates positions vacant prior to January 1, 2009 in the Division of Motor Vehicles. Eliminates all other DOT positions vacant prior to January 1, 2010. This includes 7 DMV positions and 44 DOT positions supported by the Highway Fund. It includes 14 DMV positions and 1,059 DOT positions funded through projects, receipts, or through federal funds. -51.00

The total cut to DMV for the salary and benefits for the vacant Highway Fund supported positions is $416,898. The total cut to the DOT administrative budget for the salary and benefits for the vacant Highway Fund supported positions is $2,816,508.

Division of Motor Vehicles

6 Medical Certification Compliance — $264,951 R; $7,550 NR; 5.00

Provides funds to allow DMV to become compliant with new federal requirements for medical certification as part of the Commercial Driver License (CDL) process. Medical certificates for all CDL holders must be reviewed by January 30, 2012 and every two years afterward to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration. In order to comply with these new federal requirements, funds are provided for additional personnel and for operating support.

Positions include four Processing Assistant V positions ($27,544 each) and one Administrative Assistant 1 ($29,502) for a total of five positions costing $139,678 in salaries and $52,673 in benefits. Additional recurring costs of $72,600 for mailing and $7,550 in nonrecurring costs for computers and office equipment are incurred.

7 DMV Security Measures — $344,722 NR

Provides funds to enhance building security at the Charlotte and Raleigh Registration and Renewals, Titles, and Plate offices. Security cameras, panic buttons, and door swipe card access systems are needed to secure State funds and equipment and limit access into secure areas.

Ferry Division

8 Maintain Current Level of Service — $11,349,869 R

Provides operating funds to maintain the current level of services for FY 2010-11.

Maintenance

9 Maintenance Funds — ($2,078,811) R

Decreases funds for maintenance of the State's highway infrastructure. The total budget for maintenance is $936,166,830 in FY 2010-11. Changes include:

	Adj (R)	Total
Primary System	$0	$186,055,224
Secondary System	$0	$269,153,619
Contract Resurfacing	$0	$300,000,000
System Preservation	$0	$100,000,000
General Maintenance Reserve	$-2,078,811	$ 80,957,987

Rail Division

10 Grants to Short Line Railroads — $2,000,000 NR
Provides funds to the Rail Division for grants to short line railroad companies for rehabilitation projects that strengthen North Carolina's short line rail infrastructure.

11 Pembroke Northeast Bypass Connector — $4,325,000 NR
Provides funds for construction of the Pembroke Northeast Bypass project, which will provide improved multi-modal access to southeast North Carolina, linking the state's military bases and State ports.

Reserves

12 Retirement System Contribution — $1,857,000 R
Increases employer contributions to the retirement system to maintain the system's actuarially sound status.

Statutory Adjustments

13 Leaking Underground Storage Tank (LUST) Fund — ($40,000) R
Adjusts budget for the LUST fund by -1.5 percent based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.

14 Secondary Road Improvement Program Funds — $3,840,718 R
Adjusts funding in FY 2010-11 for the secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.

15 Aid to Municipalities — ($785,319) R
Adjusts funding for aid to municipalities by -0.9 percent based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1

Transfers

16 DPI - Driver Education Program $32,021,964 R
Partially restores funding to the Driver Education program. Funding was eliminated in FY2010-11 pending a Continuation Review.

17 CCPS - VIPER matching funds $2,200,000 NR
Provides funds to the Highway Patrol for matching funds for the Public Safety Interoperability Communications grant from the US Department of Commerce. The grant will assist in the further development of the Voice Interoperability Project for Emergency Responders (VIPER) network.

18 North Carolina Global TransPark Authority ($640,000) R
Reduces the Global TransPark budget by 50 percent to a total of $640,000.

19 Reduce Transfer to General Fund - Dept of State Treasurer ($500,000) R
Reduces the transfer to the General Fund by $500,000 to account for the transfer of the Department of Commerce Executive Aircraft Division.

$43,147,728 R

Budget Changes **$9,742,272 NR**

Total Position -41.00

Revised Total Budget **$1,792,540,000**

Highway Trust Fund

	HIGHWAY TRUST FUND	
	FY 10-11	
Total Budget Approved 2009 Session	$920,990,000	
Budget Changes		
Highway Trust Fund		
20 Administration Increases appropriation for administration for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b).	$371,520	R
21 Aid to Municipalities Increases appropriation for Aid to Municipalities for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(3).	$524,109	R
22 Intrastate System Increases appropriation for the Intrastate System for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(1).	$4,995,162	R
23 Secondary Road Construction Reduces appropriation for the Secondary Road construction program for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(4).	($170,627)	R
24 Urban Loops Increases appropriation for the Urban Loops for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(2).	$2,019,836	R
	$7,740,000	R
Budget Changes		
Total Position		
Revised Total Budget	$928,730,000	

North Carolina House of Representatives
Appropriations Committee

RULES FOR SUBCOMMITTEE PROCEDURE

May 27, 2010

The following rules govern the eligibility of amendments to subcommittee reports:

1. Amendments must be offered by formal amendments.
2. Amendments cannot increase total spending within the draft subcommittee report presented by the subcommittee chairs.
3. Amendments can only affect appropriations within the departments, agencies, or programs within the jurisdiction of the subcommittee.
4. Amendments cannot spend reversions.
5. Nonrecurring reductions cannot be used to fund recurring items.
6. Amendments cannot change or establish substantive policy or law.

ATTACHMENT 3

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION REPORT

MAY 27, 2010
PACKAGE FOR APPROVAL BY HOUSE SUBCOMMITTEE

2010-TRANS-H1(S28.1)I 1
CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

2010-TRANS-H2(S28.2)-P 2
DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

2010-TRANS-H3-P 3
REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

2010-TRANS-H5-P 4
ADJUST ROAD NAMING POLICY

2010-TRANS-H7-P 5
STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

2010-TRANS-H8-P 6
DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

2010-TRANS-H9-P 7
ESTABLISH NC MOBILITY FUND

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H1(S28.1)i

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Cole**

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 28.1.(a) Section 25.1 of S.L. 2009-451 is repealed.

SECTION 28.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,793.1 million
For Fiscal Year 2012-2013	$ 1,880.6 million
For Fiscal Year 2013-2014	$ 1,920.5 million
For Fiscal Year 2014-2015	$ 1,958.9 million

SECTION 28.1.(c) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 989.2 million
For Fiscal Year 2012-2013	$ 1,046.4 million
For Fiscal Year 2013-2014	$ 1,078.3 million
For Fiscal Year 2014-2015	$ 1,120.4 million

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H2(S28.2)-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative Cole

DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

SECTION 28.2.(a) G.S. 20-88.1 reads as rewritten:

"**§ 20-88.1. Driver education.**

...

(a1) For each fiscal year, the State Superintendent of Public Instruction shall calculate a per student allocation for the driver education program by dividing the total funds allocated for the program by the estimated number of qualified students throughout the State, as described in subsection (a) of this section. The Superintendent shall distribute funds to local school administrative units by giving each local school administrative unit an amount equal to the per student allocation multiplied by the estimated number of qualified students within that local school administrative unit's district, including students enrolled in both public and private schools. If, at the end of the fiscal year, fewer than the expected number of students have participated in the driver education program in a local school administrative unit, then the local school administrative unit shall revert the per student allocation for each student that was estimated to be eligible to participate but did not actually participate in the driver education program.

...

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund. At the end of each fiscal year, the Department of Public Instruction shall collect and revert any unused funds allocated for this program back to the Highway Fund.

...."

SECTION 28.2.(b) The Highway Safety Research Center Institute of the University of North Carolina at Chapel Hill shall work in collaboration with the Department of Public Instruction and the Governor's Highway Safety Commission to create a standard curriculum to be used for the Driver Education Program in the Department of Public Instruction. The curriculum shall be ready for use in the school year beginning in the fall of 2011 and shall be used for all driver education programs funded with State funds.

SECTION 28.2.(c) The Office of State Budget and Management (OSBM) shall review the funding and efficacy of the Driver Education Program to determine the most appropriate source of funds to support the program and outcomes of the funding on student driving. The review shall include recommendations for improving services, reducing costs and/or duplication, and alternative funding mechanisms including fees. OSBM shall also work with the Department of Public Instruction to establish performance measures for the program to be used to determine the program's effectiveness. OSBM shall make recommendations to the Governor and the General Assembly no later than November 1, 2010.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H3-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION #. The Board of Directors of the Global TransPark Authority shall report on or before December 31, 2010, to the House and Senate Appropriations Subcommittees on Transportation on the Authority's strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-seven million seven hundred ninety-eight thousand eight hundred ninety-eight dollars and fifty cents ($37,798,898.50) as of March 31, 2010.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H5-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Martin**

ADJUST ROAD NAMING POLICY

SECTION #. The Department of Transportation shall remove the existing prohibition on naming State roads after specific military veterans and shall adopt a policy for naming highways after specific military veterans. This new policy shall be part of the Department of Transportation's existing system for naming State roads after people. The Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee no later than December 1, 2011, on the new policy and the Department's implementation of the policy.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H7-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by:

STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

SECTION #. The Department of Crime Control and Public Safety, State Highway Patrol Division, shall use two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the United States Asset Forfeiture Program for the Voice Interoperability Plan for Emergency Responders (VIPER) project for expenditures that would be permitted under the Asset Forfeiture Program's rules.

In the event that the State Highway Patrol's 2010-2011 budget, as established by S.L. 2009-451, this act, or any other act, is reduced in any way, the State Highway Patrol may use, but shall not be required to use, two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the Asset Forfeiture Program for the VIPER project.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H8-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

SECTION #. The Department of Transportation, Ferry Division, shall develop a fee schedule for all ferry routes in an amount necessary to cover the operating costs of the existing ferry routes. As part of developing a fee schedule, the Department of Transportation, Ferry Division, shall provide a fee exception for schoolchildren and teachers who reside on a barrier island and travel on a ferry to attend or teach at a primary or secondary school. The Division shall also consider the needs of commuters and other frequent passengers in developing the fee schedule. The Department of Transportation, Ferry Division, shall report on its planned fee schedule and implementation time line to the House and Senate Appropriations Subcommittees on Transportation no later than February 1, 2011.

DRAFT
SPECIAL PROVISION

2010-TRANS-H9-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by:

ESTABLISH NC MOBILITY FUND

SECTION #.(a) Chapter 136 of the General Statutes is amended by adding a new Article to read:

"Article 14A.

"North Carolina Mobility Fund.

"**§ 136-187. Creation of the North Carolina Mobility Fund.**

(a) A special fund designated as the North Carolina Mobility Fund is hereby created. The Mobility Fund consists of revenue from appropriations or transfers by the General Assembly.

(b) The amounts deposited to the Mobility Fund shall be used as provided in this Article, notwithstanding any provision of Article 14 to the contrary. The provisions of G.S. 136-17.2A shall not apply to the application of the Mobility Fund.

"**§ 136-188. Use of North Carolina Mobility Fund.**

(a) The Department of Transportation shall use the Mobility Fund to fund transportation projects of statewide and regional significance that relieve congestion and enhance mobility across all modes of transportation. The Department of Transportation shall establish project selection criteria based on the provisions of this Article.

(b) The initial project funded from the Mobility Fund shall be the widening and improvement of Interstate 85 north of the Yadkin River Bridge.

"**§ 136-189. Reports by Department of Transportation.**

The Department of Transportation shall develop, and update annually, a report containing a completion schedule for all projects to be funded from the Mobility Fund, including the selection criteria and reasoning used for each project. 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 report shall also include the Department's anticipated schedule for future projects. The Department shall submit the report and the annual updates to the Joint Legislative Transportation Oversight Committee."

SECTION #.(b) The Department of Transportation shall develop a selection criteria under G.S. 136-188, as enacted by this act, and shall report to the Joint Legislative Transportation Oversight Committee on its development of the selection criteria. A preliminary report on the selection criteria for projects is due to the Joint Legislative Transportation Oversight Committee by October 1, 2010. A final report is due to the Joint Legislative Transportation Oversight Committee by December 15, 2010.

SECTION #.(c) Any funds appropriated to the North Carolina Turnpike Authority in fiscal year 2009-2010 under G.S. 136-176(b2) that remain unencumbered at the end of fiscal year 2009-2010 are hereby transferred to the North Carolina Mobility Fund, as enacted by this act, to be used for Phase II of the Yadkin River Bridge project.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H9-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by:

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DRAFT
SPECIAL PROVISION



2010-TRANS-H8-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

SECTION #. The Department of Transportation, Ferry Division, shall develop a fee schedule for all ferry routes in an amount necessary to cover the operating costs of the existing ferry routes. As part of developing a fee schedule, the Department of Transportation, Ferry Division, shall provide a fee exception for schoolchildren and teachers who reside on a barrier island and travel on a ferry to attend or teach at a primary or secondary school. The Division shall also consider the needs of commuters and other frequent passengers in developing the fee schedule. The Department of Transportation, Ferry Division, shall report on its planned fee schedule and implementation time line to the House and Senate Appropriations Subcommittees on Transportation no later than February 1, 2011.

DRAFT
SPECIAL PROVISION

2010-TRANS-H7-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by:

STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

SECTION #. The Department of Crime Control and Public Safety, State Highway Patrol Division, shall use two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the United States Asset Forfeiture Program for the Voice Interoperability Plan for Emergency Responders (VIPER) project for expenditures that would be permitted under the Asset Forfeiture Program's rules.

In the event that the State Highway Patrol's 2010-2011 budget, as established by S.L. 2009-451, this act, or any other act, is reduced in any way, the State Highway Patrol may use, but shall not be required to use, two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the Asset Forfeiture Program for the VIPER project.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H5-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Martin**

ADJUST ROAD NAMING POLICY

SECTION #. The Department of Transportation shall remove the existing prohibition on naming State roads after specific military veterans and shall adopt a policy for naming highways after specific military veterans. This new policy shall be part of the Department of Transportation's existing system for naming State roads after people. The Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee no later than December 1, 2011, on the new policy and the Department's implementation of the policy.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H3-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

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DRAFT
SPECIAL PROVISION

2010-TRANS-H2(S28.2)-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Cole**

DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

SECTION 28.2.(a) G.S. 20-88.1 reads as rewritten:

"**§ 20-88.1. Driver education.**

...

(a1) For each fiscal year, the State Superintendent of Public Instruction shall calculate a per student allocation for the driver education program by dividing the total funds allocated for the program by the estimated number of qualified students throughout the State, as described in subsection (a) of this section. The Superintendent shall distribute funds to local school administrative units by giving each local school administrative unit an amount equal to the per student allocation multiplied by the estimated number of qualified students within that local school administrative unit's district, including students enrolled in both public and private schools. If, at the end of the fiscal year, fewer than the expected number of students have participated in the driver education program in a local school administrative unit, then the local school administrative unit shall revert the per student allocation for each student that was estimated to be eligible to participate but did not actually participate in the driver education program.

...

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund. At the end of each fiscal year, the Department of Public Instruction shall collect and revert any unused funds allocated for this program back to the Highway Fund.

...."

SECTION 28.2.(b) The Highway Safety Research Center Institute of the University of North Carolina at Chapel Hill shall work in collaboration with the Department of Public Instruction and the Governor's Highway Safety Commission to create a standard curriculum to be used for the Driver Education Program in the Department of Public Instruction. The curriculum shall be ready for use in the school year beginning in the fall of 2011 and shall be used for all driver education programs funded with State funds.

SECTION 28.2.(c) The Office of State Budget and Management (OSBM) shall review the funding and efficacy of the Driver Education Program to determine the most appropriate source of funds to support the program and outcomes of the funding on student driving. The review shall include recommendations for improving services, reducing costs and/or duplication, and alternative funding mechanisms including fees. OSBM shall also work with the Department of Public Instruction to establish performance measures for the program to be used to determine the program's effectiveness. OSBM shall make recommendations to the Governor and the General Assembly no later than November 1, 2010.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H1(S28.1)i

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Cole**

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 28.1.(a) Section 25.1 of S.L. 2009-451 is repealed.

SECTION 28.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,793.1 million
For Fiscal Year 2012-2013	$ 1,880.6 million
For Fiscal Year 2013-2014	$ 1,920.5 million
For Fiscal Year 2014-2015	$ 1,958.9 million

SECTION 28.1.(c) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 989.2 million
For Fiscal Year 2012-2013	$ 1,046.4 million
For Fiscal Year 2013-2014	$ 1,078.3 million
For Fiscal Year 2014-2015	$ 1,120.4 million

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION REPORT

MAY 27, 2010
PACKAGE FOR APPROVAL BY HOUSE SUBCOMMITTEE

2010-TRANS-H1(S28.1)I 1
CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

2010-TRANS-H2(S28.2)-P 2
DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

2010-TRANS-H3-P 3
REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

2010-TRANS-H5-P 4
ADJUST ROAD NAMING POLICY

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STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

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DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

2010-TRANS-H9-P 7
ESTABLISH NC MOBILITY FUND

Joint Transportation Appropriations Conference Subcommittee

The Joint Transportation Appropriations Conference Subcommittee, 2009 – 2010 Legislative Session, met on Wednesday, June 16, 2010, at 9:00 A. M. Representative Nelson Cole, Chairman, presided. House members attending included the following: Representative Grier Martin, Chairman; Lorene Coates, Vice Chairman; Representative Jerry Dockham; Representative Rosa Gill; Representative John May; Representative Dianne Parfitt; and Representative Arthur Williams. Senate members attending included the following: Senator Steve Goss, Chairman; Senator Malcolm Graham, Chairman; Senator Clark Jenkins; and Senator Josh Stein. Staff members from the Fiscal Research Division were Ms. Amna Cameron, Mr. Bob Weiss, and Ms. Karlynn O'Shaughnessy. Mr. Ryan Blackledge of the Bill Drafting Division was also in attendance.

Chairman Cole welcomed members and visitors.

Chairman Cole called upon Ms. Amna Cameron of the Fiscal Research Division to present the SB 897 Joint Conference Committee Comparison Report on the Continuation, Expansion, and Capital Budgets for Transportation [Exhibit A]. Ms. Cameron noted the eight controversial items between the House and Senate editions of the budget: IT Budget Reductions, Transfer of Department of Commerce Executive Aircraft Division, Department Wide Vacant Positions, Maintenance Funds, Retirement System Contribution, Leaking Underground Storage Tank (LUST) Fund, CCPS VIPER Matching Funds, and North Carolina Global TransPark Authority

Chairman Cole recognized Mr. Bob Weiss to discuss how the Senate and House versions differed [Exhibit B]. These differences included the Driver Education Program Fund Reversion, and the House only sections: Require Global TransPark to Report on Anticipated Repayment Schedule, Adjust Road Naming Policy, State Highway Patrol to Use Forfeiture Funds for Viper Program, Develop Fee Schedule for Ferry System, and Establish NC Mobility Fund.

Following some questions and discussion from committee members, Chairman Cole concluded the meeting by thanking members, staff, and guests for their attendance.

The meeting was adjourned at 9:35 A.M.

Respectfully submitted,

Linda Laton, Committee Assistant

Representative Nelson Cole, Chairman

North Carolina General Assembly

Joint Appropriations Conference Committee
2010 Session

Rules for Senate Bill 897 Subcommittee Conferees

June 10, 2010

1. **Subcommittee targets are spending targets.**

2. **Regarding expansion, subcommittees:**
   a. **Shall not** fund any new expansions not funded in either the House or Senate budgets

   b. **Shall not** increase any expansion above the higher amount in either the House or Senate budget.

   c. **May** reduce or eliminate items that are not in controversy if both sides agree to re-visit the item.

   d. **Shall not** restore or expand non-recurring items funded in the FY 2009-10 budget or previous budgets (unless items are included in the House or Senate budgets).

3. **Regarding reductions, subcommittees:**
   a. **May** include reductions that are not in either the House or Senate budget.

   b. **May** increase the amount of any reduction in the House and/or Senate budgets (i.e., take a larger reduction).

   c. **May** reduce or eliminate items that are not in controversy if both sides agree to re-visit the item.

   d. **Shall not** use nonrecurring reductions to restore recurring reductions.

4. **No new special provisions,** unless a provision is necessary to conform language and money items.

5. **Any unresolved questions or items** shall be forwarded to the Joint Conference Committee Chairs for resolution.

Fiscal Research Division
Joint Budget Development Team

Exhibit A

NORTH CAROLINA GENERAL ASSEMBLY

SB 897 JOINT CONFERENCE COMMITTEE

COMPARISON REPORT ON THE CONTINUATION, EXPANSION AND CAPITAL BUDGETS FOR TRANSPORTATION

JUNE 16, 2010

House/Senate Comparison Report

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
	Administration		
1	**IT Budget Reductions** Reduces the Department's IT budget to reflect FY 2010-11 rate changes from the Office of Information Technology Services.	($207,933)	
2	**IT Payment Card Industry Data Security Standard Compliance** Provides funds to upgrade DOT's computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by MasterCard. One Business and Technology Specialist position ($95,344) is funded and will serve as the compliance officer for the program.	$254,406 1.00 $350,000 NR	$254,406 1.00 $350,000 NR
3	**IT - Enterprise IP Telephone System** Provides funds to replace the existing DMV Interactive Voice Response hardware and applications and includes annual operating funds required for related IT expenses. The current telephone system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center.	$544,289 $515,000 NR	$544,289 $515,000 NR
	Aviation Division		
4	**Transfer of Department of Commerce Executive Aircraft Division** Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft. The positions transferred include: 60080839 Executive Pilot II 60080840 Executive Pilot II 60080842 Aircraft Mechanic 60080838 Executive Pilot II	$500,000 4.00	

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
	Transfer of Department of Commerce Executive Aircraft Division		$500,000 4.00
	Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft.		

Department-wide

6	**Vacant Positions**	($3,233,406) -51.00	
	Eliminates positions vacant prior to January 1, 2009 in the Division of Motor Vehicles. Eliminates all other DOT positions vacant prior to January 1, 2010. This includes 7 DMV positions and 44 DOT positions supported by the Highway Fund. It includes 14 DMV positions and 1,059 DOT positions funded through projects, receipts, or through federal funds. The total cut to DMV for the salary and benefits for the vacant Highway Fund supported positions is $416,898. The total cut to the DOT administrative budget for the salary and benefits for the vacant Highway Fund supported positions is $2,816,508.		

Division of Motor Vehicles

7	**Medical Certification Compliance**	$264,951 5.00 $7,550 NR	$264,951 5.00 $7,550 NR
	Provides funds to allow DMV to become compliant with new federal requirements for medical certification as part of the Commercial Driver License (CDL) process. Medical certificates for all CDL holders must be reviewed by January 30, 2012 and every two years afterward to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration. In order to comply with these new federal requirements, funds are provided for additional personnel and for operating support. Positions include four Processing Assistant V positions ($27,544 each) and one Administrative Assistant I ($29,502) for a total of five positions costing $139,678 in salaries and $52,673 in benefits. Additional recurring costs of $72,600 for mailing and $7,550 in nonrecurring costs for computers and office equipment are incurred.		

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
8	**DMV Security Measures**		
	Provides funds to enhance building security at the Charlotte and Raleigh Registration and Renewals, Titles, and Plate offices. Security cameras, panic buttons, and door swipe card access systems are needed to secure State funds and equipment and limit access into secure areas.	$344,722 NR	$344,722 NR

Ferry Division

9	**Maintain Current Level of Service**	$11,349,869	$11,349,869
	Provides operating funds to maintain the current level of services for FY 2010-11.		

Maintenance

10	**Maintenance Funds**		($7,709,150)
	Decreases funds for maintenance of the State's highway infrastructure.		
11	**Maintenance Funds**	($2,078,811)	
	Decreases funds for maintenance of the State's highway infrastructure. The total budget for maintenance is $936,166,830 in FY 2010-11. Changes include:		

	Adj (R)	Total
Primary System	$0	$186,055,224
Secondary System	$0	$269,153,619
Contract Resurfacing	$0	$300,000,000
System Preservation	$0	$100,000,000
General Maintenance Reserve	$-2,078,811	$ 80,957,987

Rail Division

12	**Grants to Short Line Railroads**		
	Provides funds to the Rail Division for grants to short line railroad companies for rehabilitation projects that strengthen North Carolina's short line rail infrastructure.	$2,000,000 NR	$2,000,000 NR
13	**Pembroke Northeast Bypass Connector**		
	Provides funds for construction of the Pembroke Northeast Bypass project, which will provide improved multi-modal access to southeast North Carolina, linking the state's military bases and State ports.	$4,325,000 NR	$4,325,000 NR

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
	Reserves		
14	**Retirement System Contribution**	$1,857,000	$906,000
	Increases employer contributions to the retirement system to maintain the system's actuarially sound status.		
	Statutory Adjustments		
15	**Secondary Road Improvement Program Funds**	$3,840,718	$3,840,718
	Adjusts funding in FY 2010-11 for the secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.		
16	**Leaking Underground Storage Tank (LUST) Fund**		($40,000)
	Adjusts budget for the LUST fund by -1.5% based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.		
17	**Leaking Underground Storage Tank (LUST) Fund**	($40,000)	
	Adjusts budget for the LUST fund by -1.5 percent based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.		
18	**Aid to Municipalities**	($785,319)	($785,319)
	Adjusts funding for aid to municipalities by -0.9 percent based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1		
	Transfers		
19	**DPI - Driver Education Program**	$32,021,964	$32,021,964
	Partially restores funding to the Driver Education program. Funding was eliminated in FY2010-11 pending a Continuation Review.		
20	**CCPS - VIPER matching funds**	$2,200,000 NR	$4,700,000 NR
	Provides funds to the Highway Patrol for matching funds for the Public Safety Interoperability Communications grant from the US Department of Commerce. The grant will assist in the further development of the Voice Interoperability Project for Emergency Responders (VIPER) network.		

Highway Fund

		House FY 10-11	Senate FY 10-11
	(Items in Controversy are Shaded)		
21	**North Carolina Global TransPark Authority**	($640,000)	
	Reduces the Global TransPark budget by 50 percent to a total of $640,000.		
22	**Reduce Transfer to General Fund - Dept of State Treasurer**	($500,000)	($500,000)
	Reduces the transfer to the General Fund by $500,000 to account for the transfer of the Department of Commerce Executive Aircraft Division.		
	Department Totals	$43,147,728	$40,647,728
		-41.00	10.00
		$9,742,272 N	$12,242,272 NR

Highway Trust Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
	Highway Trust Fund		
23	**Administration**	$371,520	$371,520
	Increases appropriation for administration for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b).		
24	**Aid to Municipalities**	$524,109	$524,109
	Increases appropriation for Aid to Municipalities for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(3).		
25	**Intrastate System**	$4,995,162	$4,995,162
	Increases appropriation for the Intrastate System for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(1).		
26	**Secondary Road Construction**	($170,627)	($170,627)
	Reduces appropriation for the Secondary Road construction program for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(4).		
27	**Urban Loops**	$2,019,836	$2,019,836
	Increases appropriation for the Urban Loops for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(2).		
	Department Totals	$7,740,000	$7,740,000

Exhibit B

Senate and House Differ

Senate Version

DRIVER EDUCATION PROGRAM FUND REVERSION

SECTION 28.2. G.S. 20-88.1 reads as rewritten:

"**§ 20-88.1. Driver education.**

...

(a1) For each fiscal year, the State Superintendent of Public Instruction shall calculate a per student allocation for the driver education program by dividing the total funds allocated for the program by the estimated number of qualified students throughout the State, as described in subsection (a) of this section. The Superintendent shall distribute funds to local school administrative units by giving each local school administrative unit an amount equal to the per student allocation multiplied by the estimated number of qualified students within that local school administrative unit's district, including students enrolled in both public and private schools. If, at the end of the fiscal year, fewer than the expected number of students have participated in the driver education program in a local school administrative unit, then the local school administrative unit shall revert the per student allocation for each student that was estimated to be eligible to participate but did not actually participate in the driver education program.

...

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund. At the end of each fiscal year, the Department of Public Instruction shall collect and revert any unused funds allocated for this program back to the Highway Fund.

..."

House Version

DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

SECTION 28.2.(a) G.S. 20-88.1 reads as rewritten:

"**§ 20-88.1. Driver education.**

...

(a1) For each fiscal year, the State Superintendent of Public Instruction shall calculate a per student allocation for the driver education program by dividing the total funds allocated for the program by the estimated number of qualified students throughout the State, as described in subsection (a) of this section. The Superintendent shall distribute funds to local school administrative units by giving each local school administrative unit an amount equal to the per student allocation multiplied by the estimated number of qualified students within that local school administrative unit's district, including students enrolled in both public and private schools. If, at the end of the fiscal year, fewer than the expected number of students have participated in the driver education program in a local school administrative unit, then the local school administrative unit shall revert the per student allocation for each student that was estimated to be eligible to participate but did not actually participate in the driver education program.

...

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund. At the end of each fiscal year, the Department of Public Instruction shall collect and revert any unused funds allocated for this program back to the Highway Fund.

...."

SECTION 28.2.(b) The Highway Safety Research Center Institute of the University of North Carolina at Chapel Hill shall work in collaboration with the Department of Public Instruction and the Governor's Highway Safety Commission to create a standard curriculum to be used for the Driver Education Program in the Department of Public Instruction. The curriculum shall be ready for use in the school year beginning in the fall of 2011 and shall be used for all driver education programs funded with State funds.

SECTION 28.2.(c) The Office of State Budget and Management (OSBM) shall review the funding and efficacy of the Driver Education Program to determine the most appropriate source of funds to support the program and outcomes of the funding on student driving. The review shall include recommendations for improving services, reducing costs and/or duplication, and alternative funding mechanisms, including fees. OSBM shall also work with the Department of Public Instruction to establish performance measures for the program to be used to determine the program's effectiveness. OSBM shall make recommendations to the Governor and the General Assembly no later than November 1, 2010.

House Only

REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION 28.3. The Board of Directors of the Global TransPark Authority shall report on or before December 31, 2010, to the House Appropriations Subcommittee on Transportation and the Senate Committee on Appropriations on Department of Transportation on the Authority's strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-seven million seven hundred ninety-eight thousand eight hundred ninety-eight dollars and fifty cents ($37,798,898.50) as of March 31, 2010.

House Only

ADJUST ROAD NAMING POLICY

SECTION 28.4. The Department of Transportation shall remove the existing prohibition on naming State roads after specific military veterans and shall adopt a policy for naming highways after specific military veterans. This new policy shall be part of the Department of Transportation's existing system for naming State roads after people. The Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee no later than December 1, 2011, on the new policy and the Department's implementation of the policy.

House Only

STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

SECTION 28.5. The Department of Crime Control and Public Safety, State Highway Patrol Division, shall use two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the United States Asset Forfeiture Program for the Voice Interoperability Plan for Emergency Responders (VIPER) project for expenditures that would be permitted under the Asset Forfeiture Program's rules.

In the event that the State Highway Patrol's 2010-2011 budget, as established by S.L. 2009-451, this act, or any other act, is reduced in any way, the State Highway Patrol may use, but shall not be required to use, two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the Asset Forfeiture Program for the VIPER project.

House Only

DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

SECTION 28.6. The Department of Transportation, Ferry Division, shall develop a fee schedule for all ferry routes in an amount necessary to cover the operating costs of the existing ferry routes. As part of developing a fee schedule, the Department of Transportation, Ferry Division, shall provide a fee exception for schoolchildren and teachers who reside on a barrier island and travel on a ferry to attend or teach at a primary or secondary school. The Division shall also consider the needs of commuters and other frequent passengers in developing the fee schedule. The Department of Transportation, Ferry Division, shall report on its planned fee schedule and implementation time line to the House Appropriations Subcommittee on Transportation and the Senate Committee on Appropriations on Department of Transportation no later than February 1, 2011.

House Only

ESTABLISH NC MOBILITY FUND

SECTION 28.7.(a) Chapter 136 of the General Statutes is amended by adding a new Article to read:

"Article 14A.

"North Carolina Mobility Fund.

"**§ 136-187. Creation of the North Carolina Mobility Fund.**

(a) A special fund designated as the North Carolina Mobility Fund is hereby created. The Mobility Fund consists of revenue from appropriations or transfers by the General Assembly.

(b) The amounts deposited to the Mobility Fund shall be used as provided in this Article, notwithstanding any provision of Article 14 to the contrary. The provisions of G.S. 136-17.2A shall not apply to the application of the Mobility Fund.

"**§ 136-188. Use of North Carolina Mobility Fund.**

(a) The Department of Transportation shall use the Mobility Fund to fund transportation projects of statewide and regional significance that relieve congestion and enhance mobility across all modes of transportation. The Department of Transportation shall establish project selection criteria based on the provisions of this Article.

(b) The initial project funded from the Mobility Fund shall be the widening and improvement of Interstate 85 north of the Yadkin River Bridge.

"**§ 136-189. Reports by Department of Transportation.**

The Department of Transportation shall develop, and update annually, a report containing a completion schedule for all projects to be funded from the Mobility Fund, including the selection criteria and reasoning used for each project. 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 report shall also include the Department's anticipated schedule for future projects. The Department shall submit the report and the annual updates to the Joint Legislative Transportation Oversight Committee."

SECTION 28.7.(b) The Department of Transportation shall develop a selection criteria under G.S. 136-188, as enacted by this act, and shall report to the Joint Legislative Transportation Oversight Committee on its development of the selection criteria. A preliminary report on the selection criteria for projects is due to the Joint Legislative Transportation Oversight Committee by October 1, 2010. A final report is due to the Joint Legislative Transportation Oversight Committee by December 15, 2010. When developing the project criteria and selection process, the Department shall give preferential consideration to projects qualified to receive state grants from the Congestion Relief and Intermodal Transportation 21st Century Fund under Article 19 of Chapter 136 of the General Statutes. When developing the project criteria and selection process, the Department shall involve the public and other stakeholders, including, but not limited to, the North Carolina Association of Municipal Planning Organizations, the North Carolina Association of Rural Planning Organizations, the North Carolina League of Municipalities, the North Carolina Association of County Commissioners, the North Carolina Metropolitan Mayors Coalition, and the North Carolina Council of Regional Governments.

SECTION 28.7.(c) Any funds appropriated to the North Carolina Turnpike Authority in fiscal year 2009-2010 under G.S. 136-176(b2) that remain unencumbered at the end of fiscal year 2009-2010 are hereby transferred to the North Carolina Mobility Fund, as enacted by this act, to be used for Phase II of the Yadkin River Bridge project.

SECTION 28.7.(d) G.S. 105-187.9 reads as rewritten:

"**§ 105-187.9. Disposition of tax proceeds.**

...

(b) ~~Transfer.~~ General Fund Transfer. – In each fiscal ~~year~~ year, the State Treasurer shall transfer the amounts provided below from the taxes deposited in the Trust Fund to the General

Fund. The transfer of funds authorized by this section may be made by transferring one-fourth of the amount at the end of each quarter in the fiscal year or by transferring the full amount annually on July 1 of each fiscal year, subject to the availability of revenue.

(1) The sum of ~~seventy-one million dollars ($71,000,000).~~ forty million dollars ($40,000,000).

...

(c) Mobility Fund Transfer. – In each fiscal year, the State Treasurer shall transfer thirty-one million dollars ($31,000,000) from the taxes deposited in the Trust Fund to the Mobility Fund. The transfer of funds authorized by this section may be made by transferring one-fourth of the amount at the end of each quarter in the fiscal year or by transferring the full amount annually on July 1 of each fiscal year, subject to the availability of revenue."

SECTION 28.7.(e) G.S. 105-187.9, as amended by this act, reads as rewritten:

"**§ 105-187.9. Disposition of tax proceeds.**

...

(b) General Fund Transfer. – In each fiscal year, the State Treasurer shall transfer the amounts provided below from the taxes deposited in the Trust Fund to the General Fund. The transfer of funds authorized by this section may be made by transferring one-fourth of the amount at the end of each quarter in the fiscal year or by transferring the full amount annually on July 1 of each fiscal year, subject to the availability of revenue."

(1) The sum of ~~forty million dollars ($40,000,000).~~ twenty-six million dollars ($26,000,000).

...

(c) Mobility Fund Transfer. – In each fiscal year, the State Treasurer shall transfer ~~thirty-one million dollars ($31,000,000)~~ forty-five million dollars ($45,000,000) from the taxes deposited in the Trust Fund to the Mobility Fund. The transfer of funds authorized by this section may be made by transferring one-fourth of the amount at the end of each quarter in the fiscal year or by transferring the full amount annually on July 1 of each fiscal year, subject to the availability of revenue."

SECTION 28.7.(f) Subsection (d) of this section becomes effective July 1, 2011. Subsection (e) of this section becomes effective July 1, 2012.

Joint Transportation Appropriations Conference Subcommittee

House Members	6/16
Nelson Cole, Chairman	✓
Grier Martin, Co-Chairman	✓
Lorene Coates, Vice Chair	✓
Jerry Dockham	✓
Rosa Gill	✓
Chris Heagarty, Vice Chair	
John May	✓
Diane Parfitt	✓
Arthur Williams	✓
Senate Members	
Steve Goss, Chairman	✓
Malcolm Graham, Chairman	✓
Julia Boseman	
Clark Jenkins	✓
Larry Shaw	
R. C. Soles, Jr.	
Josh Stein	✓

VISITOR REGISTRATION SHEET

JOINT HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENT OF TRANSPORTATION JUNE 16, 2010

Committee **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE ASSISTANT

NAME	FIRM OR AGENCY AND ADDRESS
PETER FRANZESE	CITY OF CONCORD/NCLM
Thomas Jones	NEACC
Rebecca Trank	NCACC
Randy Barnes	DOT
ANTHONY M. ALLEN	NCACC
Jackson Miller	NC DPI
Pete Hans	Nelson Mullins
Zadia Brown	Speaker's Office
Fred Baggett	City of High Point

VISITOR REGISTRATION SHEET

JOINT HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENT OF TRANSPORTATION JUNE 16, 2010

Committee **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE ASSISTANT

NAME	FIRM OR AGENCY AND ADDRESS
William V. "Bill" Bell	Mayor - 101 City Hall Plaza Durham NC 27701
Thomas C. Coues, Jr.	NC Dept. of Crime Control & Public Safety
Johanna Reese	DOT
	Civitas
Latimer Alexander	City Council At Large - High Point
John Poluncta	NCDMV
Hope McLamb	NCDMV
Nicholas Brod	NC DOC
Mercedes Benton	OSBM

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NAME	FIRM OR AGENCY AND ADDRESS
	RANC · Tag Agents
Damien Graham	Triangle Transit
Jackson Miller	NC DPI
Julie White	NCMMC
MARK FOSTER	NCDOT
Bo Heath	MWC
Everett Chester	SHP
Robert West	SHP
Cam Cree	BPMHC

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NAME	FIRM OR AGENCY AND ADDRESS
Katherine Joyce	NCASA
Suzanne Beasley	SEANC
John Haelan	MFTS
MARIA Sullivan	OFFICE OF GOV.

House Conferees on SB 897: Appropriations Act of 2010

Chairs
Michaux
Adams
Alexander, M.
Crawford
Haire
Jeffus
Tolson
Yongue
Luebke
Gibson
Wainwright
Weiss
Holliman
Owens

Appropriations Subcommittee on Capital
Goforth, Owens, Womble
Holliman
Ross
Wainwright
Grady

Appropriations Subcommittee on Education
Glazier, Rapp, McLawhorn
Bell
Lucas
Parmon
Tarleton
Wiley

Appropriations Subcommittee on General Government
Fisher, Underhill
Tucker
Whilden
Floyd
Steen

Appropriations Subcommittee on Health and Human Services
Earle, England, Insko
Farmer-Butterfield
Brisson
Stewart
Weiss
Barnhart

Appropriations Subcommittee on Justice and Public Safety
Bordsen, Love
Spear
Sutton
R. Warren
Goodwin
Jackson
Mobley
Justus

Appropriations Subcommittee on Natural and Economic Resources
Harrison, Pierce, E. Warren
Wilkins
Wray
Bryant
Langdon

Appropriations Subcommittee on Transportation
Cole, Martin
Coates
Gill
Heagarty
May
Parfitt
Williams
Dockham

Finance
Luebke, Gibson, Wainwright, Weiss
Hill
Holliman
Womble
K. Alexander
Braxton
Carney
Cotham
Faison
Hall
Hughes
Owens
Ross
Howard
McComas
Starnes

North Carolina General Assembly

Joint Appropriations Conference Committee
2010 Session

Rules for Senate Bill 897 Subcommittee Conferees

June 10, 2010

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Fiscal Research Division
Joint Budget Development Team

NORTH CAROLINA
GENERAL ASSEMBLY

SB 897 JOINT CONFERENCE COMMITTEE

COMPARISON REPORT ON THE CONTINUATION, EXPANSION AND CAPITAL BUDGETS FOR TRANSPORTATION

JUNE 16, 2010

House/Senate Comparison Report

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
Administration			
1	**IT Budget Reductions** Reduces the Department's IT budget to reflect FY 2010-11 rate changes from the Office of Information Technology Services.	($207,933)	
2	**IT Payment Card Industry Data Security Standard Compliance** Provides funds to upgrade DOT's computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by MasterCard. One Business and Technology Specialist position ($95,344) is funded and will serve as the compliance officer for the program.	$254,406 1.00 $350,000 NR	$254,406 1.00 $350,000 NR
3	**IT - Enterprise IP Telephone System** Provides funds to replace the existing DMV Interactive Voice Response hardware and applications and includes annual operating funds required for related IT expenses. The current telephone system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center.	$544,289 $515,000 NR	$544,289 $515,000 NR
Aviation Division			
4	**Transfer of Department of Commerce Executive Aircraft Division** Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft. The positions transferred include: 60080839 Executive Pilot II 60080840 Executive Pilot II 60080842 Aircraft Mechanic 60080838 Executive Pilot II	$500,000 4.00	

Highway Fund

	House FY 10-11	Senate FY 10-11
(Items in Controversy are Shaded)		
Transfer of Department of Commerce Executive Aircraft Division		$500,000 4.00

Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft.

Department-wide

6 **Vacant Positions**	($3,233,406) -51.00	

Eliminates positions vacant prior to January 1, 2009 in the Division of Motor Vehicles. Eliminates all other DOT positions vacant prior to January 1, 2010. This includes 7 DMV positions and 44 DOT positions supported by the Highway Fund. It includes 14 DMV positions and 1,059 DOT positions funded through projects, receipts, or through federal funds.

The total cut to DMV for the salary and benefits for the vacant Highway Fund supported positions is $416,898. The total cut to the DOT administrative budget for the salary and benefits for the vacant Highway Fund supported positions is $2,816,508.

Division of Motor Vehicles

7 **Medical Certification Compliance**	$264,951 5.00 $7,550 NR	$264,951 5.00 $7,550 NR

Provides funds to allow DMV to become compliant with new federal requirements for medical certification as part of the Commercial Driver License (CDL) process. Medical certificates for all CDL holders must be reviewed by January 30, 2012 and every two years afterward to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration. In order to comply with these new federal requirements, funds are provided for additional personnel and for operating support.

Positions include four Processing Assistant V positions ($27,544 each) and one Administrative Assistant 1 ($29,502) for a total of five positions costing $139,678 in salaries and $52,673 in benefits. Additional recurring costs of $72,600 for mailing and $7,550 in nonrecurring costs for computers and office equipment are incurred.

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
8	**DMV Security Measures**	$344,722 NR	$344,722 NR
	Provides funds to enhance building security at the Charlotte and Raleigh Registration and Renewals, Titles, and Plate offices. Security cameras, panic buttons, and door swipe card access systems are needed to secure State funds and equipment and limit access into secure areas.		

Ferry Division

9	**Maintain Current Level of Service**	$11,349,869	$11,349,869
	Provides operating funds to maintain the current level of services for FY 2010-11.		

Maintenance

10	**Maintenance Funds**		($7,709,150)
	Decreases funds for maintenance of the State's highway infrastructure.		
11	**Maintenance Funds**	($2,078,811)	
	Decreases funds for maintenance of the State's highway infrastructure. The total budget for maintenance is $936,166,830 in FY 2010-11. Changes include:		

	Adj (R)	Total
Primary System	$0	$186,055,224
Secondary System	$0	$269,153,619
Contract Resurfacing	$0	$300,000,000
System Preservation	$0	$100,000,000
General Maintenance Reserve	$-2,078,811	$ 80,957,987

Rail Division

12	**Grants to Short Line Railroads**	$2,000,000 NR	$2,000,000 NR
	Provides funds to the Rail Division for grants to short line railroad companies for rehabilitation projects that strengthen North Carolina's short line rail infrastructure.		
13	**Pembroke Northeast Bypass Connector**	$4,325,000 NR	$4,325,000 NR
	Provides funds for construction of the Pembroke Northeast Bypass project, which will provide improved multi-modal access to southeast North Carolina, linking the state's military bases and State ports.		

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
	Reserves		
14	**Retirement System Contribution** Increases employer contributions to the retirement system to maintain the system's actuarially sound status.	$1,857,000	$906,000
	Statutory Adjustments		
15	**Secondary Road Improvement Program Funds** Adjusts funding in FY 2010-11 for the secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.	$3,840,718	$3,840,718
16	**Leaking Underground Storage Tank (LUST) Fund** Adjusts budget for the LUST fund by -1.5% based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.		($40,000)
17	**Leaking Underground Storage Tank (LUST) Fund** Adjusts budget for the LUST fund by -1.5 percent based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.	($40,000)	
18	**Aid to Municipalities** Adjusts funding for aid to municipalities by -0.9 percent based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1	($785,319)	($785,319)
	Transfers		
19	**DPI - Driver Education Program** Partially restores funding to the Driver Education program. Funding was eliminated in FY2010-11 pending a Continuation Review.	$32,021,964	$32,021,964
20	**CCPS - VIPER matching funds** Provides funds to the Highway Patrol for matching funds for the Public Safety Interoperability Communications grant from the US Department of Commerce. The grant will assist in the further development of the Voice Interoperability Project for Emergency Responders (VIPER) network.	$2,200,000 NR	$4,700,000 NR

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
21	**North Carolina Global TransPark Authority**	($640,000)	
	Reduces the Global TransPark budget by 50 percent to a total of $640,000.		
22	**Reduce Transfer to General Fund - Dept of State Treasurer**	($500,000)	($500,000)
	Reduces the transfer to the General Fund by $500,000 to account for the transfer of the Department of Commerce Executive Aircraft Division.		
	Department Totals	$43,147,728 -41.00 $9,742,272 N	$40,647,728 10.00 $12,242,272 NR

Highway Trust Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
Highway Trust Fund			
23	**Administration**	$371,520	$371,520
	Increases appropriation for administration for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b).		
24	**Aid to Municipalities**	$524,109	$524,109
	Increases appropriation for Aid to Municipalities for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(3).		
25	**Intrastate System**	$4,995,162	$4,995,162
	Increases appropriation for the Intrastate System for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(1).		
26	**Secondary Road Construction**	($170,627)	($170,627)
	Reduces appropriation for the Secondary Road construction program for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(4).		
27	**Urban Loops**	$2,019,836	$2,019,836
	Increases appropriation for the Urban Loops for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(2).		
	Department Totals	$7,740,000	$7,740,000

House Appropriations Subcommittee

on

Transportation

The House Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met on Wednesday, April 15, 2009, at 9:00 A. M. Representative Nelson Cole, Chairman, presided. House members attending included the following: Representative Grier Martin, Chairman; Representative Lorene Coates, Vice Chairman; Representative William Current; Representative Margaret Dixon; Representative Phillip Frye; Representative Mitch Gillespie; Representative Jim Gulley; Representative Nick Mackey; Representative Bonner Stiller; and Representative Arthur Williams. Representative Jerry Dockham was unable to attend due to illness. Staff members from the Fiscal Research Division were Ms. Karlynn O'Shaughnessy, Mr. Bob Weiss, Ms. Amna Cameron, and Mr. Ryan Blackledge.

Chairman Cole welcomed members and visitors. He recognized pages serving the meeting: Chelsea Suitt from Durham County, sponsored by Representative Larry Hall, and Jordan Williamson from Watauga County, sponsored by Representative Cullie Tarleton.

Chairman Cole called upon Bob Weiss of the Fiscal Research staff to present information comparing the budget compiled by Governor Beverly Perdue and the one approved by the North Carolina Senate concerning recommended changes to the Highway Fund Budget. [Exhibit A] In some areas, the two proposed budgets were identical, but differences were evident in other areas. Chairman Cole reminded members that actual numbers for available funds would not be available for several days.

Following, Mr. Weiss's presentation, Chairman Cole entertained brief questions from members. Because of time constraints, members were asked to look more closely at figures on their own.

Chairman Cole concluded the meeting by thanking members, staff, and guests for their attendance.

The next meeting is to convene on Tuesday, April 21, 2009, at 8:30 A. M. in room 1228, as a joint meeting with Senate members for a discussion of House Bill 1779, Cost Review.

The meeting was then adjourned.

Respectfully submitted,

Linda Laton, Committee Assistant

Representative Nelson Cole, Chairman

House Subcommittee on Transportation Appropriations

Wednesday, April 15, 2009
9:00 am
Room 1228/1327 LB

AGENDA

Chairs: Representatives Martin and Cole

- Senate Transportation Budget
  - Committee Staff

Future Meetings

Thursday, April 16, 9:00 am (Joint meeting with Senate)
Jim Westmoreland, Deputy Secretary for Transit, DOT
Pat Simmons, Director, Rail Division, DOT

Tuesday, April 21, **8:30 am** (Joint meeting with Senate)
HB 1779 Cost Review

Wednesday, April 22, Full Appropriations, No Subcommittee Meeting

VISITOR REGISTRATION SHEET

Trans Approv. 4-15-09

Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Zadia Brown	
Mercedes Barton	NC OSBM
Johanna Reese	DOT
Mark Brown	RANC

VISITOR REGISTRATION SHEET

Trans Appr — 4-15-09

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Gene Causby	NMCA
Alicia [illegible]	MWC
Durward Loughridge	NS

Exhibit A

GENERAL ASSEMBLY OF NORTH CAROLINA

FINAL

SENATE BUDGET

FY 2009-11

APRIL 10, 2009

ımmended Changes to the Highway Fund Budget
FY 2009-10

	2/14/09 2 p.m..	2008-09	Governor's 2009-10			SENATE 2009-10		
		Certified	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended
1	DOT-General Administration	74,260,879	86,303,924	(5,493,402)	80,810,522	86,303,924	(5,493,402)	80,810,522
2	Highway Division Administration	32,703,136	34,905,207	(1,966,224)	32,938,983	34,905,207	(1,966,224)	32,938,983
3	Federal Aid Match - Planning and Research	4,700,000	4,055,402	-	4,055,402	4,055,402	-	4,055,402
4	Construction Program:							-
5	State Secondary System	94,881,541	84,481,404	2,589,860	87,071,264	84,481,404	(84,481,404)	-
6	Discretionary Funds	15,000,000	15,000,000	(1,050,000)	13,950,000	15,000,000	(1,050,000)	13,950,000
7	Spot Safety Improvements - Recurring	-	-	9,100,000	9,100,000	-	9,100,000	9,100,000
8	Spot Safety Improvements - Nonrecurring	9,100,000	-		-	-		-
9	Access and Public Service Roads	2,000,000	2,000,000	(140,000)	1,860,000	2,000,000	(140,000)	1,860,000
10	Small Urban Const.	21,000,000	21,000,000	(1,470,000)	19,530,000	21,000,000	(7,000,000)	14,000,000
11	Total Construction Program	141,981,541	122,481,404	9,029,860	131,511,264	122,481,404	(83,571,404)	38,910,000
12	Maintenance Program:							
13	Primary System	155,323,184	206,701,413	(18,951,189)	187,750,224	206,701,413	2,951,041	209,652,454
14	Secondary System	243,316,065	294,839,472	(25,120,853)	269,718,619	294,839,472	4,209,372	299,048,844
15	Contract Resurfacing	277,080,315	274,525,663	(23,698,886)	250,826,777	274,525,663	3,919,356	278,445,019
16	System Preservation	107,419,739	78,589,071	(7,055,063)	71,534,008	78,589,071	1,122,003	79,711,074
17	General Maintenance Reserve	151,003,126	42,493,525	(2,974,547)	39,518,978	42,493,525	606,673	43,100,198
18	Interstate 40 Resurfacing	10,000,000	-	-	-	-	-	-
19	Total Maintenance Program	944,142,429	897,149,144	(77,800,538)	819,348,606	897,149,144	12,808,444	909,957,588
20	Ferry Operations	32,313,921	28,765,439	1,440,770	30,206,209	28,765,439	1,360,770	30,126,209
21	State Aid to Municipalities	94,881,541	84,481,404	2,589,860	87,071,264	84,481,404	2,589,860	87,071,264
22	State Aid to Railroads	21,330,883	17,101,153	-	17,101,153	17,101,153	-	17,101,153
23	State Aid for Public Transportation	73,144,229	96,544,229	(24,948,267)	71,595,962	96,544,229	(24,948,267)	71,595,962
24	Airports	19,407,815	19,349,592	(2,000,000)	17,349,592	19,349,592	(2,000,000)	17,349,592
25	OSHA	425,000	425,000	(69,611)	355,389	425,000	(69,611)	355,389
26	Governor's Highway Safety Program	335,449	351,779	-	351,779	351,779	-	351,779
27	Division of Motor Vehicles	100,173,970	105,621,605	(3,888,792)	101,732,813	105,621,605	(3,888,792)	101,732,813
28	Total Department of Transportation	1,539,800,793	1,497,535,282	(103,106,344)	1,394,428,938	1,497,535,282	(105,178,626)	1,392,356,656
29	Transfers to Other State Agencies:							
30	Agriculture	4,934,152	4,972,215		4,972,215	4,972,215		4,972,215
31	Revenue	5,786,604	6,238,753		6,238,753	6,238,753		6,238,753
32	State Treasurer	17,610,000	17,557,170		17,557,170	17,557,170		17,557,170
33	OSC - Best Shared Services	-	444,037		444,037	444,037		444,037
34	Public Instruction-Driver Education	33,949,682	33,959,859		33,959,859	33,959,859		33,959,859
35	Public Instruction - Civil Penalties	-	22,000,000		22,000,000	22,000,000		22,000,000
36	CCPS - Highway Patrol	195,045,494	209,386,801	(11,035,522)	198,351,279	209,386,801	(13,868,129)	195,518,672
37	DENR - LUST Trust Fund	4,578,265	1,910,123	590,000	2,500,123	1,910,123	590,000	2,500,123
38	DHHS - Chemical Test	673,803	709,719	(49,680)	660,039	709,719	(49,680)	660,039
39	Total-Other State Agencies	262,578,000	297,178,677	(10,495,202)	286,683,475	297,178,677	(13,327,809)	283,850,868
				-0.61%				

	2/14/09 2 p.m..	2008-09	Governor's 2009-10			SENATE 2009-10		
		Certified	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended
40	Reserves and Transfers:							
41	Salary Adjustment	1,650,000	3,922,758	(3,922,758)	-	3,922,758	(3,922,758)	-
42	Minority Contractor Development	150,000	150,000	-	150,000	150,000	-	150,000
43	State Fire Protection Grant	150,000	150,000	-	150,000	150,000	-	150,000
44	Storm Water Management	500,000	500,000	-	500,000	500,000	-	500,000
45	Reserve for Visitor's Centers	400,000	400,000	-	400,000	400,000	-	400,000
46	Global Transpark	1,600,000	1,600,000	-	1,600,000	1,600,000	-	1,600,000
47	Reserve for Administrative Reduction	(2,500,000)	(2,500,000)	-	(2,500,000)	(2,500,000)	-	(2,500,000)
48	Reserve for Legislative Increase	35,216,310	-	-	-	-	-	-
49	Reserve for Compensation Adjustment	1,462,000	-	-	-	-	-	-
50	Reserve for Health Insurance Adjustment	5,734,876	-	3,920,922	3,920,922	-	5,992,476	5,992,476
51	Employer's Contribution to Retirement	1,723,800	-	1,000,000	1,000,000	-	1,000,000	1,000,000
52	Reserve for Longevity Payments	-		(2,833,335)	(2,833,335)			-
53	Total Reserves	46,086,986	4,222,758	(1,835,171)	2,387,587	4,222,758	3,069,718	7,292,476
54	Total Current Operations	1,848,465,779	1,798,936,717	(115,436,717)	1,683,500,000	1,798,936,717	(115,436,717)	1,683,500,000
55	Capital Improvements	9,084,221	-	-	-	-	-	-
56	Total Highway Fund Appropriation	1,857,550,000	1,798,936,717	(115,436,717)	1,683,500,000	1,798,936,717	(115,436,717)	1,683,500,000
57	% Inc/(Dec) Over Prior Year				-9.37%			-9.37%

Recomm Changes to the Highway Fund Budget
FY 2010-

2/14/09 2 p.m..

		2008-09	Governor's 2010-11			SENATE 2010-11		
		Certified	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended
1	DOT-General Administration	74,260,879	86,354,752	(4,457,479)	81,897,273	86,354,752	(4,457,479)	81,897,273
2	Highway Division Administration	32,703,136	34,963,043	(1,969,866)	32,993,177	34,963,043	(1,969,866)	32,993,177
3	Federal Aid Match - Planning and Research	4,700,000	4,055,402		4,055,402	4,055,402		4,055,402
4	Construction Program:							-
5	State Secondary System	94,881,541	83,214,183	2,986,368	86,200,551	83,214,183	2,986,368	86,200,551
6	Discretionary Funds	15,000,000	15,000,000	(1,050,000)	13,950,000	15,000,000	(1,050,000)	13,950,000
7	Spot Safety Improvements - Recurring	-	-	9,100,000	9,100,000	-	9,100,000	9,100,000
8	Spot Safety Improvements - Nonrecurring	9,100,000	-		-	-		-
9	Access and Public Service Roads	2,000,000	2,000,000	(140,000)	1,860,000	2,000,000	(140,000)	1,860,000
10	Small Urban Const.	21,000,000	21,000,000	(1,470,000)	19,530,000	21,000,000	(7,000,000)	14,000,000
11	Total Construction Program	141,981,541	121,214,183	9,426,368	130,640,551	121,214,183	3,896,368	125,110,551
12	Maintenance Program:							
13	Primary System	155,323,184	206,701,413	(26,813,150)	179,888,263	206,701,413	(25,814,245)	180,887,168
14	Secondary System	243,316,065	294,839,472	(32,982,814)	261,856,658	294,839,472	(31,664,258)	263,175,214
15	Contract Resurfacing	277,080,315	274,525,663	(31,560,847)	242,964,816	274,525,663	(30,282,248)	244,243,415
16	System Preservation	107,419,739	78,589,071	(15,153,194)	63,435,877	78,589,071	(14,753,631)	63,835,440
17	General Maintenance Reserve	151,003,126	42,493,525	(2,974,547)	39,518,978	42,493,525	(2,974,547)	39,518,978
18	Interstate 40 Resurfacing	10,000,000	-	-	-	-	-	-
19	Total Maintenance Program	944,142,429	897,149,144	(109,484,552)	787,664,592	897,149,144	(105,488,929)	791,660,215
20	Ferry Operations	32,313,921	28,765,439	1,344,770	30,110,209	28,765,439	960,770	29,726,209
21	State Aid to Municipalities	94,881,541	83,214,183	2,986,368	86,200,551	83,214,183	2,986,368	86,200,551
22	State Aid to Railroads	21,330,883	17,101,153	-	17,101,153	17,101,153	-	17,101,153
23	State Aid for Public Transportation	73,144,229	96,544,229	(24,912,267)	71,631,962	96,544,229	(24,912,267)	71,631,962
24	Airports	19,407,815	19,291,543	(2,000,000)	17,291,543	19,291,543	(2,000,000)	17,291,543
25	OSHA	425,000	425,000	(69,611)	355,389	425,000	(69,611)	355,389
26	Governor's Highway Safety Program	335,449	352,325	-	352,325	352,325	-	352,325
27	Division of Motor Vehicles	100,173,970	105,732,881	(3,985,252)	101,747,629	105,732,881	(3,985,252)	101,747,629
28	Total Department of Transportation	1,539,800,793	1,495,163,277	(133,121,521)	1,362,041,756	1,495,163,277	(135,039,898)	1,360,123,379
29	Transfers to Other State Agencies:							
30	Agriculture	4,934,152	4,965,929		4,965,929	4,965,929		4,965,929
31	Revenue	5,786,604	6,244,609		6,244,609	6,244,609		6,244,609
32	State Treasurer	17,610,000	17,504,498		17,504,498	17,504,498		17,504,498
33	OSC - Best Shared Services	-	444,037		444,037	444,037		444,037
34	Public Instruction-Driver Education	33,949,682	33,321,964		33,321,964	33,321,964		33,321,964
35	Public Instruction - Civil Penalties	-	22,000,000		22,000,000	22,000,000		22,000,000
36	CCPS - Highway Patrol	195,045,494	212,175,686	(11,010,894)	201,164,792	212,175,686	(15,332,886)	196,842,800
37	DENR - LUST Trust Fund	4,578,265	1,740,553	810,000	2,550,553	1,740,553	810,000	2,550,553
38	DHHS - Chemical Test	673,803	709,719	(49,680)	660,039	709,719	(49,680)	660,039
39	Total-Other State Agencies	262,578,000	299,106,995	(10,250,574)	288,856,421	299,106,995	(14,572,566)	284,534,429

40	Reserves and Transfers:							
41	Salary Adjustment	1,650,000	3,922,758	(3,922,758)	-	3,922,758	(3,922,758)	-
42	Minority Contractor Development	150,000	150,000		150,000	150,000		150,000
43	State Fire Protection Grant	150,000	150,000		150,000	150,000		150,000
44	Storm Water Management	500,000	500,000		500,000	500,000		500,000
45	Reserve for Visitor's Centers	400,000	400,000		400,000	400,000		400,000
46	Global Transpark	1,600,000	1,600,000		1,600,000	1,600,000		1,600,000
47	Reserve for Administrative Reduction	(2,500,000)	(2,500,000)		(2,500,000)	(2,500,000)		(2,500,000)
48	Reserve for Legislative Increase	35,216,310			-			-
49	Reserve for Compensation Adjustment	1,462,000			-			-
50	Reserve for Health Insurance Adjustment	5,734,876		9,320,922	9,320,922		12,502,192	12,502,192
51	Employer's Contribution to Retirement	1,723,800		1,000,000	1,000,000		1,000,000	1,000,000
52	Reserve for Longevity Payments	-		(3,059,099)	(3,059,099)			-
53	Total Reserves	46,086,986	4,222,758	3,339,065	7,561,823	4,222,758	9,579,434	13,802,192
54	Total Current Operations	1,848,465,779	1,798,493,030	(140,033,030)	1,658,460,000	1,798,493,030	(140,033,030)	1,658,460,000
55	Capital Improvements	9,084,221		-	-	-	-	-
56	Total Highway Fund Appropriation	1,857,550,000	1,798,493,030	(140,033,030)	1,658,460,000	1,798,493,030	(140,033,030)	1,658,460,000
57	**% Inc/(Dec) Over Prior Year**				**-1.49%**			**-1.49%**

Highway Fund

	HIGHWAY FUND	
	FY 09-10	FY 10-11
Adjusted Continuation Budget	**$1,798,936,717**	**$1,798,493,030**

Legislative Changes

Administration

1 Update Printing Operations — $636,000 R

Funds are provided to consolidate print operations located at the Transportation Building and the Division of Motor Vehicles. A single printing services contract will be used, incorporating mainframe and network printing services for both locations.

2 Combined Registration & Tax Collection System - Database and Implementation

Funding from receipts is provided to continue the implementation of HB 1779. Receipts will fund the development of the Statewide database, which will calculate vehicle property taxes, and to implement the outstanding components required to complete the System.

Receipts (nonrecurring)
Database: FY 2009-10 - $1,174,232; FY 2010-11 - $1,043,460
Implementation: FY 2009-10 - $4,128,573; FY 2010-11 - $7,798,424

Aviation Division

3 Aviation Funds — ($1,128,445) R; ($1,125,523) R; ($871,555) NR; ($874,477) NR

Funds for Aviation Division are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total budget for the Aviation Division is $17,349,592 in FY 2009-10 and $17,291,543 in FY 2010-11.

Construction

4 Public Service and Access Road Funds — ($140,000) R; ($140,000) R

Funds for public service and access road construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

The total budget for public service and access roads is $1,860,000 in both years of the biennium.

	FY 09-10		FY 10-11	
5 Small Construction Funds Funds for small construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total budget for small construction is $14,000,000 in both years of the biennium.	($7,000,000)	R	($7,000,000)	R
6 Contingency Funds Funds for contingency construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total budget for contingency construction is $13,950,000 in both years of the biennium.	($1,050,000)	R	($1,050,000)	R
7 Secondary Road Improvement Funds Reprogrammed to Maintenance Notwithstanding G.S.136-44.2A, FY 2009-10 funding for the secondary roads improvement program from the Highway Fund is reprogrammed to Statewide maintenance programs (See Item 14, page K3) to prevent further deterioration of the State highway system due to reduced transportation revenues and maintenance expenditures.	($84,481,404)	NR		
8 Spot Safety Program Based on the Continuation Review, funding is changed from non-recurring to recurring.	$9,100,000	R	$9,100,000	R

Department-Wide

9 Administration Cuts - Receipts

Salary and operating funds for administration of the DOT, Division of Highways, and the Division of Motor Vehicles supported by Highway Trust Fund administration receipts are reduced for the biennium. The reductions are required to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.

Receipts are reduced $3,814,114 in FY 2009-10 and $2,736,189 in FY 2010-11. Eleven vacant positions are eliminated in FY 2009-10 and an additional vacant position is eliminated in FY 2010-11.

	FY 09-10		FY 10-11	
10 Administration Cuts	($7,181,194)	R	($6,788,533)	R
Salary and operating funds for administration of the DOT, Division of Highways, and the Division of Motor Vehicles are reduced for the biennium. The reductions are required to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.Twenty-two vacant positions are eliminated in FY 2009-10.	($4,528,043) -22.00	NR	($4,524,423) -22.00	NR
The total budget for DOT - General Administration is $80,810,522 in FY 2009-10 and $81,897,273 in FY 2010-11. The total budget for DOT - Highway Division Administration is $32,938,983 in FY 2009-10 and $32,993,177 in FY 2010-11. The total DMV budget is $101,732,813 in FY 2009-10 and $101,747,629 in FY 2010-11.				
Division of Motor Vehicles				
11 National Motor Vehicle Title Compliance	$264,359	R	$264,359	R
Funds are provided to comply with new federal legislation that requires states to report additional motor vehicle title information from all salvage and junk yards in the State.	$96,460 4.00	NR	 4.00	
Funds are provided for 4 License and Theft Inspector positions ($38,612 each).				
Ferry Division				
12 Implement Coast Guard Requirements for Manning of Vessels	$3,116,267	R	$3,116,267	R
US Public Law 109-241, Section 301, passed in 2006, expanded the definition of a ferry to include State-operated passenger ferries. As a result, State ferry operations are required to operate under the US Coast Guard regulations (46 USC). In order to comply with these new federal requirements, funds are provided for additional field ferry vessel personnel and rescue boats.	$400,000 79.00	NR	 79.00	
Positions include 20 Ferry Oiler positions ($33,445 each), 27 Ferry Member II positions ($32,232 each), 27 Ferry Crew Member I positions ($28,265 each), and 5 Marine Pipefitter and Welder positions ($42,121 each).				
The 79 positions cost $2,512,924 in salaries and $603,343 in benefits.				
Nine rescue boats are funded at $400,000 in FY 2009-10.				
13 Ferry Funds	($2,155,497)	R	($2,155,497)	R
Funds for the Ferry Division are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.				
The total budget for the Ferry Division is $30,126,209 in FY 2009-10 and $29,726,209 in FY 2010-11.				

	FY 09-10		FY 10-11	
Maintenance				
14 Maintenance Funds				
Funds for maintenance are increased to prevent further deterioration of the State highway system. Funds are not reduced to align overall expenditures for the Highway Fund with projected revenues for FY 2010-11.	$12,808,444	NR		
The total budget for maintenance is $909,957,588 in FY 2009-10. Changes include:				
15 Maintenance Funds			($57,139,505)	R
Reduces funds for maintenance of the State's highway infrastructure to align overall expenditures for the Highway Fund with projected revenues for FY 2010-11.			($48,349,424)	NR
The total budget for maintenance is $791,660,215 in FY 2010-11. Changes include:				
OSHA				
16 Workplace Safety and Health Funds	($52,208)	R	($52,208)	R
Reduces funds for OSHA to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.	($17,403)	NR	($17,403)	NR
The total transfer to OSHA is $355,389 in both years of the biennium.				
Public Transportation Division				
17 Public Transportation Funds	($16,366,078)	R	($16,426,078)	R
Funds for public transportation programs are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.	($8,582,189)	NR	($8,486,189)	NR
The total budget for the Public Transportation Division is $71,595,962 in FY 2009-10 and $71,631,962 in FY 2010-11.				
Reserves				
18 Salary Adjustment Fund	($3,922,758)	R	($3,922,758)	R
Recurring funds available for salary adjustments are eliminated for the 2009-11 biennium.				

	Adj (NR)	Total
Primary System	$2,951,041	$206,701,413
Secondary System	$4,209,372	$294,839,472
Contract Resurfacing	$3,919,356	$274,525,663
System Preservation	$1,122,003	$ 78,589,071
General Maintenance Reserve	$ 606,672	$ 55,301,969

	Adj (R)	Adj (NR)	Total
Primary System	$-13,053,866	$-12,760,379	$180,887,168
Secondary System	$-19,223,529	$-12,440,729	$263,175,214
Contract Resurfacing	$-17,801,562	$-12,480,686	$244,243,415
System Preservation	$ -4,086,001	$-10,667,630	$ 63,835,440
Gen. Maintenance Res	$ -2,974,547	$ 0	$ 39,518,978

Senate Subcommittee on Transportation	FY 09-10		FY 10-11	
19 Retirement System Contribution Employer contributions to the retirement system are increased to maintain the System's actuarially sound status.	$1,000,000	R	$1,000,000	R
State Highway Patrol				
20 SHP - Establish Management Flexibility Reserve Establishes a management flexibility reserve to provide the State Highway Patrol with the flexibility to manage additional reductions totaling $5,608,242.	($5,608,242)	R	($5,608,242)	R
21 SHP - Operating Cuts Funding for various operating accounts are reduced across the agency.	($2,253,000) ($1,500,000)	R NR	($2,253,000) ($1,450,000)	R NR
22 SHP - Freeze Step Increase for Troopers The step increase for the salaries of Troopers are frozen for both years of the biennium.	($1,674,280)	NR	($3,373,932)	NR
23 SHP - Eliminate Continuation Budget Increases Eliminates additions included in the Continuation Budget.	($2,832,607)	R	($2,647,712)	R

	FY2009-10	FY2010-11
531321 Contractual Staff	$77,825	$77,825
531411 Overtime	$400,000	$400,000
531421 Holiday Pay	$140,000	$140,000
531431 Shift Premium	$470,000	$470,000
531572 Unemployment Comp	$ 20,000	$ 20,000
531631 Workers Comp Med	$726,000	$541,105
531632 Workers Comp Disab	$222,468	$222,468
532170 Admin Services	$150,000	$150,000
532199 Misc Contract Serv	$626,314	$626,314

Statutory Adjustments

24 Aid to Municipalities Adjusts funding for aid to municipalities based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1. The total budget for aid to municipalities is $87,071,264 in FY 2009-10 and $86,200,551 in FY 2010-11.	$2,589,860	R	$2,986,368	R
25 Leaking Underground Storage Tank Fund Adjusts budget for the Leaking Underground Storage Tank Fund based on projections for the motor fuels inspection fee in accordance with G.S. 119-18. The total transfer to this trust fund is $2,500,123 in FY 2009-10 and $2,550,553 in FY 2010-11.	$590,000	R	$810,000	R

Senate Subcommittee on Transportation	FY 09-10		FY 10-11	
26 Secondary Road Improvement Program Funds Adjusts funding in FY 2010-11 for secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A. The total budget for the secondary road improvement program is $86,200,551 in FY 2010-11.			$2,986,368	R
Transfers				
27 State Health Plan Provides additional funding to continue non-contributory health benefit coverage for enrolled active and retired employees supported by the Highway fund for the biennium as appropriated in Senate Bill 287 (Third Edition). These appropriations correspond to an annual 8.6% premium increase in non-contributory premium rates for the fiscal year beginning July 1, 2009, and an additional annual premium increase of 8.6% for the fiscal year beginning July 1, 2010.	$5,992,476	R	$12,502,192	R
28 Department of Health and Human Services Funds for the Chemical Test Program are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total transfer is $660,039.	($49,680)	R	($49,680)	R
Total Legislative Changes	**($27,086,747)**	**R**	**($72,957,182)**	**R**
	($88,349,970)	**NR**	**($67,075,848)**	**NR**
Total Position Changes	61.00		61.00	
Revised Budget	**$1,683,500,000**		**$1,658,460,000**	

Highway Trust Fund

	HIGHWAY TRUST FUND			
	FY 09-10		FY 10-11	
Adjusted Continuation Budget	**$1,014,750,000**		**$1,057,460,000**	
Legislative Changes				
Highway Trust Fund				
29 Transfer to General Fund Reduces transfer to General Fund in FY 2010-11 to $2,561,829 in accordance with G.S. 105-187.9(b)2.			($367,350)	R
30 Urban Loops Reduces funds for the Urban Loops to $110,759,502 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($37,512,354)	R	($41,238,334)	R
31 Administration Reduces funds for administration to $41,092,320 in FY 2009-10 consistent with new revenue estimates and statutory formula.	($7,510,080)	R	($8,278,560)	R
32 Aid to Municipalities Reduces funds for Aid to Municipalities to $39,893,942 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($9,733,745)	R	($10,700,565)	R
33 Intrastate System Reduces funds for the Intrastate System to $352,674,316 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($92,770,076)	R	($101,984,625)	R
34 Secondary Road Construction Reduces funds for the Secondary Road construction program to $57,777,091 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($9,733,745)	R	($10,700,566)	R
Total Legislative Changes	**($157,260,000)**	R	**($173,270,000)**	R
Total Position Changes				
Revised Budget	**$857,490,000**		**$884,190,000**	

Turnpike Authority

TURNPIKE AUTHORITY

	FY 09-10	FY 10-11
Adjusted Continuation Budget	**$0**	**$0**
Legislative Changes		
Turnpike Authority		
35 Administration - Receipts		
Salary and operating funds available for administration of the Turnpike Authority supported from the Highway Trust Fund administration receipts are reduced for the biennium. The reductions are required to align overall expenditures for this receipt account with projected revenues for the 2009-11 biennium.		
Receipts (Recurring):		
2009-10: ($569,925)		
2010-11: ($413,826)		
Total Legislative Changes		
Total Position Changes		
Revised Budget	**$0**	**$0**

PART XXV. DEPARTMENT OF TRANSPORTATION

CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 25.1.(a) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$1,736.5 million
For Fiscal Year 2012-2013	$1,835.2 million
For Fiscal Year 2013-2014	$1,945.3 million
For Fiscal Year 2014-2015	$2,008.7 million

SECTION 25.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 950.4 million
For Fiscal Year 2012-2013	$1,006.9 million
For Fiscal Year 2013-2014	$1,066.4 million
For Fiscal Year 2014-2015	$1,108.3 million

MODIFY GLOBAL TRANSPARK DEBT

SECTION 25.2. G.S. 147-69.2(b)(11), as amended by Section 7 of S.L. 2005-144, Section 2 of S.L. 2005-201, Section 28.17 of S.L. 2005-276, and Section 27.7 of S.L. 2007-323 reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

...

(11) With respect to assets of the Escheat Fund, obligations of the North Carolina Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed twenty-five million dollars ($25,000,000), that have a final maturity not later than October 1, ~~2009.~~ 2011. The obligations shall bear interest at the rate set by the State Treasurer. No commitment to purchase obligations may be made pursuant to this subdivision after September 1, 1993, and no obligations may be purchased after September 1, 1994. In the event of a loss to the Escheat Fund by reason of an investment made pursuant to this subdivision, it is the intention of the General Assembly to hold the Escheat Fund harmless from the loss by appropriating to the Escheat Fund funds equivalent to the loss.

If any part of the property owned by the North Carolina Global TransPark Authority now or in the future is divested, proceeds of the divestment shall be used to fulfill any unmet obligations on an investment made pursuant to this subdivision.

...."

SMALL CONSTRUCTION AND CONTINGENCY FUNDS

SECTION 25.3. 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 construction projects recommended by the member of the Board of Transportation representing the Division in which the project is to be constructed in consultation with the Division Engineer and approved by the Board of Transportation. These funds shall be allocated equally in each

fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

(2) Thirteen million nine hundred fifty thousand dollars ($13,950,000) in fiscal year 2009-2010 and thirteen million nine hundred fifty thousand dollars ($13,950,000) in fiscal year 2010-2011 shall be used statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formulas in G.S. 136-44.5(b) and (c).

These funds are not subject to G.S. 136-44.7.

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.

USE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2009-2010

SECTION 25.4. Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2009-2010, shall remain in the Highway Fund for highway maintenance.

NC TURNPIKE AUTHORITY TRANSFERRED TO THE DEPARTMENT OF TRANSPORTATION

SECTION 25.5.(a) G.S. 136-89.182 reads as rewritten:

"**§ 136-89.182. North Carolina Turnpike Authority.**

...

(b) Administrative Placement. – The Authority shall be located within the Department of Transportation ~~for administrative purposes but shall exercise all of its powers independently of the Department of Transportation except as otherwise specified in this Article.~~ and shall be subject to and under the direct supervision of the Secretary of Transportation.

...

(d) Board of Transportation Members. – ~~No more than two members~~ Members of the North Carolina Board of Transportation may serve as members of the Authority Board.

...."

SECTION 25.5.(b) The transfer of the North Carolina Turnpike Authority to the Department of Transportation has all the elements of a Type I transfer under G.S. 143A-6.

Requested by: Senator

ALLOW THE DEPARTMENT OF TRANSPORTATION TO REQUIRE FACILITIES CONSTRUCTED WITHIN RIGHTS-OF-WAY TO BE CONSTRUCTED FROM PERMEABLE PAVEMENT

SECTION 25.6.(a) G.S. 136-18 is amended by adding a new subdivision to read:

"(41) The Department shall, prior to the beginning of construction, determine whether all sidewalks and other facilities primarily intended for the use of pedestrians and bicycles that are to be constructed within the right-of-way of

a public street or highway that is a part of the State highway system or an urban highway system must be constructed of permeable pavement. "Permeable pavement" means paving material that absorbs water or allows water to infiltrate through the paving material. Permeable pavement materials include porous concrete, permeable interlocking concrete pavers, concrete grid pavers, porous asphalt, and any other material with similar characteristics. Compacted gravel shall not be considered permeable pavement."

SECTION 25.6.(b) This act becomes effective October 1, 2009, and applies to facilities constructed on or after that date.

2006-9424

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Tuesday, April 21, 2009
TIME: 8:30 am
LOCATION: 1228 LB

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **10** o'clock on **April 15, 2009**.

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

MINUTES

JOINT APPRORIATIONS SUBCOMMITTEE ON TRANSPORTATION

April 23, 2009
9:00 a.m.
Room 1228, Legislative Building

The Joint Appropriations Subcommittee on Transportation met on Thursday, April 23, 2009 at 9:00 a.m. in Room 1228 of the Legislative Building. Co-Chairs present was: Senator Steve Goss, Representatives Nelson Cole and Grier Martin. Vice Chair present was Representative Lorene Coates. House members present were: Representatives Lucy Allen, William Current, Margaret Dickson, Jerry Dockham, Phillip Frye, Mitch Gillespie, James Gulley, Bonner Stiller and Arthur Williams. Senate members present were: Senators Harry Brown, Neal Hunt and Robert Rucho. Staff members present were: Mr. Bob Weiss, Ms. Anna Cameron, Ms. Karlynn O'Shaughnessy and Mr. Ryan Blackledge. The visitor sheet is attached as Attachment #1.

Representative Martin called the meeting to order, welcoming everyone and introduced Mr. Jim Westmoreland, Deputy Secretary for Transit of the NC Department of Transportation. Mr. Westmoreland's presentation is attached as Attachment #2.

Representative Martin then introduced Ms. Pat Simmons, Director, Rail Division of the NC Department of Tranportation who provided a presentation on the Rail Division. This presentation is attached as Attachment #3.

Following some discussion, the meeting was adjourned at 9:50 a.m.

Respectfully submitted,

Representative Grier Martin
Chair

Sylvia Hammons
Committee Assistant

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Transportation — April 23, 2009

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John Shaw	Wake Up Wake Co.
Chris Ellis	K & L Gates
Johanna Reese	DOT
Michelle Frazier	MF+S
Jennifer Sassine	Williams Mullen
Zadia Brown	
Mallory Hutchens	MWL
Thomas C. Caves, Jr.	NC Dept. of Crime Control & Public Safety
Fred Baggett	Smith Moore Leatherwood
Boyd Cauble	City of Charlotte
Angie Harris	Williams Mullen

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Transportation — April 23, 2009

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
	RMC
	RMC
Mercedes Benton	OSBM
Durwood Laughinghouse	NS
JOE LANIER	SZDWICKER

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Transportation — April 23, 2009

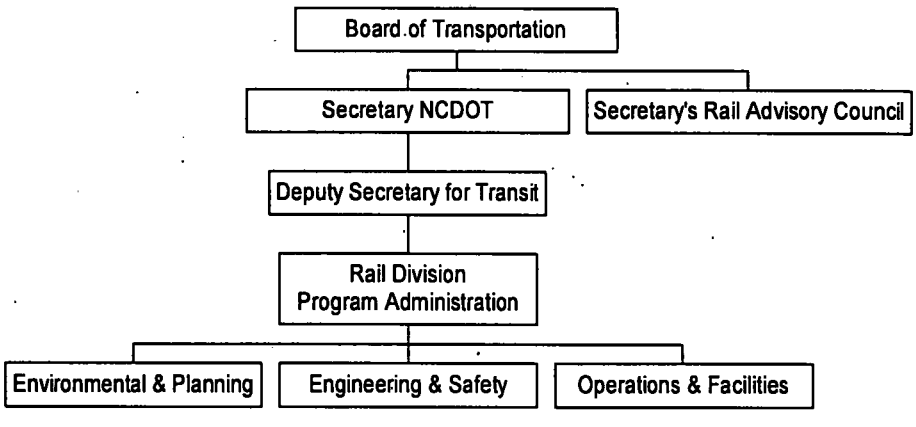
Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John Dillard	CSX

The mission of the Rail Division is to improve highway-railroad crossing safety, monitor industry safety, expand economic development, develop intercity passenger rail services, and preserve rail corridors for future transportation uses.

NCDOT-Rail Division Organization



Rail Division - Environmental & Planning

- Short & Long Range Planning for Freight & Passenger Services
- STIP project scoping
- Environmental Documentation
- State Rail Plan
- Corridor Acquisition
- Southeast High Speed Rail Corridor
- Rail Industrial Access Program
- Grants to Shortlines

Rail Division - Engineering & Safety

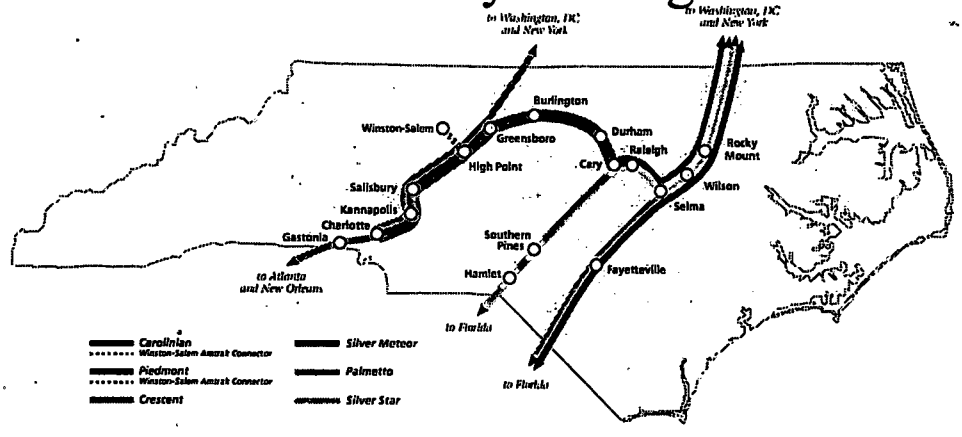
- Engineering
  - Infrastructure improvements-freight, commuter, intercity and hsr
  - Rail Industrial Access and Shortline Grant Programs
- Safety
  - FRA-certified safety inspectors – track, equipment & signals
  - Commuter rail safety oversight
- Crossing Safety
  - Gates, lights and signal improvements
  - Crossing Inventory
  - Sealed Corridor and Traffic Separation Studies

Rail Division – Operations & Facilities

- *Carolinian & Piedmont*
- Amtrak system trains
- Stations & security
- Program support
  - Station attendants, volunteers, 1.800.ByTrain, web sites & graphics
- Equipment & Mechanical
  - Capital Yard Mechanical Facility, equipment rebuilds
- Compliance
  - FRA, ADA, TSA, HSA, EPA, & others
  - Corridor Management—13 corridors total of 102 miles

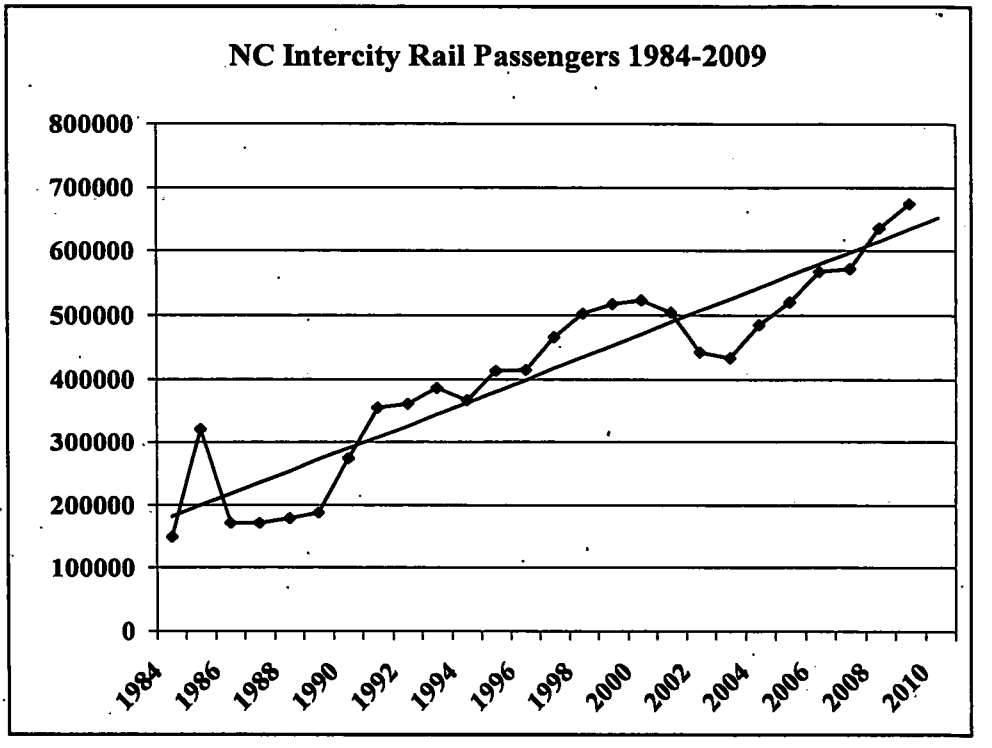
Fund 84210-7829		
Rail Program Budget		
	Certified	Recommended
Line Item	FY 08/09	FY 09/10
Environmental & Planning	750,000	1,750,000
Engineering & Safety	1,750,000	1,750,000
Travel Time Improvements	1,200,000	3,200,000
Maintenance	2,100,000	2,100,000
Passenger Operations	7,445,000	4,445,000
Capital & Safety	2,856,153	2,856,153
Grants to Short Lines	1,000,000	-
Rail Industrial Access Program	1,000,000	1,000,000
Freight Operations Streamlining	3,229,730	-
	21,330,883	17,101,153
GTP Freight Trans. System	29,000,000	-

2009 NC Intercity Passenger Rail



NC Passenger Train Service

- State Sponsored - *Carolinian* (CLT-NYP) & *Piedmont* (RGH-CLT)
- National System – *Crescent* (NYP-NOL), *Palmetto* (NYP to SAV), *Silver Meteor* (NYP-MIA) & *Silver Star* (NYP-MIA)
- All trains operated by Amtrak



NC Impacts of Intercity Passenger Train Service

- 694,290 passengers traveled 118,223,701 miles in FFY2008, 52% on state sponsored trains
- State operations investment of $10,643,750 in SFY 2008-2009. Fare box recovery of 72%.
- Goods and services purchased by Amtrak and Herzog in NC were $5,773,100 during 2008
- 200 employees in NC were paid wages of $9,533,069 during 2008

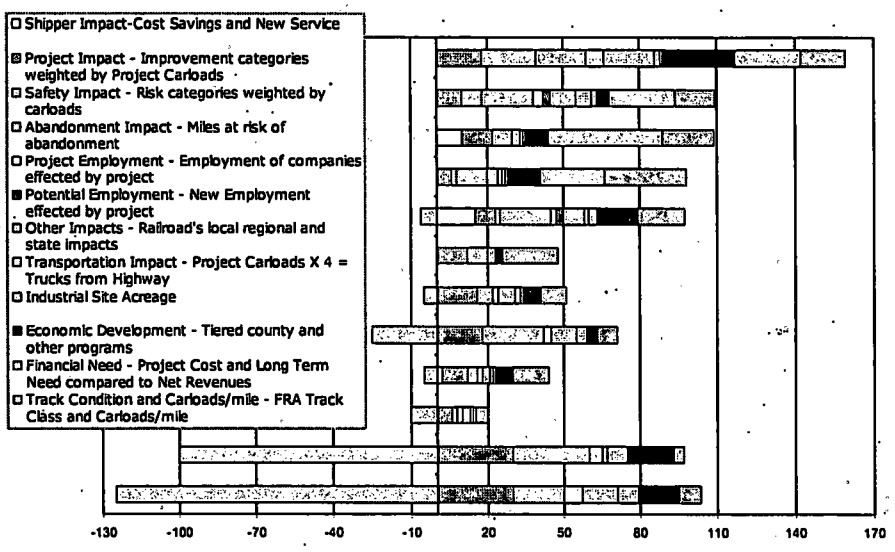
Highway Railroad Crossing Safety

- FHWA funds of $16M/year
- FRA funds of $2M/year
- Corridor analyses, crossing closures, mitigation projects, grade separations and active crossing protection
- Program $175,000 x 100+/- projects annually, Investigative Index

Shortline Grant Priorities

1. Preservation of the railroad
2. Safety
3. Retention of current customers
4. Allowing current customers to expand and prosper
5. Meeting needs of proposed customers
6. Attracting new customers
7. Reaching 286K for future not current customers

Grants to Short Lines
Project Scoring - 2009



Grants to Short Lines - 2009

10 project requests totaling $5,228,047

Includes – 39,000 ties, 2.2 miles of rail and repair of 16 bridges

Benefits 83 Companies

RECOMMENDED PROJECTS/FUNDING			ECONOMIC BENEFITS			COMMUNITY IMPACTS			
Short Line Railroad	*Funding*	*Cost*	*Project Cars/Yr*	*Equip.*	*Project Cost/Jobs*	*Wes*	*Pied.*	*Eas*	*County(ies)*
Aberdeen Carolina & Western Rwy. (ACWR)	$560,000	$1,120,043	1,485	5,940	553		X		Montgomery*
Aberdeen & Rockfish Railroad (AR)	$270,000	$547,416	148	592	30			X	Hoke, Cumberland*
Alexander Railroad (ARC)	$113,000	$423,817	523	2,092	228		X		Iredell
Atlantic & Western Railway (ATW)	$176,000	$359,180	4,297	17,188	218		X		Chatham, Lee
Caldwell County Railroad (CWCY)	$50,000	$100,000	339	1,356	518	X			Catawba, Caldwell*
Carolina Coastal Railway (CLNA)	$580,000	$1,171,000	5,580	22,320	2,646			X	Nash, Wilson*, Greene*Pitt, Beaufort*, Washington*
Carolina Southern Railroad (CALA)	$355,000	$711,208	1,799	7,196	335			X	Columbus*
Great Smoky Mountains Railroad (GSMR)	$132,000	$268,842	4,154	824	45	X			Jackson
Nash County Railroad (NCYR)	$182,000	$374,041	1,565	6,260	125			X	Nash
Wilmington Terminal Railroad (WTR)	$75,000	$152,500	8,991	35,964	313			X	New Hanover
	$2,493,000	$5,228,047	28,881	99,732	5,011	2	3	5	* Tier 1- County (8)

** GSMR carried about 150,000 passengers in 2008*

American Recovery & Reinvestment Act
PL 111-5

Rail Programs

ARRA—Rail

- $1.3B to Amtrak
  - $450M for security
  - $340M infrastructure outside of NEC
- $8B Capital grants
  - High speed corridor development—reasonably expected to reach 110 mph
  - Intercity capital grants
  - Congestion grants

ARRA—Rail

- Competitive Discretionary Grants @ 100%
  - States, Compacts & Amtrak
- Equipment, track, engineering, crossing safety, signals, property acquisition
- High priority rail corridor projects necessary to reduce congestion or facilitate ridership growth

ARRA—Rail

- "Ready to go" means planning, environmental and preliminary engineering completed
- Final design and construction and/or design-build
- Contracts with NCRR/NS/CSXT
- Project Management Plan
- Operating Plan
- April 18th Strategic Plan-schedule & criteria
- June 17th Interim Guidance-grant terms & conditions, timeframes, etc.—45 days to apply
- Grant Awards Fall 2009

Railway Association of North Carolina

Shortlines	21
Miles in North Carolina	930
Carloads 2006	113,300
Counties Served (Rural and Small Urban Areas)	46
Industries Served	
Number	201
Added in Last Three Years	>17
Employment	13,954
Intermodal Facilities Served	
State Ports - Ship to Rail	Both
Rail to/from Truck Intermodal	9
Industrial Development Sites	
Range in Acerage of Top Three Sites	1 - 1,500
Total Acerage - Top Three Sites for all Railroads	6,422
Infrastructure Needs	
Millions of $s	$ 113
Railroad Age	
Corridor Age - Range (years)	98 - 123
Average Years Owned or Leased by Current Shortline	45

Industry Groups Served	
Agriculture	
Livestock	Feed ingredients
Farm inputs	Lime, phosphate, other fertilizers
Farm Produce	Corn, peanuts
Forestry	
Wood Products	Intermediate/finished wood & paper products
Heavy Manufacturing	
Specialty Chemicals	Raw-finished chemicals
Light Manufacturing	
Injection Molding	Raw-intermediate plastics
Building & Construction	
Quarries	Stone, sand, minerals
Construction	Lumber, cement, bricks
Steel	Scrap & metal components
Energy	Fuels, coal, waste oil
Emerging Business	
Ethanol	Grain, plant fibers

Information by Railroad	Miles	2006 Carloads	County Served	Top Three NC Customers
Aberdeen & Rockfish Railroad	47	2,650	Moore, Hoke, Cumberland	Hexion Specialty Chemical, Mid Atlantic Transloading & Logistics, Farm Chemicals
Aberdeen Carolina & Western Railroad	140	14,637	Mecklenburg, Cabarrus, Stanly, Montgomery, Moore, Chatham	Mountaire Farms, Perdue Farms, Jordan Lumber
Alexander Railroad Company	18	3,574	Iredell, Alexander	International Paper, Star Milling, Deal-Rite Feeds, Inc.
Atlantic & Western Railway	10.6	5,102	Lee	3M Industrial Minerals Products, Lee Iron & Metal, H.J. Baker
Caldwell County Railroad Compay	17		Catawba, Burke, Caldwell	Sealed Air Corp., Pregis, Shurtape Technologies
Cape Fear Railways	16	NA	Cumberland	
Carolina Coastal Railway Inc.	159	1,215	Washington, Beaufort, Pitt, Greene, Wilson, Nash, Johnston, Wake	NC Chip, Crop Production, Domtar
Carolna Southern Railroad Company	31	8,683	Columbus	Georgia Pacific, Idaho Timber, Atlantic Paper
Chespeake & Albermarle Railroad	68.5	8,414	Pasquotank, Perquimons, Camden, Currituck, Chowan	Vulcan Materials, Coastal Ready Mix, Commerial Ready Mix
Clinton Terminal Railroad	4	NA	Sampson	
Great Smokey Mountain Railroad	54	400	Jackson, Swain, Graham, Macon, Cherokee	Parker & Reighman, Nantahala Quarry
High Point, Thomasville & Denton Railroad	34		Guilford, Davidson	Thomasville Forest Products, Carolina Container Corp., KAO Specialities
Laurinburg & Southern Railroad	28	4,400	Scotland	LOF, Murphy Brown, LBG Milling
Morehead & South Fork Railroad	9.5		Carteret	Norfolk Southern Railway, State Ports Authority - Morehead, Sems Group Materials
Nash County Railroad	14.8	3,500	Nash	Braswell Milling, Perdue, Rocky Mount Recyclers
North Carolina & Virginia Railroad	52	22,399	Hertford, Bertie, Northampton	Nucor Steel, Georgia Pacific, Perdue Farms
Thermal Belt Railway	8.6	147	Rutherford	Continental AFA, Carbel, PPG
Virginia Southern	20	No Traffic	Granville	
Wilmington Terminal Railroad	18	9,100	New Hanover	State Ports Authority - Wilmington, Vopak, Carolina Marine
Winston Salem and Southbound Railroad	87	16,600	Forsyth, Davidson, Guilford, Stanly, Anson	Corn Products, Owens Illnois, PPG
Yadkin Valley Railroad	93	12,479	Forsyth, Stokes, Surry, Wilkes	Tyson Foods, Louisiana Pacific, Perdue
Total	**930**	**113,300**		

Class I

Reporting Mark	Railroad/Address	Contact
CSX	**CSX Transportation** Corporate Headquarters 500 Water St., Jacksonville, FL 32202	Michael J. Ward, President and CEO 1-877-744-7279, www.csx.com
	CSX Regional Development 1610 Forest Ave., Ste. 120, Richmond, VA 23229	Russ Smitley, Manager (804) 226-7504; (804) 226-7759 FAX; russ_smitley@csx.com
	CSX Public Affairs 1201 Main St., Ste. 1980, Columbia, SC 29201	John Dillard (803) 748-1280, (803) 748-1338 FAX; John_Dillard@csx.com
	CSX Florence Division 100 Oakland Ave., Florence, SC 29506	Tom Wolfe, Division Manager (843) 664-8200; (843) 664-8273 FAX, tom-wolfw@csx.com
NS	**Norfolk Southern Corporation** **Corporate Headquarters** Three Commercial Place, Norfolk, VA 23510	C. Wick Moorman, Chairman (800) 635-5768; www.nscorp.com
	NS Piedmont Division 1120 W. Washington St., Greenville, SC 29601	P.T. Whitehead, Superintendent (864) 255-4210; (864) 255-4279 FAX
	NS State Office 1500 Carson St., Raleigh, NC 27608	Durwood Laughinghouse, Resident Vice President (919) 831-3002; (919) 831-3041 FAX, durward.laughinhouse@nscorp.com
	NS Industrial Development 1500 Carson St., Raleigh, NC 27608	James Bowman (919) 831-3092; (919) 831-3041 FAX, jim.bowman@nscorp.com
	NS East Carolina Business Unit (ECBU) 1500 Carson St., Raleigh, NC 27608	Jay Traywick, General Manager (919) 831-3029, (919) 831-3021 FAX, jay.traywick@nscorp.com Kristen Nunnalley, Manager,Marketing and Sales (757) 823-5350, (757) 533-4901 FAX, kristen.nunnalley@nscorp.com
	NS Virginia Division 110 Franklin Rd. SE, Box 53, Roanoke, VA 24042	Haskel Stanback, 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**	U.S. Army Transportation Terminal	**US Army**	Right of Way
WSS	**Winston-Salem Southbound Railway** 4550 Overdale Rd., Winston Salem, NC 27107	H.W. Usrey, Operations Manager (336) 788-9407, (336) 788-9085 FAX; henry_usrey@csx.com	**CSX & NS**	Corporate

Independently Owned

Reporting Mark	Railroad/Address	Contact	Ownership	
ACWR	**Aberdeen Carolina & Western Railway** 102 Depot Street, Star, NC 27356	Robert M. Menzies, President, Carl Hollowell, General Manager (910) 428-9030; (910) 428-9930 FAX; www.acwr.com	ACWR NS (portion)	Corporate Right of Way
AR	**Aberdeen & Rockfish Railroad** PO Box 917, 101 East Main St., Aberdeen, NC 28315	Garland Horton, President (910) 944-2341; (910) 944-9738 FAX; www.aberdeen-rockfish.com	AR	Corporate & Right of Way
ARC	**Alexander Railroad** PO Box 277, 51 Second Ave. N, Taylorsville, NC 28681	Benjamin Zachary, General Manager (828) 632-2103; (828) 632-3179 FAX; arcrailroad@charter.net	ARC	Corporate & Right of Way
ATW	**Atlantic & Western Railway, L.P.** 136 S-Steel St. RML, Sanford, NC 27330	Charles Jeffries (919) 776-7521; (919) 774-4621 FAX (919)-343-8883 (cell)	Genesee & Wyoming Rochester, NY	Corporate & Right of Way
CA	**Chesapeake & Albemarle Railroad** 214 N. Railroad St., Ahoskie, NC 27910	Glen Dunkin, General Manager (252) 332-2778; (252) 332-3325 FAX www.railamerica.com	RailAmerica, Inc. Boca Raton, FL NS	Corporate Right of Way
CALA	**Carolina Southern Railroad** 171 Hwy. 905, Conway, SC 29526	Ken Pippin, President Jason Pippin, General Manager (843) 248-8008, (843) 248-8003 FAX	CALA	Corporate & Right of Way

ailroad Directory

Independently Owned continued

Reporting Mark	Railroad/Address	Contact	Ownership	
CFR	**Cape Fear Railways** PO Box 70090, Bldg. 5-5519 Honeycutt Marshalling Yd., Fort Bragg, NC 28310	Jim Torpey, Superintendent (910) 396-7683, (910) 396-7688 FAX	Seaboard Corp. Shawnee Mission, KS US Army	Corporate Right of Way
CLNA	**Carolina Coastal Railway** 116 N. Bellevue Ave., St.206, Langhorne, PA 19047	Doug Golden, President (215) 741-6007, (215) 741-6009 FAX dsg@voicenet.com, mlrail.com	CLNA NS	Corporate Right of Way
CWCY	**Caldwell County Railroad** 5725 Giles Farm Rd., Morganton, NC 28655	Don J. McGrady, President (828) 433-7409; (828) 437-9652 FAX	Southeast Shortlines Morganton, NC Caldwell Co. EDC Lenoir, NC	Corporate Right of Way
CTR	**Clinton Terminal Railroad Co.** PO Box 11, Elizabeth & Railroad Sts., Clinton, NC 28329	L. Gray Tuttle, President/General Manager (910) 592-2187, (910) 592-2287 FAX	CTR	Corporate & Right of Way
GSMR	**Great Smoky Mountains Railroad, Inc.** PO Box 1490, 225 Everett St. G&H Bryson City, NC 28713	Kim Albritton, General Manager (828) 586-8811; 800-872-4681; (828) 488-0427 FAX www.gsmr.com	American Heritage Railways Coral Gables, FL	Corporate & Right of Way
LRS	**Laurinburg & Southern Company, Inc.** PO Box 623, 915 S. Main St. Laurinburg, NC 28353	Terry Haywood, Train Master Timothy Abbott, Eastern Regional VP (910) 276-2811, (910) 276-2853 FAX laurinburgsouthe@bellsouth.net	Gulf & Ohio Railways Knoxville, TN	Corporate & Right of Way
MHSF	**Morehead and South Fork Railroad Company** 100 Terminal Rd., State Port, Morehead City, NC 28557	John Odham, General Manager Timothy Abbott, Eastern Regional VP 252-728-0758 252-247-5463 FAX	Gulf & Ohio Railways Knoxville, TN NC State Ports Authority Wilmington, NC	Corporate Right of Way
NCDOT	**North Carolina Dept. of Transportation** Rail Division, MSC 1556, Raleigh, NC 27699-1556	W. Stephen Head, Staff Engineer 1-800-334-0682 www.bytrain.org	Owner of Right of Way	
NCSPA	**North Carolina State Ports Authority** 2202 Burnett St., Wilmington, NC 28401	Bill Bennett (910) 343-6200 www.ncports.com	Owner of Right of Way	
NCRR	**North Carolina Railroad Company** 2809 Highwoods Blvd., Suite 100 Raleigh, NC 27604	Scott Saylor, President (919) 954-7601; (919) 954-7099 FAX www.ncrr.com	Owner of Right of Way	
NCVA	**North Carolina & Virginia Railroad** 214 N Railroad St., Ahoskie, NC 27910	Glen Dunkin, General Manager (252) 332-2778; (252) 332-3325 FAX www.railamerica.com	RailAmerica, Inc. Boca Raton, FL	Corporate & Right of Way
NCYR	**Nash County Railroad** 100 Coastline St., Suite 321, Rocky Mount, NC 27804	Timothy Abbott, Eastern Regional VP (252) 442-9915; (252) 442-9962 FAX	Gulf & Ohio Railways Knoxville, TN	Corporate & Right of Way
RSNR	**Red Springs & Northern Railroad** 4105 Les Arbres Dr., Apex, NC 27539	Sally Cobb, Corporate Secretary (910) 858-3997; (910) 858-3016 FAX nanasees@aol.com	Red Springs & Northern Foundation Parkton, NC	Corporate & Right of Way
TBRY	**Thermal Belt Railway** 5725 Giles Farm Rd., Morganton, NC 28655	Don J. McGrady, President (828) 433-7409; (828) 437-9652 FAX	Southeast Shortlines Morganton, NC Rutherford RR Dev. Corp. Lenoir, NC	Corporate Right of Way
VSRR	**Virginia Southern Railroad** PO Box 12, Keysville, VA 23947	Glen Dunkin, General Manager (252) 332-2778, (252) 332-3325 FAX	RailAmerica Boca Raton, FL NS	Corporate Right of Way
WTRY	**Wilmington Terminal Railway, Inc.** 1717 Woodbine St., Wilmington, NC 28401	Billy Tucker, General Manager (910) 343-0461, (910) 251-8159 FAX www.gwrr.com	Genessee & Wyoming Inc., Rochester, NY NC State Ports Authority Wilmington, NC	Corporate Right of Way
YVRR	**Yadkin Valley Railroad** PO Box 1218, 8301 Depot St., Rural Hall, NC 27045	Todd Burchette, General Manager (336) 969-6055, (336) 969-9168 FAX yvrr@triad.rr.com	Gulf & Ohio Railways Knoxville, TN NS	Corporate Right of Way

Map inquiries and suggested revisions should be submitted to Pamela Davis, NCDOT Rail Division, 1553 MSC, Raleigh, NC 27699-1553, 919-733-7245, ext. 274, email: pamdavis@dot.state.nc.us

Dec. 2007

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Tuesday, April 28, 2009
TIME: 9:00 am
LOCATION: 1228 LB
PRESENTATION: **Amna Cameron, Fiscal Research Division**
Miriam Perry on Public Transportation

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **9** o'clock on **April 20, 2009**.

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Wednesday, April 29, 2009
TIME: 9:00 am
LOCATION: 1228 LB
PRESENTATION: **Mr. David King, Triangle Transit Authority**

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **9** o'clock on **April 20, 2009**.

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

Joint Appropriations Subcommittee

on

Transportation

The Joint Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met on Wednesday, April 29, 2009, at 9:00 A. M. Representative Nelson Cole, Chairman, presided. House members attending included the following: Representative Grier Martin, Chairman; Representative Lucy Allen, Vice Chairman; Representative Lorene Coates, Vice Chairman; Representative Ty Harrell, Vice Chairman; Representative William Current; Representative Phillip Frye; Representative Mitch Gillespie; Representative Jim Gulley; Representative Bonner Stiller; and Representative Arthur Williams. Senate members attending included the following: Senator Steve Goss, Chairman; Senator Malcolm Graham, Chairman; Senator Harry Brown; Senator Neal Hunt; and Senator Bob Rucho. Staff members from the Fiscal Research Division were Mr. Bob Weiss, Ms. Amna Cameron, and Mr. Ryan Blackledge.

Chairman Cole welcomed members and visitors. He recognized pages serving the meeting: Joseph Vaughan of Gaston County, sponsored by Representative William Current; Olena Serpukhovitina of Cleveland County, sponsored by Senator Debbie Clary; Reem Hadi of Wake County, sponsored by Senator Richard Stevens and the late Senator Vernon Malone; Caleb Fletcher of Catawba County, sponsored by Senator Austin Allran; and Brandon Crady of Forsyth County, sponsored by Senator Linda Garrou.

Chairman Cole called upon Mr. David King, General Manager of the Triangle Transit Authority, who presented information about the history, the organization, and the functioning of the TTA, "Triangle Transit: Current Operations and Plans for the Future." [Exhibit A] Mr. King noted the recent passage of House Bill 148, "The Intermodal Transport Fund," in the House of Representatives and was optimistic about the passage of the companion bill, Senate Bill 151, in the Senate.

Following Mr. King's presentation, Chairman Cole opened the floor for questions from members. Senator Rucho and Senator Graham offered some observations concerning the light rail implementation in Charlotte.

Chairman Cole recognized Mr. Pat Simmons who had presented information from the Rail Division at the last meeting. Because of time constraints, Mr. Simmons

had not had an opportunity to answer members' questions, and Chairman Cole wanted him to have time to do so.

The next meeting of the Joint Appropriations Subcommittee on Transportation will take place upon the call of the chairs.

Chairman Cole thanked members and guests for their attendance and participation and adjourned the meeting at 9:55 A. M.

Respectfully submitted,

Linda Laton, Committee Assistant

Representative Nelson Cole, Chairman

Joint Subcommittee on Transportation Appropriations

Wednesday, April 29, 2009
9:00 am
Room 1228/1327 LB

AGENDA

Chairs: Representatives Martin and Cole, Senators Goss and Graham

- Triangle Transit Authority
  - David King, General Manager

Future Meetings

At the call of the Chairs.

VISITOR REGISTRATION SHEET

Trans Approp — 4-29-09

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Major Greg Hayes	NCSHP
Mercedes Benton	OSBM
Whit Webb	HNTB
Mallory Hatcher	MWC
Zadia Brown	Speaker's Office
Bill Caudill	CATS

VISITOR REGISTRATION SHEET

TRANS APPRO — 4/29/09

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Gene Causby	NCMA
Amy Simes	DRMR
Drew Maurtz	Raleigh Chamber
John Shaw	Wake Up Wake Co
Jennifer Sasser	Williams Mullen
[signature]	RAPL
[signature]	Infowire
Johanna Reese	DOT
VL McBride	NCTA
Sig Hutchinson	Triangle Transit

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Triangle Transit: Current Operations and Plans for the Future

April 29, 2009

Joint Transportation Appropriations Committee

North Carolina General Assembly

Exhibit A

Triangle Transit

Organization

- Established by General Assembly in 1989 as unit of local government
- 12-member Board of Trustees
- Capable of acting on a multi-jurisdictional basis in Durham, Orange & Wake counties
- Funding: $5 Vehicle Registration Fee, 5% Rental Car Tax, State Grants, Federal Grants, and Fares

Providing regional transit & planning services

- Bus, Shuttle & Paratransit Service
- Vanpool, Carpool & Transportation Demand Management (TDM)
- Long-Range Public Transportation Planning

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Triangle Transit by the Numbers

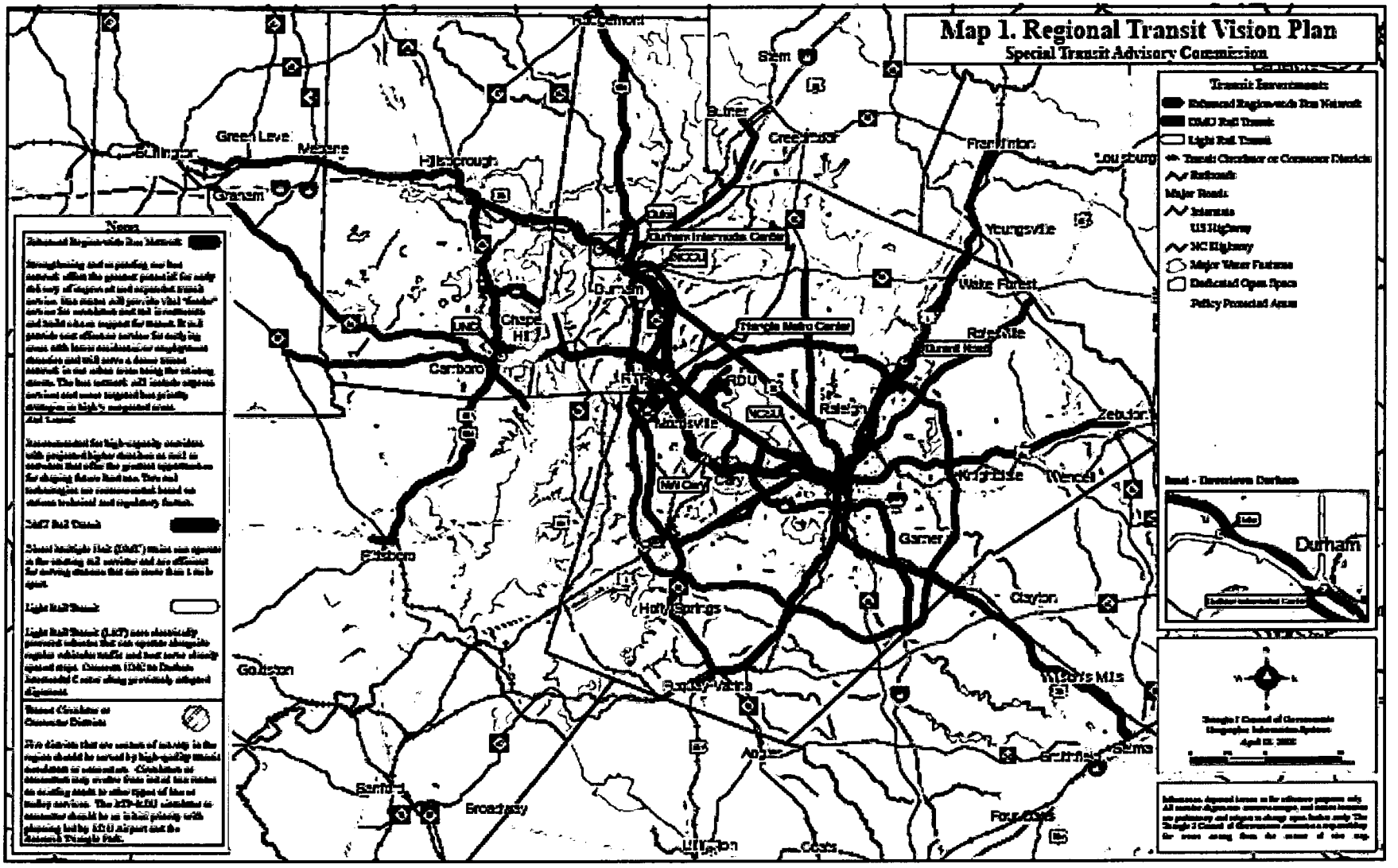
- Regional bus ridership is up **significantly** - July through March of FY 09 ridership is up 28.3% over the same period last year.
- There was a total of 866,000 passenger boardings compared to 675,000 over the same period last year.
- TTA vanpool ridership has increased over the previous year - There are 77 vans now serving 13 counties; 13 Million vehicle miles taken off area roads. There are several vanpools organized and awaiting vans.
- 266,000 calls served at the Go Triangle Regional Transit Information Center (485-RIDE) in FY 09.
- SmartCommute Challenge: participation of 12,200 in the Triangle

Special Transit Advisory Commission "STAC"

- STAC commissioned by *CAMPO* and *DCHC*
  - "Capital Area MPO" & "Durham-Chapel Hill-Carrboro MPO"
- Regional cross section of 29 stakeholders - met 16 times
- Final Report published in May 2008
  - Buses, Circulators, 51 miles of Rail ($2.27 Billion, 2007 $)
  - Assumed DMU vehicle technology except Chapel Hill to Durham LRT
  - Assumed no federal funds for first project
  - Recommended ½ cent sales tax as funding mechanism

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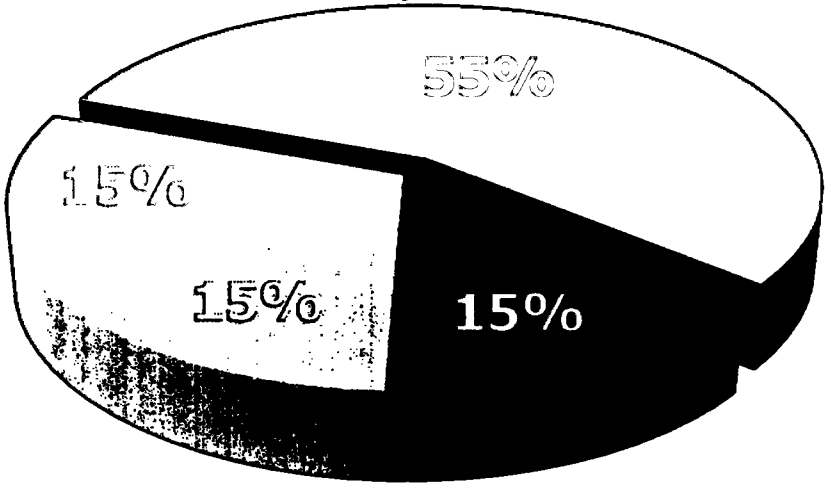


A challenge for us is creating the mobility infrastructure to match our changing state

- Each of the "Big 3" will add another half million or more people by the 2030s, Charlotte and the Triangle will be >2.5 million people; 12 of the 13 regions with 2 to 3 million people today have rail systems
- 230,000 households in North Carolina have no car available, and this number has increased in each of the past 4 years
- By 2030, almost 18% of North Carolina residents will be 65 or older, up from 12% in 2000
- Increasing shares of households are made up of single-person and two-person households without children
- 20-30% of households would prefer to live in a compact, walkable neighborhood with a mix of activities

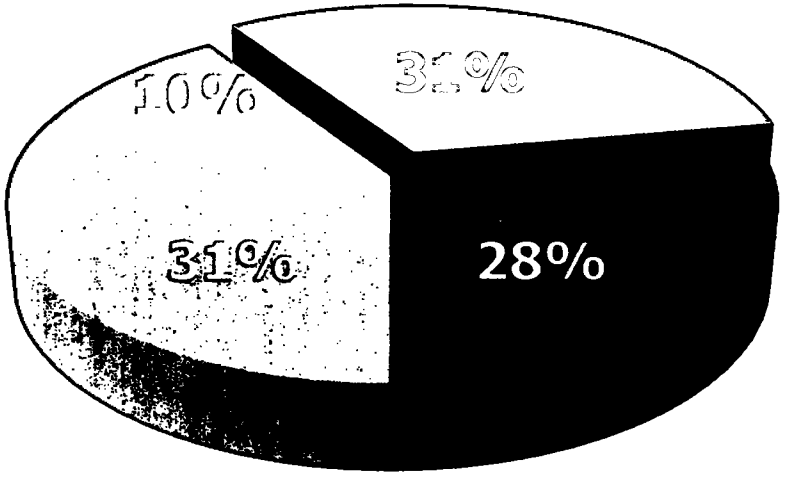
Future growth is forecast to be even more concentrated in metro areas, especially in the "Big 3"

Distribution of NC Population in 2000



■ Charlotte
□ Triangle
□ Triad
□ Rest of NC

Distribution of NC Population *added* between 2000 and 2030

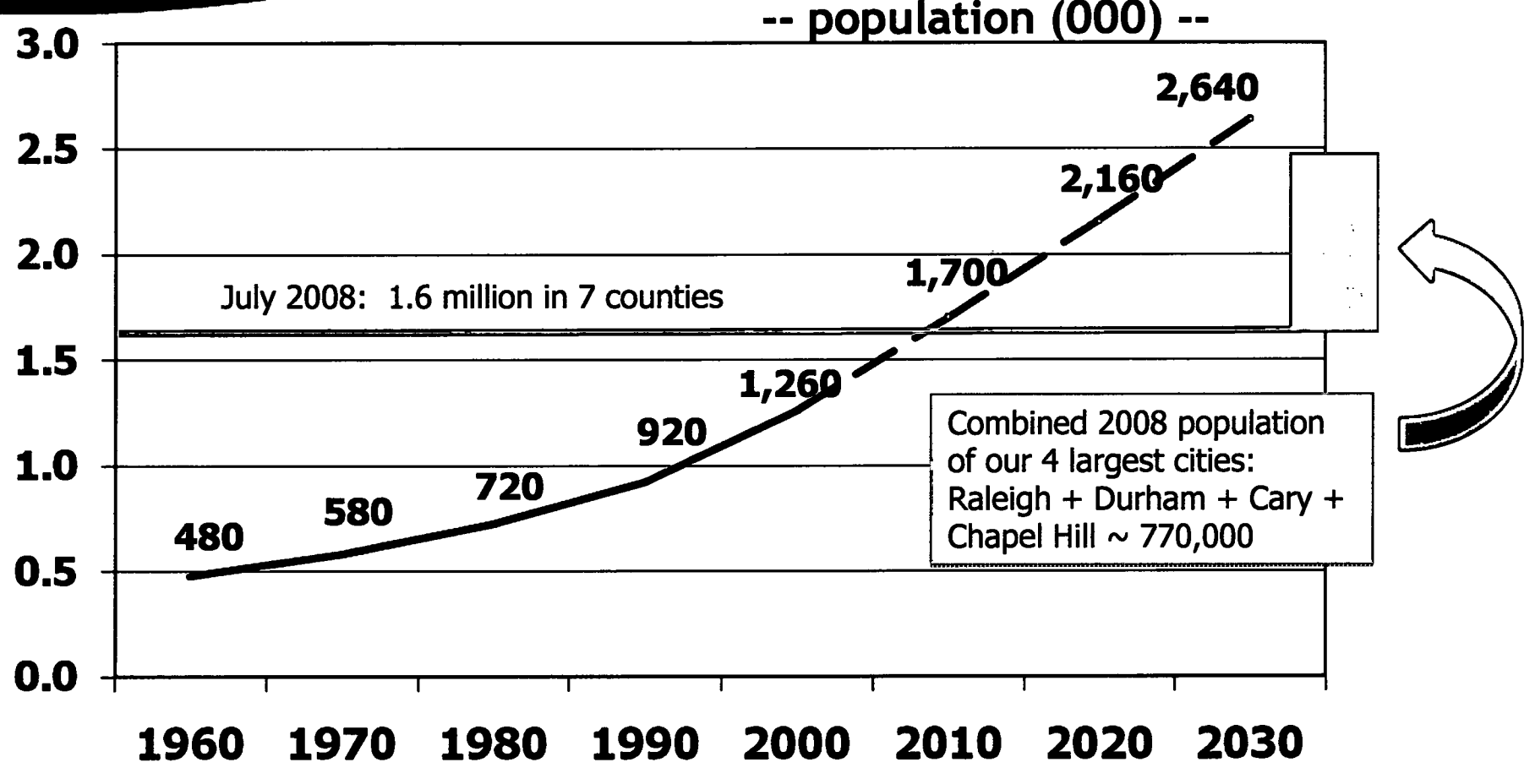


■ Charlotte
□ Triangle
□ Triad
□ Rest of NC

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Triangle Growth



data are for TJCOG region

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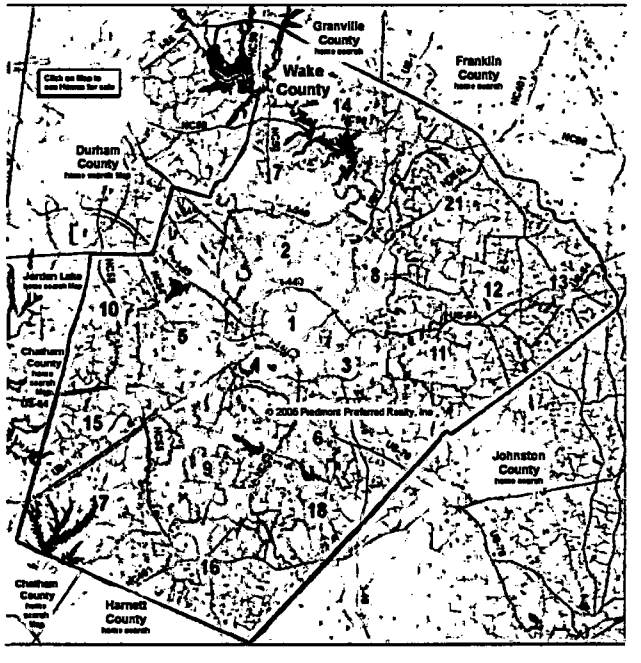
	Benchmark	Responsible Party	Completion Date
✓	STAC Plan	STAC	May 2008
✓	LRTP	DCHC/CAMPO	February 2009
	Intermodal Bill	NC Legislature	Spring 2009
	3 County Financial Plans	Triangle Transit	Calendar 2009
	Referendum Call	Durham, Orange, Wake	TBD
	Referendum Campaign	Civic Groups	TBD
	Successful Vote	Voters	TBD

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What are the Wake County Components of the Regional Plan?

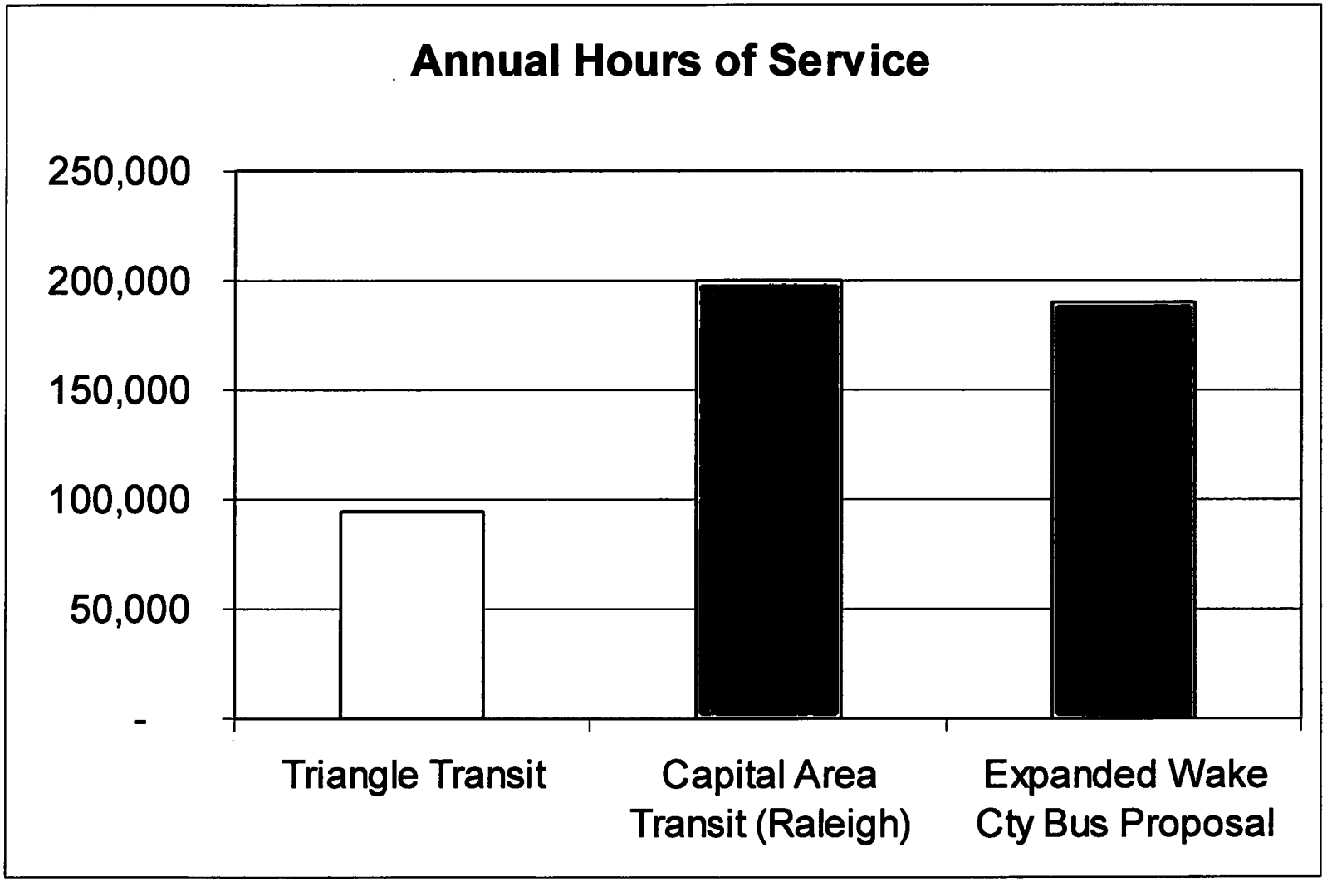
WAKE COUNTY
NORTH CAROLINA



Bus Service Expansion:

- Recommended: over 100 new buses
- 75 new buses by end of 2013 primarily for express bus service between municipalities




Annual Hours of Service
250,000
200,000
150,000
100,000
50,000
-
Triangle Transit
Capital Area Transit (Raleigh)
Expanded Wake Cty Bus Proposal

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Core Bus Recommendations for East Wake County

- **Wake Forest** express to Downtown Raleigh - EXISTING
- **Rolesville** express to Downtown Raleigh
- **Zebulon** and **Wendell** express to Downtown Raleigh (by way of Wake Med) - September 2009
- **Knightdale** express to Downtown Raleigh (by way of Wake Med) - September 2009
- All routes receive Real-Time Passenger Information and other bus amenities

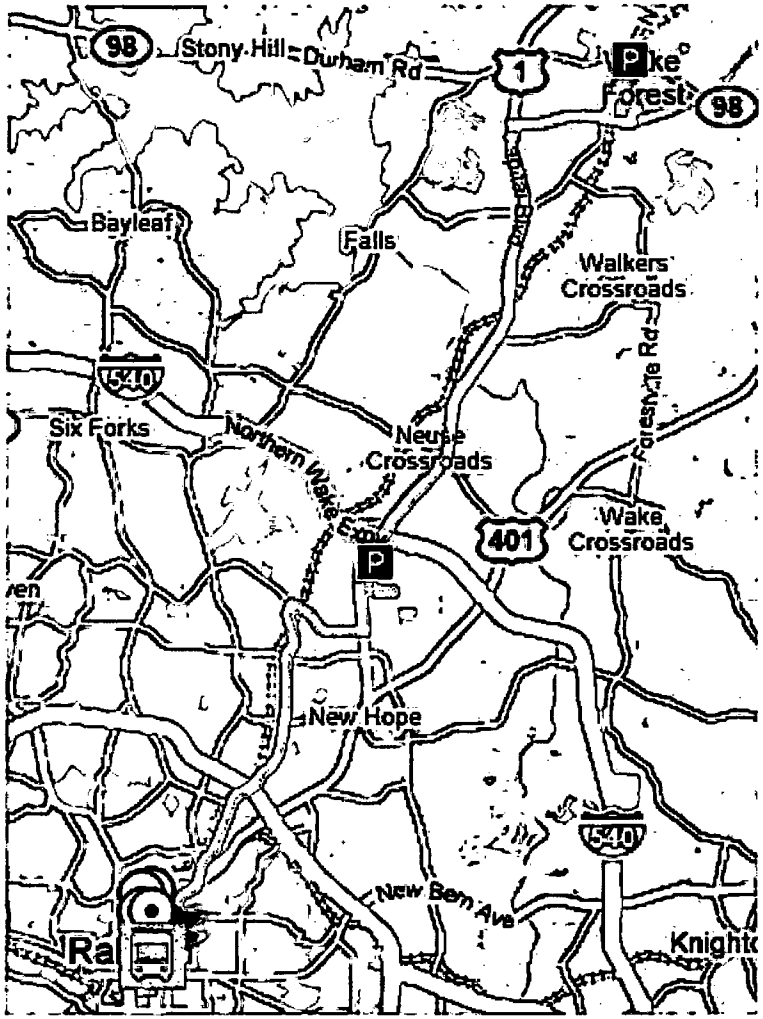




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Wake Forest-Raleigh Express Route

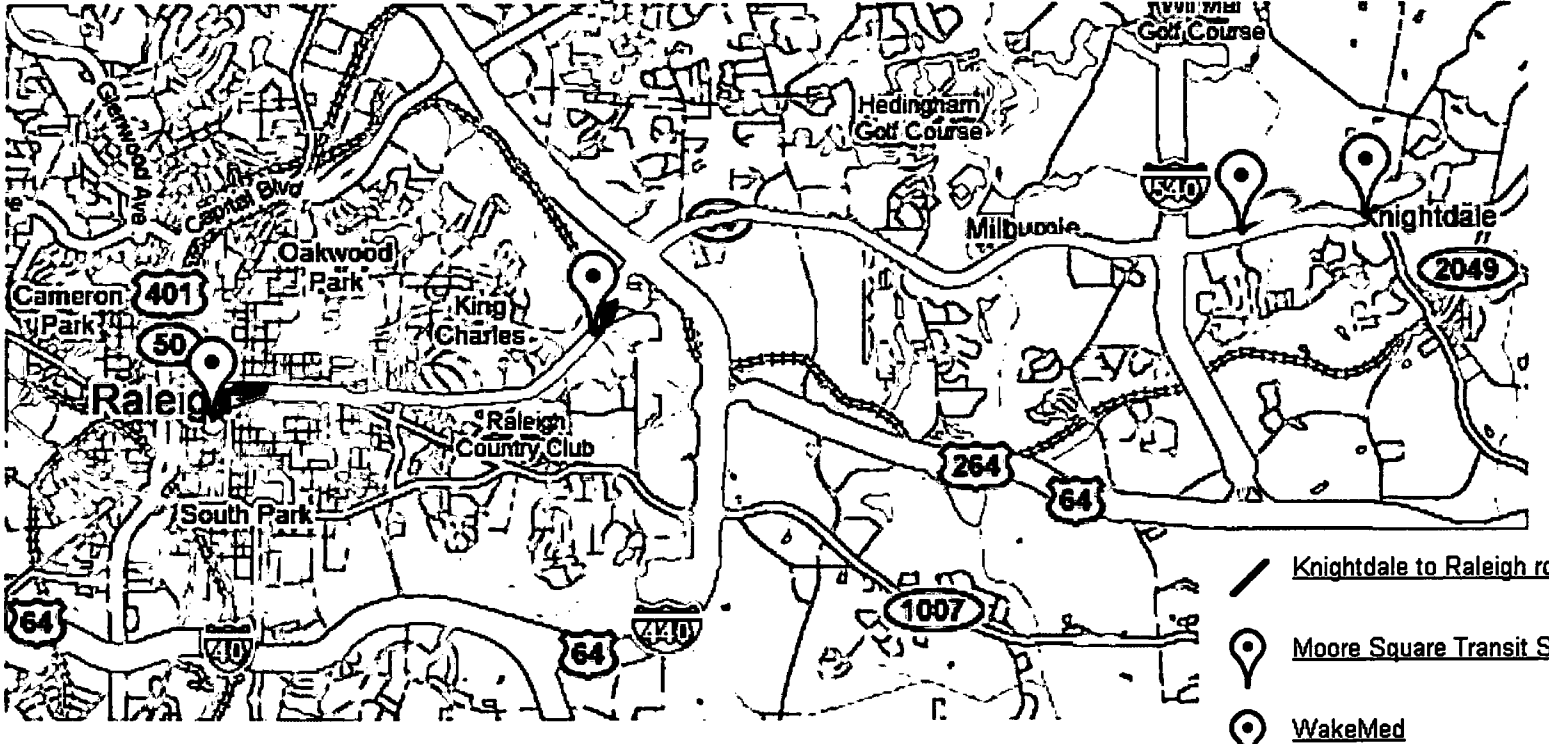


- Service from 5:00am to 8:00pm - once per hour
- Bus stop locations: Park-and-Rides in downtown WF and Triangle Town Center, State Government, and Moore Square
- Timed transfers to Wake Forest Loop and other CAT and Triangle Transit routes

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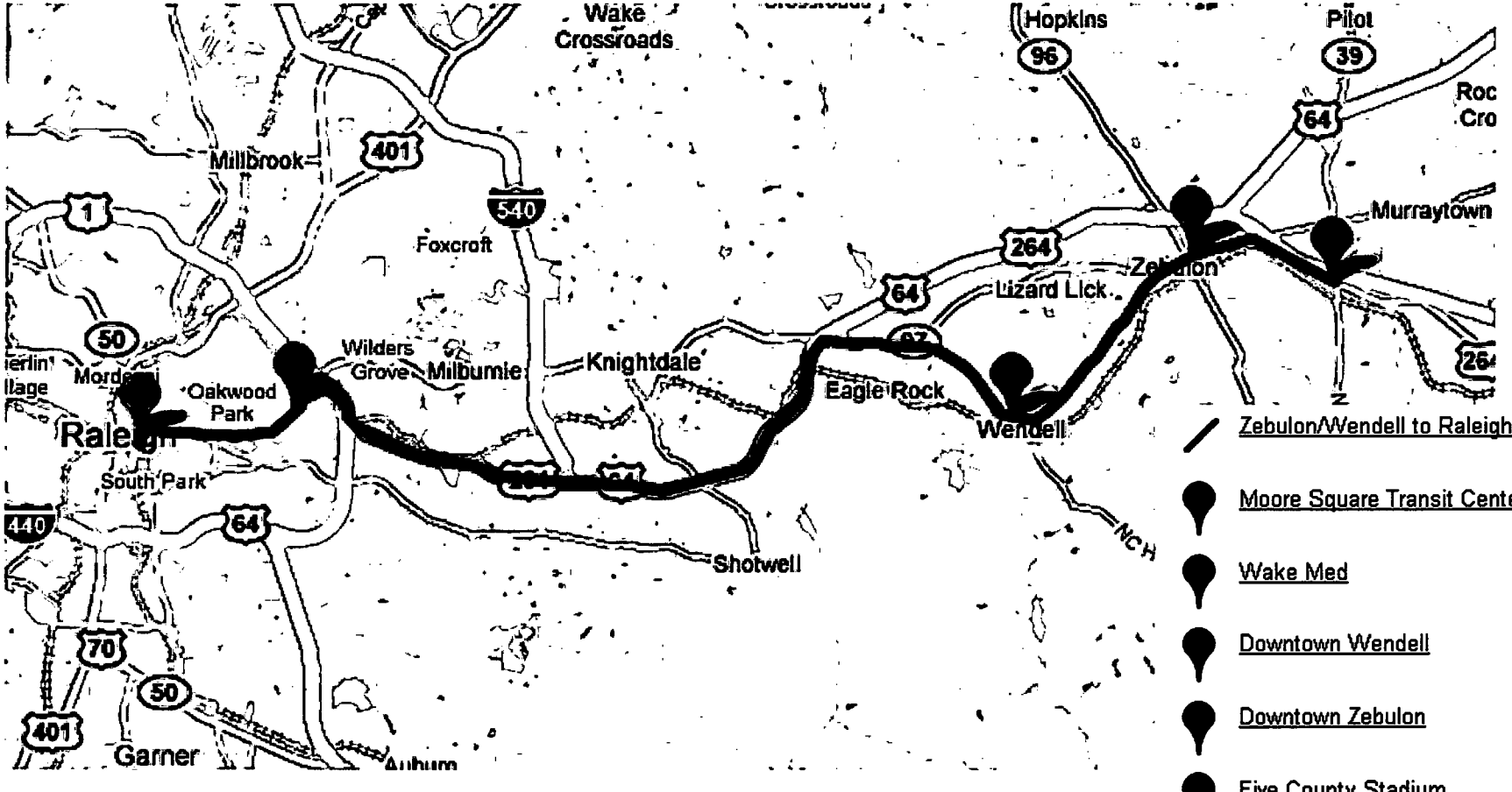
Potential Knightdale-Raleigh Express Route



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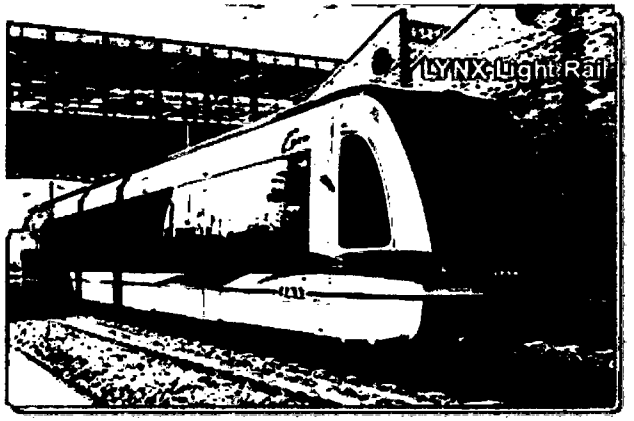
Potential Zebulon/Wendell-Raleigh Express Route

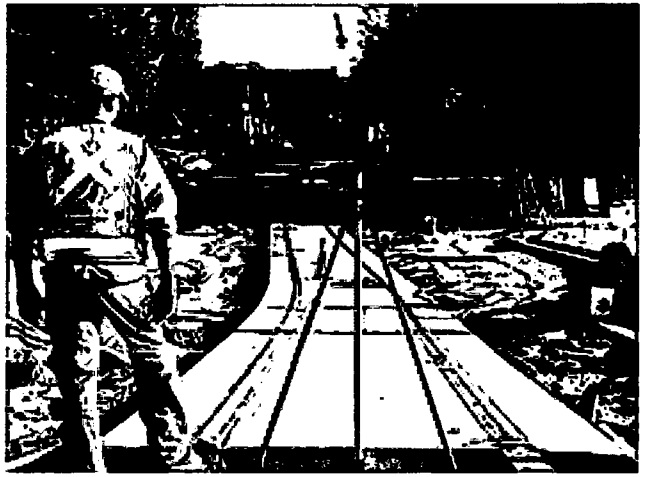


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Initial Rail Transit Construction:





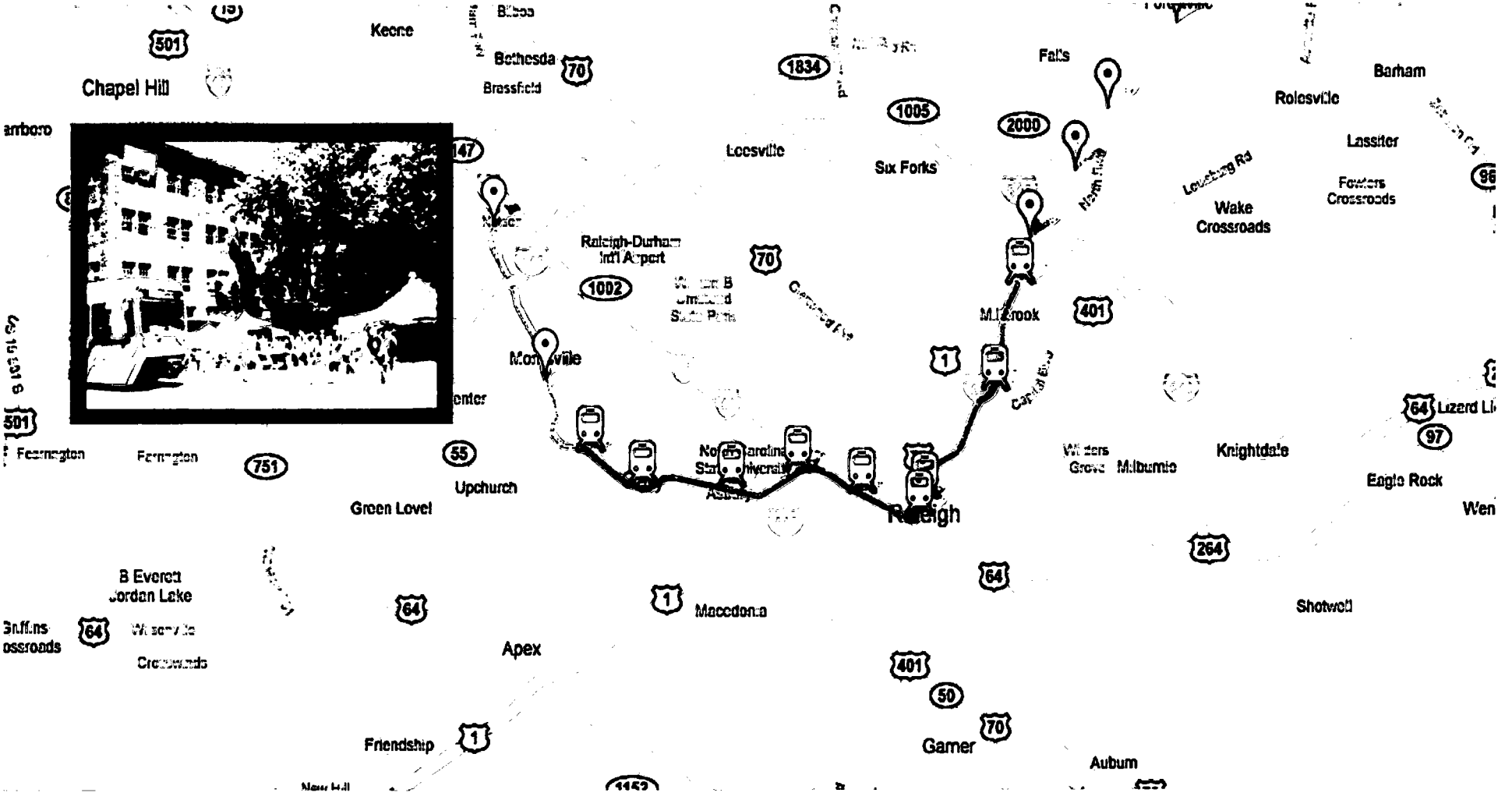
- **Proposed Technology:** Light Rail Transit (LRT) trains powered by electricity
- **Project Description:** NW Cary Station to Spring Forest Station
- **Project Length:** 17 miles
- **Opening Date:** December, 2019

triangle transit

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Wake Rail Investment

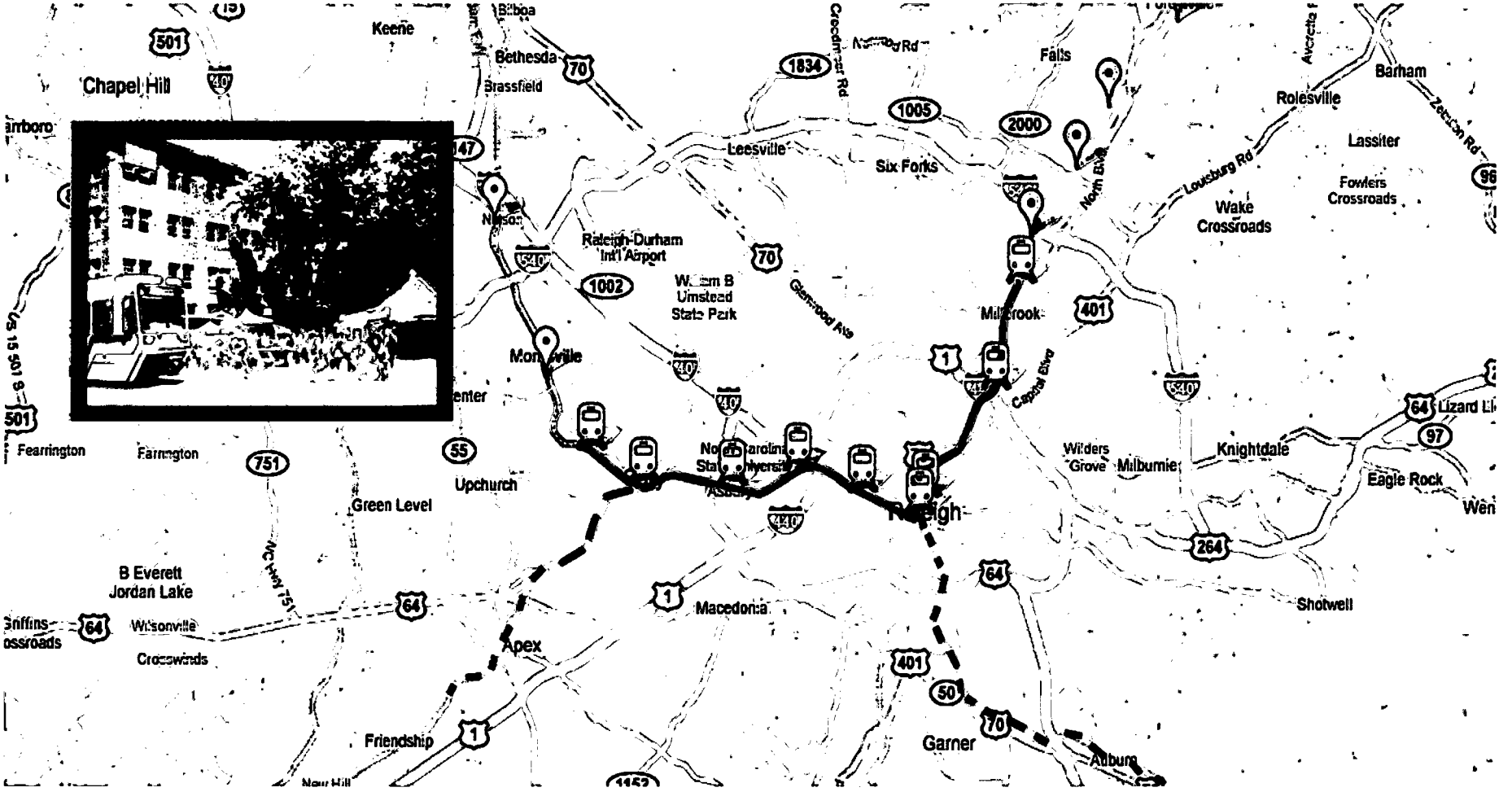


triangle transit

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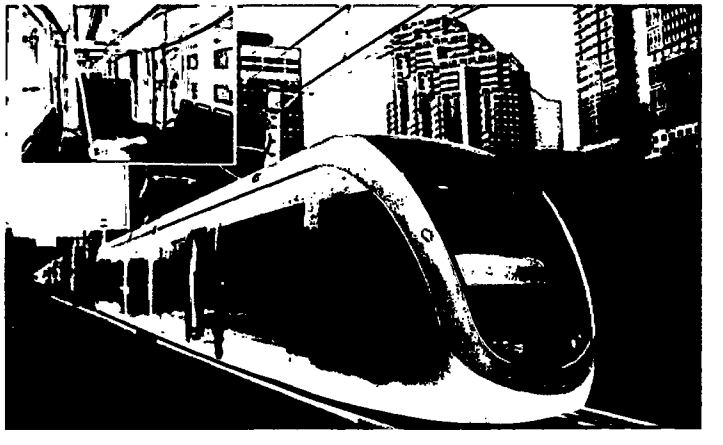
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Wake Rail Investment Continued



Funding Proposals

- 1/2 cent sales tax
- $3 increase in vehicle registration fee
- No Federal capital support for first project segment is assumed.
- Federal support and/or additional State and local support could also accelerate rail extensions north of Spring Forest and west of Cary.





triangletransit
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Congestion Relief/ Intermodal Transport Fund (HB 148 & SB 151)

- The Bill is modeled after the the success in Charlotte and the unanimous recommendation of the 21st Century Committee
- Introduced by Sen. Richard Stevens R-Wake and Rep. Becky Carney D-Mecklenburg with bi-partisan support
- Authorizes counties in Triangle and Triad to levy a ½ cent sales tax (dependent upon approval of referendum) and/or increase in vehicle registration fee for public transportation projects
- Authorizes all other counties to levy (upon approval of referendum) a ¼ sales tax and/or increase in vehicle registration fee for public transportation projects
- The Bill passed the House Transportation Committee and has been referred to House Finance Committee
- There is a strong coalition of support for the bill that includes business, environment, and community interest groups.

Sales tax does not include food, medicine, housing or utilities

The Charlotte Experience

- Authority provided to Mecklenburg County in 1998
- Referenda in 1998: 58% supported ½ cent for transit
- Referenda in 2007: 70% reaffirmed support for ½ cent for transit
- 2007: 9.6 mile light rail line opened; ridership nearly doubled projections in first year.
- Wake, Durham, and Orange seek identical authority



Questions?

House Appropriations Subcommittee

on

Transportation

The House Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met on Thursday, June 4, 2009, at 3:30 p.m., for a called meeting. Representative Nelson Cole, Chairman, presided. House members attending included the following: Representative Grier Martin, Chairman; Representative Lucy Allen, Vice Chairman; Representative Lorene Coates, Vice Chairman; Representative Ty Harrell, Vice Chairman; Representative William Current; Representative Margaret Dickson; Representative Phillip Frye; Representative Mitch Gillespie; Representative Jim Gulley; and Representative Arthur Williams. Representative Jerry Dockham was unable to attend due to a scheduling conflict. Staff members from the Fiscal Research Division were Mr. Bob Weiss, Ms. Amna Cameron, and Mr. Ryan Blackledge.

Chairman Cole welcomed members and visitors and stated the purpose of the meeting as reviewing the money report and the special provisions as part of the Appropriations Subcommittee on Transportation. Chairman Cole noted the Rules for the Subcommittee Procedure [Exhibit A].

Chairman Cole called upon Ms. Amna Cameron of the Fiscal Research Division staff to present the Proposed Report of the Continuation and Expansion Budgets 2009 – 2011 [Exhibit B]. Following Ms. Cameron's presentation, Chairman Cole recognized members for questions and comments.

Following Ms. Cameron's presentation, Chairman Cole recognized Mr. Bob Weiss of the Fiscal Research Division staff to present the Special Provisions for the Appropriations Subcommittee on Transportation Report [Exhibit C]. Members asked questions and made comments concerning the special provisions.

After the discussion, Chairman Cole asked for a motion to accept the transportation budget provisions. Representative Coats made the motion, and Representative Gillespie seconded. The vote was taken, with the ayes winning.

Chairman Cole thanked members and guests for their attendance and participation and adjourned the meeting.

Respectfully submitted,

Linda Laton

Linda Laton, Committee Assistant

Nelson Cole II

Representative Nelson Cole, Chairman

Exhibit A

North Carolina House of Representatives
Appropriations Committee

RULES FOR SUBCOMMITTEE PROCEDURE

June 4, 2009

The following rules govern the eligibility of amendments to subcommittee reports:

1. Amendments must be offered by formal amendments.
2. Amendments cannot increase total spending within the draft subcommittee report.
3. Amendments can only affect appropriations within the departments, agencies, or programs within the jurisdiction of the subcommittee.
4. Amendments cannot spend reversions or include "shall not revert" or "carry forward" language.
5. Nonrecurring reductions cannot be used to fund recurring items.
6. Amendments cannot change substantive policy or law.
7. No changes in "management flexibility reductions" or "management flexibility reserves."

VISITOR REGISTRATION SHEET

Appro Trans — 6/4/09

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mike Gilchrist	NCSNP
Mark Basinger	RANC
Durwood Laughinghouse	NS
Gene Causby	NCSCA
[illegible]	RANC
Steve Jacobs	Budget & Tax Ctr
[illegible]	NCDOT
Johanna Reese	DOT
Beau Memory	NCTA
Jennifer Benton	OSBM
Jim Jeamond	NCACC

VISITOR REGISTRATION SHEET

AAPTO Trans. 6/4/09

Name of Committee **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Chris McLamb	Raker

Exhibit B

HOUSE APPROPRIATIONS SUBCOMMITTEE

ON

TRANSPORTATION

PROPOSED REPORT
ON THE
CONTINUATION AND EXPANSION BUDGETS
2009-11

June 4, 2009
3:30 p.m.

Highway Fund

	HIGHWAY FUND	
	FY 09-10	FY 10-11
Recommended Budget	**$1,798,936,717**	**$1,798,493,030**

Legislative Changes

Administration

1 Combined Registration & Tax Collection System - Database and Implementation

Funding from receipts is provided to continue the implementation of HB 1779. Receipts will fund the development of the Statewide database, which will calculate vehicle property taxes, and to implement the outstanding components required to complete the System.

Receipts (nonrecurring)
Database: FY 2009-10 - $1,174,232; FY 2010-11 - $1,043,460
Implementation: FY 2009-10 - $4,128,573; FY 2010-11 - $7,798,424

Aviation Division

2 Aviation Funds	($1,128,445)	R	($1,125,523)	
Funds for Aviation Division are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.	($871,555)	NR	($874,477)	

The total budget for the Aviation Division is $17,349,592 in FY 2009-10 and $17,291,543 in FY 2010-11.

Construction

3 Public Service and Access Road Funds	($140,000)	R	($140,000)	R
Funds for public service and access road construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.				

The total budget for public service and access roads is $1,860,000 in both years of the biennium.

4 Contingency Funds	($3,000,000)	R	($3,000,000)	R
Funds for contingency construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.				

The total budget for contingency construction is $12,000,000 in both years of the biennium.

	FY 09-10		FY 10-11	
5 Secondary Road Improvement Funds Reprogrammed to Maintenance Notwithstanding G.S.136-44.2A, all FY 2009-10 funding and half of the FY 2010-11 funding for the secondary roads improvement program from the Highway Fund is reprogrammed to Statewide maintenance programs to prevent further deterioration of the State highway system due to reduced transportation revenues and maintenance expenditures.	($84,481,404)	NR	($41,607,092)	NR
6 Small Construction Funds Funds for small construction are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total budget for small construction is $7,000,000 in both years of the biennium.	($14,000,000)	R	($14,000,000)	R
7 Spot Safety Program Based on the Continuation Review, funding is changed from non-recurring to recurring.	$9,100,000	R	$9,100,000	R
Department-Wide				
8 Administration Cuts Salary and operating funds for administration of the DOT, Division of Highways, and the Division of Motor Vehicles are reduced for the biennium. These cuts represent the reductions identified in the Governor's budget. The reductions are required to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. Twenty-three vacant positions are eliminated in FY 2009-10.	($7,181,194) ($4,528,043) -23.00	R NR	($6,788,533) ($4,524,423) -23.00	R NR
9 Administration Cuts - Receipts Salary and operating funds for administration of the DOT, Division of Highways, and the Division of Motor Vehicles supported by Highway Trust Fund administration receipts are reduced for the biennium. These cuts represent the reductions identified in the Governor's budget. The reductions are required to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. Receipts are reduced $3,814,114 in FY 2009-10 and $2,736,189 in FY 2010-11. Eleven vacant positions are eliminated in FY 2009-10 and an additional vacant position is eliminated in FY 2010-11.				
10 Vacant Positions All appropriation-supported, receipt-supported, and field positions vacant prior to January 1, 2009 are eliminated. The total number of positions eliminated is 1,750 positions from all categories. Receipts are reduced $3,331,151 in both years of the biennium.	($7,380,717) -156.50	R	($7,380,717) -156.50	R

	FY 09-10		FY 10-11	
Ferry Division				
11 Ferry Funds Funds for the Ferry Division are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total budget for the Ferry Division is $26,609,942 in FY 2009-10 and $26,609,942 in FY 2010-11.	($2,155,497)	R	($2,155,497)	R
Maintenance				
12 Department of Corrections - Inmate Road Squads and Litter Crews Funds for Inmate Labor are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. Inmate labor funds from the Primary System are reduced by $1,695,000 for a total transfer of $7,345,000. Inmate labor funds from the Secondary System are reduced by $565,000 for a total transfer of $1,695,000.	($2,260,000)	R	($2,260,000)	R
13 Maintenance Funds - FY 2009-10 Funds for maintenance are increased to prevent further deterioration of the State highway system. Funds are not reduced to align overall expenditures for the Highway Fund with projected revenues for FY 2009-11. The total budget for maintenance is $943,083,553 in FY 2009-10. Changes include:	$48,194,409	NR		
14 Maintenance Funds - FY 2010-11 Funds for maintenance are increased to prevent further deterioration of the State highway system. Funds are not reduced to align overall expenditures for the Highway Fund with projected revenues for FY 2009-11. The total budget for maintenance is $938,935,439 in FY 2010-11. Changes include:			$44,046,295	NR

	Adj (NR)	Total
Primary System	$-18,951,189	$186,055,224
Secondary System	$-25,120,853	$269,153,619
Contract Resurfacing	$ 25,474,337	$300,000,000
System Preservation	$ 21,410,929	$100,000,000
General Maintenance Reserve	$ 45,381,185	$ 87,874,710

	Adj (NR)	Total
Primary System	$-18,951,189	$186,055,224
Secondary System	$-25,120,853	$269,153,619
Contract Resurfacing	$ 25,474,337	$300,000,000
System Preservation	$ 21,410,929	$100,000,000
General Maintenance Reserve	$ 41,233,071	$ 83,726,596

House Subcommittee on Transportation	FY 09-10		FY 10-11	
OSHA				
15 Workplace Safety and Health Funds	($52,208)	R	($52,208)	R
Reduces funds for OSHA to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium.	($17,403)	NR	($17,403)	NR
The total transfer to OSHA is $355,389 in both years of the biennium.				
Public Transportation Division				
16 Transportation Services to the High Point Furniture Market	($300,000)	R	($300,000)	R
Funds for the High Point Furniture Market are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total transfer is $900,000.				
17 Public Transportation Funds				
Funding to the New Starts program is reduced.	($21,596,267)	NR	($20,750,267)	NR
The total budget for the Public Transportation Division is $74,647,962 in FY 2009-10 and $75,493,962 in FY 2010-11.				
Required Statutory Adjustments				
18 Aid to Municipalities	$3,332,472	R	$4,626,037	R
G.S. 136-41.1 requires an adjustment based on revised projections for motor fuels tax revenue. The total transfer is $87,813,876 in FY 2009-10 and $87,840,220 in FY 2010-11.				
19 DENR - Leaking Underground Storage Tank Fund	$710,000	R	$890,000	R
G.S. 119-18 requires an adjustment based on revised projections for gallons of gasoline sold. The total transfer to this trust fund is $2,620,123 in FY 2009-10 and $2,630,553 in FY 2010-11.				
Reserves				
20 Retirement System Contribution	$1,100,000	R	$14,500,000	R
mployer contributions to the retirement system are increased to maintain the System's actuarially sound status.				
21 Salary Adjustment Fund	($3,922,758)	R	($3,922,758)	R
Recurring funds available for salary adjustments are eliminated for the 2009-11 biennium.				

	FY 09-10		FY 10-11	

State Highway Patrol

22 Highway Fund Transfers to Crime Control and Public Safety — ($7,861,242) R — ($7,861,242) R
($1,500,000) NR — ($1,450,000) NR

Funding for various operating accounts are reduced across the agency.

Recurring	FY2009-10	FY2010-11
Personal Services	$2,500,000	$2,500,000
Purchased Services	$1,400,000	$1,400,000
Supplies	$500,000	$500,000
Property, Plant, Equipment	$1,208,242	$1,208,242
LEO Separation Allowance	$700,000	$700,000
Rent/Lease-Voice Comm Equip	$70,000	$70,000
Other Employee Ed Expenses	$48,000	$48,000
Meals/Lodging-In State	$72,000	$72,000
Misc. Contractual Services	$13,000	$13,000
Vehicle Replacement	$1,350,000	$1,350,000

Non-Recurring	FY2009-10	FY2010-11
Vehicle Replacement	$1,500,000	$1,450,000

23 SHP - Freeze Step Increase for Troopers — ($1,674,280) NR — ($3,373,932) NR

The step increase for the salaries of Troopers are frozen for both years of the biennium.

24 SHP - Eliminate Continuation Budget Increases — ($2,832,607) R — ($2,647,712) R

Eliminates additions included in the Continuation Budget.

	FY2009-10	FY2010-11
531321 Contractual Staff	$77,825	$77,825
531411 Overtime	$400,000	$400,000
531421 Holiday Pay	$140,000	$140,000
531431 Shift Premium	$470,000	$470,000
531572 Unemployment Comp	$ 20,000	$ 20,000
531631 Workers Comp Med	$726,000	$541,105
531632 Workers Comp Disab	$222,468	$222,468
532170 Admin Services	$150,000	$150,000
532199 Misc Contract Serv	$626,314	$626,314

Transfers

25 State Health Plan — $6,170,022 R — $12,888,386 R

Provides additional funding to continue non-contributory health benefit coverage for enrolled active and retired employees supported by the Highway fund for the biennium as appropriated in S.L. 2009-16. These appropriations correspond to an annual 8.9% premium increase in non-contributory premium rates for the fiscal year beginning July 1, 2009, and an additional annual premium increase of 8.9% for the fiscal year beginning July 1, 2010.

26 Continuation Review of the Drivers Education Program — ($33,959,859) R — ($33,321,964) R
$33,959,859 NR

Changes the funding for the Drivers Education Program located in the Department of Public Instruction. Restoration of FY 2010-11 funds is subject to findings of the Continuation Review.

	FY 09-10		FY 10-11	
27 DPI - Drivers Education Program Funds for the Drivers Education Program are reduced to align overall expenditures for the Highway Fund with projected revenues for the FY 2009-10. The total transfer is $32,859,859.	($1,100,000)	NR		
28 North Carolina Global TransPark Authority Funds for the Global TransPark Authority are reduced to align overall expenditures for the Highway Fund with projected revenues for the FY 2009-11 biennium. The total transfer is $1,280,000.	($320,000)	R	($320,000)	R
29 Department of Health and Human Services Funds for the Chemical Test Program are reduced to align overall expenditures for the Highway Fund with projected revenues for the 2009-11 biennium. The total transfer is $559,719.	($150,000)	R	($150,000)	R
Total Legislative Changes	**($66,232,033)**	**R**	**($43,421,731)**	**R**
	($33,614,684)	**NR**	**($28,551,299)**	**NR**
Total Position Changes	-179.50		-179.50	
Revised Budget	**$1,699,090,000**		**$1,726,520,000**	

Highway Trust Fund

	HIGHWAY TRUST FUND			
	FY 09-10		FY 10-11	
Recommended Budget	**$1,014,750,000**		**$1,057,460,000**	
Legislative Changes				
Highway Trust Fund				
30 Transfer to General Fund Reduces transfer to General Fund in FY 2010-11 to $2,513,691 in accordance with G.S. 105-187.9(b)2.			($319,212)	NR
31 Administration Reduces funds for administration to $41,634,720 in FY 2009-10 consistent with new revenue estimates and statutory formula.	($6,967,680)	NR	($6,721,920)	NR
32 Aid to Municipalities Reduces funds for Aid to Municipalities to $40,650,403 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($8,977,284)	NR	($8,634,577)	NR
33 Intrastate System Reduces funds for the Intrastate System to $359,883,973 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($85,560,419)	NR	($82,294,169)	NR
34 Secondary Road Construction Reduces funds for the Secondary Road construction program to $57,653,289 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($9,857,547)	NR	($9,593,788)	NR
35 Urban Loops Reduces funds for the Urban Loops to $113,674,786 for FY 2009-10 consistent with new revenue estimates and statutory formula.	($34,597,070)	NR	($33,276,334)	NR
Total Legislative Changes	**($145,960,000)**	**NR**	**($140,840,000)**	**NR**
Total Position Changes				
Revised Budget	**$868,790,000**		**$916,620,000**	

Turnpike Authority

	TURNPIKE AUTHORITY	
	FY 09-10	FY 10-11
Recommended Budget	$0	$0
Legislative Changes		
Turnpike Authority		
36 Administration - Receipts Salary and operating funds available for administration of the Turnpike Authority supported from the Highway Trust Fund administration receipts are reduced for the biennium. The reductions are required to align overall expenditures for this receipt account with projected revenues for the 2009-11 biennium. Receipts (Recurring): 2009-10: ($569,925) 2010-11: ($413,826)		
Total Legislative Changes		
Total Position Changes		
Revised Budget	$0	$0

Exhibit C

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION REPORT

JUNE 4, 2009

2009-TRANS-H1(S25.1)-P 1
CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

2009-TRANS-H2(S25.2)-P 2
MODIFY GLOBAL TRANSPARK DEBT AND REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

2009-TRANS-H3(S25.3)-P 3
SMALL CONSTRUCTION AND CONTINGENCY FUNDS

2009-TRANS-H9(S25.4)-P 4
USE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2009-2010 AND USE FIFTY PERCENT OF THE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2010-2011

2009-TRANS-H10-P 5
FLEXIBLE USE OF FUNDS FOR RURAL PUBLIC TRANSPORTATION FOR FISCAL YEARS 2009-2010 AND 2010-2011

2009-TRANS-H14-P 6
DEPARTMENT OF TRANSPORTATION MAY TAKE REQUIRED ADMINISTRATIVE REDUCTION FROM ADDITIONAL ADMINISTRATIVE BUDGETS

2009-TRANS-H15A 7
STUDY THE FEASIBILITY OF ASSESSING A FEE FOR PROVIDING TRAFFIC CONTROL BY THE STATE HIGHWAY PATROL OR THE DEPARTMENT OF TRANSPORTATION AT SPECIAL EVENTS

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2009-TRANS-H1(S25.1)-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 25.1.(a) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,762.0 million
For Fiscal Year 2012-2013	$ 1,861.8 million
For Fiscal Year 2013-2014	$ 1,966.2 million
For Fiscal Year 2014-2015	$ 2,026.0 million

SECTION 25.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 972.1 million
For Fiscal Year 2012-2013	$ 1,036.0 million
For Fiscal Year 2013-2014	$ 1,104.0 million
For Fiscal Year 2014-2015	$ 1,158.8 million

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2009-TRANS-H2(S25.2)-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

MODIFY GLOBAL TRANSPARK DEBT AND REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION 25.2.(a) G.S. 147-69.2(b)(11), as amended by Section 7 of S.L. 2005-144, Section 2 of S.L. 2005-201, Section 28.17 of S.L. 2005-276, and Section 27.7 of S.L. 2007-323 reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

...

(11) With respect to assets of the Escheat Fund, obligations of the North Carolina Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed twenty-five million dollars ($25,000,000), that have a final maturity not later than October 1, ~~2009.~~2011. The obligations shall bear interest at the rate set by the State Treasurer. No commitment to purchase obligations may be made pursuant to this subdivision after September 1, 1993, and no obligations may be purchased after September 1, 1994. In the event of a loss to the Escheat Fund by reason of an investment made pursuant to this subdivision, it is the intention of the General Assembly to hold the Escheat Fund harmless from the loss by appropriating to the Escheat Fund funds equivalent to the loss.

If any part of the property owned by the North Carolina Global TransPark Authority now or in the future is divested, proceeds of the divestment shall be used to fulfill any unmet obligations on an investment made pursuant to this subdivision."

SECTION 25.2.(b) The Global TransPark Authority shall report on or before May 15, 2010, to the House and Senate Appropriations Subcommittees on Transportation on its strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-five million six hundred twenty-six thousand one hundred thirty-eight dollars and seventy cents ($35,626,138.70) as of April 30, 2009.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2009-TRANS-H3(S25.3)-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

SMALL CONSTRUCTION AND CONTINGENCY FUNDS

SECTION 25.3. Of the funds appropriated in this act to the Department of Transportation:

(1) Seven million dollars ($7,000,000) shall be allocated in each fiscal year for small construction projects recommended by the member of the Board of Transportation representing the Division in which the project is to be constructed in consultation with the Division Engineer and approved by the Secretary of the Department of Transportation. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

(2) Twelve million dollars ($12,000,000) in fiscal year 2009-2010 and twelve million dollars ($12,000,000) in fiscal year 2010-2011 shall be used statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formulas in G.S. 136-44.5(b) and (c).

These funds are not subject to G.S. 136-44.7.

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 construction. 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.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2009-TRANS-H9(S25.4)-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

USE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2009-2010 AND USE FIFTY PERCENT OF THE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2010-2011

SECTION 25.4.(a) Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2009-2010, shall remain in the Highway Fund for highway maintenance.

SECTION 25.4.(b) Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, fifty percent (50%) of the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2010-2011, shall remain in the Highway Fund for highway maintenance.

DRAFT
SPECIAL PROVISION

2009-TRANS-H10-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

FLEXIBLE USE OF FUNDS FOR RURAL PUBLIC TRANSPORTATION FOR FISCAL YEARS 2009-2010 AND 2010-2011

SECTION #. In order to ensure maximum receipts of funding and to facilitate the use of funds available to the Department under the American Recovery and Reinvestment Act, P.L. 111-5, the Department of Transportation, Public Transportation Division, shall have the flexibility to transfer funding from the consolidated capital program of its rural funding programs for vehicles, technology, and facilities to the operating programs, based on the Department's ability to leverage all additional federal funds to meet the capital needs of rural transportation systems. This section applies only to fiscal years 2009-2010 and 2010-2011.

DRAFT
SPECIAL PROVISION

2009-TRANS-H14-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

DEPARTMENT OF TRANSPORTATION MAY TAKE REQUIRED ADMINISTRATIVE REDUCTION FROM ADDITIONAL ADMINISTRATIVE BUDGETS

SECTION #. The Department of Transportation may take the twelve million dollar ($12,000,000) reduction to the central administration budget as required by S.L. 2008-107, from the central administration, Highway Division administration, and Division of Motor Vehicles administration budgets.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2009-TRANS-H15A

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

STUDY THE FEASIBILITY OF ASSESSING A FEE FOR PROVIDING TRAFFIC CONTROL BY THE STATE HIGHWAY PATROL OR THE DEPARTMENT OF TRANSPORTATION AT SPECIAL EVENTS

SECTION #.(a) The Joint Legislative Transportation Oversight Committee shall study the feasibility of assessing a fee for services provided by the State Highway Patrol or the Department of Transportation for certain special events. In conducting this study the Committee shall determine the costs associated with providing traffic control devices and personnel to provide traffic control and direction at special functions and events. The Committee shall also develop criteria to determine events, if any, for which a fee will be assessed and criteria to determine the amount of the fee, if any, that should be assessed.

SECTION #.(b) The Joint Legislative Transportation Oversight Committee shall make a report to the 2010 Regular Session of the 2009 General Assembly not later than April 1, 2010 detailing the information required by this Section and shall provide any recommended changes in current legislation or proposed new legislation if required.

Joint Appropriations Subcommittee

on

Transportation

Conferees' Meeting

The Conferees for the Joint Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met on Thursday, June 18, 2009, at 12:00 noon, for a called meeting. Senator Steve Goss, Chairman, presided. House members attending included the following: Representative Nelson Cole, Chairman; Representative Grier Martin, Chairman; Representative Lorene Coates, Vice Chairman; Representative Ty Harrell, Vice Chairman; Representative Margaret Dickson; Representative Phillip Frye; and Representative Arthur Williams. Senator Malcolm Graham, Chairman, and Senator Larry Shaw were also in attendance. Staff members from the Fiscal Research Division were Mr. Bob Weiss, Ms. Amna Cameron, Ms. Karlynn O'Shaughnessy, and Mr. Ryan Blackledge.

Chairman Goss called the meeting to order and reviewed the Rules for Joint Budget Subconferees. [Exhibit A] He then called upon Ms. Amna Cameron of the Fiscal Research Division staff to present the Conference Budget recommendations [Exhibit B]. This report compared the Senate and House Budgets and gave the Conference Budget.

Following Ms. Cameron's presentation, Chairman Goss recognized Mr. Bob Weiss of the Fiscal Research Division staff to present the Special Provisions, Appropriations Subcommittee on Transportation Report. [Exhibit C] Members were given the opportunity to ask questions and make comments concerning the special provisions. Mr. Weiss made two corrections to this report: on page 4, line 6, the amount should be $33,983,733; and on page 4, line 13, the amount should be $51,620,824.

Chairman Goss asked for a motion to accept the Conference Report from the Appropriations Transportation Committee conferees. Senators Graham and Shaw jointly made the motion. Members unanimously accepted the Conference Report.

Chairman Goss thanked members and guests for their attendance and participation and adjourned the meeting at 12:30 p.m.

Respectfully submitted,

Linda Laton, Committee Assistant

Senator Steve Goss, Chairman

Exhibit A

North Carolina General Assembly

Joint Appropriations Conference Committee
2009 Session

Rules for Joint Budget Subconferees

June 17, 2009

1. **Subcommittee targets are spending targets.**

2. **Regarding expansion, subcommittees:**
   a. **Shall not** fund any new expansions not funded in either the House or Senate budgets

   b. **Shall not** increase any expansion above the higher amount in either the House or Senate budget.

   c. **May** reduce or eliminate items that are not in controversy if both sides agree to re-visit the item.

   d. **Shall not** restore or expand non-recurring items funded in the FY 2008-09 budget or previous budgets (unless items are included in the House or Senate budgets).

3. **Regarding reductions, subcommittees:**
   a. **May** include reductions that are not in either the House or Senate budget.

   b. **May** increase the amount of any reduction in the House and/or Senate budgets (i.e., take a larger reduction).

   c. **May** reduce or eliminate items that are not in controversy if both sides agree to re-visit the item.

   d. **Shall not** use nonrecurring reductions to restore recurring reductions.

4. **No new special provisions,** unless a provision is necessary to conform language and money items.

5. **Any unresolved questions or items** shall be forwarded to the Joint Conference Committee Chairs for resolution.

Exhibit B

HIGHWAY FUND

		SAME	Senate Budget 2009-10 Recurring	Senate Budget 2009-10 Nonrecurring	Senate Budget 2010-11 Recurring	Senate Budget 2010-11 Nonrecurring	House Budget 2009-10 Recurring	House Budget 2009-10 Nonrecurring	House Budget 2010-11 Recurring	House Budget 2010-11 Nonrecurring	CONFERENCE Budget 2009-10 Recurring	CONFERENCE Budget 2009-10 Nonrecurring	CONFERENCE Budget 2010-11 Recurring	CONFERENCE Budget 2010-11 Nonrecurring
Administration	Update Printing Operations				$636,000.00				Not Included				Not Included	
Administration	Combined Registration & Tax Collection System - Database and Implementation	√			Receipts - Funded				Receipts - Funded				Receipts - Funded	
Aviation Division	Aviation Funds	√	-$1,128,445	-$871,555	-$1,125,523	-$874,477	-$1,128,445	-$871,555	-$1,125,523	-$874,477	-$1,128,445	-$871,555	-$1,125,523	-$874,477
Construction	Public Service and Access Road Funds	√	-$140,000		-$140,000		-$140,000		-$140,000		-$140,000		-$140,000	
Construction	Secondary Road Improvement Funds Reprogrammed to Maintenance			-$84,481,404		$2,986,368		-$84,481,404		-$41,607,092		-$50,497,671		-$31,593,359
Construction	Small Construction Funds		-$7,000,000		-$7,000,000		-$14,000,000		-$14,000,000		-$14,000,000		-$14,000,000	
Construction	Contingency Funds		-$1,050,000		-$1,050,000		-$3,000,000		-$3,000,000		-$3,000,000		-$3,000,000	
Construction	Spot Safety Program	√	$9,100,000		$9,100,000		$9,100,000		$9,100,000		$9,100,000		$9,100,000	
Department-Wide	Administration Cuts - Receipts	√			Receipts - Funded				Receipts - Funded				Receipts - Funded	
Department-Wide	Administration Cuts	√	-$7,181,194	-$4,528,043	-$6,788,533	-$4,524,423	-$7,181,194	-$4,528,043	-$6,788,533	-$4,524,423	-$7,181,194	-$4,528,043	-$6,788,533	-$4,524,423
Department-Wide	Vacant Positions						-$7,380,717		-$7,380,717		-$7,426,599 **		-$7,426,599 **	
Division of Motor Vehicles	National Motor Vehicle Title Compliance		$264,359	$96,460	$264,359				Not Included				Not Included	
Ferry Division	Implement Coast Guard Requirements for Manning of Vessels		$3,116,267	$400,000	$3,116,267				Not Included		$3,116,267	$400,000	$3,116,267	
Ferry Division	Ferry Funds	√	-$2,155,497		-$2,155,497		-$2,155,497		-$2,155,497		-$2,155,497		-$2,155,497	
Maintenance	Department of Corrections - Inmate Road Squads and Litter Crews				Not Included		-$2,260,000		-$2,260,000		-$2,260,000		-$2,260,000	
Maintenance	Maintenance Funds			$12,808,444	-$57,139,505	-$48,349,424		$48,194,409		$44,046,295		$49,254,328		$58,506,214
OSHA	Workplace Safety and Health Funds	√	-$52,208	-$17,403	-$52,208	-$17,403	-$52,208	-$17,403	-$52,208	-$17,403	-$52,208	-$17,403	-$52,208	-$17,403

Public Transportation Division	Public Transportation Funds		-$16,366,078	-$8,582,189	-$16,426,078	-$8,486,189		-$21,596,267		-$20,750,267		-$21,596,267		-$20,750,267
Public Transportation Division	Transportation Services to the High Point Furniture Market			Not Included			-$300,000		-$300,000		-$300,000		-$300,000	
Required Statutory Adjustments	Aid to Municipalities	STAT CHG	$2,589,860		$2,986,368		$3,332,472		$4,626,037		$3,332,472		$4,626,037	
Required Statutory Adjustments	DENR - Leaking Underground Storage Tank Fund	STAT CHG	$590,000		$810,000		$710,000		$890,000		$710,000		$890,000	
Reserves	Salary Adjustment Fund	√	-$3,922,758		-$3,922,758		-$3,922,758		-$3,922,758		-$3,922,758		-$3,922,758	
Reserves	Retirement System Contribution		$1,000,000		$1,000,000		$1,100,000		$14,500,000		FULL CHAIR ITEM			
State Highway Patrol	SHP - Establish Management Flexibility Reserve		-$5,608,242		-$5,608,242						-$5,608,242		-$5,608,242	
State Highway Patrol	Highway Fund Transfers to Crime Control and Public Safety						-$7,861,242	-$1,500,000	-$7,861,242	-$1,450,000	HOUSE/SENATE CUTS TOTAL SAME AMOUNT. SENATE CUTS OFFER SHP MOST FLEXIBILITY. SENATE POSITION TAKEN.			
State Highway Patrol	SHP - Operating Cuts		-$2,253,000	-$1,500,000	-$2,253,000	-$1,450,000					-$2,253,000	-$1,500,000	-$2,253,000	-$1,450,000
State Highway Patrol	SHP - Freeze Step Increase for Troopers	√		-$1,674,280		-$3,373,932		-$1,674,280		-$3,373,932	FULL CHAIR ITEM			
State Highway Patrol	SHP - Eliminate Continuation Budget Increases	√	-$2,832,607		-$2,647,712		-$2,832,607		-$2,647,712		-$2,832,607		-$2,647,712	
Transfers	State Health Plan	STAT CHG	$5,992,476		$12,502,192		$6,170,022		$12,888,386		$6,170,022		$12,888,386	
Transfers	Department of Health and Human Services		-$49,680		-$49,680		-$150,000		-$150,000		-$150,000		-$150,000	
Transfers	Continuation Review of the Drivers Education Program			Not Included			-$33,959,859	$33,959,859	-$33,321,964		-$33,959,859	$33,959,859	-$33,321,964	
Transfers	DPI - Drivers Education Program			Not Included				-$1,100,000				-$1,100,000		
Transfers	North Carolina Global TransPark Authority			Not Included			-$320,000		-$320,000		-$320,000		-$320,000	
	TOTAL CHANGES		-$24,496,887	-$88,349,970	-$72,957,182	-$64,089,480	-$68,387,530	-$33,614,684	-$45,577,228	-$28,551,299	-$64,261,648	-$64,261,648	-$54,851,346	-$703,715
	GRAND TOTAL		$1,683,500,000		$1,658,460,000		$1,699,090,000		$1,726,520,000		$1,736,590,000		$1,739,650,000	

** Vacancy cuts include:
Appropriation support - $7,426,599 -- 145 positions;
Receipt support - $3,047,812 -- 59 positions;
Work Order Positions -- $0 -- 1508 positions ;
Turnpike Authority Receipt support - $565,563 -- 6 positions

HIGHWAY TRUST FUND

			Senate Budget				House Budget				CONFERENCE Budget			
			2009-10		2010-11		2009-10		2010-11		2009-10		2010-11	
			Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring
Highway Trust Fund	Transfer to General Fund	STAT CHG			-$367,350					-$319,212				-$319,212
Highway Trust Fund	Administration	STAT CHG	-$7,510,080		-$8,278,560			-$6,967,680		-$6,721,920		-$6,367,680		-$6,512,160
Highway Trust Fund	Aid to Municipalities	STAT CHG	-$9,733,745		-$10,700,565			-$8,977,284		-$8,634,577		-$8,203,784		-$8,364,162
Highway Trust Fund	Intrastate System	STAT CHG	-$92,770,076		-$101,984,625			-$85,560,419		-$82,294,169		-$78,188,369		-$79,716,899
Highway Trust Fund	Secondary Road Construction	STAT CHG	-$9,733,745		-$10,700,566			-$9,857,547		-$9,593,788		-$9,084,047		-$9,323,373
Highway Trust Fund	Urban Loops	STAT CHG	-$37,512,354		-$41,238,334			-$34,597,070		-$33,276,334		-$31,616,120		-$32,234,194
	TOTAL CHANGES		-$157,260,000		-$173,270,000			-$145,960,000		-$140,840,000		-$133,460,000		-$136,470,000
	GRAND TOTAL		$857,490,000		$884,190,000		$868,790,000		$916,620,000		$881,290,000		$920,990,000	

TURNPIKE AUTHORITY

		Senate Budget				House Budget				CONFERENCE Budget			
		2009-10		2010-11		2009-10		2010-11		2009-10		2010-11	
		Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring	Recurring	Nonrecurring
Turnpike Authority	Administration - Receipts	Receipts - Funded				Receipts - Funded				Receipts - Funded			

Exhibit B

Recon ded Changes to the Highway Fund Budget FY 2009-10

	6/18/09 12pm..	2008-09	Governor's 2009	SENATE 2009-10			HOUSE 2009-10			CONFERENCE 2009-10		
		Certified	Recommended	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended
1	DOT-General Administration	74,260,879	80,810,522	86,303,924	(5,493,402)	80,810,522	86,303,924	(12,874,119)	73,429,805	86,303,924	(8,658,496)	77,645,428
2	Highway Division Administration	32,703,136	32,938,983	34,905,207	(1,966,224)	32,938,983	34,905,207	(1,966,224)	32,938,983	34,905,207	(2,042,421)	32,862,786
3	Federal Aid Match - Planning and Research	4,700,000	4,055,402	4,055,402		4,055,402	4,055,402		4,055,402	4,055,402		4,055,402
4	Construction Program:					-			-			-
5	State Secondary System	94,881,541	87,071,264	84,481,404	(84,481,404)	-	84,481,404	(84,481,404)	-	84,481,404	(50,497,671)	33,983,733
6	Discretionary Funds	15,000,000	13,950,000	15,000,000	(1,050,000)	13,950,000	15,000,000	(3,000,000)	12,000,000	15,000,000	(3,000,000)	12,000,000
7	Spot Safety Improvements - Recurring		9,100,000		9,100,000	9,100,000		9,100,000	9,100,000		9,100,000	9,100,000
8	Spot Safety Improvements - Nonrecurring	9,100,000				-			-			-
9	Access and Public Service Roads	2,000,000	1,860,000	2,000,000	(140,000)	1,860,000	2,000,000	(140,000)	1,860,000	2,000,000	(140,000)	1,860,000
10	Small Urban Const.	21,000,000	19,530,000	21,000,000	(7,000,000)	14,000,000	21,000,000	(14,000,000)	7,000,000	21,000,000	(14,000,000)	7,000,000
11	Total Construction Program	141,981,541	131,511,264	122,481,404	(83,571,404)	38,910,000	122,481,404	(92,521,404)	29,960,000	122,481,404	(58,537,671)	63,943,733
12	Maintenance Program:					-			-			-
a	PrimaryDOC - Inmate Labor	9,040,000	9,040,000	9,040,000	-	9,040,000	9,040,000	(1,695,000)	7,345,000	9,040,000	(1,695,000)	7,345,000
a	SecondaryDOC - Inmate Labor	2,260,000	2,260,000	2,260,000	-	2,260,000	2,260,000	(565,000)	1,695,000	2,260,000	(565,000)	1,695,000
13	Primary System	146,283,184	178,710,224	197,661,413	2,951,041	200,612,454	197,661,413	(18,951,189)	178,710,224	197,661,413	(18,951,189)	178,710,224
14	Secondary System	241,056,065	267,458,619	292,579,472	4,209,372	296,788,844	292,579,472	(25,120,853)	267,458,619	292,579,472	(25,120,853)	267,458,619
15	Contract Resurfacing	277,080,315	250,826,777	274,525,663	3,919,356	278,445,019	274,525,663	25,474,337	300,000,000	274,525,663	25,474,337	300,000,000
16	System Preservation	107,419,739	71,534,008	78,589,071	1,122,003	79,711,074	78,589,071	21,410,929	100,000,000	78,589,071	21,410,929	100,000,000
17	General Maintenance Reserve	151,003,126	39,518,978	42,493,525	606,673	43,100,198	42,493,525	45,381,185	87,874,710	42,493,525	46,441,104	88,934,629
18	Interstate 40 Resurfacing	10,000,000	-	-	-	-	-	-	-	-	-	-
19	Total Maintenance Program	932,842,429	808,048,606	897,149,144	12,808,444	909,957,588	897,149,144	45,934,409	943,083,553	897,149,144	46,994,328	944,143,472
20	Ferry Operations	32,313,921	30,206,209	28,765,439	1,360,770	30,126,209	28,765,439	(2,155,497)	26,609,942	28,765,439	1,360,770	30,126,209
21	State Aid to Municipalities	94,881,541	87,071,264	84,481,404	2,589,860	87,071,264	84,481,404	3,332,472	87,813,876	84,481,404	3,332,472	87,813,876
22	State Aid to Railroads	21,330,883	17,101,153	17,101,153		17,101,153	17,101,153		17,101,153	17,101,153		17,101,153
23	State Aid for Public Transportation	71,944,229	70,395,962	95,344,229	(24,948,267)	70,395,962	95,344,229	(21,596,267)	73,747,962	95,344,229	(21,596,267)	73,747,962
a	HighPoint Furniture Mart	1,200,000	1,200,000	1,200,000	-	1,200,000	1,200,000	(300,000)	900,000	1,200,000	(300,000)	900,000
24	Airports	19,407,815	17,349,592	19,349,592	(2,000,000)	17,349,592	19,349,592	(2,000,000)	17,349,592	19,349,592	(2,000,000)	17,349,592
25	OSHA	425,000	355,389	425,000	(69,611)	355,389	425,000	(69,611)	355,389	425,000	(69,611)	355,389
26	Governor's Highway Safety Program	335,449	351,779	351,779		351,779	351,779		351,779	351,779		351,779
27	Division of Motor Vehicles	100,173,970	101,732,813	105,621,605	(3,888,792)	101,732,813	105,621,605	(4,249,611)	101,371,994	105,621,605	(8,348,956)	97,272,649
28	Total Department of Transportation	1,527,300,793	1,381,928,938	1,497,535,282	(105,178,626)	1,392,356,656	1,497,535,282	(88,465,852)	1,409,069,430	1,497,535,282	(49,865,852)	1,447,669,430
29	Transfers to Other State Agencies:					-			-			-
30	Agriculture	4,934,152	4,972,215	4,972,215		4,972,215	4,972,215		4,972,215	4,972,215		4,972,215
31	Revenue	5,786,604	6,238,753	6,238,753		6,238,753	6,238,753		6,238,753	6,238,753		6,238,753
32	State Treasurer	17,610,000	17,557,170	17,557,170		17,557,170	17,557,170		17,557,170	17,557,170		17,557,170
33	OSC - Best Shared Services		444,037	444,037		444,037	444,037		444,037	444,037		444,037
34	Public Instruction-Driver Education	33,949,682	33,959,859	33,959,859		33,959,859	33,959,859	(1,100,000)	32,859,859	33,959,859	(1,100,000)	32,859,859
35	Public Instruction - Civil Penalties		22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000		22,000,000
36	CCPS - Highway Patrol	195,045,494	198,351,279	209,386,801	(13,868,129)	195,518,672	209,386,801	(13,868,129)	195,518,672	209,386,801	(13,868,129)	195,518,672
37	DENR - LUST Trust Fund	4,578,265	2,500,123	1,910,123	590,000	2,500,123	1,910,123	710,000	2,620,123	1,910,123	710,000	2,620,123

	6/18/09 12pm..	2008-09	Governor's 2009-	SENATE 2009-10			HOUSE 2009-10			CONFERENCE 2009-10		
		Certified	Recommended	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended
38	DHHS - Chemical Test	673,803	660,039	709,719	(49,680)	660,039	709,719	(150,000)	559,719	709,719	(150,000)	559,719
39	Total-Other State Agencies	262,578,000	286,683,475	297,178,677	(13,327,809)	283,850,868	297,178,677	(14,408,129)	282,770,548	297,178,677	(14,408,129)	282,770,548
40	Reserves and Transfers:								-			-
41	Salary Adjustment	1,650,000		3,922,758	(3,922,758)	-	3,922,758	(3,922,758)	-	3,922,758	(3,922,758)	-
42	Minority Contractor Development	150,000	150,000	150,000		150,000	150,000		150,000	150,000		150,000
43	State Fire Protection Grant	150,000	150,000	150,000		150,000	150,000		150,000	150,000		150,000
44	Storm Water Management	500,000	500,000	500,000		500,000	500,000		500,000	500,000		500,000
45	Reserve for Visitor's Centers	400,000	400,000	400,000		400,000	400,000		400,000	400,000		400,000
46	Global Transpark	1,600,000	1,600,000	1,600,000	-	1,600,000	1,600,000	(320,000)	1,280,000	1,600,000	(320,000)	1,280,000
47	Reserve for Administrative Reduction	(2,500,000)	(2,500,000)	(2,500,000)		(2,500,000)	(2,500,000)		(2,500,000)	(2,500,000)		(2,500,000)
48	Reserve for Legislative Increase	35,216,310										
49	Reserve for Compensation Adjustment	1,462,000										
50	Reserve for Health Insurance Adjustment	5,734,876	3,920,922	-	5,992,476	5,992,476	-	6,170,022	6,170,022	-	6,170,022	6,170,022
51	Employer's Contribution to Retirement	1,723,800	1,000,000		1,000,000	1,000,000		1,100,000	1,100,000			
52	Reserve for Longevity Payments		(2,833,335)									
53	Total Reserves	46,086,986	2,387,587	4,222,758	3,069,718	7,292,476	4,222,758	3,027,264	7,250,022	4,222,758	1,927,264	6,150,022
54	Total Current Operations	1,835,965,779	1,671,000,000	1,798,936,717	(115,436,717)	1,683,500,000	1,798,936,717	(99,846,717)	1,699,090,000	1,798,936,717	(62,346,717)	1,736,590,000
55	Capital Improvements	9,084,221	-	-	-	-	-	-	-	-	-	-
57	Total Highway Fund Appropriation	1,845,050,000	1,683,500,000	1,798,936,717	(115,436,717)	1,683,500,000	1,798,936,717	(99,846,717)	1,699,090,000	1,798,936,717	(62,346,717)	1,736,590,000
58	**% Inc/(Dec) Over Prior Year**		**-8.76%**			**-8.76%**			-			-
				-			1,699,090,000					1,736,590,000

Recommen ianges to the Highway Fund Budget — FY 2010-11

6.18.09 12pm

		2008-09	Gov 2010-11	SENATE 2010-11			HOUSE 2010-11			CONFERENCE 2010-11		
		Certified	Recom'd	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended	Continuation	Adjustments	Recommended
1	DOT-General Administration	74,260,879	81,897,273	86,354,752	(4,457,479)	81,897,273	86,354,752	(11,838,196)	74,516,556	86,354,752	(7,622,573)	78,732,179
2	Highway Division Administration	32,703,136	32,993,177	34,963,043	(1,969,866)	32,993,177	34,963,043	(1,969,866)	32,993,177	34,963,043	(2,046,063)	32,916,980
3	Federal Aid Match - Planning and	4,700,000	4,055,402	4,055,402		4,055,402	4,055,402		4,055,402	4,055,402		4,055,402
						-			-			-
4	Construction Program:					-			-			-
5	State Secondary System	94,881,541	86,200,551	83,214,183	2,986,368	86,200,551	83,214,183	(41,607,092)	41,607,092	83,214,183	(31,593,359)	51,620,824
6	Discretionary Funds	15,000,000	13,950,000	15,000,000	(1,050,000)	13,950,000	15,000,000	(3,000,000)	12,000,000	15,000,000	(3,000,000)	12,000,000
7	Spot Safety Improvements - Rec		9,100,000		9,100,000	9,100,000		9,100,000	9,100,000		9,100,000	9,100,000
8	Spot Safety Improvements - Non	9,100,000	-	-		-	-	-	-	-	-	-
9	Access and Public Service Road	2,000,000	1,860,000	2,000,000	(140,000)	1,860,000	2,000,000	(140,000)	1,860,000	2,000,000	(140,000)	1,860,000
10	Small Urban Const.	21,000,000	19,530,000	21,000,000	(7,000,000)	14,000,000	21,000,000	(14,000,000)	7,000,000	21,000,000	(14,000,000)	7,000,000
11	Total Construction Program	141,981,541	130,640,551	121,214,183	3,896,368	125,110,551	121,214,183	(49,647,092)	71,567,092	121,214,183	(39,633,359)	81,580,824
						-			-			-
12	Maintenance Program:					-			-			-
a	DOC - Inmate Labor	9,040,000	9,040,000	9,040,000	-	9,040,000	9,040,000	(1,695,000)	7,345,000	9,040,000	(1,695,000)	7,345,000
a	DOC - Inmate Labor	2,260,000	2,260,000	2,260,000	-	2,260,000	2,260,000	(565,000)	1,695,000	2,260,000	(565,000)	1,695,000
13	Primary System	146,283,184	170,848,263	197,661,413	(25,814,245)	171,847,168	197,661,413	(18,951,189)	178,710,224	197,661,413	(18,951,189)	178,710,224
14	Secondary System	241,056,065	259,596,658	292,579,472	(31,664,258)	260,915,214	292,579,472	(25,120,853)	267,458,619	292,579,472	(25,120,853)	267,458,619
15	Contract Resurfacing	277,080,315	242,964,816	274,525,663	(30,282,248)	244,243,415	274,525,663	25,474,337	300,000,000	274,525,663	25,474,337	300,000,000
16	System Preservation	107,419,739	63,435,877	78,589,071	(14,753,631)	63,835,440	78,589,071	21,410,929	100,000,000	78,589,071	21,410,929	100,000,000
17	General Maintenance Reserve	151,003,126	39,518,978	42,493,525	(2,974,547)	39,518,978	42,493,525	41,233,071	83,726,596	42,493,525	55,692,990	98,186,515
18	Interstate 40 Resurfacing	10,000,000	-	-	-	-	-	-	-	-	-	-
19	Total Maintenance Program	944,142,429	787,664,592	897,149,144	(105,488,929)	791,660,215	897,149,144	41,786,295	938,935,439	897,149,144	56,246,214	953,395,358
						-			-			-
20	Ferry Operations	32,313,921	30,110,209	28,765,439	960,770	29,726,209	28,765,439	(2,155,497)	26,609,942	28,765,439	960,770	29,726,209
21	State Aid to Municipalities	94,881,541	86,200,551	83,214,183	2,986,368	86,200,551	83,214,183	4,626,037	87,840,220	83,214,183	4,626,037	87,840,220
22	State Aid to Railroads	21,330,883	17,101,153	17,101,153		17,101,153	17,101,153		17,101,153	17,101,153		17,101,153
23	State Aid for Public Transportation	71,944,229	70,431,962	95,344,229	(24,912,267)	70,431,962	95,344,229	(20,750,267)	74,593,962	95,344,229	(20,750,267)	74,593,962
a	HighPoint Furniture Mart	1,200,000	1,200,000	1,200,000	-	1,200,000	1,200,000	(300,000)	900,000	1,200,000	(300,000)	900,000
24	Airports	19,407,615	17,291,543	19,291,543	(2,000,000)	17,291,543	19,291,543	(2,000,000)	17,291,543	19,291,543	(2,000,000)	17,291,543
25	OSHA	425,000	355,389	425,000	(69,611)	355,389	425,000	(69,611)	355,389	425,000	(69,611)	355,389
26	Governor's Highway Safety Progra	335,449	352,325	352,325		352,325	352,325		352,325	352,325		352,325
27	Division of Motor Vehicles	100,173,970	101,747,629	105,732,881	(3,985,252)	101,747,629	105,732,881	(4,885,611)	100,847,270	105,732,881	(8,984,956)	96,747,925
						-			-			-
28	Total Department of Transportatio	1,539,800,793	1,362,041,756	1,495,163,277	(135,039,898)	1,360,123,379	1,495,163,277	(47,203,808)	1,447,959,469	1,495,163,277	(19,573,808)	1,475,589,469
						-			-			-
29	Transfers to Other State Agencies:					-			-			-
30	Agriculture	4,934,152	4,965,929	4,965,929		4,965,929	4,965,929		4,965,929	4,965,929		4,965,929
31	Revenue	5,786,604	6,244,609	6,244,609		6,244,609	6,244,609		6,244,609	6,244,609		6,244,609
32	State Treasurer	17,610,000	17,504,498	17,504,498		17,504,498	17,504,498		17,504,498	17,504,498		17,504,498
33	OSC - Best Shared Services	-	444,037	444,037		444,037	444,037		444,037	444,037		444,037
34	Public Instruction-Driver Educatio	33,949,682	33,321,964	33,321,964		33,321,964	33,321,964	(33,321,964)	-	33,321,964	(33,321,964)	-
35	Public Instruction - Civil Penalties		22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000		22,000,000
36	CCPS - Highway Patrol	195,045,484	201,164,792	212,175,686	(15,332,886)	196,842,800	212,175,686	(15,332,886)	196,842,800	212,175,686	(15,332,886)	196,842,800
37	DENR - LUST Trust Fund	4,578,265	2,550,553	1,740,553	810,000	2,550,553	1,740,553	890,000	2,630,553	1,740,553	890,000	2,630,553
38	DHHS - Chemical Test	673,803	660,039	709,719	(49,680)	660,039	709,719	(150,000)	559,719	709,719	(150,000)	559,719
39	Total-Other State Agencies	262,578,000	288,856,421	299,106,995	(14,572,566)	284,534,429	299,106,995	(47,914,850)	251,192,145	299,106,995	(47,914,850)	251,192,145
						-			-			-
40	Reserves and Transfers:					-			-			-

41	Salary Adju	1,850,000	-	3,922,758	(3,922,7	-	3,922,758	(3,922,758)	-	,758	(3,922,758)	-
42	Minority Co r Development	150,000	150,000	150,000		150,000	150,000		150,000	,000	-	150,
43	State Fire Protection Grant	150,000	150,000	150,000		150,000	150,000		150,000	150,000	-	150,000
44	Storm Water Management	500,000	500,000	500,000		500,000	500,000		500,000	500,000	-	500,000
45	Reserve for Visitor's Centers	400,000	400,000	400,000		400,000	400,000		400,000	400,000	-	400,000
46	Global Transpark	1,600,000	1,600,000	1,600,000		1,600,000	1,600,000	(320,000)	1,280,000	1,600,000	(320,000)	1,280,000
47	Reserve for Administrative Reduc	(2,500,000)	(2,500,000)	(2,500,000)		(2,500,000)	(2,500,000)		(2,500,000)	(2,500,000)	-	(2,500,000)
48	Reserve for Legislative Increase	35,218,310	-									
49	Reserve for Compensation Adjus	1,462,000	-			-			-			-
50	Reserve for Health Insurance Adj	5,734,876	9,320,922		12,502,192	12,502,192		12,888,386	12,888,386		12,888,386	12,888,386
51	Employer's Contribution to Retire	1,723,800	1,000,000		1,000,000	1,000,000		14,500,000	14,500,000			
52	Reserve for Longevity Payments	-	(3,059,099)			-			-			-
53	Total Reserves	46,086,986	7,561,823	4,222,758	9,579,434	13,802,192	4,222,758	23,145,628	27,368,386	4,222,758	8,645,628	12,868,386
									-			-
54	Total Current Operations	1,848,465,779	1,658,460,000	1,798,493,030	(140,033,030)	1,658,460,000	1,798,493,030	(71,973,030)	1,726,520,000	1,798,493,030	(58,843,030)	1,739,650,000
									-			-
55	Capital Improvements	9,084,221	-	-	-	-	-	-	-	-	-	-
									-			-
56	Total Highway Fund Appropriation	1,857,550,000	1,658,460,000	1,798,493,030	(140,033,030)	1,658,460,000	1,798,493,030	(71,973,030)	1,726,520,000	1,798,493,030	(58,843,030)	1,739,650,000
57	% Inc/(Dec) Over Prior Year		-1.49%			-1.49%						
				-			(68,060,000)		1,726,520,000			1,739,650,000

Table 3

2009-10 Highway Trust Fund Budget

6.17.09 12 pm

	GOVERNOR	SENATE			HOUSE			Conference		
	2009-10 Recommended Appropriation	FY 2009-10 Recommended Continuation Appropriation	Recurring	2009-10 Recommended Appropriation	FY 2009-10 Recommended Continuation Appropriation	Recurring	2009-10 Recommended Appropriation	FY 2009-10 Recommended Continuation Appropriation	Recurring	2009-10 Recommended Appropriation
Administration	41,092,320	48,602,400	(7,510,080)	41,092,320	48,602,400	(6,967,680)	41,634,720	48,602,400	(6,367,680)	42,234,720
				-			-			-
Construction				-			-			-
Intrastate System	352,674,316	445,444,392	(92,770,076)	352,674,316	445,444,392	(85,560,419)	359,883,973	445,444,392	(78,188,369)	367,256,023
Urban Loop System	110,759,502	148,271,856	(37,512,354)	110,759,502	148,271,856	(34,597,070)	113,674,786	148,271,856	(31,616,120)	116,655,736
Secondary Roads	57,777,091	67,510,836	(9,733,745)	57,777,091	67,510,836	($9,857,547)	57,653,289	67,510,836	($9,084,047)	58,426,789
				-			-			-
State Aid to Munipalities	39,893,942	49,627,687	(9,733,745)	39,893,942	49,627,687	(8,977,284)	40,650,403	49,627,687	(8,203,784)	41,423,903
	-			-			-			-
Bonds	-			-			-			-
Bond Redemption	54,065,000	54,065,000	-	54,065,000	54,065,000	-	54,065,000	54,065,000	-	54,065,000
Bond Interest	28,666,000	28,666,000	-	28,666,000	28,666,000	-	28,666,000	28,666,000	-	28,666,000
	-			-			-			-
NC Turnpike Authority	64,000,000	64,000,000	-	64,000,000	64,000,000	-	64,000,000	64,000,000	-	64,000,000
				-			-			-
Transfer to the General Fund	108,561,829	108,561,829	-	108,561,829	108,561,829	-	108,561,829	108,561,829	-	108,561,829
							-			-
							-			-
Total Highway Trust Fund	857,490,000	1,014,750,000	(157,260,000)	857,490,000	1,014,750,000	(145,960,000)	868,790,000	1,014,750,000	(133,460,000)	881,290,000

2010-11 Highway Trust Fund Budget
2010-11

6.17.09 12 pm

	GOVERNOR'S			SENATE			HOUSE			CONFERENCE		
	FY 2010-11 Recommended Continuation Appropriation	Recurring	2010-11 Recommended Appropriation	FY 2010-11 Recommended Continuation Appropriation	Recurring	2009-10 Recommended Appropriation	FY 2010-11 Recommended Continuation Appropriation	Recurring	2010-11 Recommended Appropriation	FY 2010-11 Recommended Continuation Appropriation	Recurring	2010-11 Recommended Appropriation
Administration	50,652,480	(8,278,560)	42,373,920	50,652,480	(8,278,560)	42,373,920	50,652,480	(6,721,920)	43,930,560	50,652,480	(6,512,160)	44,140,320
Construction												
Intrastate System	471,440,180	(101,984,625)	369,455,555	471,440,180	(101,984,625)	369,455,555	471,440,180	(82,294,169)	389,146,011	471,440,180	(79,716,899)	391,723,281
Urban Loop System	159,678,513	(41,238,334)	118,440,179	159,678,513	(41,238,334)	118,440,179	159,678,513	(33,276,334)	126,402,179	159,678,513	(32,234,194)	127,444,319
Secondary Roads	71,231,921	(10,700,566)	60,531,355	71,231,921	(10,700,566)	60,531,355	71,231,921	(9,593,788)	61,638,133	71,231,921	(9,323,373)	61,908,548
Munipalities	52,250,080	(10,700,565)	41,549,515	52,250,080	(10,700,565)	41,549,515	52,250,080	(8,634,577)	43,615,503	52,250,080	(8,364,162)	43,885,918
Bonds												
Bond Redemption	54,030,000	-	54,030,000	54,030,000	-	54,030,000	54,030,000	-	54,030,000	54,030,000	-	54,030,000
Bond Interest	25,962,750	-	25,962,750	25,962,750	-	25,962,750	25,962,750	-	25,962,750	25,962,750	-	25,962,750
NC Turnpike	99,000,000	-	99,000,000	99,000,000	-	99,000,000	99,000,000	-	99,000,000	99,000,000	-	99,000,000
Transfer to the General Fund	73,214,076	(367,350)	72,846,726	73,214,076	(367,350)	72,846,726	73,214,076	(319,212)	72,894,864	73,214,076	(319,212)	72,894,864
Total Highway Trust Fund	1,057,460,000	(173,270,000)	884,190,000	1,057,460,000	(173,270,000)	884,190,000	1,057,460,000	(140,840,000)	916,620,000	1,057,460,000	(136,470,000)	920,990,000

Exhibit C

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION REPORT

JUNE 18, 2009

2009-PART25-H25.1-P 1
***** HOUSE PROVISION
CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

2009-PART25-H25.2-P 2
***** HOUSE PROVISION
MODIFY GLOBAL TRANSPARK DEBT AND REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

2009-PART25-H25.3-P 3
***** HOUSE PROVISION
SMALL CONSTRUCTION AND CONTINGENCY FUNDS

2009-PART25-C25.4A 4
***** COMPROMISE PROVISION
USE PORTION OF SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEARS 2009-2010 AND 2010-2011

2009-PART25-HO25.7-P 5
***** HOUSE PROVISION
FLEXIBLE USE OF FUNDS FOR RURAL PUBLIC TRANSPORTATION FOR FISCAL YEARS 2009-2010 AND 2010-2011

2009-PART25-HO25.8-P 6
***** HOUSE PROVISION
DEPARTMENT OF TRANSPORTATION MAY TAKE REQUIRED ADMINISTRATIVE REDUCTION FROM ADDITIONAL ADMINISTRATIVE BUDGETS

2009-PART25-HO25.9-P 7
***** HOUSE PROVISION
STUDY THE FEASIBILITY OF ASSESSING A FEE FOR PROVIDING TRAFFIC CONTROL BY THE STATE HIGHWAY PATROL OR THE DEPARTMENT OF TRANSPORTATION AT SPECIAL EVENTS

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2009

DRAFT
SPECIAL PROVISION

2009-PART25-H25.1-P

PART XXV. Department of Transportation
Conference Provision

******* HOUSE PROVISION**

CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 25.1.(a) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,762.0 million
For Fiscal Year 2012-2013	$ 1,861.8 million
For Fiscal Year 2013-2014	$ 1,966.2 million
For Fiscal Year 2014-2015	$ 2,026.0 million

SECTION 25.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 972.1 million
For Fiscal Year 2012-2013	$ 1,036.0 million
For Fiscal Year 2013-2014	$ 1,104.0 million
For Fiscal Year 2014-2015	$ 1,158.8 million

PART XXV. Department of Transportation
Conference Provision

******* HOUSE PROVISION**

MODIFY GLOBAL TRANSPARK DEBT AND REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION 25.2.(a) G.S. 147-69.2(b)(11), as amended by Section 7 of S.L. 2005-144, Section 2 of S.L. 2005-201, Section 28.17 of S.L. 2005-276, and Section 27.7 of S.L. 2007-323 reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

...

(11) With respect to assets of the Escheat Fund, obligations of the North Carolina Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed twenty-five million dollars ($25,000,000), that have a final maturity not later than October 1, ~~2009.~~2011. The obligations shall bear interest at the rate set by the State Treasurer. No commitment to purchase obligations may be made pursuant to this subdivision after September 1, 1993, and no obligations may be purchased after September 1, 1994. In the event of a loss to the Escheat Fund by reason of an investment made pursuant to this subdivision, it is the intention of the General Assembly to hold the Escheat Fund harmless from the loss by appropriating to the Escheat Fund funds equivalent to the loss.

If any part of the property owned by the North Carolina Global TransPark Authority now or in the future is divested, proceeds of the divestment shall be used to fulfill any unmet obligations on an investment made pursuant to this subdivision."

SECTION 25.2.(b) The Global TransPark Authority shall report on or before May 15, 2010, to the House and Senate Appropriations Subcommittees on Transportation on its strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-five million six hundred twenty-six thousand one hundred thirty-eight dollars and seventy cents ($35,626,138.70) as of April 30, 2009.

DRAFT
SPECIAL PROVISION



2009-PART25-H25.3-P

PART XXV. Department of Transportation
Conference Provision

******* HOUSE PROVISION**

SMALL CONSTRUCTION AND CONTINGENCY FUNDS

SECTION 25.3. Of the funds appropriated in this act to the Department of Transportation:

(1) Seven million dollars ($7,000,000) shall be allocated in each fiscal year for small construction projects recommended by the member of the Board of Transportation representing the Division in which the project is to be constructed in consultation with the Division Engineer and approved by the Secretary of the Department of Transportation. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

(2) Twelve million dollars ($12,000,000) in fiscal year 2009-2010 and twelve million dollars ($12,000,000) in fiscal year 2010-2011 shall be used statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formulas in G.S. 136-44.5(b) and (c).

These funds are not subject to G.S. 136-44.7.

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 construction. 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.

DRAFT
SPECIAL PROVISION

2009-PART25-C25.4A

PART XXV. Department of Transportation
Conference Provision

******* COMPROMISE PROVISION**

USE PORTION OF SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEARS 2009-2010 AND 2010-2011

SECTION 25.4.(a) Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, fifty million four hundred ninety-seven thousand six hundred seventy-one dollars (~~$50,497,671~~ $33,983,793) of the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2009-2010, shall remain in the Highway Fund for highway maintenance.

SECTION 25.4.(b) Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, thirty-one million five hundred ninety-three thousand three hundred fifty-nine dollars (~~$31,593,359~~ $51,620,824) of the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2010-2011, shall remain in the Highway Fund for highway maintenance.

DRAFT
SPECIAL PROVISION



2009-PART25-HO25.7-P

PART XXV. Department of Transportation
Conference Provision

******* HOUSE PROVISION**

FLEXIBLE USE OF FUNDS FOR RURAL PUBLIC TRANSPORTATION FOR FISCAL YEARS 2009-2010 AND 2010-2011

SECTION 25.7. In order to ensure maximum receipts of funding and to facilitate the use of funds available to the Department under the American Recovery and Reinvestment Act of 2009, P.L. 111-5, the Department of Transportation, Public Transportation Division, shall have the flexibility to transfer funding from the consolidated capital program of its rural funding programs for vehicles, technology, and facilities to the operating programs, based on the Department's ability to leverage all additional federal funds to meet the capital needs of rural transportation systems. This section applies only to fiscal years 2009-2010 and 2010-2011.

PART XXV. Department of Transportation
Conference Provision

******* HOUSE PROVISION**

DEPARTMENT OF TRANSPORTATION MAY TAKE REQUIRED ADMINISTRATIVE REDUCTION FROM ADDITIONAL ADMINISTRATIVE BUDGETS

SECTION 25.8. The Department of Transportation may take the twelve million dollar ($12,000,000) reduction to the central administration budget, as required by S.L. 2008-107, from the central administration, Highway Division administration, and Division of Motor Vehicles administration budgets.

DRAFT
SPECIAL PROVISION



2009-PART25-HO25.9-P

PART XXV. Department of Transportation
Conference Provision

******* HOUSE PROVISION**

STUDY THE FEASIBILITY OF ASSESSING A FEE FOR PROVIDING TRAFFIC CONTROL BY THE STATE HIGHWAY PATROL OR THE DEPARTMENT OF TRANSPORTATION AT SPECIAL EVENTS

SECTION 25.9.(a) The Joint Legislative Transportation Oversight Committee shall study the feasibility of assessing a fee for services provided by the State Highway Patrol or the Department of Transportation for certain special events. In conducting this study, the Committee shall determine the costs associated with providing traffic control devices and personnel to provide traffic control and direction at special functions and events. The Committee shall also develop criteria to determine events, if any, for which a fee will be assessed and criteria to determine the amount of the fee, if any, that should be assessed.

SECTION 25.9.(b) The Joint Legislative Transportation Oversight Committee shall make a report to the 2010 Regular Session of the 2009 General Assembly not later than April 1, 2010 detailing the information required by this Section and shall provide any recommended changes in current legislation or proposed new legislation if required.

Exhibit C

Senate and House Differ

Money Differences

Senate Version

CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 25.1.(a) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$1,736.5 million
For Fiscal Year 2012-2013	$1,835.2 million
For Fiscal Year 2013-2014	$1,945.3 million
For Fiscal Year 2014-2015	$2,008.7 million

SECTION 25.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 950.4 million
For Fiscal Year 2012-2013	$1,006.9 million
For Fiscal Year 2013-2014	$1,066.4 million
For Fiscal Year 2014-2015	$1,108.3 million

House Version

CASH FLOW HIGHWAY FUNDS AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 25.1.(a) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,762.0 million
For Fiscal Year 2012-2013	$ 1,861.8 million
For Fiscal Year 2013-2014	$ 1,966.2 million
For Fiscal Year 2014-2015	$ 2,026.0 million

SECTION 25.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 972.1 million
For Fiscal Year 2012-2013	$ 1,036.0 million
For Fiscal Year 2013-2014	$ 1,104.0 million
For Fiscal Year 2014-2015	$ 1,158.8 million

Senate and House Differ

Senate Version

MODIFY GLOBAL TRANSPARK DEBT

SECTION 25.2. G.S. 147-69.2(b)(11), as amended by Section 7 of S.L. 2005-144, Section 2 of S.L. 2005-201, Section 28.17 of S.L. 2005-276, and Section 27.7 of S.L. 2007-323 reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

...

(11) With respect to assets of the Escheat Fund, obligations of the North Carolina Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed twenty-five million dollars ($25,000,000), that have a final maturity not later than October 1, ~~2009.~~ 2011. The obligations shall bear interest at the rate set by the State Treasurer. No commitment to purchase obligations may be made pursuant to this subdivision after September 1, 1993, and no obligations may be purchased after September 1, 1994. In the event of a loss to the Escheat Fund by reason of an investment made pursuant to this subdivision, it is the intention of the General Assembly to hold the Escheat Fund harmless from the loss by appropriating to the Escheat Fund funds equivalent to the loss.

If any part of the property owned by the North Carolina Global TransPark Authority now or in the future is divested, proceeds of the divestment shall be used to fulfill any unmet obligations on an investment made pursuant to this subdivision.

...."

House Version

MODIFY GLOBAL TRANSPARK DEBT AND REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION 25.2.(a) G.S. 147-69.2(b)(11), as amended by Section 7 of S.L. 2005-144, Section 2 of S.L. 2005-201, Section 28.17 of S.L. 2005-276, and Section 27.7 of S.L. 2007-323 reads as rewritten:

"(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated in subsection (a) of this section in excess of the amount required to meet the current needs and demands on such funds, selecting from among the following:

...

(11) With respect to assets of the Escheat Fund, obligations of the North Carolina Global TransPark Authority authorized by G.S. 63A-4(a)(22), not to exceed twenty-five million dollars ($25,000,000), that have a final maturity not later than October 1, ~~2009.~~2011. The obligations shall bear interest at the rate set by the State Treasurer. No commitment to purchase obligations may be made pursuant to this subdivision after September 1, 1993, and no obligations may be purchased after September 1, 1994. In the event of a loss to the Escheat Fund by reason of an investment made pursuant to this subdivision, it is the intention of the General Assembly to hold the Escheat Fund harmless from the loss by appropriating to the Escheat Fund funds equivalent to the loss.

If any part of the property owned by the North Carolina Global TransPark Authority now or in the future is divested, proceeds of the divestment shall be

used to fulfill any unmet obligations on an investment made pursuant to this subdivision."

SECTION 25.2.(b) The Global TransPark Authority shall report on or before May 15, 2010, to the House and Senate Appropriations Subcommittees on Transportation on its strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-five million six hundred twenty-six thousand one hundred thirty-eight dollars and seventy cents ($35,626,138.70) as of April 30, 2009. House

Senate and House Differ

Various Differences

Senate Version

SMALL CONSTRUCTION AND CONTINGENCY FUNDS

SECTION 25.3. 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 construction projects recommended by the member of the Board of Transportation representing the Division in which the project is to be constructed in consultation with the Division Engineer and approved by the Board of Transportation. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

(2) Thirteen million nine hundred fifty thousand dollars ($13,950,000) in fiscal year 2009-2010 and thirteen million nine hundred fifty thousand dollars ($13,950,000) in fiscal year 2010-2011 shall be used statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formulas in G.S. 136-44.5(b) and (c).

These funds are not subject to G.S. 136-44.7.

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.

House Version

SMALL CONSTRUCTION AND CONTINGENCY FUNDS

SECTION 25.3. Of the funds appropriated in this act to the Department of Transportation:

(1) Seven million dollars ($7,000,000) shall be allocated in each fiscal year for small construction projects recommended by the member of the Board of Transportation representing the Division in which the project is to be constructed in consultation with the Division Engineer and approved by the Secretary of the Department of Transportation. These funds shall be allocated equally in each fiscal year of the biennium among the 14 Highway Divisions for small construction projects.

(2) Twelve million dollars ($12,000,000) in fiscal year 2009-2010 and twelve million dollars ($12,000,000) in fiscal year 2010-2011 shall be used statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subdivision shall be approved by the Secretary of Transportation.

None of these funds used for rural secondary road construction are subject to the county allocation formulas in G.S. 136-44.5(b) and (c).

These funds are not subject to G.S. 136-44.7.

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 construction. 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.

Senate and House Differ

Senate Version

USE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2009-2010

SECTION 25.4. Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2009-2010, shall remain in the Highway Fund for highway maintenance.

House Version

USE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2009-2010 AND USE FIFTY PERCENT OF THE SECONDARY ROAD IMPROVEMENT FUNDS FOR HIGHWAY MAINTENANCE IN FISCAL YEAR 2010-2011

SECTION 25.4.(a) Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2009-2010, shall remain in the Highway Fund for highway maintenance.

SECTION 25.4.(b) Notwithstanding the provisions of G.S. 136-44.2A regarding the annual allocation of funds from the Highway Fund to the Department of Transportation for secondary road improvement programs, fifty percent (50%) of the funds required to be allocated for the secondary road improvement programs, established pursuant to G.S. 136-44.7 and G.S. 136-44.8, for fiscal year 2010-2011, shall remain in the Highway Fund for highway maintenance. House

Senate Only

NC TURNPIKE AUTHORITY TRANSFERRED TO THE DEPARTMENT OF TRANSPORTATION

SECTION 25.5.(a) G.S. 136-89.182 reads as rewritten:

"**§ 136-89.182. North Carolina Turnpike Authority.**

...

(b) Administrative Placement. – The Authority shall be located within the Department of Transportation ~~for administrative purposes but shall exercise all of its powers independently of the Department of Transportation except as otherwise specified in this Article.~~ and shall be subject to and under the direct supervision of the Secretary of Transportation.

...

(d) Board of Transportation Members. – ~~No more than two members~~ Members of the North Carolina Board of Transportation may serve as members of the Authority Board.

...."

SECTION 25.5.(b) The transfer of the North Carolina Turnpike Authority to the Department of Transportation has all the elements of a Type I transfer under G.S. 143A-6.

Senate Only

ALLOW THE DEPARTMENT OF TRANSPORTATION TO REQUIRE FACILITIES CONSTRUCTED WITHIN RIGHTS-OF-WAY TO BE CONSTRUCTED FROM PERMEABLE PAVEMENT

SECTION 25.6.(a) G.S. 136-18 is amended by adding a new subdivision to read:

"(41) The Department shall, prior to the beginning of construction, determine whether all sidewalks and other facilities primarily intended for the use of pedestrians and bicycles that are to be constructed within the right-of-way of a public street or highway that is a part of the State highway system or an urban highway system must be constructed of permeable pavement. "Permeable pavement" means paving material that absorbs water or allows water to infiltrate through the paving material. Permeable pavement materials include porous concrete, permeable interlocking concrete pavers, concrete grid pavers, porous asphalt, and any other material with similar characteristics. Compacted gravel shall not be considered permeable pavement."

SECTION 25.6.(b) This section becomes effective October 1, 2009, and applies to facilities constructed on or after that date.

House Only

FLEXIBLE USE OF FUNDS FOR RURAL PUBLIC TRANSPORTATION FOR FISCAL YEARS 2009-2010 AND 2010-2011

SECTION 25.7. In order to ensure maximum receipts of funding and to facilitate the use of funds available to the Department under the American Recovery and Reinvestment Act of 2009, P.L. 111-5, the Department of Transportation, Public Transportation Division, shall have the flexibility to transfer funding from the consolidated capital program of its rural funding programs for vehicles, technology, and facilities to the operating programs, based on the Department's ability to leverage all additional federal funds to meet the capital needs of rural transportation systems. This section applies only to fiscal years 2009-2010 and 2010-2011.

House Only

DEPARTMENT OF TRANSPORTATION MAY TAKE REQUIRED ADMINISTRATIVE REDUCTION FROM ADDITIONAL ADMINISTRATIVE BUDGETS

SECTION 25.8. The Department of Transportation may take the twelve million dollar ($12,000,000) reduction to the central administration budget, as required by S.L. 2008-107, from the central administration, Highway Division administration, and Division of Motor Vehicles administration budgets.

House Only

STUDY THE FEASIBILITY OF ASSESSING A FEE FOR PROVIDING TRAFFIC CONTROL BY THE STATE HIGHWAY PATROL OR THE DEPARTMENT OF TRANSPORTATION AT SPECIAL EVENTS

SECTION 25.9.(a) The Joint Legislative Transportation Oversight Committee shall study the feasibility of assessing a fee for services provided by the State Highway Patrol or the Department of Transportation for certain special events. In conducting this study, the Committee shall determine the costs associated with providing traffic control devices and personnel to provide traffic control and direction at special functions and events. The Committee shall also develop criteria to determine events, if any, for which a fee will be assessed and criteria to determine the amount of the fee, if any, that should be assessed.

SECTION 25.9.(b) The Joint Legislative Transportation Oversight Committee shall make a report to the 2010 Regular Session of the 2009 General Assembly not later than April 1, 2010 detailing the information required by this Section and shall provide any recommended changes in current legislation or proposed new legislation if required.

MINUTES

HOUSE APPRORIATIONS SUBCOMMITTEE ON TRANSPORTATION

July 30, 2009
9:30 a.m.
Room 1228, Legislative Building

The House Appropriations Subcommittee on Transportation met on Thursday, July 30, 2009 at 9:30 a.m. in Room 1228 of the Legislative Building. Co-Chairs present were: Representatives Nelson Cole and Grier Martin. Vice Chairs present were Representatives Lorene Coates and Ty Harrell. House members present were: Representatives Lucy Allen, William Current, Margaret Dickson, Phillip Frye, Mitch Gillespie, James Gulley, Frank Iler and Arthur Williams. Senate members present were: Senators Harry Brown, Neal Hunt and Robert Rucho. Staff member present was: Mr. Ryan Blackledge. Sergeants at Arms present were: Mr. Marvin Lee, Mr. Toussaint Avent, Ms. Martha Gadison and Ms. Judy Turnor. Pages present were: Alexa Cannon of Wake County, sponsored by Representative Darrell McCormick, Lindsay Stephenson of Alamance County, sponsored by Representative Alice Bordsen, Alexandra Snow of Forsyth County, sponsored by Senator Larry Brown, Nicole Beatty of Wake County, sponsored by Speaker Joe Hackney, Wilson Croft of Davidson County, sponsored by Representative Jerry Dockham and Daniel Dunlow of Halifax County, sponsored by Representative Michael Wray. The visitor sheet is attached as Attachment #1.

Representative Cole called the meeting to order, welcoming everyone.
He then recognized Representative Russell Tucker to introduce HB 1117 "Sex Offender Can't Drive Bus with Children".

After a brief discussion, Representative Coates moved that HB 1117 receive a favorable report. The motion carried and HB 1117 was passed.

With no further discussions, the meeting was adjourned at 9: 37 a.m.

Respectfully submitted,

Representative Grier Martin
Chair

Sylvia Hammons
Committee Assistant

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Trans Approp. — Name of Committee

7/30/09 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Leslie Arnold	SOG - Daily Bulletin

ATTACHMENT #1

VISITOR REGISTRATION SHEET

Trans Appro — 7/30/09

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mindy Brason	RAMC
Gene Causby	NCMA
Thomas C. Caves, Jr.	NC Dept. of Crime Control & Public Safety
Jim Stegall	U.C.P.S.

HOUSE BILL 1117:
Sex Offender Can't Drive Bus with Children

2009-2010 General Assembly

Committee:	House Appropriations Subcommittee on Transportation	**Date:**	July 30, 2009
Introduced by:	Rep. Tucker	**Prepared by:**	Ryan Blackledge Committee Counsel
Analysis of:	First Edition		

SUMMARY: House Bill 1117 would prohibit a registered sex offender from obtaining or renewing a commercial drivers license with a P or S endorsement[1], and would make it a Class F felony to operate a commercial passenger vehicle or school bus without a commercial drivers license with a P or S endorsement because the person is a registered sex offender.

BILL ANALYSIS: House Bill 1117 would prohibit sex offenders from operating commercial passenger vehicles or school buses by amending the law as follows:

- Effective December 1, 2009, DMV would be prohibited from issuing or renewing a CDL, or issuing a commercial learner's permit, with a P or S endorsement to a person registered under the sex offender and public protection registry.
- Effective December 1, 2009, anyone convicted of a registerable offense would be disqualified from driving a commercial motor vehicle that requires a CDL with a P or S endorsement for as long as that person is required to be registered.
- Any person who is on the registry and who has a valid CDL with a P or S endorsement on December 1, 2009, would not be disqualified until the license expires, as long as the person does not commit a subsequent registerable offense.
- DMV would be required to revoke the CDL with P or S endorsement of any person convicted of a registerable offense on or after December 1, 2009. The person would be able to apply for a new CDL but would continue to be disqualified from obtaining a P or S endorsement.
- Any person who operates a commercial passenger vehicle or school bus and does not have a CDL with P or S endorsement because of a conviction of a registerable offense would be guilty of a Class F felony.

EFFECTIVE DATE: The act would be effective December 1, 2009, and would apply to persons registering under the sex offender and public protection registry on or after that date and persons who were registered before that date and continue to be registered on or after that date. The criminal penalties enacted under this act would apply to offenses occurring on or after December 1, 2009.

**This summary was substantially contributed to by Wendy Ray Graf, House Transportation Committee Counsel.*

H1117-SMME-2(e1) v1

[1] A P endorsement on a commercial drivers license allows for the operation of vehicles carrying passengers and an S endorsement allows for the operation of school buses. *See* 20-37.16.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

HOUSE BILL 1117

Short Title:	Sex Offender Can't Drive Bus with Children.	(Public)
Sponsors:	Representatives Tucker; Faison, Justice, Justus, McLawhorn, Parmon, Starnes, and Wray.	
Referred to:	Transportation, if favorable, Judiciary II.	

April 7, 2009

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT THE DIVISION OF MOTOR VEHICLES SHALL NOT ISSUE OR RENEW COMMERCIAL DRIVERS LICENSES WITH ENDORSEMENTS THAT QUALIFY A PERSON TO DRIVE A COMMERCIAL PASSENGER VEHICLE OR SCHOOL BUS FOR ANYONE REQUIRED TO REGISTER UNDER THE SEX OFFENDER AND PUBLIC PROTECTION REGISTRATION PROGRAMS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 27A of Chapter 14 of the General Statutes is amended by adding a new section to read:

"**§ 14-208.19. Commercial drivers license restrictions.**

(a) The Division of Motor Vehicles, in compliance with G.S. 20-37.14A, shall not issue or renew a commercial drivers license with a P or S endorsement to any person required to register under this Article.

(b) The Division of Motor Vehicles, in compliance with G.S. 20-37.13(f) shall not issue a commercial driver learner's permit with a P or S endorsement to any person required to register under this Article.

(c) A person who is convicted of a violation that requires registration under Article 27A of Chapter 14 of the General Statutes is disqualified under G.S. 20-17.4 from driving a commercial motor vehicle that requires a commercial drivers license with a P or S endorsement for the period of time during which the person is required to maintain registration under Article 27A of Chapter 14 of the General Statutes.

(d) A person who drives a commercial passenger vehicle or a school bus and who does not have a commercial drivers license with a P or S endorsement because the person was convicted of a violation that requires registration under Article 27A of Chapter 14 of the General Statutes shall be punished as provided by G.S. 20-27.1."

SECTION 2. G.S. 20-17.4 is amended by adding a new subsection to read:

"(n) Disqualification for Conviction of Criminal Offense That Requires Registration Under the Sex Offender and Public Protection Registration Programs. – Effective December 1, 2009, except as otherwise provided by this subsection, a person convicted of a violation that requires registration under Article 27A of Chapter 14 of the General Statutes is disqualified from driving a commercial motor vehicle that requires a commercial drivers license with a P or S endorsement for the period of time during which the person is required to maintain registration under Article 27A of Chapter 14 of the General Statutes. If a person who is registered pursuant to Article 27A of Chapter 14 of the General Statutes on December 1, 2009, also has a valid commercial drivers license with a P or S endorsement that was issued on or before December 1, 2009, then the person is not disqualified under this subsection until that

license expires, provided the person does not commit a subsequent offense that requires registration under Article 27A of Chapter 14 of the General Statutes."

SECTION 3. Article 2 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-17.9. Revocation of commercial drivers license with a P or S endorsement upon conviction of certain offenses.**

The Division shall revoke the commercial drivers license with a P or S endorsement of any person convicted of any offense on or after December 1, 2009, that requires registration under Article 27A of Chapter 14 of the General Statutes. The person may apply for the issuance of a new commercial drivers license pursuant to this Chapter, but, pursuant to G.S. 20-17.4, shall remain disqualified from obtaining a commercial drivers license with a P or S endorsement for the period of time during which the person is required to maintain registration."

SECTION 4. Article 2 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-27.1. Unlawful for sex offender to drive commercial passenger vehicle or school bus without appropriate commercial license or while disqualified.**

A person who drives a commercial passenger vehicle or a school bus and who does not have a valid commercial drivers license with a P or S endorsement because the person was convicted of a violation that requires registration under Article 27A of Chapter 14 of the General Statutes is guilty of a Class F felony."

SECTION 5. G.S. 20-37.13 is amended by adding a new subsection to read:

"(f) Notwithstanding subsection (e) of this section, a commercial driver learner's permit with a P or S endorsement shall not be issued to any person who is required to register under Article 27A of Chapter 14 of the General Statutes."

SECTION 6. Article 2C of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-37.14A. Prohibit issuance or renewal of certain categories of commercial drivers licenses to sex offenders.**

(a) Effective December 1, 2009, the Division shall not issue or renew a commercial drivers license with a P or S endorsement to any person who is required to register under Article 27A of Chapter 14 of the General Statutes.

(b) The Division shall not issue a commercial drivers license with a P or S endorsement to an applicant until the Division has searched both the statewide registry and the National Sex Offender Public Registry to determine if the person is currently registered as a sex offender in North Carolina or another state.

(1) If the Division finds that the person is currently registered as a sex offender in either North Carolina or another state, the Division, in compliance with subsection (a) of this section, shall not issue a commercial drivers license with a P or S endorsement to the person.

(2) If the Division is unable to access either the statewide registry or all of the states' information contained in the National Sex Offender Public Registry, but the person is otherwise qualified to obtain a commercial drivers license with a P or S endorsement, then the Division shall issue the commercial drivers license with the P or S endorsement but shall first require the person to sign an affidavit stating that the person does not appear on either the statewide registry or the National Sex Offender Public Registry. The Division shall search the statewide registry and the National Sex Offender Public Registry for the person within a reasonable time after access to the statewide registry or the National Sex Offender Public Registry is restored. If the person does appear in either registry, the person is in violation of this section, and the Division shall immediately cancel the commercial drivers

license and shall promptly notify the sheriff of the county where the person resides of the offense.

(3) Any person denied a commercial license with a P or S endorsement or who is disqualified from driving a commercial motor vehicle that requires a commercial drivers license with a P or S endorsement by the Division pursuant to this subsection shall have a right to file a petition within 30 days thereafter for a hearing in the matter, in the superior court of the county where the person resides, or to the resident judge of the district or judge holding the court of that district, or special or emergency judge holding a court in such district. The court or judge is vested with jurisdiction to hear the petition, and it shall be the duty of the judge or court to set the matter for hearing upon 30 days' written notice to the Division, and thereupon to take testimony and examine into the facts of the case and to determine whether the petitioner is entitled to a commercial drivers license with a P or S endorsement under the provisions of this subsection.

(c) Any person who makes a false affidavit, or who knowingly swears or affirms falsely, to any matter or thing required by the terms of this section to be affirmed to or sworn is guilty of a Class I felony."

SECTION 7. This act becomes effective December 1, 2009. This act applies to persons whose initial registration under Article 27A of Chapter 14 of the General Statutes occurs on or after December 1, 2009, and to persons who are registered under Article 27A of Chapter 14 of the General Statutes prior to December 1, 2009, and continue to be registered on or after December 1, 2009. The criminal penalties enacted by this act apply to offenses occurring on or after December 1, 2009.

2009 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:
By Representative(s) Cole, Martin (Chairs) for the Appropriations Subcommittee on Transportation.

☐Committee Substitute for
HB 1117 A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT THE DIVISION OF MOTOR VEHICLES SHALL NOT ISSUE OR RENEW COMMERCIAL DRIVERS LICENSES WITH ENDORSEMENTS THAT QUALIFY A PERSON TO DRIVE A COMMERCIAL PASSENGER VEHICLE OR SCHOOL BUS FOR ANYONE REQUIRED TO REGISTER UNDER THE SEX OFFENDER AND PUBLIC PROTECTION REGISTRATION PROGRAMS.

WITH APPROVAL OF STANDING COMMITTEE CHAIR(S) FOR REPORT TO BE MADE DIRECTLY TO THE FLOOR OF THE HOUSE:
Representative Michaux, Adams, Alexander, Crawford, Haire, Jeffus, Tolson, Yongue (Chairs) for the Standing Committee on Appropriations.

s/ _____

s/ Maggie Jeffus

s/ _____

☒With a favorable report.

(FOR JOURNAL USE ONLY)

_____ Pursuant to Rule 32(a), the bill/resolution is re-referred to the Committee on _____.

_____ Pursuant to Rule 36(b), the bill/resolution is placed on the Calendar of _____.

NORTH CAROLINA GENERAL ASSEMBLY
STATE LEGISLATIVE BUILDING
RALEIGH 27603

March 5, 2009

TO: Denise Weeks, House Principal Clerk

FROM: Representative Alma Adams
Representative Martha Alexander
Representative Jim Crawford
Representative Phil Haire
Representative Maggie Jeffus
Representative Mickey Michaux (Senior)
Representative Joe Tolson
Representative Doug Yongue

House Rule 36 addresses the procedure for the chair of a permanent subcommittee to follow to report a bill directly to the floor:

"With the written approval of the chair of the standing committee and with the recommendation of the subcommittee pursuant to Rule 32(b)(4) through (6), the chair of the permanent subcommittee may report the bill directly to the floor with that recommendation."

We, the Chairs of the House Appropriations Committee, have agreed that the Subcommittee Report Form shall be signed by the Senior Chair and two additional Chairs.

Sincerely,

Representative Alma Adams

Representative Maggie Jeffus

Representative Martha Alexander

Representative Mickey Michaux (Senior)

Representative Jim Crawford

Representative Joe Tolson

Representative Phil Haire

Representative Doug Yongue

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2009-2010 SESSION

You are hereby notified that the Committee on **Appropriations Subcommittee on Transportation** will meet as follows:

DAY & DATE: Wednesday, August 5, 2009
TIME: 9:00 am
LOCATION: 1228 LB

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 706	DMV Handicap Placard Enforcement.	Representative Floyd

Respectfully,
Representative Cole, Chair
Representative Martin, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **11** o'clock on **August 04, 2009.**

☐ Principal Clerk
☐ Reading Clerk – House Chamber

Sylvia Hammons (Committee Assistant)

HOUSE BILL 706
Committee Substitute Favorable 5/7/09
Committee Substitute #2 Favorable 5/12/09

Short Title: DMV Handicap Placard Enforcement. (Public)

Sponsors:

Referred to:

March 23, 2009

A BILL TO BE ENTITLED

AN ACT TO ENSURE THE ACCESSIBILITY OF HANDICAPPED PARKING IN NORTH CAROLINA BY REQUIRING AN EXPIRATION DATE VISIBLE FROM AT LEAST TWENTY FEET ON ALL HANDICAPPED PLACARDS, TO ENSURE INCREASED ENFORCEMENT AND COLLECTION OF EXPIRED OR REVOKED PLACARDS BY REQUIRING THAT PLACARDS DISPLAY THE MONTH AND YEAR OF EXPIRATION, TO REQUIRE THE DIVISION OF MOTOR VEHICLES TO ISSUE HANDICAPPED PLACARD REGISTRATION CARDS, AND TO REQUIRE THAT THE PERSON TO WHOM THE PLACARD IS ISSUED BE THE OPERATOR OF OR A PASSENGER IN THE VEHICLE IN WHICH THE PLACARD IS DISPLAYED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-37.5(4) reads as rewritten:

"(4) "Removable windshield placard" means a two-sided, hooked placard which includes on each side:

a. The International Symbol of Access, which is at least three inches in height, centered on the placard, and is white on a blue shield;

b. An identification number;

c. An expiration ~~date; and~~ date that is visible from at least 20 feet, and the month and year of expiration; and

d. The seal or other identification of the issuing authority."

SECTION 2. G.S. 20-37.6(c) reads as rewritten:

"(c) Handicapped Drivers and Passengers; Distinguishing Placards. – A handicapped person may apply for the issuance of a removable windshield placard or a temporary removable windshield placard. Upon request, one additional placard may be issued to applicants who do not have a distinguishing license plate. Any organization which, as determined and certified by the State Vocational Rehabilitation Agency, regularly transports handicapped persons may also apply. These organizations may receive one removable windshield placard for each transporting vehicle. When the removable windshield or temporary removable windshield placard is properly displayed, all parking rights and privileges extended to vehicles displaying a distinguishing license plate issued pursuant to subsection (b) shall apply. The removable windshield placard or the temporary removable windshield placard shall be displayed so that it may be viewed from the front and rear of the vehicle by hanging it from the front windshield rearview mirror of a vehicle using a parking space allowed for handicapped persons. When there is no inside rearview mirror, or when the placard cannot reasonably be hung from the rearview mirror by the handicapped person, the placard shall be displayed on the driver's side of the dashboard. A removable windshield placard placed on a motorized wheelchair or similar

vehicle shall be displayed in a clearly visible location. The Division shall establish procedures for the issuance of the placards and may charge a fee sufficient to pay the actual cost of issuance, but in no event less than five dollars ($5.00) per placard. The Division shall issue a placard registration card with each placard issued to a handicapped person. The registration card shall bear the name of the person to whom the placard is issued, the person's address, the placard number, and an expiration date. The registration card shall be in the vehicle in which the placard is being used, and the person to whom the placard is issued shall be the operator or a passenger in the vehicle in which the placard is displayed."

SECTION 3. This act becomes effective January 1, 2010.

2010

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

2009 – 2010 SESSION

CHAIRS
Representative Nelson Cole
Representative Grier Martin

VICE CHAIRS
Representative Lorene Coates
Representative Chris Heagarty

STAFF
Ryan Blackledge
Amna Cameron
Mikael Gross
Karlynn O'Shaughnessy
Bob Weiss

COMMITTEE ASSISTANTS
Sylvia Hammons
Linda Laton

NORTH CAROLINA GENERAL ASSEMBLY
APPROPRIATIONS TRANSPORTATION SUBCOMMITTEE
2009-2010 SESSION



Representative Cole
Chair



Representative Martin
Chair



Representative Heagarty
Vice Chair



Representative Coates
Vice Chair



Representative Current



Representative Parfitt



Representative Dockham



Representative Frye



Representative Gill



Representative Gillespie



Representative Gulley



Representative Iler



Representative Mackey



Representative McElraft



Representative Williams



Representative May

HOUSE APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION

MEMBER	ASSISTANT	PHONE	OFFICE
Rep. Cole	Linda Laton	733-5779	1218 LB
Rep. Martin	Sylvia Hammons	733-5758	2123 LB
Rep. Coates	Melissa Lennon	733-5784	633 LOB
Rep. Heagarty	Ruth Merkle	733-5602	2121 LB
Rep. Current	Wendy Miller	733-5809	418A LOB
Rep. Dockham	Regina Irwin	715-2526	1213 LB
Rep. Frye	Mary Hayes	733-5661	1019 LB
Rep. Gill	Valerie Rustin	733-5880	1305 B
Rep. Gillespie	Cindy Hobbs	733-5862	1008 LB
Rep. Gulley	Brian Lehrschall	733-5800	1313 LB
Rep. Iler	Carla Farmer	301-1450	306 A2
Rep. Mackey	John Montgomery	733-5606	403 LOB
Rep. May	Shara Graham	733-5860	536LOB
Rep. McElraft	Nancy Fox	733-6275	603 LOB
Rep. Diane Parfitt	Katie Landi	733-9892	2221 LB
Rep. Williams	Pam Evans	733-5906	637 LOB

ATTENDANCE

Joint Appropriations Subcommittee on Transportation

(Name of Committee)

DATES	February 24	April 12	May 24	May 26	May 27	June 16									
HOUSE															
Rep. Cole, Chair		X	X	X	X	X									
Rep. Martin, Chair			X	X	X	X									
Rep. Coates, Vice Chair		X	X	X	X	X									
Rep. Heagarty, Vice Chair		X	X	X	X	X									
Rep. Current		A	X	X	X										
Rep. Dockham		A	X	X	X	X									
Rep. Frye		X	X	X	X										
Rep. Gill		X	X	X	X	X									
Rep. Gillespie		X	X	X	X										
Rep. Gulley		X	X	X	X										
Rep. Iler		X	X	X	X										
Rep. Mackey															
Rep. McElraft			X		X										
Rep. Parfitt		X	X	X	X	X									
Rep. Williams			X	X	X	X									
Rep. May			X	X	X	X									
SENATE															
Sen. Boseman, Chair															
Sen. Goss, Chair		X	X			X									
Sen. Soles, Vice Chair															
Sen. Berger															
Sen. Brown															
Sen. Hunt															

Sen. Graham															
Sen. Jenkins						X									
Sen. Rucho															
Sen. Shaw															
Sen. Stein						X									
STAFF															
Bob Weiss				X	X										
Amna Cameron				X	X										
Karlynn O'Shaughnessy															
Mikael Gross															
Ryan Blackledge				X	X										
COMMITTEE ASSISTANT															
Linda Layton															
Sylvia Hammons				X	X										

Joint Appropriations Subcommittee

on

Transportation

The Joint Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met jointly with the Joint Appropriations Subcommittee on Education on Monday, April 12, 2010, at 2:00 P.M. Representative Nelson Cole, Chairman, presided. Joint Appropriations Subcommittee on Transportation House members attending included the following: Representative Lorene Coats, Vice Chairman; Representative Chris Heagarty, Vice Chairman; Representative Phillip Frye; Representative Mitch Gillespie; Representative Jim Gulley; Representative Rosa Gill; Representative Frank Iler; and Representative Diane Parfitt. Senate members attending included the following: Senator Steve Goss, Chairman; Senator Malcolm Graham, Chairman; Senator Harry Brown; Senator Larry Shaw; Senator Josh Stein; and Senator Bob Rucho. Representative William Current and Representative Jerry Dockham had excused absences. Staff members from the Fiscal Research Division were Mr. Mark Bondo and Mr. Brian Matteson.

Chairman Cole welcomed members and visitors. He stated that the purpose of the joint meeting with the Education Appropriations Subcommittee was to discuss issues related to the Driver's Education Program, currently funded from monies to the North Carolina Department of Public Instruction from the Department of Transportation. Under SB 202 – S. L. 2009-451 (the Budget Bill for FY 2009-2010), the $32.9 million appropriation was changed from recurring to non-recurring.

Chairman Cole called upon Ms. Paula Collins, Chief Health and Community Relations Officer of the Department of Public Instruction, who discussed the requirements and regulations for the Driver's Education Program under state law. [Exhibit A]

Following Ms. Collins' presentation, Chairman Cole called on Mr. Paul LeSieur, Director of School Business Services for the Department of Public Instruction, for a "Continuation Review Legislative Report on Public School Driver's Training." [Exhibit B] Mr. LeSieur's presentation included the following sections: Executive Summary, Program Overview, Program Review, Program Performance, Driving Eligibility, Recommendations, and a listing of the Driver's Education Expenditures by LEA.

Chairman Cole recognized Mr. Mark Bondo, of the North Carolina General Assembly's Fiscal Research Division, for a response to the presentations. [Exhibit C] Mr. Brian Mattheson, also of the Fiscal Research Division, added further information to the discussion. [Exhibit D]

Chairman Cole opened the meeting for questions and comments from members of both the Transportation and Education Appropriations subcommittees. Ms. Collins, Mr. LeSieur, Mr. Bondo, and Mr. Mattheson answered questions and clarified points for members. Senator Richard Stevens, a member of the Education Appropriations Subcommittee, distributed a sheet giving information about Driver Education Funding and how it had evolved from 1957. [Exhibit E]

Chairman Cole thanked members and guests for their attendance and participation and adjourned the meeting at 3:20 P.M.

Respectfully submitted,

Linda Laton

Linda Laton, Committee Assistant

Representative Nelson Cole, Chairman

Joint Appropriation Subcommittees on Education, Justice and Public Safety, and Transportation

AGENDA

Monday, April 12, 2010 – 2:00 p.m.
Room 544, Legislative Office Building

2:00 p.m. **Continuation Review on Drivers Education**

- Welcome, Representative Cole and Representative Glazier
- Presentation
  - Ms. Paula Collins, Chief Health and Community Relations Officer, Department of Public Instruction
  - Paul LeSieur, Director, School Business Services, Department of Public Instruction
- Staff Response, Mark Bondo, Fiscal Research Division
- Committee Discussion

3:30 p.m. **Continuation Review on Prisoner Education Programs**

- Welcome, Representative Glazier and Representative Love
- Introduction, Andrea Poole, Fiscal Research Division
- Presentation
  - Opening Remarks
    - Dr. Saundra Wall Williams, Senior Vice President, Technology and Workforce Development, NC Community College System Office
    - Alvin W. Keller, Secretary, Department of Correction
  - Presentation
    - Dan Lilly, Chief of Program Services, Division of Prisons., Department of Correction
    - Tracy McPherson, Director, Public Safety Programs, NC Community College System Office
- Staff Response, Andrea Poole, Fiscal Research Division
- Committee Discussion

5:00 p.m. **Education Agencies' Budget Reduction Options**

- Welcome, Representative Glazier
- Presentation
  - Philip Price, Chief Financial Officer, Department of Public Instruction
  - Jeff Davies, Chief of Staff, UNC – General Administration
  - Dr. Scott Ralls, President, NC Community College System
- Committee Discussion

Exhibit A1

§ 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. (1957, c. 682, s. 1; 1965, c. 410, s. 1; 1975, c. 431; c. 716, s. 5; 1977, c. 340, s. 4; c. 1002; 1983, c. 761, s. 141; 1985 (Reg. Sess., 1986), c. 982, s. 25; 1991, c. 689, s. 32(a); 1993 (Reg. Sess., 1994), c. 761, s. 7; 1997-16, s. 3; 1997-443, s. 32.20.)

Article 14.

Driver Education.

§ 115C-215. Instruction in driver training and safety education.

There shall be organized and administered under the general supervision of the Superintendent of Public Instruction a program of driver training and safety education in the public schools of this State, said courses to be noncredit courses taught by instructors who meet the requirements established by the State Board of Education. Instructors shall not be required to hold teacher certificates. (1953, c. 1196; 1955, c. 1372, art. 23, s. 4; 1959, c. 573, s. 16; 1981, c. 423, s. 1; 1991, c. 689, s. 32(b).)

§ 115C-216. Boards of education required to provide courses in operation of motor vehicles.

(a) Course of Training and Instruction Required in Public High Schools. – The State Board of Education and local boards of education are required to provide as a part of the program of the public high schools in this State a course of training and instruction in the operation of motor vehicles, in accordance with G.S. 20-88.1.

(b) Inclusion of Expense in Budget. – The local boards of education of every local school administrative unit are hereby authorized to include as an item of instructional service and as a part of the current expense fund of the budget of the several high schools under their supervision, the expense necessary to install and maintain such a course of training and instructing eligible persons in such schools in the operation of motor vehicles.

(c) to (f) Repealed by Session Laws 1991, c. 689, s. 32(c). (1955, c. 817; 1965, c. 397; 1981, c. 423, s. 1; 1991, c. 689, s. 32(c).)

§§ 115C-217 through 115C-221. Reserved for future codification purposes.

§ 20-11. Issuance of limited learner's permit and provisional drivers license to person who is less than 18 years old.

(a) Process. – Safe driving requires instruction in driving and experience. To ensure that a person who is less than 18 years old has both instruction and experience before obtaining a drivers license, driving privileges are granted first on a limited basis and are then expanded in accordance with the following process:

(1) Level 1. – Driving with a limited learner's permit.
(2) Level 2. – Driving with a limited provisional license.
(3) Level 3. – Driving with a full provisional license.

A permit or license issued under this section must have a color background or border that indicates the level of driving privileges granted by the permit or license.

(b) Level 1. – A person who is at least 15 years old but less than 18 years old may obtain a limited learner's permit if the person meets all of the following requirements:

(1) Passes a course of driver education prescribed in G.S. 20-88.1 or a course of driver instruction at a licensed commercial driver training school.
(2) Passes a written test administered by the Division.
(3) Has a driving eligibility certificate or a high school diploma or its equivalent.

(c) Level 1 Restrictions. – A limited learner's permit authorizes the permit holder to drive a specified type or class of motor vehicle only under the following conditions:

(1) The permit holder must be in possession of the permit.
(2) A supervising driver must be seated beside the permit holder in the front seat of the vehicle when it is in motion. No person other than the supervising driver can be in the front seat.
(3) For the first six months after issuance, the permit holder may drive only between the hours of 5:00 a.m. and 9:00 p.m.
(4) After the first six months after issuance, the permit holder may drive at any time.
(5) Every person occupying the vehicle being driven by the permit holder must have a safety belt properly fastened about his or her body, or be restrained by a child passenger restraint system as provided in G.S. 20-137.1(a), when the vehicle is in motion.
(6) The permit holder shall not use a mobile telephone or other additional technology associated with a mobile telephone while operating the motor vehicle on a public street or highway or public vehicular area.

(d) Level 2. – A person who is at least 16 years old but less than 18 years old may obtain a limited provisional license if the person meets all of the following requirements:

(1) Has held a limited learner's permit issued by the Division for at least 12 months.
(2) Has not been convicted of a motor vehicle moving violation or seat belt infraction or a violation of G.S. 20-137.3 during the preceding six months.
(3) Passes a road test administered by the Division.
(4) Has a driving eligibility certificate or a high school diploma or its equivalent.

(e) Level 2 Restrictions. – A limited provisional license authorizes the license holder to drive a specified type or class of motor vehicle only under the following conditions:

(1) The license holder shall be in possession of the license.

(2) The license holder may drive without supervision in any of the following circumstances:
   a. From 5:00 a.m. to 9:00 p.m.
   b. When driving to or from work.
   c. When driving to or from an activity of a volunteer fire department, volunteer rescue squad, or volunteer emergency medical service, if the driver is a member of the organization.

(3) The license holder may drive with supervision at any time. When the license holder is driving with supervision, the supervising driver shall be seated beside the license holder in the front seat of the vehicle when it is in motion. The supervising driver need not be the only other occupant of the front seat, but shall be the person seated next to the license holder.

(4) When the license holder is driving the vehicle and is not accompanied by the supervising driver, there may be no more than one passenger under 21 years of age in the vehicle. This limit does not apply to passengers who are members of the license holder's immediate family or whose primary residence is the same household as the license holder. However, if a family member or member of the same household as the license holder who is younger than 21 years of age is a passenger in the vehicle, no other passengers under 21 years of age, who are not members of the license holder's immediate family or members of the license holder's household, may be in the vehicle.

(5) Every person occupying the vehicle being driven by the license holder shall have a safety belt properly fastened about his or her body, or be restrained by a child passenger restraint system as provided in G.S. 20-137.1(a), when the vehicle is in motion.

(6) The license holder shall not use a mobile telephone or other additional technology associated with a mobile telephone while operating the vehicle on a public street or highway or public vehicular area.

(f) Level 3. – A person who is at least 16 years old but less than 18 years old may obtain a full provisional license if the person meets all of the following requirements:

(1) Has held a limited provisional license issued by the Division for at least six months.

(2) Has not been convicted of a motor vehicle moving violation or seat belt infraction or a violation of G.S. 20-137.3 during the preceding six months.

(3) Has a driving eligibility certificate or a high school diploma or its equivalent.

A person who meets these requirements may obtain a full provisional license by mail.

(g) Level 3 Restrictions. – The restrictions on Level 1 and Level 2 drivers concerning time of driving, supervision, and passenger limitations do not apply to a full provisional license. However, the prohibition against operating a motor vehicle while using a mobile telephone under G.S. 20-137.3(b) shall apply to a full provisional license.

(h) Exception for Persons 16 to 18 Who Have an Unrestricted Out-of-State License. – A person who is at least 16 years old but less than 18 years old, who was a resident of another state and has an unrestricted drivers license issued by that state, and who becomes a resident of this State may obtain one of the following upon the submission of a driving eligibility certificate or a high school diploma or its equivalent:

(1) A temporary permit, if the person has not completed a drivers education program that meets the requirements of the Superintendent of Public Instruction but is currently enrolled in a drivers education program that meets these requirements. A temporary permit is valid for the period specified in the permit and authorizes the holder of the permit to drive a specified type or class of motor vehicle when in possession of the permit, subject to any restrictions imposed by the Division concerning time of driving, supervision, and passenger limitations. The period must end within 10 days after the expected completion date of the drivers education program in which the applicant is enrolled.

(2) A full provisional license, if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction, has held the license issued by the other state for at least 12 months, and has not been convicted during the preceding six months of a motor vehicle moving violation, a seat belt infraction, or an offense committed in another jurisdiction that would be a motor vehicle moving violation or seat belt infraction if committed in this State.

(2a) A full provisional license, if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction, has held both a learner's permit and a restricted license from another state for at least six months each, the Commissioner finds that the requirements for the learner's permit and restricted license are comparable to the requirements for a learner's permit and restricted license in this State, and the person has not been convicted during the preceding six months of a motor vehicle moving violation, a seat belt infraction, or an offense committed in another jurisdiction that would be a moving violation or a seat belt infraction if committed in this State.

(3) A limited provisional license, if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction but either did not hold the license issued by the other state for at least 12 months or was convicted during the preceding six months of a motor vehicle moving violation, a seat belt infraction, or an offense committed in another jurisdiction that would be a motor vehicle moving violation or seat belt infraction if committed in this State.

(h1) Exception for Persons 16 to 18 Who Have an Out-of-State Restricted License. – A person who is at least 16 years old but less than 18 years old, who was a resident of another state and has a restricted drivers license issued by that state, and who becomes a resident of this State may obtain one of the following:

(1) A limited provisional license, if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction, held the restricted license issued by the other state for at least 12 months, and whose parent or guardian certifies that the person has not been convicted during the preceding six months of a motor vehicle moving violation, a seat belt infraction, or an offense committed in another jurisdiction that would be a motor vehicle moving violation or seat belt infraction if committed in this State.

(2) A limited learners permit, if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction but either did not hold the restricted license issued by the other state for at least 12 months or was convicted during the preceding six months of a motor vehicle moving violation, a seat belt infraction, or an offense committed in another jurisdiction that would be a motor vehicle moving violation or seat belt infraction if committed in this State. A person who qualifies for a limited learners permit under this subdivision and whose parent or guardian certifies that the person has not been convicted of a moving violation in the preceding six months shall be deemed to have held a limited learners permit in this State for each month the person held a restricted license in another state.

(h2) Exception for Persons Age 15 Who Have an Out-of-State Unrestricted or Restricted License. – A person who is age 15, who was a resident of another state, has an unrestricted or restricted drivers license issued by that state, and who becomes a resident of this State may obtain a limited learners permit if the person has completed a drivers education program that meets the requirements of the Superintendent of Public Instruction. A person who qualifies for a limited learners permit under this subsection and whose parent or guardian certifies that the person has not been convicted of a moving violation in the preceding six months shall be deemed to have held a limited learners permit in this State for each month the person held an unrestricted or restricted license in another state.

(h3) Exception for Persons Less Than Age 18 Who Have a Federally Issued Unrestricted or Restricted License. – A person who is less than age 18, who has an unrestricted or restricted drivers license issued by the federal government, and who becomes a resident of this State may obtain a limited provisional license or a provisional license if the person has completed a drivers education program substantially equivalent to the drivers education program that meets the requirements of the Superintendent of Public Instruction. A person who qualifies for a limited provisional license or a provisional license under this subsection and whose parent or guardian certifies that the person has not been convicted of a moving violation in the preceding six months shall be deemed to have held a limited provisional license or a provisional license in this State for each month the person held an unrestricted or restricted license issued by the federal government.

(i) Application. – An application for a permit or license authorized by this section must be signed by both the applicant and another person. That person must be:

(1) The applicant's parent or guardian;

(2) A person approved by the applicant's parent or guardian; or

(3) A person approved by the Division.

(j) Duration and Fee. – A limited learner's permit expires on the eighteenth birthday of the permit holder. A limited provisional license expires on the eighteenth birthday of the license holder. A limited learner's permit or limited provisional license issued under this section that expires on a weekend or State holiday shall remain valid through the fifth regular State business day following the date of expiration. A full provisional license expires on the date set under G.S. 20-7(f). The fee for a limited learner's permit or a limited provisional license is fifteen dollars ($15.00). The fee for a full provisional license is the amount set under G.S. 20-7(i).

(k) Supervising Driver. – A supervising driver shall be a parent, grandparent, or guardian of the permit holder or license holder or a responsible person approved by the parent

or guardian or the Division. A supervising driver shall be a licensed driver who has been licensed for at least five years. At least one supervising driver shall sign the application for a permit or license.

(l) Violations. – It is unlawful for the holder of a limited learner's permit, a temporary permit, or a limited provisional license to drive a motor vehicle in violation of the restrictions that apply to the permit or license. Failure to comply with a restriction concerning the time of driving or the presence of a supervising driver in the vehicle constitutes operating a motor vehicle without a license. Failure to comply with the restriction regarding the use of a mobile telephone while operating a motor vehicle is an infraction punishable by a fine of twenty-five dollars ($25.00). Failure to comply with any other restriction, including seating and passenger limitations, is an infraction punishable by a monetary penalty as provided in G.S. 20-176. Failure to comply with the provisions of subsections (e) and (g) of this section shall not constitute negligence per se or contributory negligence by the driver or passenger in any action for the recovery of damages arising out of the operation, ownership or maintenance of a motor vehicle. Any evidence of failure to comply with the provisions of subdivisions (1), (2), (3), (4), and (5) of subsection (e) of this section shall not be admissible in any criminal or civil trial, action, or proceeding except in an action based on a violation of this section. No drivers license points or insurance surcharge shall be assessed for failure to comply with seating and occupancy limitations in subsection (e) of this section. No drivers license points or insurance surcharge shall be assessed for failure to comply with subsection (e) or (g) of this section regarding the use of a mobile telephone while operating a motor vehicle.

(m) Insurance Status. – The holder of a limited learner's permit is not considered a licensed driver for the purpose of determining the inexperienced operator premium surcharge under automobile insurance policies.

(n) Driving Eligibility Certificate. – A person who desires to obtain a permit or license issued under this section must have a high school diploma or its equivalent or must have a driving eligibility certificate. A driving eligibility certificate must meet the following conditions:

(1) The person who is required to sign the certificate under subdivision (4) of this subsection must show that he or she has determined that one of the following requirements is met:
   a. The person is currently enrolled in school and is making progress toward obtaining a high school diploma or its equivalent.
   b. A substantial hardship would be placed on the person or the person's family if the person does not receive a certificate.
   c. The person cannot make progress toward obtaining a high school diploma or its equivalent.

(1a) The person who is required to sign the certificate under subdivision (4) of this subsection also must show that one of the following requirements is met:
   a. The person who seeks a permit or license issued under this section is not subject to subsection (n1) of this section.
   b. The person who seeks a permit or license issued under this section is subject to subsection (n1) of this section and is eligible for the certificate under that subsection.

(2) It must be on a form approved by the Division.

(3) It must be dated within 30 days of the date the person applies for a permit or license issuable under this section.

(4) It must be signed by the applicable person named below:

a. The principal, or the principal's designee, of the public school in which the person is enrolled.

b. The administrator, or the administrator's designee, of the nonpublic school in which the person is enrolled.

c. The person who provides the academic instruction in the home school in which the person is enrolled.

c1. The person who provides the academic instruction in the home in accordance with an educational program found by a court, prior to July 1, 1998, to comply with the compulsory attendance law.

d. The designee of the board of directors of the charter school in which the person is enrolled.

e. The president, or the president's designee, of the community college in which the person is enrolled.

Notwithstanding any other law, the decision concerning whether a driving eligibility certificate was properly issued or improperly denied shall be appealed only as provided under the rules adopted in accordance with G.S. 115C-12(28), 115D-5(a3), or 115C-566, whichever is applicable, and may not be appealed under this Chapter.

(n1) Lose Control; Lose License.

(1) The following definitions apply in this subsection:

a. Applicable State entity. – The State Board of Education for public schools and charter schools, the State Board of Community Colleges for community colleges, or the Secretary of Administration for nonpublic schools and home schools.

b. Certificate. – A driving eligibility certificate that meets the conditions of subsection (n) of this section.

c. Disciplinary action. – An expulsion, a suspension for more than 10 consecutive days, or an assignment to an alternative educational setting for more than 10 consecutive days.

d. Enumerated student conduct. – One of the following behaviors that results in disciplinary action:

1. The possession or sale of an alcoholic beverage or an illegal controlled substance on school property.

2. The bringing, possession, or use on school property of a weapon or firearm that resulted in disciplinary action under G.S. 115C-391(d1) or that could have resulted in that disciplinary action if the conduct had occurred in a public school.

3. The physical assault on a teacher or other school personnel on school property.

e. School. – A public school, charter school, community college, nonpublic school, or home school.

f. School administrator. – The person who is required to sign certificates under subdivision (4) of subsection (n) of this section.

g. School property. – The physical premises of the school, school buses or other vehicles under the school's control or contract and that are used to transport students, and school-sponsored curricular or

extracurricular activities that occur on or off the physical premises of the school.

h. Student. – A person who desires to obtain a permit or license issued under this section.

(2) Any student who was subject to disciplinary action for enumerated student conduct that occurred either after the first day of July before the school year in which the student enrolled in the eighth grade or after the student's fourteenth birthday, whichever event occurred first, is subject to this subsection.

(3) A student who is subject to this subsection is eligible for a certificate when the school administrator determines that the student has exhausted all administrative appeals connected to the disciplinary action and that one of the following conditions is met:

a. The enumerated student conduct occurred before the student reached the age of 15, and the student is now at least 16 years old.

b. The enumerated student conduct occurred after the student reached the age of 15, and it is at least one year after the date the student exhausted all administrative appeals connected to the disciplinary action.

c. The student needs the certificate in order to drive to and from school, a drug or alcohol treatment counseling program, as appropriate, or a mental health treatment program, and no other transportation is available.

(4) A student whose permit or license is denied or revoked due to ineligibility for a certificate under this subsection may otherwise be eligible for a certificate if, after six months from the date of the ineligibility, the school administrator determines that one of the following conditions is met:

a. The student has returned to school or has been placed in an alternative educational setting, and has displayed exemplary student behavior, as defined by the applicable State entity.

b. The disciplinary action was for the possession or sale of an alcoholic beverage or an illegal controlled substance on school property, and the student subsequently attended and successfully completed, as defined by the applicable State entity, a drug or alcohol treatment counseling program, as appropriate. (1935, c. 52, s. 6; 1953, c. 355; 1955, c. 1187, s. 8; 1963, c. 968, ss. 2, 2A; 1965, c. 410, s. 3; c. 1171; 1967, c. 694; 1969, c. 37; 1973, c. 191, ss. 1, 2; c. 664, ss. 1, 2; 1975, c. 79; c. 716, s. 5; 1979, c. 101; c. 667, ss. 15, 16, 41; 1981 (Reg. Sess., 1982), c. 1257, s. 2; 1989 (Reg. Sess., 1990), c. 1021, s. 11; 1991, c. 689, s. 326; 1993, c. 539, s. 319; 1994, Ex. Sess., c. 24, s. 14(c); 1997-16, s. 1; 1997-443, s. 32.20; 1997-507, s. 1; 1998-149, ss. 2.1, 2.2, 2.3, 2.4, 2.5; 1998-212, s. 9.21(c); 1999-243, ss. 1, 2; 1999-276, s. 1; 1999-387, s. 4; 1999-452, s. 9; 2001-194, s. 1; 2001-487, s. 51.5(a); 2002-73, ss. 1, 2; 2002-159, s. 30; 2005-276, s. 44.1(b); 2006-177, ss. 2-7.)

NORTH CAROLINA STATE BOARD OF EDUCATION
Policy Manual

Policy Identification
Priority: Globally Competitive Students
Category: Drivers Education
Policy ID Number: GCS-R-002

Policy Title: Policy regarding driver education policy as it relates to the instructional day and the SCS

Current Policy Date: 11/05/1998

Other Historical Information: Previous board dates: 04/04/1991

Statutory Reference:

Administrative Procedures Act (APA) Reference Number and Category:

Policy on Driver education as it Relates to the Instructional Day and the SCS.

1. Driver Education will not be part of the 5.5 hour instructional day.

2. Driver Education will be removed from the Standard Course of Study.

3. Driver training will be listed on Page 44 of the Basic Education Program booklet along with other activities which are a part of "school life," but not a part of the 5.5 hour instructional day which must be provided for each student.

4. Driver education shall not be included in any credit course which counts toward the state's 20-unit requirement for high school graduation.

NORTH CAROLINA STATE BOARD OF EDUCATION
Policy Manual

Policy Identification
Priority: Globally Competitive Students
Category: Drivers Education
Policy ID Number: GCS-R-003

Policy Title: 16 NCAC 6E.0302 Policy on non-certified driver training instructor

Current Policy Date: 11/05/1998

Other Historical Information: Previous board dates: 11/07/1991, 03/01/1992

Statutory Reference:

Administrative Procedures Act (APA) Reference Number and Category: 16 NCAC 6E .0302

.0302 NON-CERTIFIED INSTRUCTOR STATUS

To qualify for non-certified instructor status, a person must, as a minimum:

(1) be at least 21 years of age and have graduated from high school or hold a high school equivalency certificate;

(2) be of good moral character;

(3) not have had convictions of moving violations totaling seven or more points in the three years preceding the date of application;

(4) have at least four years' experience as a licensed operator of a motor vehicle;

(5) not have had a revocation or suspension of his or her driver's license in the four years immediately preceding the date of application; and

(6) have completed the licensed instructor course offered through the community college system and approved by the Department and the Division of Motor Vehicles.

NORTH CAROLINA STATE BOARD OF EDUCATION
Policy Manual

Policy Identification
Priority: Globally Competitive Students
Category: Drivers Education
Policy ID Number: GCS-R-004

Policy Title: 16 NCAC 6E.0301 Policy delineating driver training requirements

Current Policy Date: 03/01/2001

Other Historical Information: Previous board dates: 11/07/1991, 05/07/1998, 05/06/1999, 01/13/2000

Statutory Reference:

Administrative Procedures Act (APA) Reference Number and Category: 16 NCAC 6E .0301

This policy is currently in effect as the result of a temporary amendment. The temporary amendment is proposed to become permanent July 1, 2002.

.0301 DRIVERS TRAINING

(a) In discharging their duty to provide a course of training and instruction in the operation of motor vehicles as set forth in G.S. 115C-216, local boards of education shall provide a program which meets the following standards and requirements:

(1) Enrollment in the program will be limited to students meeting the criteria established by G.S. 20-88.1;

(2) The program will be free of charge to eligible students;

(3) Enrollees must obtain either a temporary learner's permit or a restricted instruction permit before they begin behind-the-wheel instruction.

(4) Classroom instruction will consist of at least 30 clock hours of instruction in the topics previously listed in the Healthful Living section of the Teacher Handbook. Beginning in school year 1992-93, students may take and pass a proficiency examination developed or designated by the Department of Public Instruction to waive the classroom instruction. Each student must complete a minimum of 6 hours of behind-the-wheel instruction.

(5) The program will be reasonably available on a year-round basis to all eligible persons.

(6) The local board of education will determine class size restrictions, but may not allow instruction in the car to less than two nor more than four students.

(7) The local board of education will determine the amount of instruction per day for classroom or in-car instruction or a combination of both.

(8) The local board of education will issue a certificate to students who satisfactorily complete the prescribed course.

(9) Driver education instructors most possess a valid North Carolina driver's license and must have a driving record acceptable to the local board of education. In addition, instructors hired for driver education shall either:

(A) hold a driver education certificate issued by the SBE; or

(B) have non-certified status according to minimum standards established by Rule .0302 of this Section.

(10) Except as previously allowed by the SBE, the program shall not be provided during the regular instructional day.

(b) Two or more local boards of education may jointly operate a program under a written agreement meeting the requirements of G.S. 160A-460 et. seq. The agreement shall provide for one local board of education to assume administrative responsibility for the program.

(c) For purposes of G.S. 20-11, G.S. 20-13.2(c1), and G.S. 115C-12(28), the following definitions shall apply:

(1) "High school diploma or its equivalent" means and includes the General Equivalency Diploma (G.E.D.) and the adult high school diploma.

(2) "Making progress toward obtaining a high school diploma," means that the student must pass at least seventy percent (70%) of the maximum of possible courses each semester and meet promotion standards established by the LEA.

(3) "Substantial hardship" means a demonstrable burden on the student or the student's family as evidenced by circumstances such as the following:

(A) The parent is unable to drive due to sickness or other impairment and the student is the only person of driving age in the household.

(B) The student requires transportation to and from a job that is necessary to the welfare of the student's family and the student is unable to obtain transportation by any means other than driving.

(C) The student has been unable to attend school due to documented medical reasons, but the student is demonstrating the ability to maintain progress toward obtaining a high school diploma.

(4) A "student who cannot make progress toward obtaining a high school diploma or its equivalent" shall mean a student who has been identified by the principal or principal's designee, together with the IEP committee or the school's student assistance team, as not having the capacity to meet the requirements for a high school diploma or its equivalent due to a disability.

(5) "Exemplary behavior" shall mean that a student whose operator's permit or license has been revoked pursuant to G.S. 20-13.2(c1) and who has returned to school has, since returning to school, (i) had no additional incidents of misconduct for which expulsion, suspension, or assignment to an alternative educational setting is required; or (ii) had no violations of local school board policies such as attendance, dress codes, or other behaviors that may result in disciplinary action against the student.

(6) "Successful completion of a treatment counseling program" shall mean completion of a minimum of 12 hours of drug or alcohol treatment, counseling, a mental health treatment program, or other intervention program required by the LEA.

(d) Each LEA shall determine the process by which decisions concerning the issuance of a driving eligibility certificate shall be appealed.

(e) The principal of a high school or the principal's designee shall notify the Division of Motor Vehicles whenever a student is no longer making progress toward obtaining a high school diploma or its equivalent or when the student has dropped out of school.

(f) Each charter school, non-public school accredited by the SBE, and community college shall designate an official who shall notify the Division of Motor Vehicles whenever a student is no longer making progress toward obtaining a high school diploma.

Exhibit B

PUBLIC SCHOOLS OF NORTH CAROLINA
DEPARTMENT OF PUBLIC INSTRUCTION | June St. Clair Atkinson, Ed.D., *State Superintendent*
WWW.NCPUBLICSCHOOLS.ORG

North Carolina Department of Public Instruction

CONTINUATION REVIEW LEGISLATIVE REPORT ON PUBLIC SCHOOL DRIVER'S TRAINING

MARCH 1, 2010

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EXECUTIVE SUMMARY

The guiding mission of the North Carolina State Board of Education is that every public school student will graduate from high school, globally competitive for work and postsecondary education and prepared for life in the 21st Century. The North Carolina Department of Public Instruction is the agency charged with implementing the state's public school laws and the State Board of Education's policies and procedures governing pre-kindergarten through 12th grade public education. The elected State Superintendent of Public Instruction heads the Department and functions under the policy direction of the State Board of Education.

The agency provides leadership and service to local public school districts and schools in the areas of curriculum and instruction, accountability, finance, teacher and administrator preparation and licensing, professional development and school business support and operations.

The Department of Public Instruction (DPI) developed the ***Standard Course of Study*** which describes the subjects and course content that should be taught in North Carolina public schools and develops the assessments and accountability model used to evaluate school and district success.

The DPI administers annual public school funds totaling approximately $8 billion in state and federal funds and licenses the approximately 120,000 teachers and administrators serving in public schools.

In November 2009, the Fiscal Research Division notified the Department of Public Instruction that the Driver's Education program had been identified for a Continuation Study by the Legislature. The DPI Legislative Liaison, the DPI Staff Attorney and staff from the Finance Division and Healthy Schools Section worked collaboratively to compile information and responses to questions required in the Continuation Report template. In compiling this information, staff identified and reviewed relevant statutes and State Board of Education (SBE) policies regarding the role and responsibility of DPI for the Driver's Education program. Staff also reviewed process and procedures applied by DPI to administer the Driver's Education program.

The Department of Public Instruction is required to administer a Driver's Education program through the Public Schools of North Carolina. The North Carolina General Assembly allocates funds to the North Carolina Department of Transportation (NCDOT) to provide Driver's Education programs across the state. The Department of Transportation annually provides funds to the Department of Public Instruction for the purpose of supporting Driver's Education in the public schools. The Finance Division at DPI allocates funds for Driver's Education to each Local Education Agency (LEA) based on an Average Daily Membership (ADM) basis for ninth grade (LEA, charter and private school) students. Each LEA is responsible for operating and providing Driver's Education instruction for qualified students at the local level. The LEAs are responsible for managing the funds allocated for Driver's Education and unexpended funds revert to DPI at the end of the fiscal year. LEAs are also responsible for the distribution and management of Driver Eligibility Certificates (DEC) for students that successfully complete Driver's Education through the public schools. The DECs are acquired by DPI and distributed to the LEAs based on the estimated number of students that complete Driver's Education in the LEA. The LEA is responsible for reporting to the Division of Motor Vehicles (DMV) when a student fails to meet the DEC retention requirements.

The Healthy Schools Section of DPI provides limited technical assistance for Driver's Education. Typically this technical assistance consists of answering questions of parents, guardians and students

regarding Driver's Education procedures and how to resolve individual problems associated with the Driver Eligibility Certificates. In most cases the questions and requests received by DPI are best answered and resolved by DMV or at the LEA level. The Healthy Schools Section works closely with the DMV, LEAs and individual schools to ensure effective communication and resolution of Driver's Education questions. The Healthy Schools Section also coordinates the acquisition of the DECs and distributes the DECs to LEAs. However, DPI plays no role in the issuance or revocation of the DECs. Those functions are local responsibilities.

The findings suggest that state funded driver's training is a valuable service to the citizens of North Carolina and that the North Carolina Department of Public Instruction should remain as fiscal agent. It is also recommended that a portion of the funds allocated for Driver's Education programs in the public schools be used for a part-time contractor to monitor and assess Driver's Education programs in public schools. Further, it is recommended that the Driver Eligibility Certification process be reviewed to determine its efficacy and benefit.

PROGRAM OVERVIEW

As per G.S.§ 20-11, a person less than 18 years old seeking a North Carolina drivers license must demonstrate acquisition and application of knowledge and experience in operating a motor vehicle in order to demonstrate proficiency as a safe driver. This may be obtained by meeting the criteria to be awarded either a Level 1 limited learner's permit, a Level 2 limited provisional license, or a Level 3 full provisional license.

In North Carolina, those persons who are at least 15 years of age but less than 18 years of age may obtain a Level 1 limited learner's permit if the following criteria have been met:

- successful completion of a course of driver's education delivered through the local public school system or via a Department of Transportation-Division of Motor Vehicle (DOT-DMV) licensed commercial driving school,
- pass a written test administered by the DOT-DMV,
- obtain a driving eligibility certificate issued by the local public school system (for public school students or out-of-state students who are NC residents), the local community college system (for GED-Basic Skills candidates), or the Division of Non Public Education (for private, private online, or home school students).

Those persons at least 16 years of age but less than 18 years of age may obtain a Level 2 limited provisional license if the following criteria have been met:

- held a Level 1 limited learner's permit issued by DOT-DMV for at least 12 months,
- not convicted of a motor vehicle moving violation, seat belt infraction, or use of a mobile phone as per G.S.§ 20-137.3 during the prior six months,
- pass a road test administered by the DOT-DMV,
- has a driving eligibility certificate.

Those persons who are at least 16 years of age but less than 18 years of age may obtain a Level 3 full provisional license if the following criteria have been met:

- held a Level 2 limited provisional license issued by DOT-DMV for at least six months,
- have not been convicted of a moving violation, seat belt infraction, or use of a mobile phone as per G.S.§ 20-137.3 during the preceding six months,
- has a driving eligibility certificate.

For Level 1 and Level 2 drivers there are time of driving, supervising driver, and passenger limitations that do not apply to Level 3 drivers.

In order to obtain a Level 1 limited learner's permit young drivers in North Carolina must successfully pass a driver training program. The driver training program may be delivered privately via DOT-DMV authorized commercial driving schools or via the public school system.

PROGRAM REVIEW

As per G.S.§ 20-88.1, 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 no charge 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 [driver training] 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 Department of Public Instruction's objective is to provide ongoing technical assistance to all local public school systems to ensure funding allocations, legislative guidelines, and state policies are applied to the administration and delivery of the driver training program among North Carolina's 115 local public school systems (LEAs).

The Department of Public Instruction, acting under the authority of the State Board of Education and the State Superintendent of Public Instruction, serves as the fiscal agent for the driver training program delivered via the 115 public school systems within the state. As per statute, each local public school system determines how the driver training program is delivered outside the 5.5 hour instructional school day via the local public high schools within its jurisdiction.

As per G.S.§ 115C-216 as well as 16 NCAC 06E .0301 it is the local school systems, as directed by their local boards of education, that are required to provide courses in the operation of motor vehicles. As outlined below:

- the State Board of Education and local boards of education are required to provide as a part of the program of the public high schools in this state a course of training and instruction in the operation of motor vehicles, in accordance with G.S.§ 20-88.1.
- the local boards of education of every local school administrative unit are hereby authorized to include as an item of instructional service and as a part of the current expense fund of the budget of the several high schools under their supervision, the expense necessary to install and maintain such a course of training and instructing eligible persons in such schools in the operation of motor vehicles.

The driver education program must include:

- instruction on the rights and privileges of the handicapped and the signs and symbols used to assist the handicapped relative to motor vehicles,
- at least six hours of instruction on the offense of driving while impaired and related subjects,
- 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.

The minimum standards for driver's training as outlined by 16 NCAC 06E.0301 and State Board of Education policy GCS-R-004 include:

- principals shall enroll students who meet the criteria established by G.S.§ 20-88.1,
- the program will be free of charge to eligible students,
- enrollees must obtain either a temporary learner's permit or a restricted instruction permit before they begin behind-the-wheel instruction.
- classroom instruction will consist of at least 30 clock hours of instruction.
- beginning in school year 1992-93, students may take and pass a proficiency examination developed or designated by the Department of Public Instruction to waive the classroom instruction.
- each student must complete a minimum of six (6) hours of behind-the-wheel instruction.
- the program will be reasonably available on a year-round basis to all eligible persons.
- the local board of education will determine class size restrictions, but may not allow instruction in the car to less than two nor more than four students.
- the local board of education will determine the amount of instruction per day for classroom or in-car instruction or a combination of both.
- the local board of education will issue a certificate to students who satisfactorily complete the prescribed course.
- driver education instructors must possess a valid North Carolina driver's license and must have a driving record acceptable to the local board of education.

Local school systems as per 16NCAC 06E.0303 may choose to contract with commercial driving schools to deliver driver training to the eligible students within that local public school system. It is the DOT-DMV that trains, supervises, and monitors the commercial driving schools within North Carolina.

Local school systems as per 16 NCAC 06E.0301 (9) (A) may choose to hire itinerant teachers to deliver the driver training program. Currently there are no driver training or driver education university degree programs toward a Driver's Education teacher license area operating within North Carolina. However, East Carolina University through the *University of North Carolina Online* program does offer a *Driver Education and Safety* program which would qualify existing North Carolina licensed school teachers to add Driver Education as a designated teaching area to their existing North Carolina teacher license. Moreover, the Department of Public Instruction does recognize those out-of-state teachers relocating to North Carolina who may have Driver Education on their out-of-state teaching license.

Furthermore, as per 16NCAC 06E.0301 (b) two or more local school boards may choose to jointly operate a driver training program to serve students within both local school systems. In this case, one local school system is designated with the administrative responsibility for operating the driver training program.

Public school systems are also expected to adhere to all State Board of Education policies related to driver training. State Board of Education policy GCS-R-002 states:

- driver education will not be part of the 5.5 hour instructional day,
- driver education will be removed from the *Standard Course of Study*,
- driver training will be listed along with other activities which are part of "school life" but not part of the 5.5 hour instructional day which must be provided to each student,

- driver education shall not be included in any credit course that counts toward the state requirements for high school graduation.

As per State Board of Education policy, GCS-R-004, each of the 115 local public school boards is charged with providing and monitoring their local driver training programs to ensure all legislative criteria and policies are met. Whether delivered by commercial driving school instructors or itinerant teachers, the driver training programs delivered via the local public school systems may exceed all legislatively mandated minimum requirements for driver training. Therefore the mechanism by which the driver training program is delivered via the public schools as well as what is contained within the driver training program varies from LEA to LEA. Annual fiscal reports to the Department of Public Instruction illustrate how LEAs expend the driver's training allocation.

PROGRAM PERFORMANCE

Each year based upon the ninth grade daily attendance of public school students, also known as Average Daily Membership or (ADM), as well as the private school students, charter school students, and federal school students within the local public school systems' jurisdiction, the Financial and Business Services Division within the Department of Public Instruction releases funds from the annual allocation received from the North Carolina Highway fund as per G.S.§ 20-88.1(c) for local school systems to operate the driver's training program.

For the 2009-10 school year, the annual allocation per ninth grade ADM is $238.04. This funding allows, as per G.S.§ 20-88.1, G.S.§ 115C-216 and 16NCAC 06E.0301, local public school systems under the direction of local school boards to deliver a program of driver's training to all qualified students in North Carolina. All 115 local public school systems whether county or city school systems, offer driver's training.

In 2003, the Department of Public Instruction studied the privatization of driver training in the state and reported out to the Joint Legislative Oversight Committee and the Joint Legislative Transportation Oversight Committee. Staff analyzed data and discussions with local education agencies as well as private driver education programs to determine the utilization of driver education funding. The results indicated that no conclusions could be made to ensure cost reductions would be realized by privatizing the driver training program across the state. Moreover, significant savings were found by those local school systems operating programs locally as well as those contracting portions (classroom and driving) of the driver training program. Therefore, the recommendation was that privatization of the driver training program should continue to be a local decision by each local education agency (LEA). The State Board of Education and the Department of Public Instruction continue to encourage local school systems to identify and apply the most economically feasible means of operating the local driver training programs.

Driver's Training (PRC 012)

History of Appropriations and Unexpended Funds

Year	Amount	Unexpended
2004-05	$ 31,939,945	$ 1,806,917
2005-06	31,984,826	1,780,950
2006-07	32,985,745	1,833,006
2007-08	33,507,876	1,359,492
2008-09	34,286,309	2,526,695
2009-10	32,899,993	

Funds are transferred from the Highway Fund once a month.

DRIVER ELIGIBILITY

Beyond successful completion of driver training, eligible students in North Carolina must also be in good academic standing and free from any enumerated student conduct that may result in disciplinary action. Whether public school, private school, home school, community college-GED candidate, or out-of-state student; all minors seeking driving privileges in North Carolina must qualify for and maintain the standards established for driving eligibility.

If the student has met criteria, a driving eligibility certificate (DEC) as per G.S.§ 20-11(n1) is issued upon successful completion of a driver training program (whether completed via the local public schools or via a commercial driver training program) by the local private school, public school, home school, or community college-GED program. Students then present a paper DEC to the local DMV office to verify the eligibility status which is monitored by a DOT-DMV statewide electronic system known as SADLS. The cost of the paper DECs exceeds $25,000 per year. This does not include personnel time at the state and local level.

A student's DEC status is reviewed each semester by the school of record to ensure the student matriculating toward a North Carolina high school diploma or its equivalent is in good academic standing; which is defined by North Carolina Administrative Code, 16 NCAC 06E .0301 as 70% academic success per semester and meeting promotion standards established by the local school system. Although out-of-state students may receive a DEC from their school system of residence, no known DEC revocation and reporting procedures to DOT-DMV exists for out-of-state students.

A driving eligibility certificate may be revoked each semester a North Carolina student falls below the 70% academic success and promotion standards established by each private school, public school, home school, or community college-Basic Skills program. Also, the DEC may be revoked at any time if a North Carolina private school, public school, home school, or community college-Basic Skills student engages in any behaviors that result in disciplinary actions, school suspension, or expulsion including any actions as defined by G.S.§ 20-11(n1) such as: physical assault, bringing, possessing or using a weapon or firearm, or possession or sale of an alcoholic beverage or illegal controlled substance. Each education agency whether private school (including home school), public school, or community college-Basic Skills, uses the SADLS electronic process to notify DOT-DMV that driving privileges have been suspended. However, the DOT-DMV SADLS coding does not distinguish academic failure per semester from high school withdrawal (dropout).

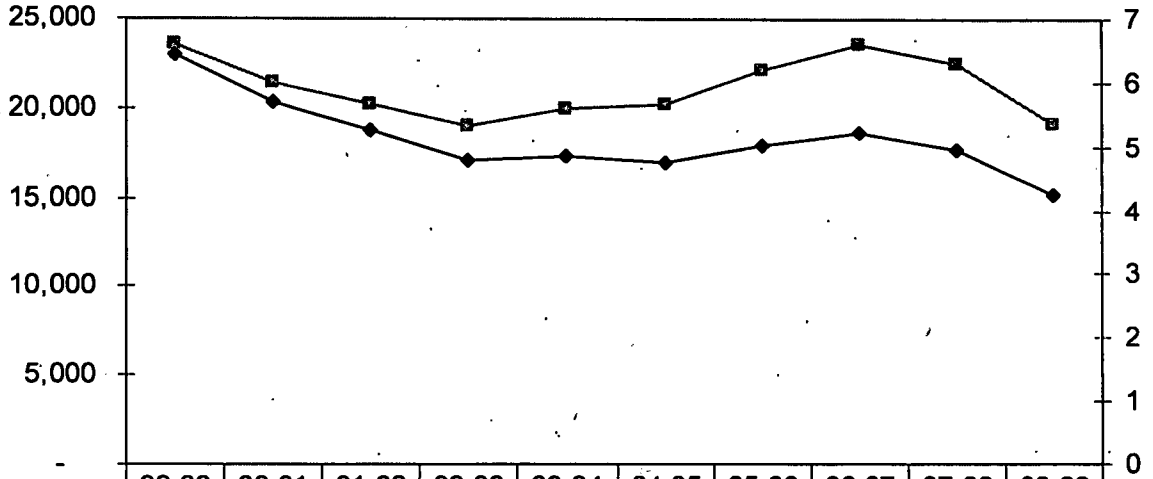
Specific criteria exist for students and their parents/guardians to have the driving eligibility certificate reinstated. The criteria may vary depending upon how the North Carolina private school, public school, home school, or community college-Basic Skills program, establishes its criteria for promotion standards. Schools outside of North Carolina are not expected to meet North Carolina promotion standards. No mechanism exists to report to DOT-DMV on students attending school outside of North Carolina.

Only those persons under age 18 seeking driving privileges with either a North Carolina learner's permit or provisional driver's license are subject to the driving eligibility certificate criteria. However, it should be noted that in some cases driving privileges could be revoked beyond age 18. If the matriculating student is 18 years of age and engages in any behaviors highlighted above, the revocation can be one year in which case the person could be 19 years of age before their North Carolina driving privileges are restored.

It should be noted that the six months of driving experience required for minors to move from a Level 1 limited learner's permit, from a Level 2 limited provisional license, and from Level 3 full provisional license are suspended when a driving eligibility certificate and therefore driving privileges are revoked.

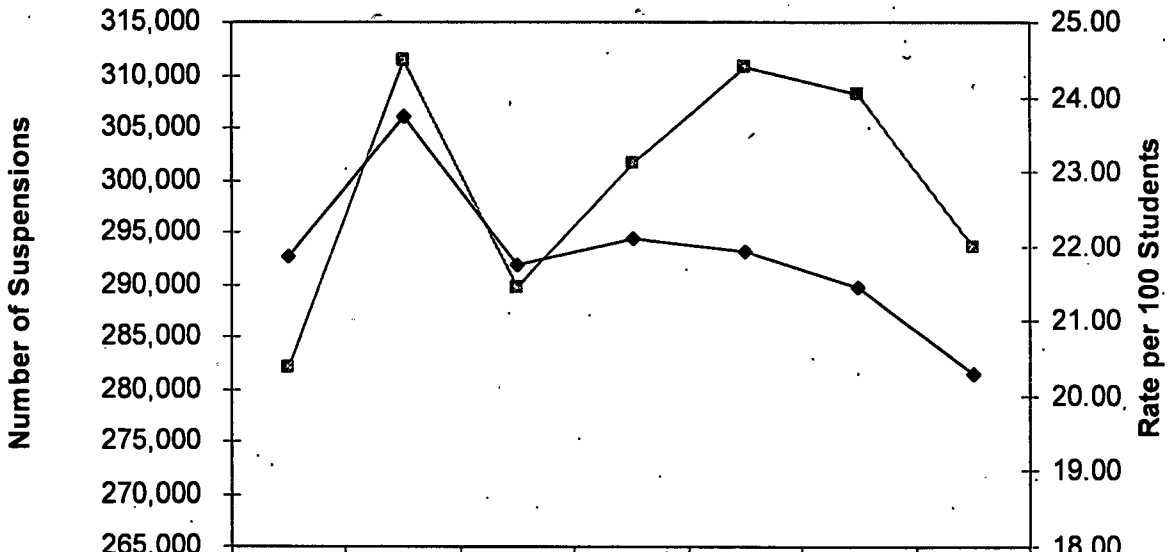
Initially the Driving Eligibility Certificate process was established as an incentive to minors to remain in school and work toward a high school diploma or its equivalent. However, driving privileges are not an incentive for every student. As multiple measures are used throughout the state to reduce high school dropout rates, data to support the efficacy of the DEC process as an incentive to reduce dropout rates and enumerated student conduct is inconclusive.

Dropouts and Dropout Rates 1999-2000 to 2008-2009



	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Dropouts	23,597	21,368	20,202	18,964	20,035	20,175	22,180	23,550	22,434	19,184
Dropout Rate	6.43	5.71	5.25	4.78	4.86	4.74	5.04	5.24	4.97	4.27

Short-Term Suspensions



	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Number	282,059	311,446	289,752	301,693	310,744	308,107	293,453
Rate	21.87	23.75	21.75	22.12	21.92	21.45	20.30

RECOMMENDATIONS

The criteria to obtain a Level 1, Level 2, or Level 3 learner's permit authorized and issued by the Department of Transportation, Division of Motor Vehicles (DOT-DMV), reflects the research-based best practice for reducing motor vehicle crash rates known as Graduated Driver's Licensing (GDL). Although there is limited to no research to support the efficacy of driver's training in reducing motor vehicle crash rates among young drivers, there is empirical evidence to support the efficacy of GDL programs in reducing motor vehicle crash rates; still the leading cause of death for Americans ages birth to 44.

Empirical evidence, as well as, the National Health Education Standards support Health Education instruction in the core health concepts, functional health knowledge, and essential health skills. When this instruction is delivered at every grade level, as outlined by the *North Carolina Standard Course of Study*, behavioral risks associated with motor vehicle car crashes can be reduced or eliminated.

State Board of Education policy, GCS-N-004 requires all North Carolina students to successfully complete one high school semester of course work in Health Education in order to receive a North Carolina high school diploma.

Therefore, it is recommended that State Board of Education policy GCS-R-002 stand in that driver training remain outside the *Standard Course of Study* and outside the 5.5 hour instructional day.

Findings of a 2003 fiscal review indicated cost savings when LEAs were authorized to choose the most economical and efficient means to operate a local driver training program. Whether contracting all or in part of the instruction with a DOT-DMV authorized commercial driving school or delivering instruction outside the instructional day with contracted personnel; significant cost savings exist when LEAs operate the program locally. Moreover, discontinuation of the Highway Funds which support driver training delivered via the public school systems in North Carolina could place an undue burden on parents/guardians especially during this current economic climate.

Therefore, it is recommended that the State Superintendent of Public Instruction as per G.S.§ 20-88.1, continue to administer driver's training delivered via the public schools with the Department of Public Instruction serving as fiscal agent. Moreover, it is recommended the Department of Public Instruction, through part-time contractual services, establish a process for monitoring local driver's training programs delivered via the local public school systems.

Initially, the Driving Eligibility Certificate process was established as an incentive for students to remain in school with appropriate behavior and work toward a high school diploma or its equivalent. However, a comprehensive statewide study, as reported to the Joint Legislative Education Oversight Committee in November 2002, indicated no conclusions could be made to support the DEC process in reducing dropout rates in the state. Moreover, anecdotal data from multiple state and local agencies have reported unintended consequences that impact North Carolina children and families as a result of this initiative.

Therefore, it is recommended a legislative review of the existing Driving Eligibility Certificate (DEC) process take place to determine the efficacy and efficiency of this multi agency initiative and its impact on school districts and students as related to dropout rates.

Finally, it should be noted that ongoing collaborations are essential for the consistent application of driver training-related legislation and policies throughout the state. At the state level this collaboration includes the Department of

Public Instruction, the Department of Transportation-Division of Motor Vehicles, the Division of Non Public Education, and the North Carolina Community College System. Locally, collaborations should include local public school systems, local community colleges, local private schools, and their regional offices for the Division of Motor Vehicles.

PRC 012 - Drivers Education Expenditures by LEA (FY2009)

Appendix

LEA	LEA Name	(CP)	Allotment	Salaries and Benefits	Contracted Services	Vehicles	Maintenance and Insurance	Instructional Supplies & Other Expenses	Total	Unexpended (Dollar)	Unexpended (Percent)
010	Alamance-Burlington Schools	4	$583,815.00	$70,864.01	$284,128.61	$112,890.00	$3,104.66	$62,343.31	$533,330.59	$50,484.41	8.65%
020	Alexander County Schools	1	119,221.00	99,860.24	149.40	-	8,852.98	465.04	109,327.66	9,893.34	8.30%
030	Alleghany County Schools	1	33,677.00	23,902.21	602.48	-	1,762.48	183.56	26,450.73	7,226.27	21.46%
040	Anson County Schools	1	93,656.00	71,674.12	320.85	-	7,107.98	762.05	79,865.00	13,791.00	14.73%
050	Ashe County Schools	1	65,633.00	49,687.77	-	7,319.00	7,454.75	1,171.48	65,633.00	-	0.00%
060	Avery County Schools	1	64,488.00	60,791.47	295.75	-	2,497.32	852.34	64,436.88	51.12	0.08%
070	Beaufort County Schools	3	199,358.00	16,841.44	70,268.44	28,292.26	13,308.50	39,274.70	167,985.34	31,372.66	15.74%
080	Bertie County Schools	1	85,790.00	-	51,930.00	-	-	26,661.93	78,591.93	7,198.07	8.39%
090	Bladen County Schools	1	115,780.00	108,521.00	-	-	7,228.45	23.35	115,772.80	7.20	0.01%
100	Brunswick County Schools	3	214,047.00	-	209,643.35	-	-	4,392.47	214,035.82	11.18	0.01%
110	Buncombe County Schools	4	650,790.00	-	546,247.00	90,289.80	582.12	11,161.57	648,280.49	2,509.51	0.39%
111	Asheville City Schools	3	101,031.00	-	91,075.00	-	-	5,487.60	96,562.60	4,468.40	4.42%
120	Burke County Schools	1	293,014.00	241,396.24	3,986.29	17,497.46	22,006.71	1,021.63	285,908.33	7,105.67	2.43%
130	Cabarrus County Schools	4	669,605.00	525,346.42	1,947.88	-	79,409.20	(704.89)	605,998.61	63,606.39	9.50%
132	Kannapolis City Schools	1	117,501.00	102,014.11	250.00	-	8,840.46	215.83	111,320.40	6,180.60	5.26%
140	Caldwell County Schools	3	302,355.00	-	302,355.00	-	-	-	302,355.00	-	0.00%
150	Camden County Schools	3	37,610.00	-	29,120.00	-	-	-	29,120.00	8,490.00	22.57%
160	Carteret County Schools	4	194,195.00	77,395.42	101,760.00	-	-	7,555.61	186,711.03	7,483.97	3.85%
170	Caswell County Schools	4	75,712.00	33,531.62	30,065.76	5,890.81	5,400.12	284.43	75,172.74	539.26	0.71%
180	Catawba County Schools	1	389,374.00	331,762.29	-	(5,646.75)	37,822.50	56.24	363,994.28	-25,379.72	6.52%
181	Hickory City Schools	3	89,383.00	-	72,482.14	-	5,506.31	-	77,988.45	11,394.55	12.75%
182	Newton-Conover City Schools	1	58,013.00	50,089.29	-	-	6,208.32	773.97	57,071.58	941.42	1.62%
190	Chatham County Schools	1	188,296.00	138,857.43	-	-	19,982.44	430.00	159,269.87	29,026.13	15.42%

PRC 012 - Drivers Education Expenditures by LEA (FY2009)

Appendix

LEA	LEA Name	(CP)	Allotment	Salaries and Benefits	Contracted Services	Vehicles	Maintenance and Insurance	Instructional Supplies & Other Expenses	Total	Unexpended (Dollar)	Unexpended (Percent)
200	Cherokee County Schools	1	83,086.00	81,177.31	-	-	-	212.35	81,389.66	1,696.34	2.04%
210	Edenton-Chowan County Schools	1	85,366.00	80,992.94	286.97	-	2,480.40	125.43	83,885.74	1,480.26	1.73%
220	Clay County Schools	1	58,019.00	57,994.71	-	-	-	-	57,994.71	24.29	0.04%
230	Cleveland County Schools	1	437,308.00	312,151.38	1,098.01	35,775.03	38,926.90	5,557.12	393,508.44	43,799.56	10.02%
240	Columbus County Schools	4	182,328.00	86,970.74	95,170.00	-	-	186.81	182,327.55	0.45	0.00%
241	Whiteville City Schools	3	58,750.00	31,614.59	21,720.00	-	-	-	53,334.59	5,415.41	9.22%
250	Craven County Schools	1	364,301.00	219,791.68	49,986.00	472.05	10,925.17	7,362.65	288,537.55	75,763.45	20.80%
260	Cumberland County Schools	1	1,260,304.00	1,020,823.95	6,945.05	60,390.24	110,127.50	57,422.63	1,255,709.37	4,594.63	0.36%
270	Currituck County Schools	1	76,198.00	13,084.28	55,395.00	-	(71.11)	595.62	69,003.79	7,194.21	9.44%
280	Dare County Schools	3	91,444.00	-	81,960.00	-	-	-	81,960.00	9,484.00	10.37%
290	Davidson County Schools	1	462,136.00	359,843.43	609.83	53,151.23	31,831.76	7,257.91	452,694.16	9,441.84	2.04%
291	Lexington City Schools	4	82,349.00	423.84	32,903.35	17,231.72	11,709.72	14,097.33	76,365.96	5,983.04	7.27%
292	Thomasville City Schools	1	64,404.00	31,953.59	-	928.05	1,892.26	8.01	34,781.91	29,622.09	45.99%
300	Davie County Schools	1	140,607.00	101,261.35	341.00	16,040.48	7,803.38	378.98	125,825.19	14,781.81	10.51%
310	Duplin County Schools	1	201,570.00	152,447.48	905.05	34,510.52	12,104.14	1,602.81	201,570.00	-	0.00%
320	Durham County Schools	1	855,935.00	666,462.92	-	30,108.60	65,622.46	1,313.97	763,507.95	92,427.05	10.80%
330	Edgecombe County Schools	4	183,871.00	-	155,459.11	-	-	-	155,459.11	28,411.89	15.45%
340	Winston-Salem/Forsyth County Schools	4	1,250,471.00	483,019.21	317,560.10	63,504.50	147,505.96	238,881.23	1,250,471.00	-	0.00%
350	Franklin County Schools	3	192,966.00	-	125,257.00	-	-	11,714.37	136,971.37	55,994.63	29.02%
360	Gaston County Schools	4	668,847.00	-	624,223.56	-	-	30,805.20	655,028.76	13,818.24	2.07%
370	Gates County Schools	1	47,197.00		38,140.00	-	417.22	1,789.77	40,346.99	6,850.01	14.51%
380	Graham County Schools	1	20,403.00	16,543.53	-	3,841.68	-	-	20,385.21	17.79	0.09%
390	Granville County Schools	1	229,347.00	212,624.44	1,231.00	7,000.00	5,359.78	-	226,215.22	3,131.78	1.37%
400	Greene County Schools	1	79,891.00	74,219.32	1,175.64	-	4,330.76	165.28	79,891.00	-	0.00%

PRC 012 - Drivers Education Expenditures by LEA (FY2009)

Appendix

LEA	LEA Name	(CP)	Allotment	Salaries and Benefits	Contracted Services	Vehicles	Maintenance and Insurance	Instructional Supplies & Other Expenses	Total	Unexpended (Dollar)	Unexpended (Percent)
410	Guilford County Schools	3	1,398,988.00	-	921,685.02	-	-	83,814.88	1,005,499.90	393,488.10	28.13%
420	Halifax County Schools	1	134,216.00	111,081.44	446.72	-	10,357.70	361.22	122,247.08	11,968.92	8.92%
421	Roanoke Rapids City Schools	1	74,483.00	53,133.26	349.95	19,385.45	962.57	651.77	74,483.00	-	0.00%
422	Weldon City Schools	4	40,314.00	20,720.08	12,900.01	-	5,620.00	1,073.91	40,314.00	-	0.00%
430	Harnett County Schools	1	402,402.00	328,158.98	-	(3,080.00)	57,082.33	6,506.17	388,667.48	13,734.52	3.41%
440	Haywood County Schools	1	186,821.00	143,773.01	-	20,108.64	17,319.03	1,924.41	183,125.09	3,695.91	1.98%
450	Henderson County Schools	1	299,159.00	162,871.55	135,575.50	-	-	600.00	299,047.05	111.95	0.04%
460	Hertford County Schools	3	99,556.00	-	99,503.01	-	-	-	99,503.01	52.99	0.05%
470	Hoke County Schools	3	156,340.00	-	149,270.00	-	-	6,985.66	156,255.66	84.34	0.05%
480	Hyde County Schools	3	17,207.00	-	11,185.29	-	378.07	1,569.98	13,133.34	4,073.66	23.67%
490	Iredell-Statesville Schools	1	530,965.00	460,725.10	-	30,462.35	31,657.00	8,120.55	530,965.00	-	0.00%
491	Mooresville City Schools	1	121,434.00	106,683.58	14,750.42	-	-	-	121,434.00	-	0.00%
500	Jackson County Schools	1	73,991.00	65,241.59	8,767.81	-	-	-	74,009.40	(18.40)	-0.02%
510	Johnston County Schools	1	642,811.00	559,695.74	9,094.88	1,213.58	60,139.27	12,667.53	642,811.00	-	0.00%
520	Jones County Schools	4	30,235.00	10,253.45	19,470.00	-	-	-	29,723.45	511.55	1.69%
530	Lee County Schools	1	233,034.00	168,196.50	2,367.60	34,500.52	18,761.71	2,489.27	226,315.60	6,718.40	2.88%
540	Lenoir County Schools	1	263,762.00	212,454.11	2,139.87	-	21,431.47	2,789.79	238,815.24	24,946.76	9.46%
550	Lincoln County Schools	3	307,517.00	-	269,369.66	-	-	-	269,369.66	38,147.34	12.40%
560	Macon County Schools	4	118,497.00	102,386.95	10,650.00	-	5,190.71	15.00	118,242.66	254.34	0.21%
570	Madison County Schools	2	59,979.00	-	59,800.00	-	-	179.00	59,979.00	-	0.00%
580	Martin County Schools	1	90,952.00	47,577.61	2,520.00	-	52.40	2,833.10	52,983.11	37,968.89	41.75%
590	McDowell County Schools	1	134,216.00	109,930.56	-	17,351.41	6,616.38	317.65	134,216.00	-	0.00%
600	Charlotte-Mecklenburg County Schools	4	3,604,660.00	241,691.52	2,727,818.84	276,004.16	179,080.32	180,065.16	3,604,660.00	-	0.00%

PRC 012 - Drivers Education Expenditures by LEA (FY2009)

Appendix

LEA	LEA Name	(CP)	Allotment	Salaries and Benefits	Contracted Services	Vehicles	Maintenance and Insurance	Instructional Supplies & Other Expenses	Total	Unexpendod (Dollar)	Unexpended (Percent)
610	Mitchell County Schools	2	53,096.00	-	53,084.00	-	-	-	53,084.00	12.00	0.02%
620	Montgomery County Schools	1	105,701.00	54,775.20	3,914.50	15,054.30	6,605.74	450.35	80,800.09	24,900.91	23.56%
630	Moore County Schools	1	300,388.00	207,514.30	536.80	52,222.83	17,064.08	15,089.76	292,427.77	7,960.23	2.65%
640	Nash-Rocky Mount Schools	4	445,420.00	22,229.64	352,391.32	-	-	11,099.51	385,720.47	59,699.53	13.40%
650	New Hanover County Schools	1	531,948.00	382,995.17	3,665.00	-	49,456.34	16,218.76	452,335.27	79,612.73	14.97%
660	Northampton County Schools	4	82,452.00	31,676.47	40,620.00	-	-	9,869.04	82,165.51	286.49	0.35%
670	Onslow County Schools	3	528,261.00	-	307,215.86	-	-	58,971.01	366,186.87	162,074.13	30.68%
680	Orange County Schools	1	192,721.00	135,722.85	923.75	22,199.00	1,500.00	13,512.76	173,858.36	18,862.64	9.79%
681	Chapel-Hill/Carrboro City Schools	4	274,578.00	4,281.10	198,009.79	-	423.79	1,192.60	203,907.28	70,670.72	25.74%
690	Pamlico County Schools	3	41,789.00	77.85	24,985.00	-	-	178.76	25,241.61	16,547.39	39.60%
700	Elizabeth City/Pasquotank County Schools	4	131,512.00	-	127,953.27	-	-	3,548.69	131,501.96	10.04	0.01%
710	Pender County Schools	4	195,424.00	64,969.98	88,952.62	16,742.00	19,387.13	5,371.41	195,423.14	0.86	0.00%
720	Perquimans County Schools	3	32,772.00	2,605.29	21,718.80	-	-	8,447.91	32,772.00	-	0.00%
730	Person County Schools	1	145,524.00	134,555.37	-	-	10,913.50	-	145,468.87	55.13	0.04%
740	Pitt County Schools	3	559,234.00	119,875.45	292,391.20	-	-	30,859.64	443,126.29	116,107.71	20.76%
750	Polk County Schools	2	58,259.00	-	58,259.00	-	-	-	58,259.00	-	0.00%
760	Randolph County Schools	1	462,526.00	401,940.73	156.00	-	55,106.19	5,323.08	462,526.00	-	0.00%
761	Asheboro City Schools	2	90,952.00	-	45,306.00	-	-	-	45,306.00	45,646.00	50.19%
770	Richmond County Schools	1	153,881.00	115,119.69	407.22	-	32,787.97	3,162.64	151,477.52	2,403.48	1.56%
780	Robeson County Schools	1	573,245.00	378,122.80	6,978.15	-	43,783.29	70,420.30	499,304.54	73,940.46	12.90%
790	Rockingham County Schools	1	346,110.00	284,690.58	2,287.64	27,493.32	26,191.46	5,436.09	346,099.09	10.91	0.00%
800	Rowan-Salisbury County Schools	1	496,796.00	340,935.70	740.96	33,133.98	35,061.26	7,104.10	416,976.00	79,820.00	16.07%
810	Rutherford County Schools	1	239,426.00	-	239,253.44	-	-	-	239,253.44	172.56	0.07%

PRC 012 - Drivers Education Expenditures by LEA (FY2009)

Appendix

LEA	LEA Name	(CP)	Allotment	Salaries and Benefits	Contracted Services	Vehicles	Maintenance and Insurance	Instructional Supplies & Other Expenses	Total	Unexponded (Dollar)	Unexpended (Percent)
820	Sampson County Schools	1	176,988.00	162,486.59	-	-	11,866.89	280.00	174,633.48	2,354.52	1.33%
821	Clinton City Schools	1	64,158.00	50,563.29	-	-	4,235.66	4,781.46	59,580.41	4,577.59	7.13%
830	Scotland County Schools	1	152,161.00	128,629.34	-	-	10,843.33	500.00	139,972.67	12,188.33	8.01%
840	Stanly County Schools	4	215,090.00	57,559.21	141,973.10	-	3,377.79	12,179.90	215,090.00	-	0.00%
850	Stokes County Schools	1	188,665.00	174,746.64	4,046.18	-	9,840.62	31.56	188,665.00	-	0.00%
860	Surry County Schools	1	199,603.00	135,242.10	1,302.21	10,631.72	26,748.21	18.02	173,942.26	25,660.74	12.86%
861	Elkin City Schools	2	27,777.00	-	27,777.00	-	-	-	27,777.00	-	0.00%
862	Mount Airy City Schools	1	50,356.00	42,980.89	-	-	2,648.11	42.50	45,671.50	4,684.50	9.30%
370	Swain County Schools	1	80,628.00	65,789.70	2,564.76	-	2,351.25	1,658.50	72,364.21	8,263.79	10.25%
880	Transylvania County Schools	1	96,114.00	80,767.51	-	3,647.00	-	1,050.38	85,464.89	10,649.11	11.08%
890	Tyrrell County Schools	1	13,520.00	12,671.70	36.00	-	780.40	-	13,488.10	31.90	0.24%
900	Union County Schools	1	833,994.00	742,691.21	2,240.41	17,184.08	31,427.71	6,982.80	800,526.21	33,467.79	4.01%
910	Vance County Schools	4	215,090.00	180,416.65	1,820.84	-	19,779.59	1,048.07	203,065.15	12,024.85	5.59%
920	Wake County Schools	3	3,244,784.00	75,639.47	2,471,604.38	224,390.40	96,937.80	372,074.28	3,240,646.33	4,137.67	0.13%
930	Warren County Schools	3	77,678.00	-	28,375.00	-	2,280.51	-	30,655.51	47,022.49	60.54%
940	Washington County Schools	1	35,968.00	-	27,225.00	-	7,856.30	886.70	35,968.00	-	0.00%
950	Watauga County Schools	4	117,701.00	69,002.24	40,170.05	-	8,020.33	508.38	117,701.00	-	0.00%
960	Wayne County Schools	3	434,113.00	-	302,746.64	58,440.00	71,854.49	1,071.87	434,113.00	-	0.00%
970	Wilkes County Schools	1	253,973.00	214,077.71	-	-	13,348.60	15,984.57	243,410.88	10,562.12	4.16%
980	Wilson County Schools	1	276,047.00	240,049.94	-	-	14,146.61	196.02	254,392.57	21,654.43	7.84%
990	Yadkin County Schools	1	134,216.00	115,051.22	-	-	13,492.12	424.54	128,967.88	5,248.12	3.91%
995	Yancey County Schools	3	59,979.00	-	57,115.00	-	-	2,727.79	59,842.79	136.21	0.23%
	Total		$33,931,599.00	$14,140,964.38	$12,843,406.09	$1,456,571.42	$1,752,807.63	$1,543,558.49	$31,737,308.01	$2,194,290.99	6.47%

Category of Programs 2008-09 (CP)

1. More than half of the LEAs (58 of 115) (50.4%) operate the Driver Education programs without contracted services to a private driving school.
2. Only 11 LEAs (9.6%) contract out the entire Driver Education program to private driving schools.
3. 18 LEAs (15.7%) contract out with a private driving school and the LEA purchases vehicles, vehicle related expenses, or supplies and materials.
4. 28 LEAs (24.3%) report contracted services and also have personnel paid by the LEA to handle a portion of the Driver Education Program.

Comparison of 2008-09 to 2002-03 Category of Programs

CP	2008-09	% of Total	2002-03	% of Total
1	58	50.4%	67	57.3%
2	11	9.6%	5	4.2%
3	18	15.7%	23	19.7%
4	28	24.3%	22	18.8%
Totals	115	100%	117	100.0%

Exhibit C

Driver Education Funding and Expenditures

Formula: Funds are distributed to LEAs based on $238.04 per total ninth grade allotted ADM, includes private, federal and charter schools. LEAs are requested to reduce allotments each year if they do not require the use of allotted funding. Priority will go to small and low wealth counties requiring additional funds to operate the program. Funding will be allotted if the LEA can adequately justify the need for additional funds to operate their programs.

History of Appropriations and Unexpended Funds

Year	Amount	Unexpended
2004-05	$ 31,939,945	$ 1,806,917
2005-06	31,984,826	1,780,950
2006-07	32,985,745	1,833,006
2007-08	33,507,876	1,359,491
2008-09	34,286,309	2,526,694
2009-10	32,899,993	

Funds are transferred from the Highway Fund once a month.

How Driver Education Program are Operated

Category of Programs

1. 58 of 115 (50.4%) operate the Driver Education programs without contracted services to a private driving school.

2. 11 LEAs (9.6%) contract out the entire Driver Education program to private driving schools.

3. 18 LEAs (15.7%) contract out with a private driving school and the LEA purchases vehicles, vehicle related expenses, or supplies and materials.

4. 28 LEAs (24.3%) report contracted services and also have personnel paid by the LEA to handle a portion of the

Comparison of 2008-09 to 2002-03 Category of Programs				
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2	11	9.6%	5	4.2%
3	18	15.7%	23	19.7%
4	28	24.3%	22	18.8%
Totals	115	100%	117	100.0%

Points of Understanding

Driver Education is not part of the core curriculum, and is operated outside of the instructional day. Driver Education is operated afterschool, on weekends and during the summer.

LEAs are engaged in contracts with Driver Education Companies and need 30, 60 or 90 days depending on how their contracts are established.

LEAs are required by statute (30 day notice) to let personnel know if jobs are being eliminated.

It is critical to let LEAs know if this program will be funded next year as soon as possible. Decision will necessitate appropriate notice to staff and contractors.

PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION William C. Harrison, Ed.D., *Chairman*
DEPARTMENT OF PUBLIC INSTRUCTION June St. Clair Atkinson, Ed.D., *State Superintendent*
WWW.NCPUBLICSCHOOLS.ORG

TO Honorable Marc Basnight
Honorable Joe Hackney

FROM William C. Harrison
June St. Clair Atkinson

DATE March 29, 2010

DRIVER TRAINING BUDGET FOR FY 2010-11

Last year's Budget Bill (SB 202 – S.L. 2009-451) changed the $32.9 million appropriation for the FY 2009-10 public school driver's education program from recurring to non-recurring. The funding was eliminated from the budget for FY 2010-11 (item 28 on page K-6 of the Conference Report on the Continuation, Capital, and Expansion Budget). Section 6.6E(b)(2) of the Budget Bill outlined that the driver education program was subject to the Continuation Review Program.

Because the funding for Driver Education has been eliminated from the Budget in FY 2010-11, we have not included the Driver Training projected appropriation in the Planning Allotments for local education agencies (LEAs) for next fiscal year. The lack of funding creates two initial concerns:

1. LEAs will need to shut down driver training operations either by terminating staff (requires 30 days notice) or by terminating contracts (effective June 30).
2. Driver training is a required pre-requisite for obtaining a driver permit and drivers licenses. The legislation requiring this training has not been modified (for example, G.S. 20-11 and 115C-12(28)).

It is unfortunate that the Budget did not include non-recurring money for both years of the biennium budget which would have allowed time for the required legislation to be changed once/if the program was terminated. Since that did not occur and LEAs need to begin preparation for terminating contracts (which often require 60 to 90 day notice to terminate) and following reduction in force (RIF) procedures (letters issued by June 1).

Because of the above listed issues, we are asking for guidance as to how to proceed. If we have guidance that funding is likely to be restored (at least for FY 2010-11), we will request that the LEAs not implement contract/personnel terminating procedures. If you do not know if it is likely that funding would be restored, we will need to get the

OFFICE OF THE STATE SUPERINTENDENT
June St. Clair Atkinson, Ed.D., *State Superintendent* | jatkinson@dpi.state.nc.us
6301 Mail Service Center, Raleigh, North Carolina 27699-6301 | (919) 807-3430 | Fax (919) 807-3445

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

communication out to the LEAs to shut down driver training operations effective July 1, 2010. Because of the timeframe required to terminate contracts and implement RIF notifications, we need to communicate with the LEAs by April 15, 2010.

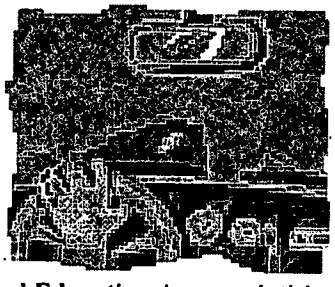
Thank you for your guidance with this matter.

WCH/JSA/PWP/tm

c: Representative Henry Michaux, Jr.
Representative Alma Adams
Representative Martha Alexander
Representative James Crawford, Jr.
Representative Phillip Haire
Representative Maggie Jeffus
Representative Joe Tolson
Representative Douglas Yongue
Senator Charles Albertson
Senator Linda Garrou
Senator A.B. Swindell, IV
Senator Charlie Dannelly
Representative Rick Glazier
Representative Marian McLawhorn
Representative Ray Rapp
Senator Tony Foriest
Senator Richard Stevens

Exhibit D

Continuation Review
Driver Education



Transportation and Education Appropriations Subcommittees

Mark Bondo
Fiscal Research Division

April 12, 2010

FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Driving If Under Age 18

- Three-step graduated driver license (GDL) process. Advancement depends on time, adherence of laws.
- Limited learner permit issued, not driver's license.
- Driver education schools (public and private) issue driver education completion certificate. Public, private, and home schools issue driving eligibility certificate (DEC). Both required for level 1 permit.
- Permit revoked if DEC revoked.

Agency Responsibilities

- DPI receives funds from DOT and allocates funds to LEA's based on Average Daily Membership for ninth grade. (G.S. 20-88.1)
- LEA responsible for paying for all students enrolled in public, private, and home schools.
- LEA responsible for DEC for public school students, DOA sets rules for private and home school students.
- DMV licenses commercial driving schools.

Driver Education: Funding

- NC spent $238.04 per student in FY 2009-10 compared to $250.06 per student in FY 2003-04
- 138,212 students in FY 2009-10
- Significant amount reverted each year

FY	Amount	Unexpended
2004-05	$31,939,945	$1,806,917
2005-06	$31,984,826	$1,780,950
2006-07	$32,985,745	$1,833,006
2007-08	$33,507,876	$1,359,491
2008-09	$34,286,309	$2,526,694
2009-10	$32,899,993	

ac2

State Comparisons

- 42 states have some type of driver education requirement, but requirements vary widely.
- The majority of states (26 states) house driver education in the education department. Other states use DOT/DMV/State/Revenue/Public Safety.
- Like NC, six other states require DMV or DOT to monitor and license commercial driving schools.
- State funding of driver education:

Fully Fund	Partially Fund	No Funding
8	10	32

State Comparisons: Cost

- According to the Highway Safety Center, costs vary significantly based upon a program's expanse.
- The larger programs with detailed requirements and oversight cost between $275 and $500 per student.
- Statutes in several states restrict funding based on availability. For example, California has a dedicated revenue source but has not funded in over a decade.
- Several states that partially fund or do not fund driver education allow localities to charge a fee.
- Some states only pay for public school programs.

State Comparisons: Funding

- North Carolina is the only state to fund driver education from the Highway Fund without a dedicated revenue source.
- The majority of states have a dedicated revenue source.
- Six states use the General Fund.
- Driver's license/ permit fees are the most common dedicated revenue source. (5 states)
- Other sources: surcharge on insurance premiums, license or vanity plate fees, penalty assessments, litigation tax, traffic violator course fees

Preliminary PED Reviews

- During the 2009 interim, the Program Evaluation Division has conducted two relevant preliminary reviews:
  - The Driver Education Program in the NC Public Schools
  - Suspension of Driving Eligibility Certificates (DEC)
- A preliminary review is used to examine a program and identify potential issues that may warrant a full study that will be included on the Committee's approved work plan.

PED: Potential Driver Ed Issues

1. DPI has delegated the organization and administration of driver education to the LEAs
2. No standardization of programs
   - No standardization between schools in same LEA
   - No class size restrictions
   - No statewide standards or outcomes
3. Appearance of no state lead agency to conduct oversight of public school programs
   - No standard curriculum
   - Lack of identified intended outcomes
   - Neither DPI nor DMV oversee public school programs

PED: Potential Driving Eligibility Certificate Issues

ac1

1. DEC suspension process experienced by parent may happen statewide.
   - DMV sent DEC revocation notice to legal minor only.
   - DMV has no requirement to notify sponsoring adult.
2. 2002 DPI Study issues have not been addressed.
3. DEC reporting process is not standard statewide.
4. No oversight of local processes to support the suspension provision.
5. DMV computer system has limited functionality.
6. DEC requirements absent from driver education curricula.
7. DEC punitive but intention was to deter dropouts.
8. Lack of lead state agency problematic.

DPI Recommendations

- Do not incorporate driver education into Standard Course of Study.
- Keep public school funding with DPI.
- DPI should increase public school monitoring.
- Encourages review of DEC process.

FRD Observations

- Empirical evidence shows graduated driver licenses reduces crash rates, but driver education does not.
- Driver education has strong industry support
- Due to the minimal information included, this CR does not justify DPI recommendations
- This CR does not meet the legislative mandate. (S.L. 2009-451, Section 6.7c, #3,4,5,7,8,9,10)

FRD Observations Continued

- The CR Did Not Include:
  - The functions performed without specific statutory authority.
  - The performance measures for the program, and how these determine efficiency and effectiveness.
  - Recommendations for statutory, budgetary, or administrative changes needed to improve the program.
  - Recommendations for improving services or reducing costs or duplication.

FRD Observations Continued

- More information is needed to make an informed decision.
- Significant body of research exists to show how to strengthen driver education programs
- Issues raised in PED preliminary reports show significant weaknesses in driver education program and DEC process.

FRD Observations Continued

Issues of greatest concern:

- Minimal oversight for program effectiveness
- Minimal outcome standards for individual or on program level
- Little inter-agency coordination
- Minimal requirements to teach driver education
- No process to find best practices or cost savings
- Lack of statutory direction for the program

FRD Recommendations

- The General Assembly's Program Evaluation Division should conduct a full report on the driver education program and DEC process.
- Continue funding until further study completed.
- Examine other funding options (through a dedicated revenue stream, partial funding, charging a fee).
- Based on the annual reversions, funding to the program can be cut by $1 million - $1.5 million in FY 2010-2011.

Comments or Questions



Contact: Fiscal Research Division

Mark Bondo, Brian Matteson, Amna Cameron, markb@ncleg.net; brianm@ncleg.net; amnac@ncleg.net; 919-733-4910

Contact: Program Evaluation Division

Larry Yates, larryy@ncleg.net; 919-301-1863

Exhibit E

April 8, 2010

Driver Education Funding

1957
Chapter 682, HB 33 creates GS 20-88.1 Driver Training and Safety Education Fund

An additional $1 is added to vehicle registration fees of $10 or more. The money is placed in a special account to be transferred to the State Board of Education.

1975
The fee is raised to $2.

1977
The fee is raised to $3. (Chapter 1002, HB 1505)

1985
Chapter 982, SB 866 Section 25
Amends GS 20-88.1 "All expenses incurred by the state in carrying out the provisions of this section shall be paid out of the General Fund."

1991
SL 1991-689 Section 32
Amends GS 20-88.1 "All expenses incurred by the state in carrying out the provisions of this section shall be paid out of the Highway Fund."

Fiscal Research Division

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE BUILDING
RALEIGH NC 27601

March 31, 2010

MEMORANDUM

TO: Members, Joint Transportation Appropriations Subcommittee

FROM: Rep. Nelson Cole, Chair
Rep. Grier Martin, Chair

SUBJECT: Meeting Notice

The Joint Transportation Appropriations Subcommittee Committee will meet with the Joint Appropriations Education Subcommittee on the following date:

DAY:	Monday
DATE:	April 12, 2010
TIME:	2:00 pm
LOCATION:	544 LOB

If you have any questions concerning this meeting, please contact Sylvia Hammons at (919) 733-5758. If you cannot attend, please contact Sylvia Hammons at martinla@ncleg.net.

Linda Laton (Rep. Cole)

From: Wendy Miller (Rep. Current)
Sent: Monday, April 12, 2010 10:37 AM
To: Rep. Nelson Cole; Rep. Grier Martin
Subject: FW: Joint Transportation Appropriations Subcommittee- Monday, April 12, 2010

Dear Nelson and Grier,

I attempted to rework my schedule to be able to attend today's meeting but had a close business associate die and will be attending his funeral this afternoon.

Sincerely,
Bill

Representative William A. Current, Sr.
District 109, Gaston County
North Carolina General Assembly
418A Legislative Office Building
Raleigh, North Carolina 27603
billcu@ncleg.net
(919) 733-5809

From: Wendy Miller (Rep. Current)
Sent: Thursday, April 08, 2010 03:47 PM
To: Rep. Nelson Cole; Rep. Grier Martin
Subject: Joint Transportation Appropriations Subcommittee- Monday, April 12, 2010

Dear Nelson and Grier,

Due to previous scheduling, in all likelihood I will not be in attendance at Monday's Joint Transportation Appropriations Subcommittee meeting.

Sincerely,
Bill

Representative William A. Current, Sr.
District 109, Gaston County
North Carolina General Assembly
418A Legislative Office Building
Raleigh, North Carolina 27603
billcu@ncleg.net
(919) 733-5809

Joint Subcommittee on Transportation Appropriations

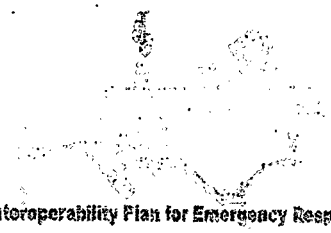
Thursday, May 6, 2010
10:00 am
Room 1228/1327 LB

AGENDA

Chairs: Representatives Martin and Cole, Senators Goss *(presiding)* and Graham

Presentation of Governor's Transportation Budget

- Statutory Adjustments, Maintenance Fund Reduction, Transfers to Other Agencies, Agency Reserves
  - Mark Foster, Chief Financial Officer, DOT
- Ferry Division Expansion
  - Jim Westmoreland, Deputy Secretary for Transit, DOT
- Rail Division Expansion
  - Pat Simmons, Director, Rail Division
- DMV Expansion
  - Commissioner Michael Robertson, DMV
  - Lori Kroll, Director of Hearings, DMV
- IT Expansion
  - Randy Barnes, Chief Information Officer, DOT
- Mobility Fund
  - Mark Foster
- Viper Interoperable Communications Network Development
  - Major Everett Clendenin, Director of Support Operations and Logistics, State Highway Patrol
  - Mike Hodgson, Technical Services Unit, State Highway Patrol



Voice Interoperability Plan for Emergency Responders

FACTS

- 240 total sites planned for statewide coverage
    1. 145 sites constructed and on-the-air
    2. 49 sites are fully funded and under construction
    3. 25 sites PARTIALLY FUNDED via 2008 Public Safety Interoperable Communications Grant (PSIC) awaiting $4.7M State matching funds, otherwise return $13.1M to Capitol Hill
    4. 21 sites UNFUNDED
- VIPER estimated to cost $189M
    1. $110M funded to date
    2. **Pending: $4.7M** State match to realize $13.2M Public Safety Interoperable Communications grant (PSIC) or else revert to Capitol Hill
    3. **Pending: $61.1M** is left to be funded
        1. Assuming $4.7M State match met for PSIC
- VIPER maintenance and support costs
    1. $7.5M once completed
    2. Current funding = $2.5M recurring
    3. **Pending: Additional $2.5M recurring** to effectively provide maintenance and support for the existing network
- VIPER is 61% complete (number of sites) with 145 sites on-the-air
- VIPER infrastructure is 59% funded.
- VIPER infrastructure remains to be 41% funded
- 37,619 Total users (portables and mobiles) are currently on the VIPER Network
    1. Local users = 28,893
    2. State users = 8,606
    3. Federal users = 120
- 103,400 Projected total users (portable and mobiles) once the network is complete and upgraded to P25
    1. Local users = 86,900
    2. State users = 16,000
    3. Federal users = 500
- Average cost for a portable is $2,500 and $3,000 for mobiles
- 186 Emergency Responding agencies makeup the VIPER user network

Revenue

Highway Fund

The Highway Fund receives support from three revenue sources. The primary source is the excise tax on motor fuels, of which the Highway Fund receives seventy-five percent. The second source is licenses and fees collected by the Division of Motor Vehicles. The third source is interest earned on investments of Highway Fund cash balances held by the State Treasurer. Figure 11 shows the percentages of the various components of the Highway Fund revenue collections projected for fiscal year 2010-11.

Highway Fund Forecast

Fallout from the recession continues to influence consumer and business confidence even as signs of a recovery begin to take shape. Total Highway Fund revenues continue to decline for fiscal year 2009-10 but not as rapidly as experienced in fiscal year 2008-09. As of March 2010, year-to-date total revenues are off budgeted revenues by $12.6 million (or 1%). In light of inclement weather throughout February and into March, revenue collections appear to be stabilizing over the past two months. Revised total Highway Fund tax revenues are expected to fall short of certified revenue by $9.2 million (or 0.5%) for fiscal year 2009-10. Revised Highway Fund tax revenues are expected to rebound in fiscal year 2010-11 by $53 million (or 3%).

Motor Fuels Excise Tax

The motor fuel excise tax is computed in January and in July of each fiscal year. The new rate is based on a six-month weighted average of the wholesale price of gasoline and diesel motor fuels. By actions of the 2007 General Assembly, the excise tax on motor fuel was set at a rate of 29.9 cents a gallon for the period of July 1, 2007 through June 30, 2009. By actions of the 2009 General Assembly, this cap was repealed and a floor instituted. For the period of July 1, 2009 through June 30, 2011, the motor fuel excise tax rate may not fall below 29.9 cents per gallon. The January 2010 reset of the excise tax on mo-

Figure 11

Estimated Highway Fund Revenue Collections
2010-11

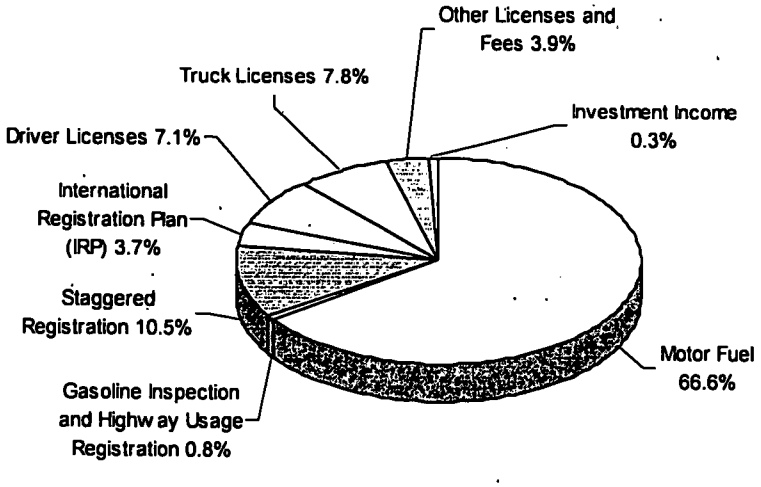


Table 9

Highway Fund Revenue

Revised Estimates for 2009-10 and 2010-11

($ Millions)

Source	2009-10 Certified	2009-10 Revised	(diff)	% Change	2010-11 Certified	2010-11 Revised	(diff)	% Change
Motor Fuels Tax								
Motor Fuels	$ 1,108.46	$ 1,129.90	$ 21.44	1.9%	$ 1,099.75	$ 1,180.14	$ 80.39	7.3%
Gasoline Inspection	13.44	$ 13.90	0.46	3.4%	13.40	13.41	0.01	0.1%
Highway Use Reg.	0.21	$ 0.30	0.09	43%	0.16	0.16	-	0.0%
Total Motor Fuel Taxes	$ 1,122.11	$ 1,144.10	$ 21.99	2.0%	$ 1,113.31	$ 1,193.71	$80	7.2%
Licenses and Fees								
Staggard Registration	$ 202.22	$ 193.50	$ (8.72)	-4.3%	$ 205.60	$ 188.06	$ (17.53)	-8.5%
International Registration Plan	65.19	58.70	(6.49)	-10.0%	66.62	66.62	-	0.0%
Driver Licenses	135.92	128.60	(7.32)	-5.4%	137.69	127.76	(9.93)	-7.2%
Truck Licenses	137.68	130.90	(6.78)	-4.9%	140.71	140.71	-	0.0%
Other Licenses and Fees	67.40	58.10	(9.30)	-13.8%	69.67	69.67	-	0.0%
Total Licenses and Fees	$ 608.41	$ 569.80	$ (38.61)	-6.3%	$ 620.29	$ 592.83	$ (27.46)	-4.4%
Investment Income	$ 6.00	$ 13.40	$ 7.40	123.3%	$ 6.00	$ 6.00	$ -	0.0%
Total Highway Fund Availability	$ 1,736.52	$ 1,727.30	$ (9.22)	-0.5%	$ 1,739.60	$ 1,792.54	$ 52.95	3.0%

* Revised Estimate based on tentative collections through March 2010.

tor fuels increased from 29.9 cents to 30.3 cents a gallon. This increase has influenced revenue collections by 1%. At the same time, taxable gallons have increased by 1.1%. Revised total motor fuel excise tax collections for fiscal year 2009-10 are expected to increase by $21 million (or 2%). Revised Highway Fund motor fuel tax collections are estimated to increase $80 million (or 7%) in fiscal year 2010-11.

Licenses and Fees

Lingering effects of the recession appear to continue to impact staggered registrations, truck registrations, driver licenses, and certain miscellaneous fees. In-state truck and international truck registrations (IRP) are clearly showing signs of a slow recovery, and both are expected to decline or experience flat revenue growth into fiscal year 2010-11. The same expectations apply to staggered registrations and driver license renewals in fiscal year 2010-11. It appears that consumers will continue to cut back on the number of vehicles maintained for highway use and drivers will reduce license renewals. Households and businesses are trying to minimize the cost associated with maintaining and insuring passenger and commercial vehicles for highway use until both household and business incomes show signs of improvement.

Investment Income

Through the first nine months of fiscal year 2009-10, current interest earnings on investments held with the State Treasurer exceeded certified revenues by $7 million. Revised investment income for fiscal year 2009-10 is expected to exceed certified revenues by $7.4 million. Investment earnings are not expected to show an increase in fiscal year 2010-11.

Revenue Availability

The revised revenue available for distribution under the Highway Fund for fiscal year 2010-11 is estimated to be $1,792.5 million or $52.9 million over certified revenues for the same period. (see Table 9).

Revenue

Highway Trust Fund

The Highway Trust Fund, established in 1989, receives support from four sources. The primary source is the highway use tax, or sales tax, on vehicle sales. The second source is the excise tax on motor fuels. The Highway Trust Fund receives twenty-five percent of this excise tax. The third source is fees on certificates of title and other miscellaneous titles. The final source is the interest earned from investments of the Highway Trust Fund cash balances held by the State Treasurer. Figure 12 shows the percentages of the various components of the Highway Trust Fund revenue collections projected for fiscal year 2010-11.

Highway Trust Fund Forecast

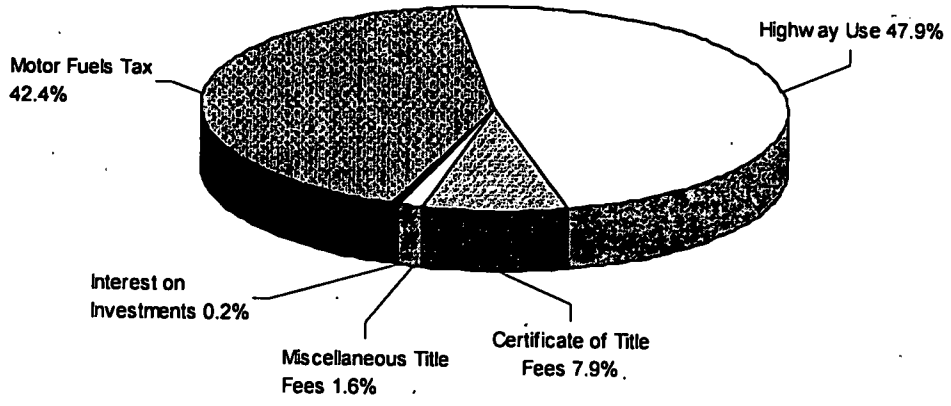
Fallout from the recession continued to influence consumer and business confidence even as signs of a recovery began to take shape. Total Highway Trust Fund revenues continued to decline for most of fiscal year 2009-10 but not as rapidly as experienced in fiscal year 2008-09. In light of the inclement weather throughout February and into March, revenue collections appear to be stabilizing over the past two months. Revised total Highway Trust Fund tax revenues are expected to exceed certified revenue by $6.5 million or 0.8% for fiscal year 2009-10. Revised Highway Trust Fund tax revenues are expected to increase slightly in fiscal year 2010-11 by $7.7 million or 0.9%.

Highway Use Tax

Highway use tax collections appear to be strengthening. For the majority of fiscal year 2009-10, highway use tax collections have struggled to meet the monthly budget forecast. In March 2010, monthly revenue collections exceeded budget forecast by $7 million or 21%. This monthly increase pushed year-to-date collections to $3.0 million or 1% above budgeted revenue projections. September 2010 also pro-

Figure 12

Highway Trust Fund Revenue
2010-11



duced similar results, however most of which can be attributed to the federal government's cash-for-clunkers program. In September, the increase in use tax collections was $4 million or 9% above monthly budgeted revenue projections. Revised use tax collections are expected to exceed certified revenues by $3.0 million or 1% for fiscal year 2009-10. Revised use tax collections, for fiscal year 2010-11, are expected to fall short of certified revenues by $17.5 million or 4%.

Motor Fuels Excise Tax

The motor fuel excise tax is computed in January and in July of each fiscal year. The new rate is based on a six-month weighted average of the wholesale price of gasoline and diesel motor fuels. By actions of the 2007 General Assembly, the excise tax on motor fuel was set at a rate of 29.9 cents a gallon for the period of July 1, 2007 through June 30, 2009. By actions of the 2009 General Assembly, this cap was repealed and a floor instituted. For the period of July 1, 2009 through June 30, 2011 the motor fuel excise tax rate may not fall below 29.9 cents per gallon. The January 2010 reset of the excise tax on motor fuels increased from 29.9 cents to 30.3 cents a gallon. This increase has influenced revenue collections by 1%. At the same time, taxable gallons have increased by 1.1%. Revised total motor fuel excise tax collections for fiscal year 2009-10 are expected to increase by $8 million or 2%. Revised Highway Trust Fund motor fuel tax collections are estimated to increase $27 million or 7% in fiscal year 2010-11.

Miscellaneous Title Fees

Certificates of title and other miscellaneous title fee collections generally trend up or down with highway use tax collections. For the majority of fiscal year 2009-10, certificate of title fee collections have struggled to meet the monthly budget forecast. In March 2010, monthly revenue collections exceed budget forecast by $0.9 million or 13%. For the same period, the loss in monthly miscellaneous title fees went from $199,000 in February to $25,000 in March. Revised total combined title fee collections are estimated to fall below certified revenues by $3.8 million or 4.3% in fiscal year 2009-10. Revised total combined title fee collections are estimated to fall below certified revenues by $1.7 million or 2% in fiscal year 2010-11.

Investment Income

Highway Trust Fund cash balances held with the State Treasurer are used to pay more frequent expenses associated with contractual activity. The monthly interest earnings are subject to more variable principal balances. Through the first nine months of fiscal year 2009-10, current interest earnings on investments held with the State Treasurer have fallen short of certified revenues by $0.6 million. Revised investment income for fiscal year 2009-10 is expected to fall short of certified revenues by $0.6 million. Investment earnings for fiscal year 2010-11 are not expected to show a significant increase.

Transfers to General Fund

Prior to the creation of the Highway Trust Fund in 1989, the sales or use tax from the retail sale and the long-term lease of motor vehicles was collected under General Fund revenues. In order to hold the General Fund harmless, an annual distribution is made from the Highway Trust Fund revenue collections to the General Fund. By actions of the 2008 General Assembly, the annual distribution will be reduced each year until the transfer to the General Fund is phased out. For fiscal year 2009-10, the transfer is $108.5 million. For fiscal year 2010-11, the transfer is $50.8 million.

Highway Trust Fund Revenue Availability

The additional revenue available for distribution under the Highway Trust Fund for fiscal year 2010-11 is estimated to be $7.7 million. The revenue available for distribution under the North Carolina Mobility Fund for fiscal year 2010-11 is estimated to be $72.6 million. (See Tables 10 and 11).

North Carolina Mobility Fund

The North Carolina Mobility Fund is created within the Highway Trust Fund. It is funded by reducing the transfer from the Highway Trust fund to the General Fund and increasing certain motor vehicle related fees. The purpose of the Fund is to create a dedicated source of revenue that can be used for projects that have statewide significance and are linked to statewide economic goals. The revenue available to the North Carolina Mobility Fund in fiscal year 2010-11 is $72.6 million. Table 11 shows the various fee schedules used to fund the North Carolina Mobility Fund for fiscal year 2010-11.

Table 10

Highway Trust Fund Revenue

Revised Estimates for 2009-10 and 2010-11

($ Millions)

Source	2009-10 Certified	2009-10 Revised	(diff)	% Change	2010-11 Certified	2010-11 Revised	(diff)	% Change
Fuel Taxes and Fees								
Motor Fuel Tax	$369.5	$377.4	$7.9	2%	$366.6	$393.4	$26.8	7%
Highway Use	421.6	424.6	$3.0	1%	462.5	445.0	($17.5)	-4%
Certificate of Title Fees	74.0	71.7	($2.3)	-3%	75.5	73.7	($1.8)	-2%
Miscellaneous Title Fees	14.8	13.3	($1.5)	-10%	15.1	15.2	$0.2	1%
Subtotal	$879.9	$887.0	$7.1	0.8%	$919.6	$927.3	$7.7	0.8%
Interest on Investments	$1.4	0.8	($0.6)	-43%	$1.4	$1.4	$0.0	0%
Subtotal Highway Trust Fund	$881.3	$887.8	$6.5	0.7%	$921.0	$928.7	$7.7	0.8%
Transfers to General Fund	$108.5	$108.5	$0.0		$50.8	$50.8	$0.0	
Total Highway Trust Fund	$772.8	$779.3	$6.5	0.8%	$870.2	$877.9	$7.7	0.9%
Proposed Fee Adjustment, NC Mobility Fund						$72.6		
Total Highway Trust Fund Availability	**$772.8**	**$779.3**	**$6.5**	**0.8%**	**$870.2**	**$950.5**	**$80.3**	**9%**

* Revised Estimate based on tentative collections through March 2010.

Table 11
North Carolina Mobility Funding
Proposed Fee Adjustment
(Annual Basis)

Proposed Changes in Fee Collections Dedicated to the North Carolina Mobility Fund

	Revenue Adjustment (millions)
Drivers License Fees	
Copies of Drivers License Records	
Increase the fee 25%	*$ 17.0*
Staggered Registrations	
Automobiles and Light Truck Registrations	
Increase fees 25%	*$ 48.9*
International Registration Plan (IRP)	
Trucks Used in Interstate Commerce	
Increase various Interstate Motor Carrier Fees	*$ 3.1*
Registration Fees	
Miscellaneous Registration Fees under the Highway Trust Funds	
Increase fees 33%	*$ 3.6*
Total Fee Adjustment to Support NC Mobility Fund	**$72.6**

Recommended Adjustments

Transportation

Highway Fund

Highway Trust Fund

Turnpike Authority

Highway Fund (84210)

Total Appropriations and Positions

	2010-11 Certified	Net Recommended Expansion and Reduction	2010-11 Recommended	Percent Change
Requirements	$2,838,032,928	$52,890,000	$2,890,922,928	1.9 %
Receipts	1,098,382,928	-	1,098,382,928	0.0 %
Appropriation	$1,739,650,000	$52,890,000	$1,792,540,000	3.0 %
Positions	13,873.000	5.000	13,878.000	0.0 %

Appropriation Items -- Recommended Adjustments

Reductions

2010-11

Mandated Adjustments

1. **Statutory Adjustment to Aid to Municipalities Allocation**

In accordance with G.S. 136-41.1, an adjustment based on the estimated gallons of motor fuel sold is necessary to update the allocation for state aid to municipalities (Powell Bill) based on revised revenue estimates for the Highway Fund for fiscal year 2010-11.

Appropriation ($785,319)

2. **Statutory Adjustment to Leaking Underground Storage Tank Fund (LUST)**

In accordance with G.S. 105-119(a) and (b), an adjustment is required to the appropriation for the Leaking Underground Storage Tank Fund to update the allocation based on revised revenue estimates for the Highway Fund for fiscal year 2010-11.

Appropriation ($40,000)

Maintenance

1. **Maintenance Funds**

It is recommended that Highway Fund appropriations for maintenance of the state's highway infrastructure be reduced to align overall requirements for the Highway Fund with projected revenues for fiscal year 2010-11.

Appropriation ($3,698,277)

Transfers to Other State Agencies

1. **Department of Public Instruction - Drivers Education**

A reduction in the funding for the Driver Education Program is recommended for fiscal year 2010-11 based on actual expenditures and historical reversion patterns for the program.

Appropriation - Nonrecurring **($1,300,000)**

Total Recommended Reductions

Recurring

Requirements	($4,523,596)
Receipts	-
Appropriation	($4,523,596)
Number of Positions	-

Nonrecurring

Requirements	($1,300,000)
Receipts	-
Appropriation	($1,300,000)
Time Limited Positions	-

Expansion

2010-11

Mandated Adjustments

1. **Statutory Adjustment to Secondary Roads Construction Allocation**

In accordance with G.S. 136-44.2A, an adjustment based on the estimated gallons of motor fuel sold is necessary to update the allocation for secondary roads construction based on revised revenue estimates for the Highway Fund for fiscal year 2010-11.

Appropriation **$3,840,718**

Ferry Division

1. **Maintain Current Level of Services**

Additional operating funds are recommended for the Ferry Division to maintain their current level of services for fiscal year 2010-11. Operating funds were reduced for the 2009-11 biennium to balance the overall requirements for the Highway Fund with projected revenues.

Appropriation **$4,805,311**

Rail Division

1. **Grants to Short Line Railroads**

Provide funds to the Rail Division for grants to short line railroad companies to fund rehabilitation projects that strengthen North Carolina's short line rail infrastructure.

Appropriation $2,000,000

2. **Pembroke Northeast Bypass Connector**

Provide funds to the Rail Division for construction of the Pembroke Northeast Bypass project. Preliminary engineering, environmental documentation and right of way acquisition have been previously authorized and are underway for this project. The connector will provide improved multi-modal access to southeast North Carolina, linking the states military bases with State Ports.

Appropriation - Nonrecurring $4,325,000

Division of Motor Vehicles

1. **Medical Certification Compliance**

Funds are recommended to allow the Division of Motor Vehicles to become compliant with new federal legislation that requires medical certification as part of the Commercial Driver License (CDL) process. All medical certificates for CDL applicants have to be reviewed to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration prior to issuance of a CDL.

Appropriation $192,351

Appropriation - Nonrecurring $7,550

Number of Positions 5.000

2. **Law Enforcement Vehicle Expenses**

Funds are recommended for motor fleet fees associated with specialized law enforcement vehicles assigned to the License and Theft Bureau within the Division of Motor Vehicles. The funds were reduced during the 2009-11 budget and are not sufficient to pay for currently assigned vehicles.

Appropriation - Nonrecurring $344,722

Administration

1. **IT - Payment Card Industry (PCI) Data Security Standard Compliance**

Funding is recommended for an information technology project that will allow the department to upgrade their computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by Master Card. Funding is requested for required hardware, software, and assessment services to maintain PCI compliance.

Appropriation $135,000

Appropriation - Nonrecurring $350,000

2. **IT - Enterprise IP Telephone System**

Funds are recommended to replace the existing Interactive Voice Response (IVR) hardware and applications and annual operating funds required for IT expenses with an upgraded telephone solution for the Division of Motor Vehicles. The current IVR system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center. The Division's current telephone technology is outdated and ineffective, and the infrastructure cannot be updated to meet its future needs.

Appropriation **$544,289**

Appropriation - Nonrecurring **$515,000**

Agency Reserves

1. **State Employees Payback**

It is recommended that all employees paid from the highway fund receive a 0.5% one-time payback for the salary reduction taken to balance the budget in FY 2008-09.

Appropriation - Nonrecurring **$2,701,641**

2. **Retirement System Contribution**

It is recommended that the State's contribution to the Teachers' and State Employees' Retirement System be increased in FY 2010-11. The increase represents the funds required for state employees that are paid from highway fund appropriations.

Appropriation **$930,050**

Transfers to Other State Agencies

1. **CC&PS-Provide Matching Funds to Continue VIPER Interoperable Communications Network Development**

Funds are recommended to be transferred to Crime Control and Public Safety to provide matching funds for the Public Safety Interoperability Communications (PSIC) grant from the U.S. Department of Commerce received by the Highway Patrol. The PSIC grant will be used to assist in the further development of the VIPER interoperable communications network.

Appropriation **$4,700,000**

2. **Department of Public Instruction - Drivers Education**

Funds are recommended to restore the recurring appropriation for the Driver Education Program based on findings of a continuation review of the program as directed by the 2009 Session of the General Assembly.

Appropriation **$33,321,964**

Total Recommended Expansion

Recurring

Requirements	$50,469,683
Receipts	-
Appropriation	$50,469,683
Number of Positions	5.000

Nonrecurring

Requirements	$8,243,913
Receipts	-
Appropriation	$8,243,913
Time Limited Positions	-

Total Recommended Adjustments for Highway Fund 2010-11

Recurring

Requirements	$45,946,087
Receipts	-
Appropriation	$45,946,087
Number of Positions	5.000

Nonrecurring

Requirements	$6,943,913
Receipts	-
Appropriation	$6,943,913
Time Limited Positions	-

Highway Trust Fund (84290)

Total Appropriations and Positions

	2010-11 Certified	Net Recommended Expansion and Reduction	2010-11 Recommended	Percent Change
Requirements	$920,990,000	$80,323,983	$1,001,313,983	8.7 %
Receipts	-	-	-	
Appropriation	$920,990,000	$80,323,983	$1,001,313,983	8.7 %
Positions	-	-	-	

Appropriation Items -- Recommended Adjustments

Reductions

2010-11

1. **Reduce Transfer to General Fund**

It is recommended that the transfer from the Highway Trust Fund to the General Fund authorized by G.S. 105-187.9 be reduced by an additional $22 million for FY 2010-11. This reinforces the Governor's pledge to eliminate this transfer by 2012.

Appropriation ($22,000,000)

2. **Statutory Adjustment to Secondary Roads Construction Allocation**

An adjustment consistent with statutory formulas is recommended to the appropriation for secondary roads construction. The adjustment is required to update the allocation based on revised revenue estimates for the Highway Trust Fund for fiscal year 2010-11.

Appropriation ($170,627)

Total Recommended Reductions

Recurring

Requirements	($22,170,627)
Receipts	-
Appropriation	($22,170,627)
Number of Positions	-

Nonrecurring

Requirements	-
Receipts	-
Appropriation	-
Time Limited Positions	-

Expansion

	2010-11

1. Establish North Carolina Mobility Fund

Notwithstanding G.S. 136-176(b), the recommended funds made available by further reducing the transfer from the Highway Trust Fund to the General Fund ($22 million) and other dedicated revenue sources from motor vehicle fees ($72.6 million) shall be used for the NC Mobility Fund. The funds will be available for all transportation modes and can only be utilized for the purposes outlined in an associated special provision that creates the fund. The request will facilitate establishment of a dedicated source of funding that can be used for projects that have statewide significance and are linked to statewide economic goals.

Appropriation **$94,583,983**

2. Statutory Adjustment to Intrastate System Allocation

An adjustment consistent with statutory formulas is recommended to the appropriation for the intrastate system. The adjustment is required to update the allocation based on revised revenue estimates for the Highway Trust Fund for fiscal year 2010-11.

Appropriation **$4,995,162**

3. Statutory Adjustment to Urban Loops Construction Allocation

An adjustment consistent with statutory formulas is recommended to the appropriation for urban loops construction. The adjustment is required to update the allocation based on revised revenue estimates for the Highway Trust Fund for fiscal year 2010-11.

Appropriation **$2,019,836**

4. Statutory Adjustment to Aid to Municipalities Allocation

An adjustment consistent with statutory formulas is recommended to the appropriations for state aid to municipalities (Powell Bill). The adjustment is required to update the allocation based on revised revenue estimates for the Highway Trust Fund for fiscal year 2010.

Appropriation **$524,109**

5. Statutory Adjustment to Program Administration Allocation

An adjustment consistent with statutory formulas is recommended to the appropriation for administration. The adjustment is required to update the allocation based on revised revenue estimates for the Highway Trust Fund for fiscal year 2010-11.

Appropriation **$371,520**

Total Recommended Expansion

Recurring

Requirements	$102,494,610
Receipts	-
Appropriation	$102,494,610
Number of Positions	-

Nonrecurring

Requirements	-
Receipts	-
Appropriation	-
Time Limited Positions	-

Total Recommended Adjustments for Highway Trust Fund 2010-11

Recurring

Requirements	$80,323,983
Receipts	-
Appropriation	$80,323,983
Number of Positions	-

Nonrecurring

Requirements	-
Receipts	-
Appropriation	-
Time Limited Positions	-

Turnpike Authority Budget Changes (64208)

Total Appropriations and Positions

	2010-11 Certified	Net Recommended Expansion and Reduction	2010-11 Recommended	Percent Change
Requirements	$5,566,777	$0	$5,566,777	0.0 %
Receipts	5,566,777	-	5,566,777	0.0 %
Appropriation	$0	$0	$0	
Positions	24.000	-	24.000	0.0 %

House Appropriations Subcommittee on Transportation

Agenda

May 24, 2010
4:00 pm
Room 1228 LB

Chairs: Representatives Cole *(presiding)* and Martin

- Presentation of Senate Transportation Money Report and Special Provisions
  - Committee Staff

- Committee Discussion

House Appropriations Subcommittee

on

Transportation

The House Appropriations Subcommittee on Transportation, 2009 – 2010 Legislative Session, met on Monday, May 24, 2010, at 4:00 P. M. Representative Grier Martin, Chairman, presided. House members attending included the following: Representative Nelson Cole, Chairman; Representative Lorene Coates, Vice Chairman; Representative Chris Heagarty, Vice Chairman; Representative William Current; Representative Jerry Dockham; Representative Phillip Frye; Representative Rosa Gill; Representative Mitch Gillespie; Representative Jim Gulley; Representative Frank Iler; Representative Pat McElrath; Representative Dianne Parfitt; and Representative Arthur Williams. Staff members from the Fiscal Research Division were Ms. Amna Cameron and Mr. Bob Weiss.

Chairman Martin welcomed members and visitors. He introduced his new intern, Ms. Sage Boyd.

Chairman Martin called upon Ms. Amna Cameron of the Fiscal Research Division to present the Senate Budget for Transportation [Exhibit A]. As part of the Senate Budget for Transportation, Ms. Cameron also presented the Highway Trust Fund budget changes [Exhibit B]. Following these presentations, Chairman Martin entertained questions from the members.

The next part of Ms. Cameron's presentations included special provisions from the Senate Budget for Transportation: PART XXVIII. DEPARTMENT OF TRANSPORTATION. As part of the special provisions, the Driver Education Program Fund Reversion proposal was discussed. Chairman Cole noted that there was a general consensus that the Driver Education Program needed some thorough evaluation as to certification of instructors, effectiveness of the training, the number of students actually served, and other factors affecting the total program.

Following some questions and discussion from committee members, Chairman Martin concluded the meeting by thanking members, staff, and guests for their attendance.

The meeting was adjourned at 4:35 P.M.

Respectfully submitted,

Linda Laton, Committee Assistant

Representative Grier Martin, Chairman

Exhibit A

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Presentation of Senate Budget

May 24, 2010

Senate Subcommittee on Transportation

Highway Fund

HIGHWAY FUND

	FY 10-11
Total Budget Approved 2009 Session	$1,739,650,000

Budget Changes

Administration

1 IT Payment Card Industry Data Security Standard Compliance — $254,406 R / $350,000 NR / 1.00

Provides funds to upgrade DOT's computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by MasterCard. One Business and Technology Specialist position ($95,344) is funded and will serve as the compliance officer for the program.

2 IT - Enterprise IP Telephone System — $544,289 R / $515,000 NR

Provides funds to replace the existing DMV Interactive Voice Response hardware and applications and includes annual operating funds required for related IT expenses. The current telephone system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center.

Aviation Division

3 Transfer of Department of Commerce Executive Aircraft — $500,000 R / 4.00

Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft.

Division of Motor Vehicles

4 Medical Certification Compliance — $264,951 R; $7,550 NR; 5.00

Provides funds to allow DMV to become compliant with new federal requirements for medical certification as part of the Commercial Driver License (CDL) process. Medical certificates for all CDL holders must be reviewed by January 30, 2012 and every two years afterward to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration. In order to comply with these new federal requirements, funds are provided for additional personnel and for operating support.

Positions include four Processing Assistant V positions ($27,544 each) and one Administrative Assistant 1 ($29,502) for a total of five positions costing $139,678 in salaries and $52,673 in benefits. Additional recurring costs of $72,600 for mailing and $7,550 in nonrecurring costs for computers and office equipment are incurred.

5 DMV Security Measures — $344,722 NR

Provides funds to enhance building security at the Charlotte and Raleigh Registration and Renewals, Titles, and Plate offices. Security cameras, panic buttons, and door swipe card access systems are needed to secure State funds and equipment and limit access into secure areas.

Ferry Division

6 Maintain Current Level of Service — $11,349,869 R

Provides operating funds to maintain the current level of services for FY 2010-11.

Maintenance

7 Maintenance Funds — ($7,709,150) R

Decreases funds for maintenance of the State's highway infrastructure.

Rail Division

8 Grants to Short Line Railroads — $2,000,000 NR

Provides funds to the Rail Division for grants to short line railroad companies for rehabilitation projects that strengthen North Carolina's short line rail infrastructure.

9 Pembroke Northeast Bypass Connector — $4,325,000 NR
Provides funds for construction of the Pembroke Northeast Bypass project, which will provide improved multi-modal access to southeast North Carolina, linking the state's military bases and State ports.

Reserves

10 Retirement System Contribution — $906,000 R
Increases employer contributions to the retirement system to maintain the system's actuarially sound status.

Statutory Adjustments

11 Leaking Underground Storage Tank (LUST) Fund — ($40,000) R
Adjusts budget for the LUST fund by -1.5% based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.

12 Secondary Road Improvement Program Funds — $3,840,718 R
Adjusts funding in FY 2010-11 for the secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.

13 Aid to Municipalities — ($785,319) R
Adjusts funding for aid to municipalities by -0.9 percent based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1

Transfers

14 DPI - Driver Education Program — $32,021,964 R
Partially restores funding to the Driver Education program. Funding was eliminated in FY2010-11 pending a Continuation Review.

15 CCPS - VIPER matching funds — $4,700,000 NR

Provides funds to the Highway Patrol for matching funds for the Public Safety Interoperability Communications grant from the US Department of Commerce. The grant will assist in the further development of the Voice Interoperability Project for Emergency Responders (VIPER) network.

16 Reduce Transfer to General Fund - Dept of State Treasurer — ($500,000) R

Reduces the transfer to the General Fund by $500,000 to account for the transfer of the Department of Commerce Executive Aircraft Division.

	$40,647,728	**R**
Budget Changes	**$12,242,272**	**NR**
Total Position	10.00	
Revised Total Budget	**$1,792,540,000**	

Exhibit B

Senate Subcommittee on Transportation

Highway Trust Fund

	HIGHWAY TRUST FUND	
	FY 10-11	
Total Budget Approved 2009 Session	$920,990,000	
Budget Changes		
Highway Trust Fund		
17 Administration Increases appropriation for administration for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b).	$371,520	R
18 Aid to Municipalities Increases appropriation for Aid to Municipalities for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(3).	$524,109	R
19 Intrastate System Increases appropriation for the Intrastate System for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(1).	$4,995,162	R
20 Secondary Road Construction Reduces appropriation for the Secondary Road construction program for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(4).	($170,627)	R
21 Urban Loops Increases appropriation for the Urban Loops for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(2).	$2,019,836	R
	$7,740,000	R
Budget Changes		
Total Position		
Revised Total Budget	$928,730,000	

Exhibit C

PART XXVIII. DEPARTMENT OF TRANSPORTATION

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 28.1.(a) Section 25.1 of S.L. 2009-451 is repealed.

SECTION 28.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,793.1 million
For Fiscal Year 2012-2013	$ 1,880.6 million
For Fiscal Year 2013-2014	$ 1,920.5 million
For Fiscal Year 2014-2015	$ 1,958.9 million

SECTION 28.1.(c) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 989.2 million
For Fiscal Year 2012-2013	$ 1,046.4 million
For Fiscal Year 2013-2014	$ 1,078.3 million
For Fiscal Year 2014-2015	$ 1,120.4 million

DRIVER EDUCATION PROGRAM FUND REVERSION

SECTION 28.2. G.S. 20-88.1 reads as rewritten:

"**§ 20-88.1. Driver education.**

...

(a1) For each fiscal year, the State Superintendent of Public Instruction shall calculate a per student allocation for the driver education program by dividing the total funds allocated for the program by the estimated number of qualified students throughout the State, as described in subsection (a) of this section. The Superintendent shall distribute funds to local school administrative units by giving each local school administrative unit an amount equal to the per student allocation multiplied by the estimated number of qualified students within that local school administrative unit's district, including students enrolled in both public and private schools. If, at the end of the fiscal year, fewer than the expected number of students have participated in the driver education program in a local school administrative unit, then the local school administrative unit shall revert the per student allocation for each student that was estimated to be eligible to participate but did not actually participate in the driver education program.

...

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund. At the end of each fiscal year, the Department of Public Instruction shall collect and revert any unused funds allocated for this program back to the Highway Fund.

..."

HOUSE PAGES

NAME OF COMMITTEE Transp. DATE 5-24-10

1. Name: _____

   County: _____

   Sponsor: _____

2. Name: _____

   County: _____

   Sponsor: _____

3. Name: _____

   County: _____

   Sponsor: _____

4. Name: _____

   County: _____

   Sponsor: _____

5. Name: _____

   County: _____

   Sponsor: _____

SGT-AT-ARM

1. Name: Trey Raley

2. Name: Matthew Parrish

3. Name: _____

4. Name: _____

VISITOR REGISTRATION SHEET

Transp. — 5-24-10

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Lawless Bean	City of Wilmington
John Poltrack	NCBBA
Anton Wagner	NC Public Transp. Associations
Gordon McCallie	NC Conservation Network
Steve Jackson	NC Budget & Tax
Peter Griggs	CCNC
Gene Causby	NCSCA
Michelle Frazier	MF+S
Johanna Reese	DOT
Ed Lumpkin	Brooks Pierce
Chris Valaurri	Hwy 17 Assoc of NC

VISITOR REGISTRATION SHEET

Transportation — 5-24-12

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[illegible]	RANC- [illegible]
Andrew Henson	Civitas Institute
Kevin Leonard	NCACC
Julie White	NCAMC
Jay Stem	NCAA
Mac Boxley	NCAA
BERRY JENKINS	CAROLINAS AGC
[illegible]	NCRA
[illegible]	NCAE
[illegible]	Bene! Assn.
[illegible]	IBM

MINUTES

HOUSE APPRORIATIONS SUBCOMMITTEE ON TRANSPORTATION

May 26, 2010
4:00 PM
Room 1228, Legislative Building

The Joint Appropriations Subcommittee on Transportation met on Wednesday, May 26, 2010 in Room 1228 of the Legislative Building. Co-Chairs present were: Representatives Nelson Cole and Grier Martin. Vice Chairs present were Representatives Lorene Coates and Chris Heagarty. House members present were: Representatives William Current, Jerry Dockham, Phillip Frye, Rosa Gill, Mitch Gillespie, James Gulley, Frank Iler, John May, Diane Parfitt and Arthur Williams. Staff members present were: Mr. Bob Weiss, Ms. Anna Cameron and Mr. Ryan Blackledge. The visitor sheet is attached as Attachment #1.

Chairman Martin called the meeting to order, welcoming everyone and introduced the committee staff members. He then followed introductions by recognizing staff member, Ms. Amna Cameron, to present to the committee the House Draft Transportation Money Report and Special Provisions/Draft Package for the House. A copy of the reports are attached as Attachment #2 and Attachment #3.

Following some discussions, the meeting was adjourned at 4:50 pm.

Respectfully submitted,

Representative Grier Martin
Chair

Sylvia Hammons
Committee Assistant

House Appropriations Subcommittee on Transportation

Agenda

May 26, 2010
15 Minutes after Session
Room 1228 LB

Chairs: Representatives Cole and Martin

- House Draft Transportation Money Report and Special Provisions
  - Committee Staff

- Committee Discussion

ATTACHMENT I

VISITOR REGISTRATION SHEET

House Appropriations Subcommittee on Transportation — May 26, 2010

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kellie Stappy	John Locke Foundation
Steve Jackson	Budget & Tax
	RANC - Jim Arndt
Ed Goodwin	Brooks Pierce
Jim Westmoreland	NCDOT
Stephanie King	NCDOT
Kim Padfield	NCDOT
Beau Memory	NCDOT
Thomas C. Caves, Jr.	NC Dept. of Crime Control & Public Safety
	NCMMC
Randy Barnes	DOT

VISITOR REGISTRATION SHEET

House Appropriations Subcommittee on Transportation — May 26, 2010

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John Hairston	Manning Fulton
Michelle Frazier	"
Andrew Meehan	Capstrat
Allison Walter	Charlotte Chamber
Sage Boyd	intern - Rep Martin

VISITOR REGISTRATION SHEET

APPR. TRANSPORTATION — 5/26/10

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
CS Hollis	TSS
Bob Hall	MWC
Gene Cauchy	NCMA

ATTACHMENT 2

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION REPORT

MAY 25, 2010
DRAFT PACKAGE FOR HOUSE

2010-TRANS-H1(S28.1)I 1
CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

2010-TRANS-H2(S28.2) 2
DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

2010-TRANS-H3 3
REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

2010-TRANS-H5 4
ADJUST ROAD NAMING POLICY

2010-TRANS-H7 5
STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

2010-TRANS-H8 6
DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

2010-TRANS-H9 7
ESTABLISH NC MOBILITY FUND

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H1(S28.1)i

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Cole**

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 28.1.(a) Section 25.1 of S.L. 2009-451 is repealed.

SECTION 28.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,793.1 million
For Fiscal Year 2012-2013	$ 1,880.6 million
For Fiscal Year 2013-2014	$ 1,920.5 million
For Fiscal Year 2014-2015	$ 1,958.9 million

SECTION 28.1.(c) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 989.2 million
For Fiscal Year 2012-2013	$ 1,046.4 million
For Fiscal Year 2013-2014	$ 1,078.3 million
For Fiscal Year 2014-2015	$ 1,120.4 million

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H2(S28.2)

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative Cole

DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

SECTION 28.2.(a) G.S. 20-88.1 reads as rewritten:

"**§ 20-88.1. Driver education.**

...

(a1) For each fiscal year, the State Superintendent of Public Instruction shall calculate a per student allocation for the driver education program by dividing the total funds allocated for the program by the estimated number of qualified students throughout the State, as described in subsection (a) of this section. The Superintendent shall distribute funds to local school administrative units by giving each local school administrative unit an amount equal to the per student allocation multiplied by the estimated number of qualified students within that local school administrative unit's district, including students enrolled in both public and private schools. If, at the end of the fiscal year, fewer than the expected number of students have participated in the driver education program in a local school administrative unit, then the local school administrative unit shall revert the per student allocation for each student that was estimated to be eligible to participate but did not actually participate in the driver education program.

...

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund. At the end of each fiscal year, the Department of Public Instruction shall collect and revert any unused funds allocated for this program back to the Highway Fund.

..."

SECTION 28.2.(b) The Highway Safety Research Center Institute of the University of North Carolina at Chapel Hill shall work in collaboration with the Department of Public Instruction and the Governor's Highway Safety Commission to create a standard curriculum to be used for the Driver Education Program in the Department of Public Instruction. The curriculum shall be ready for use in the school year beginning in the fall of 2011 and shall be used for all driver education programs funded with State funds.

SECTION 28.2.(c) The Office of State Budget and Management (OSBM) shall review the funding and efficacy of the Driver Education Program to determine the most appropriate source of funds to support the program and outcomes of the funding on student driving. The review shall include recommendations for improving services, reducing costs and/or duplication, and alternative funding mechanisms including fees. OSBM will also work with the Department of Public Instruction to establish performance measures for the program to be used to determine the program's effectiveness. OSBM shall make recommendations to the Governor and the General Assembly no later than November 1, 2010.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H3

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION #. The Board of Directors of the Global TransPark Authority shall report on or before December 31, 2010, to the House and Senate Appropriations Subcommittees on Transportation on the Authority's strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-seven million seven hundred ninety-eight thousand eight hundred and ninety-eight dollars and fifty cents ($37,798,898.50) as of March 31, 2010.

DRAFT
SPECIAL PROVISION

2010-TRANS-H5

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Martin**

ADJUST ROAD NAMING POLICY

SECTION #. The Department of Transportation shall remove the existing prohibition on naming State roads after specific military veterans and shall adopt a policy for naming highways after specific military veterans. This new policy shall be part of the Department of Transportation's existing system for naming State roads after people. The Department of Transportation shall report to Joint Legislative Transportation Oversight Committee no later than December 1, 2011, on the new policy and the Department's implementation of the policy.

DRAFT
SPECIAL PROVISION



2010-TRANS-H7

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by:

STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

SECTION #. The Department of Crime Control and Public Safety, State Highway Patrol Division, shall use two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the United States Asset Forfeiture Program for the Voice Interoperability Plan for Emergency Responders (VIPER) project for expenditures that would be permitted under the Asset Forfeiture Program's rules.

In the event that the State Highway Patrol's 2010-2011 budget, as established by S.L. 2009-451, this act, or any other act, is reduced in any way, the State Highway Patrol may use, but shall not be required to use, two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the Asset Forfeiture Program for the VIPER project.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H8

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

SECTION #. The Department of Transportation, Ferry Division, shall develop a fee schedule for all ferry routes in an amount necessary to cover the operating costs of the existing ferry routes. As part of developing a fee schedule, the Department of Transportation, Ferry Division, shall provide a fee exception for schoolchildren and teachers who reside on a barrier island and travel on a ferry to attend or teach at a primary or secondary school. The Department of Transportation, Ferry Division, shall report on its planned fee schedule and implementation timeline to the House and Senate Appropriations Subcommittees on Transportation no later than February 1, 2011.

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by:

ESTABLISH NC MOBILITY FUND

SECTION #. Chapter 136 of the General Statutes is amended by adding a new article to read:

"Article 14A.

"North Carolina Mobility Fund.

"**§136-187. Creation of the North Carolina Mobility Fund.**

(a) A special account designated as the North Carolina Mobility Fund is hereby created. The Mobility Fund consists of revenue from appropriations or transfers by the General Assembly.

(b) The amounts deposited to the Mobility Fund shall be used as provided in this Article, notwithstanding any provision of Article 14 to the contrary. The provisions of G.S. 136-17.2A shall not apply to the application of the Mobility Fund.

"**§ 136-188. Use of North Carolina Mobility Fund.**

(a) The Department of Transportation shall use the Mobility Fund to fund transportation projects of statewide and regional significance that relieve congestion and enhance mobility across all modes of transportation. The Department of Transportation shall establish project selection criteria based on the provisions of this article.

(b) The initial project funded from the Mobility Fund shall be the widening and improvement of Interstate 85 north of the Yadkin River Bridge.

"**§ 136-189. Reports by Department of Transportation.**

The Department of Transportation shall develop, and update annually, a report containing a completion schedule for all projects to be funded from the Mobility Fund, including the selection criteria and reasoning used for each project. 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 report shall also include the Department's anticipated schedule for future projects. The Department shall submit the report and the annual updates to the Joint Legislative Transportation Oversight Committee."

SECTION #.(b) The Department of Transportation shall develop a selection criteria under G.S. 136-188, as enacted by this act, and shall report to the Joint Legislative Transportation Oversight Committee on its development of the selection criteria. A preliminary report on the selection criteria for projects is due to the Joint Legislative Transportation Oversight Committee by October 1, 2010. A final report is due to the Joint Legislative Transportation Oversight Committee by December 15, 2010.

SECTION #.(c) The funds appropriated to the North Carolina Turnpike Authority in fiscal year 2009-2010 under G.S. 136-176(b2) for the Monroe Connector/Bypass, twenty-four million dollars ($24,000,000), and the Mid-Currituck Bridge, fifteen million dollars ($15,000,000), are hereby transferred to the North Carolina Mobility Fund, as enacted by this act, to be used for Phase II of the Yadkin River Bridge project.

ATTACHMENT 3

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Presentation of DRAFT House Budget

May 26, 2010

Highway Fund

	FY 10-11
Total Budget Approved 2009 Session	$1,739,650,000

Budget Changes

Administration

1 IT Budget Reductions Reduces the Department's IT budget to reflect FY 2010-11 rate changes from the Office of Information Technology Services.	($207,933)	R
2 IT Payment Card Industry Data Security Standard Compliance Provides funds to upgrade DOT's computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by MasterCard. One Business and Technology Specialist position ($95,344) is funded and will serve as the compliance officer for the program.	$254,406 $350,000 1.00	R NR
3 IT - Enterprise IP Telephone System Provides funds to replace the existing DMV Interactive Voice Response hardware and applications and includes annual operating funds required for related IT expenses. The current telephone system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center.	$544,289 $515,000	R N

Aviation Division

4 Transfer of Department of Commerce Executive Aircraft Division $500,000 R

Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft. 4.00

The positions tranferred include:
60080839 Executive Pilot II
60080840 Executive Pilot II
60080842 Aircraft Mechanic
60080838 Executive Pilot II

Department-wide

5 Vacant Positions ($3,233,406) R

Eliminates positions vacant prior to January 1, 2009 in the Division of Motor Vehicles. Eliminates all other DOT positions vacant prior to January 1, 2010. This includes 7 DMV positions and 44 DOT positions supported by the Highway Fund. It includes 14 DMV positions and 1,059 DOT positions funded through projects, receipts, or through federal funds. -51.00

The total cut to DMV for the salary and benefits for the vacant Highway Fund supported positions is $416,898. The total cut to the DOT administrative budget for the salary and benefits for the vacant Highway Fund supported positions is $2,816,508.

Division of Motor Vehicles

6 Medical Certification Compliance

$264,951 R
$7,550 NR
5.00

Provides funds to allow DMV to become compliant with new federal requirements for medical certification as part of the Commercial Driver License (CDL) process. Medical certificates for all CDL holders must be reviewed by January 30, 2012 and every two years afterward to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration. In order to comply with these new federal requirements, funds are provided for additional personnel and for operating support.

Positions include four Processing Assistant V positions ($27,544 each) and one Administrative Assistant 1 ($29,502) for a total of five positions costing $139,678 in salaries and $52,673 in benefits. Additional recurring costs of $72,600 for mailing and $7,550 in nonrecurring costs for computers and office equipment are incurred.

7 DMV Security Measures

$344,722 NR

Provides funds to enhance building security at the Charlotte and Raleigh Registration and Renewals, Titles, and Plate offices. Security cameras, panic buttons, and door swipe card access systems are needed to secure State funds and equipment and limit access into secure areas.

Ferry Division

8 Maintain Current Level of Service

$11,349,869 R

Provides operating funds to maintain the current level of services for FY 2010-11.

Maintenance

9 Maintenance Funds

($1,127,811) R

Decreases funds for maintenance of the State's highway infrastructure. The total budget for maintenance is $937,117,830 in FY 2010-11. Changes include:

	Adj (R)	Total
Primary System	$0	$186,055,224
Secondary System	$0	$269,153,619
Contract Resurfacing	$0	$300,000,000
System Preservation	$0	$100,000,000
General Maintenance Reserve	$-1,127,811	$ 81,908,987

Rail Division

10 Grants to Short Line Railroads — $2,000,000 NR

Provides funds to the Rail Division for grants to short line railroad companies for rehabilitation projects that strengthen North Carolina's short line rail infrastructure.

11 Pembroke Northeast Bypass Connector — $4,325,000 NR

Provides funds for construction of the Pembroke Northeast Bypass project, which will provide improved multi-modal access to southeast North Carolina, linking the state's military bases and State ports.

Reserves

12 Retirement System Contribution — $906,000 R

Increases employer contributions to the retirement system to maintain the system's actuarially sound status.

Statutory Adjustments

13 Leaking Underground Storage Tank (LUST) Fund — ($40,000) R

Adjusts budget for the LUST fund by -1.5 percent based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.

14 Secondary Road Improvement Program Funds — $3,840,718 R

Adjusts funding in FY 2010-11 for the secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.

15 Aid to Municipalities — ($785,319) R

Adjusts funding for aid to municipalities by -0.9 percent based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1

Transfers

16 DPI - Driver Education Program — $32,021,964 R

Partially restores funding to the Driver Education program. Funding was eliminated in FY2010-11 pending a Continuation Review.

17 CCPS - VIPER matching funds — $2,200,000 NR

Provides funds to the Highway Patrol for matching funds for the Public Safety Interoperability Communications grant from the US Department of Commerce. The grant will assist in the further development of the Voice Interoperability Project for Emergency Responders (VIPER) network.

18 North Carolina Global TransPark Authority — ($640,000) R

Reduces the Global Transpark budget by 50 percent to a total of $640,000.

19 Reduce Transfer to General Fund - Dept of State Treasurer — ($500,000) R

Reduces the transfer to the General Fund by $500,000 to account for the transfer of the Department of Commerce Executive Aircraft Division.

Budget Changes	**$43,147,728**	**R**
	$9,742,272	**NR**
Total Position	-41.00	
Revised Total Budget	**$1,792,540,000**	

Highway Trust Fund

	HIGHWAY TRUST FUND	
	FY 10-11	
Total Budget Approved 2009 Session	**$920,990,000**	
Budget Changes		
Highway Trust Fund		
20 Administration Increases appropriation for administration for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b).	$371,520	R
21 Aid to Municipalities Increases appropriation for Aid to Municipalities for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(3).	$524,109	R
22 Intrastate System Increases appropriation for the Intrastate System for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(1).	$4,995,162	R
23 Secondary Road Construction Reduces appropriation for the Secondary Road construction program for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(4).	($170,627)	R
24 Urban Loops Increases appropriation for the Urban Loops for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(2).	$2,019,836	R
	$7,740,000	R
Budget Changes		
Total Position		
Revised Total Budget	**$928,730,000**	

MINUTES

HOUSE APPRORIATIONS SUBCOMMITTEE ON TRANSPORTATION

May 27, 2010
11:00 am
Room 1228, Legislative Building

The Joint Appropriations Subcommittee on Transportation met on Wednesday, May 26, 2010 in Room 1228 of the Legislative Building. Co-Chairs present were: Representatives Nelson Cole and Grier Martin. Vice Chairs present were Representatives Lorene Coates and Chris Heagarty. House members present were: Representatives William Current, Jerry Dockham, Phillip Frye, Rosa Gill, Mitch Gillespie, James Gulley, Frank Iler, John May, Pat McElraft, Diane Parfitt and Arthur Williams. Staff members present were: Mr. Bob Weiss, Ms. Anna Cameron and Mr. Ryan Blackledge. House Pages present were Perry Wester, sponsored by Representative Hugh Holliman and Isaiah, sponsored by Representative M. Michaux (Durham). Sergeant-at-Arms present were Mr. Young Bae and Mr. Carlton Adams. The visitor sheet is attached as Attachment #1.

Chairman Martin called the meeting to order, welcoming all to the committee meeting. He then introduced staff members and Ms. Sylvia Hammons, committee assistant. Chairman Martin recognized and introduced Ms. Chelsea Horton and Ms. Paloma Jenkins who are students from Wake Early College and who were shadowing Representative Jim Gulley for the day. Chairman Martin then introduced staff member, Ms. Amna Cameron who presented changes on the Presentation of House Money Report. (See attachment #2) Ms. Cameron then proceeded to discuss the Draft Special Provision – Establish NC Mobility Fund. (See attachment #3). Mr. Bob Weiss, staff member, was introduced and submitted the Rules for Subcommittee Procedures Form.

After some discussion of various options for equity formula, the committee indicated it had not further questions or comments. Representative Cole asked to be recognized for motion that the committee move to approve the House Appropriations Subcommittee on

Transportation's report allowing any technical amendments. All members voted in favor and it passed unanimously.

With no further discussions, the meeting was adjourned at 11:40 am.

Respectfully submitted,

Representative Grier Martin
Chair

Sylvia Hammons
Committee Assistant

House Appropriations Subcommittee on Transportation

Agenda

May 27, 2010
11:00 am
Room 1228 LB

Chairs: Representatives Cole and Martin

- House Transportation Money Report and Special Provisions
  - Committee Staff

- Committee Discussion and Vote

ATTACHMENT 1

VISITOR REGISTRATION SHEET

House Appropriations Subcommittee on Transportation — May 27, 2010

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Brian Dempsey	MWC
Allison Walker	Charlotte Chamber
Beth Kincaid	John Locke Foundation
John Hardin	Manning Fulton
Michelle Frazier	
Mercedes Bentz	OSBM
Jay Stem	NCAA
Betsy Bailey	Professional Engineers of NC
Jim Westmoreland	NCDOT
Mark Foster	NCDOT
Richard Walls	NCDOT

VISITOR REGISTRATION SHEET

House Appropriations Subcommittee on Transportation — May 27, 2010

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jem Griffith	Intern - Chris Heagarty
Roberto Canales	NCDOT
Johanna Reese	DOT
Paloma Jenkins	Wake Early College of Health and Sciences
Chelsea Horton	Wake Early College of Health & Sciences

VISITOR REGISTRATION SHEET

House Appropriations Subcommittee on Transportation — May 27, 2010

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
	RANC - Tri Axis
Peter Griggs	CCNC
David Starling	NCDST
A. SOLARI	DST
	Brooker Pierce
Beau Memory	NCDOT
Mike Gilchrist	NCSHP
	DMV
Roadrunner	Wilkes Coyote

VISITOR REGISTRATION SHEET

House Appropriations Subcommittee on Transportation — May 27, 2010
Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
R E Clendenin	NCSHP
Marc Nichols	NCSHP
Dan Fenton	City of Charlotte
Stephanie King	NCDOT
Kim Padfield	NCDOT
Randy Barnes	NCDOT
Ian Maglione	Rep. McCormick — Wake Early College of Health & Sciences
DESIREÉE DUNN	REP. McCORMICK — WECHS
Kristopher Sutter	Rep. Heagarty — WECHS
Oleg Kakhovsky	Rep. Heagarty — WECHS
Mason Davis	Rep. Heagarty — WECHS

HOUSE PAGES

NAME OF COMMITTEE Transportation DATE 5.27.2010

1. Name: Perry Wester
   County: Vance
   Sponsor: Holliman
2. Name: Isaiah
   County: Durham
   Sponsor: Michaux
3. Name:
   County:
   Sponsor:
4. Name:
   County:
   Sponsor:
5. Name:
   County:
   Sponsor:

SGT-AT-ARM

1. Name: Young Bae
2. Name: Cade Hunt Adams
3. Name:
4. Name:

Attachment 2

HOUSE APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION

Presentation of House Money Report

May 27, 2010

House Subcommittee on Transportation

Highway Fund

HIGHWAY FUND

	FY 10-11
Total Budget Approved 2009 Session	$1,739,650,000

Budget Changes

Administration

1 IT Budget Reductions — ($207,933) R

Reduces the Department's IT budget to reflect FY 2010-11 rate changes from the Office of Information Technology Services.

2 IT Payment Card Industry Data Security Standard Compliance — $254,406 R; $350,000 NR; 1.00

Provides funds to upgrade DOT's computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by MasterCard. One Business and Technology Specialist position ($95,344) is funded and will serve as the compliance officer for the program.

3 IT - Enterprise IP Telephone System — $544,289 R; $515,000 NR

Provides funds to replace the existing DMV Interactive Voice Response hardware and applications and includes annual operating funds required for related IT expenses. The current telephone system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center.

Aviation Division

4 Transfer of Department of Commerce Executive Aircraft Division $500,000 R

Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft. 4.00

The positions transferred include:
60080839 Executive Pilot II
60080840 Executive Pilot II
60080842 Aircraft Mechanic
60080838 Executive Pilot II

Department-wide

5 Vacant Positions ($3,233,406) R

Eliminates positions vacant prior to January 1, 2009 in the Division of Motor Vehicles. Eliminates all other DOT positions vacant prior to January 1, 2010. This includes 7 DMV positions and 44 DOT positions supported by the Highway Fund. It includes 14 DMV positions and 1,059 DOT positions funded through projects, receipts, or through federal funds. -51.00

The total cut to DMV for the salary and benefits for the vacant Highway Fund supported positions is $416,898. The total cut to the DOT administrative budget for the salary and benefits for the vacant Highway Fund supported positions is $2,816,508.

Division of Motor Vehicles

6 Medical Certification Compliance

$264,951 R
$7,550 NR
5.00

Provides funds to allow DMV to become compliant with new federal requirements for medical certification as part of the Commercial Driver License (CDL) process. Medical certificates for all CDL holders must be reviewed by January 30, 2012 and every two years afterward to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration. In order to comply with these new federal requirements, funds are provided for additional personnel and for operating support.

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7 DMV Security Measures

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Provides funds to enhance building security at the Charlotte and Raleigh Registration and Renewals, Titles, and Plate offices. Security cameras, panic buttons, and door swipe card access systems are needed to secure State funds and equipment and limit access into secure areas.

Ferry Division

8 Maintain Current Level of Service

$11,349,869 R

Provides operating funds to maintain the current level of services for FY 2010-11.

Maintenance

9 Maintenance Funds

($2,078,811) R

Decreases funds for maintenance of the State's highway infrastructure. The total budget for maintenance is $936,166,830 in FY 2010-11. Changes include:

	Adj (R)	Total
Primary System	$0	$186,055,224
Secondary System	$0	$269,153,619
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System Preservation	$0	$100,000,000
General Maintenance Reserve	$-2,078,811	$ 80,957,987

Rail Division

10 Grants to Short Line Railroads — $2,000,000 NR
Provides funds to the Rail Division for grants to short line railroad companies for rehabilitation projects that strengthen North Carolina's short line rail infrastructure.

11 Pembroke Northeast Bypass Connector — $4,325,000 NR
Provides funds for construction of the Pembroke Northeast Bypass project, which will provide improved multi-modal access to southeast North Carolina, linking the state's military bases and State ports.

Reserves

12 Retirement System Contribution — $1,857,000 R
Increases employer contributions to the retirement system to maintain the system's actuarially sound status.

Statutory Adjustments

13 Leaking Underground Storage Tank (LUST) Fund — ($40,000) R
Adjusts budget for the LUST fund by -1.5 percent based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.

14 Secondary Road Improvement Program Funds — $3,840,718 R
Adjusts funding in FY 2010-11 for the secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.

15 Aid to Municipalities — ($785,319) R
Adjusts funding for aid to municipalities by -0.9 percent based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1

Transfers

16 DPI - Driver Education Program Partially restores funding to the Driver Education program. Funding was eliminated in FY2010-11 pending a Continuation Review.	$32,021,964	R
17 CCPS - VIPER matching funds Provides funds to the Highway Patrol for matching funds for the Public Safety Interoperability Communications grant from the US Department of Commerce. The grant will assist in the further development of the Voice Interoperability Project for Emergency Responders (VIPER) network.	$2,200,000	NR
18 North Carolina Global TransPark Authority Reduces the Global TransPark budget by 50 percent to a total of $640,000.	($640,000)	R
19 Reduce Transfer to General Fund - Dept of State Treasurer Reduces the transfer to the General Fund by $500,000 to account for the transfer of the Department of Commerce Executive Aircraft Division.	($500,000)	R
	$43,147,728	**R**
Budget Changes	**$9,742,272**	**NR**
Total Position	-41.00	
Revised Total Budget	**$1,792,540,000**	

Highway Trust Fund

	HIGHWAY TRUST FUND	
	FY 10-11	
Total Budget Approved 2009 Session	$920,990,000	
Budget Changes		
Highway Trust Fund		
20 Administration Increases appropriation for administration for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b).	$371,520	R
21 Aid to Municipalities Increases appropriation for Aid to Municipalities for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(3).	$524,109	R
22 Intrastate System Increases appropriation for the Intrastate System for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(1).	$4,995,162	R
23 Secondary Road Construction Reduces appropriation for the Secondary Road construction program for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(4).	($170,627)	R
24 Urban Loops Increases appropriation for the Urban Loops for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(2).	$2,019,836	R
	$7,740,000	R
Budget Changes		
Total Position		
Revised Total Budget	$928,730,000	

North Carolina House of Representatives
Appropriations Committee

RULES FOR SUBCOMMITTEE PROCEDURE

May 27, 2010

The following rules govern the eligibility of amendments to subcommittee reports:

1. Amendments must be offered by formal amendments.
2. Amendments cannot increase total spending within the draft subcommittee report presented by the subcommittee chairs.
3. Amendments can only affect appropriations within the departments, agencies, or programs within the jurisdiction of the subcommittee.
4. Amendments cannot spend reversions.
5. Nonrecurring reductions cannot be used to fund recurring items.
6. Amendments cannot change or establish substantive policy or law.

ATTACHMENT 3

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION REPORT

MAY 27, 2010
PACKAGE FOR APPROVAL BY HOUSE SUBCOMMITTEE

2010-TRANS-H1(S28.1)I 1
CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

2010-TRANS-H2(S28.2)-P 2
DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

2010-TRANS-H3-P 3
REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

2010-TRANS-H5-P 4
ADJUST ROAD NAMING POLICY

2010-TRANS-H7-P 5
STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

2010-TRANS-H8-P 6
DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

2010-TRANS-H9-P 7
ESTABLISH NC MOBILITY FUND

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H1(S28.1)i

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Cole**

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 28.1.(a) Section 25.1 of S.L. 2009-451 is repealed.

SECTION 28.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,793.1 million
For Fiscal Year 2012-2013	$ 1,880.6 million
For Fiscal Year 2013-2014	$ 1,920.5 million
For Fiscal Year 2014-2015	$ 1,958.9 million

SECTION 28.1.(c) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 989.2 million
For Fiscal Year 2012-2013	$ 1,046.4 million
For Fiscal Year 2013-2014	$ 1,078.3 million
For Fiscal Year 2014-2015	$ 1,120.4 million

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H2(S28.2)-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative Cole

DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

SECTION 28.2.(a) G.S. 20-88.1 reads as rewritten:

"**§ 20-88.1. Driver education.**

...

(a1) For each fiscal year, the State Superintendent of Public Instruction shall calculate a per student allocation for the driver education program by dividing the total funds allocated for the program by the estimated number of qualified students throughout the State, as described in subsection (a) of this section. The Superintendent shall distribute funds to local school administrative units by giving each local school administrative unit an amount equal to the per student allocation multiplied by the estimated number of qualified students within that local school administrative unit's district, including students enrolled in both public and private schools. If, at the end of the fiscal year, fewer than the expected number of students have participated in the driver education program in a local school administrative unit, then the local school administrative unit shall revert the per student allocation for each student that was estimated to be eligible to participate but did not actually participate in the driver education program.

...

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund. At the end of each fiscal year, the Department of Public Instruction shall collect and revert any unused funds allocated for this program back to the Highway Fund.

...."

SECTION 28.2.(b) The Highway Safety Research Center Institute of the University of North Carolina at Chapel Hill shall work in collaboration with the Department of Public Instruction and the Governor's Highway Safety Commission to create a standard curriculum to be used for the Driver Education Program in the Department of Public Instruction. The curriculum shall be ready for use in the school year beginning in the fall of 2011 and shall be used for all driver education programs funded with State funds.

SECTION 28.2.(c) The Office of State Budget and Management (OSBM) shall review the funding and efficacy of the Driver Education Program to determine the most appropriate source of funds to support the program and outcomes of the funding on student driving. The review shall include recommendations for improving services, reducing costs and/or duplication, and alternative funding mechanisms including fees. OSBM shall also work with the Department of Public Instruction to establish performance measures for the program to be used to determine the program's effectiveness. OSBM shall make recommendations to the Governor and the General Assembly no later than November 1, 2010.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H3-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION #. The Board of Directors of the Global TransPark Authority shall report on or before December 31, 2010, to the House and Senate Appropriations Subcommittees on Transportation on the Authority's strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-seven million seven hundred ninety-eight thousand eight hundred ninety-eight dollars and fifty cents ($37,798,898.50) as of March 31, 2010.

DRAFT
SPECIAL PROVISION

2010-TRANS-H5-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Martin**

ADJUST ROAD NAMING POLICY

SECTION #. The Department of Transportation shall remove the existing prohibition on naming State roads after specific military veterans and shall adopt a policy for naming highways after specific military veterans. This new policy shall be part of the Department of Transportation's existing system for naming State roads after people. The Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee no later than December 1, 2011, on the new policy and the Department's implementation of the policy.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H7-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by:

STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

SECTION #. The Department of Crime Control and Public Safety, State Highway Patrol Division, shall use two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the United States Asset Forfeiture Program for the Voice Interoperability Plan for Emergency Responders (VIPER) project for expenditures that would be permitted under the Asset Forfeiture Program's rules.

In the event that the State Highway Patrol's 2010-2011 budget, as established by S.L. 2009-451, this act, or any other act, is reduced in any way, the State Highway Patrol may use, but shall not be required to use, two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the Asset Forfeiture Program for the VIPER project.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H8-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative**

DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

SECTION #. The Department of Transportation, Ferry Division, shall develop a fee schedule for all ferry routes in an amount necessary to cover the operating costs of the existing ferry routes. As part of developing a fee schedule, the Department of Transportation, Ferry Division, shall provide a fee exception for schoolchildren and teachers who reside on a barrier island and travel on a ferry to attend or teach at a primary or secondary school. The Division shall also consider the needs of commuters and other frequent passengers in developing the fee schedule. The Department of Transportation, Ferry Division, shall report on its planned fee schedule and implementation time line to the House and Senate Appropriations Subcommittees on Transportation no later than February 1, 2011.

DRAFT
SPECIAL PROVISION

2010-TRANS-H9-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by:

ESTABLISH NC MOBILITY FUND

SECTION #.(a) Chapter 136 of the General Statutes is amended by adding a new Article to read:

"Article 14A.

"North Carolina Mobility Fund.

"**§ 136-187. Creation of the North Carolina Mobility Fund.**

(a) A special fund designated as the North Carolina Mobility Fund is hereby created. The Mobility Fund consists of revenue from appropriations or transfers by the General Assembly.

(b) The amounts deposited to the Mobility Fund shall be used as provided in this Article, notwithstanding any provision of Article 14 to the contrary. The provisions of G.S. 136-17.2A shall not apply to the application of the Mobility Fund.

"**§ 136-188. Use of North Carolina Mobility Fund.**

(a) The Department of Transportation shall use the Mobility Fund to fund transportation projects of statewide and regional significance that relieve congestion and enhance mobility across all modes of transportation. The Department of Transportation shall establish project selection criteria based on the provisions of this Article.

(b) The initial project funded from the Mobility Fund shall be the widening and improvement of Interstate 85 north of the Yadkin River Bridge.

"**§ 136-189. Reports by Department of Transportation.**

The Department of Transportation shall develop, and update annually, a report containing a completion schedule for all projects to be funded from the Mobility Fund, including the selection criteria and reasoning used for each project. 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 report shall also include the Department's anticipated schedule for future projects. The Department shall submit the report and the annual updates to the Joint Legislative Transportation Oversight Committee."

SECTION #.(b) The Department of Transportation shall develop a selection criteria under G.S. 136-188, as enacted by this act, and shall report to the Joint Legislative Transportation Oversight Committee on its development of the selection criteria. A preliminary report on the selection criteria for projects is due to the Joint Legislative Transportation Oversight Committee by October 1, 2010. A final report is due to the Joint Legislative Transportation Oversight Committee by December 15, 2010.

SECTION #.(c) Any funds appropriated to the North Carolina Turnpike Authority in fiscal year 2009-2010 under G.S. 136-176(b2) that remain unencumbered at the end of fiscal year 2009-2010 are hereby transferred to the North Carolina Mobility Fund, as enacted by this act, to be used for Phase II of the Yadkin River Bridge project.

DRAFT
SPECIAL PROVISION

2010-TRANS-H9-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by:

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DRAFT
SPECIAL PROVISION

2010-TRANS-H8-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

SECTION #. The Department of Transportation, Ferry Division, shall develop a fee schedule for all ferry routes in an amount necessary to cover the operating costs of the existing ferry routes. As part of developing a fee schedule, the Department of Transportation, Ferry Division, shall provide a fee exception for schoolchildren and teachers who reside on a barrier island and travel on a ferry to attend or teach at a primary or secondary school. The Division shall also consider the needs of commuters and other frequent passengers in developing the fee schedule. The Department of Transportation, Ferry Division, shall report on its planned fee schedule and implementation time line to the House and Senate Appropriations Subcommittees on Transportation no later than February 1, 2011.

DRAFT
SPECIAL PROVISION

2010-TRANS-H7-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by:

STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

SECTION #. The Department of Crime Control and Public Safety, State Highway Patrol Division, shall use two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the United States Asset Forfeiture Program for the Voice Interoperability Plan for Emergency Responders (VIPER) project for expenditures that would be permitted under the Asset Forfeiture Program's rules.

In the event that the State Highway Patrol's 2010-2011 budget, as established by S.L. 2009-451, this act, or any other act, is reduced in any way, the State Highway Patrol may use, but shall not be required to use, two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the Asset Forfeiture Program for the VIPER project.

DRAFT
SPECIAL PROVISION

2010-TRANS-H5-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Martin**

ADJUST ROAD NAMING POLICY

SECTION #. The Department of Transportation shall remove the existing prohibition on naming State roads after specific military veterans and shall adopt a policy for naming highways after specific military veterans. This new policy shall be part of the Department of Transportation's existing system for naming State roads after people. The Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee no later than December 1, 2011, on the new policy and the Department's implementation of the policy.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H3-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: Representative

REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION #. The Board of Directors of the Global TransPark Authority shall report on or before December 31, 2010, to the House and Senate Appropriations Subcommittees on Transportation on the Authority's strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-seven million seven hundred ninety-eight thousand eight hundred ninety-eight dollars and fifty cents ($37,798,898.50) as of March 31, 2010.

DRAFT
SPECIAL PROVISION

2010-TRANS-H2(S28.2)-P

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Cole**

DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

SECTION 28.2.(a) G.S. 20-88.1 reads as rewritten:

"**§ 20-88.1. Driver education.**

...

(a1) For each fiscal year, the State Superintendent of Public Instruction shall calculate a per student allocation for the driver education program by dividing the total funds allocated for the program by the estimated number of qualified students throughout the State, as described in subsection (a) of this section. The Superintendent shall distribute funds to local school administrative units by giving each local school administrative unit an amount equal to the per student allocation multiplied by the estimated number of qualified students within that local school administrative unit's district, including students enrolled in both public and private schools. If, at the end of the fiscal year, fewer than the expected number of students have participated in the driver education program in a local school administrative unit, then the local school administrative unit shall revert the per student allocation for each student that was estimated to be eligible to participate but did not actually participate in the driver education program.

...

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund. At the end of each fiscal year, the Department of Public Instruction shall collect and revert any unused funds allocated for this program back to the Highway Fund.

...."

SECTION 28.2.(b) The Highway Safety Research Center Institute of the University of North Carolina at Chapel Hill shall work in collaboration with the Department of Public Instruction and the Governor's Highway Safety Commission to create a standard curriculum to be used for the Driver Education Program in the Department of Public Instruction. The curriculum shall be ready for use in the school year beginning in the fall of 2011 and shall be used for all driver education programs funded with State funds.

SECTION 28.2.(c) The Office of State Budget and Management (OSBM) shall review the funding and efficacy of the Driver Education Program to determine the most appropriate source of funds to support the program and outcomes of the funding on student driving. The review shall include recommendations for improving services, reducing costs and/or duplication, and alternative funding mechanisms including fees. OSBM shall also work with the Department of Public Instruction to establish performance measures for the program to be used to determine the program's effectiveness. OSBM shall make recommendations to the Governor and the General Assembly no later than November 1, 2010.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2009

DRAFT
SPECIAL PROVISION

2010-TRANS-H1(S28.1)i

Department of Transportation
Appropriations Subcommittee on Transportation

Requested by: **Representative Cole**

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 28.1.(a) Section 25.1 of S.L. 2009-451 is repealed.

SECTION 28.1.(b) The General Assembly authorizes and certifies anticipated revenues of the Highway Fund as follows:

For Fiscal Year 2011-2012	$ 1,793.1 million
For Fiscal Year 2012-2013	$ 1,880.6 million
For Fiscal Year 2013-2014	$ 1,920.5 million
For Fiscal Year 2014-2015	$ 1,958.9 million

SECTION 28.1.(c) The General Assembly authorizes and certifies anticipated revenues of the Highway Trust Fund as follows:

For Fiscal Year 2011-2012	$ 989.2 million
For Fiscal Year 2012-2013	$ 1,046.4 million
For Fiscal Year 2013-2014	$ 1,078.3 million
For Fiscal Year 2014-2015	$ 1,120.4 million

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION REPORT

MAY 27, 2010
PACKAGE FOR APPROVAL BY HOUSE SUBCOMMITTEE

2010-TRANS-H1(S28.1)I 1
CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

2010-TRANS-H2(S28.2)-P 2
DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

2010-TRANS-H3-P 3
REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

2010-TRANS-H5-P 4
ADJUST ROAD NAMING POLICY

2010-TRANS-H7-P 5
STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

2010-TRANS-H8-P 6
DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

2010-TRANS-H9-P 7
ESTABLISH NC MOBILITY FUND

Joint Transportation Appropriations Conference Subcommittee

The Joint Transportation Appropriations Conference Subcommittee, 2009 – 2010 Legislative Session, met on Wednesday, June 16, 2010, at 9:00 A. M. Representative Nelson Cole, Chairman, presided. House members attending included the following: Representative Grier Martin, Chairman; Lorene Coates, Vice Chairman; Representative Jerry Dockham; Representative Rosa Gill; Representative John May; Representative Dianne Parfitt; and Representative Arthur Williams. Senate members attending included the following: Senator Steve Goss, Chairman; Senator Malcolm Graham, Chairman; Senator Clark Jenkins; and Senator Josh Stein. Staff members from the Fiscal Research Division were Ms. Amna Cameron, Mr. Bob Weiss, and Ms. Karlynn O'Shaughnessy. Mr. Ryan Blackledge of the Bill Drafting Division was also in attendance.

Chairman Cole welcomed members and visitors.

Chairman Cole called upon Ms. Amna Cameron of the Fiscal Research Division to present the SB 897 Joint Conference Committee Comparison Report on the Continuation, Expansion, and Capital Budgets for Transportation [Exhibit A]. Ms. Cameron noted the eight controversial items between the House and Senate editions of the budget: IT Budget Reductions, Transfer of Department of Commerce Executive Aircraft Division, Department Wide Vacant Positions, Maintenance Funds, Retirement System Contribution, Leaking Underground Storage Tank (LUST) Fund, CCPS VIPER Matching Funds, and North Carolina Global TransPark Authority

Chairman Cole recognized Mr. Bob Weiss to discuss how the Senate and House versions differed [Exhibit B]. These differences included the Driver Education Program Fund Reversion, and the House only sections: Require Global TransPark to Report on Anticipated Repayment Schedule, Adjust Road Naming Policy, State Highway Patrol to Use Forfeiture Funds for Viper Program, Develop Fee Schedule for Ferry System, and Establish NC Mobility Fund.

Following some questions and discussion from committee members, Chairman Cole concluded the meeting by thanking members, staff, and guests for their attendance.

The meeting was adjourned at 9:35 A.M.

Respectfully submitted,

Linda Laton

Linda Laton, Committee Assistant

Nelson Cole

Representative Nelson Cole, Chairman

North Carolina General Assembly

Joint Appropriations Conference Committee
2010 Session

Rules for Senate Bill 897 Subcommittee Conferees

June 10, 2010

1. **Subcommittee targets are spending targets.**

2. **Regarding expansion, subcommittees:**
   a. **Shall not** fund any new expansions not funded in either the House or Senate budgets

   b. **Shall not** increase any expansion above the higher amount in either the House or Senate budget.

   c. **May** reduce or eliminate items that are not in controversy if both sides agree to re-visit the item.

   d. **Shall not** restore or expand non-recurring items funded in the FY 2009-10 budget or previous budgets (unless items are included in the House or Senate budgets).

3. **Regarding reductions, subcommittees:**
   a. **May** include reductions that are not in either the House or Senate budget.

   b. **May** increase the amount of any reduction in the House and/or Senate budgets (i.e., take a larger reduction).

   c. **May** reduce or eliminate items that are not in controversy if both sides agree to re-visit the item.

   d. **Shall not** use nonrecurring reductions to restore recurring reductions.

4. **No new special provisions,** unless a provision is necessary to conform language and money items.

5. **Any unresolved questions or items** shall be forwarded to the Joint Conference Committee Chairs for resolution.

Fiscal Research Division
Joint Budget Development Team

Exhibit A

NORTH CAROLINA GENERAL ASSEMBLY

SB 897 JOINT CONFERENCE COMMITTEE

COMPARISON REPORT ON THE CONTINUATION, EXPANSION AND CAPITAL BUDGETS FOR TRANSPORTATION

JUNE 16, 2010

House/Senate Comparison Report

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
Administration			
1	**IT Budget Reductions** Reduces the Department's IT budget to reflect FY 2010-11 rate changes from the Office of Information Technology Services.	($207,933)	
2	**IT Payment Card Industry Data Security Standard Compliance** Provides funds to upgrade DOT's computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by MasterCard. One Business and Technology Specialist position ($95,344) is funded and will serve as the compliance officer for the program.	$254,406 1.00 $350,000 NR	$254,406 1.00 $350,000 NR
3	**IT - Enterprise IP Telephone System** Provides funds to replace the existing DMV Interactive Voice Response hardware and applications and includes annual operating funds required for related IT expenses. The current telephone system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center.	$544,289 $515,000 NR	$544,289 $515,000 NR
Aviation Division			
4	**Transfer of Department of Commerce Executive Aircraft Division** Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft. The positions transferred include: 60080839 Executive Pilot II 60080840 Executive Pilot II 60080842 Aircraft Mechanic 60080838 Executive Pilot II	$500,000 4.00	

Highway Fund

		House FY 10-11	Senate FY 10-11
	(Items in Controversy are Shaded)		
	Transfer of Department of Commerce Executive Aircraft Division		$500,000 4.00
	Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft.		

Department-wide

6	**Vacant Positions**	($3,233,406) -51.00	
	Eliminates positions vacant prior to January 1, 2009 in the Division of Motor Vehicles. Eliminates all other DOT positions vacant prior to January 1, 2010. This includes 7 DMV positions and 44 DOT positions supported by the Highway Fund. It includes 14 DMV positions and 1,059 DOT positions funded through projects, receipts, or through federal funds. The total cut to DMV for the salary and benefits for the vacant Highway Fund supported positions is $416,898. The total cut to the DOT administrative budget for the salary and benefits for the vacant Highway Fund supported positions is $2,816,508.		

Division of Motor Vehicles

7	**Medical Certification Compliance**	$264,951 5.00 $7,550 NR	$264,951 5.00 $7,550 NR
	Provides funds to allow DMV to become compliant with new federal requirements for medical certification as part of the Commercial Driver License (CDL) process. Medical certificates for all CDL holders must be reviewed by January 30, 2012 and every two years afterward to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration. In order to comply with these new federal requirements, funds are provided for additional personnel and for operating support. Positions include four Processing Assistant V positions ($27,544 each) and one Administrative Assistant 1 ($29,502) for a total of five positions costing $139,678 in salaries and $52,673 in benefits. Additional recurring costs of $72,600 for mailing and $7,550 in nonrecurring costs for computers and office equipment are incurred.		

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
8	**DMV Security Measures**		
	Provides funds to enhance building security at the Charlotte and Raleigh Registration and Renewals, Titles, and Plate offices. Security cameras, panic buttons, and door swipe card access systems are needed to secure State funds and equipment and limit access into secure areas.	$344,722 NR	$344,722 NR

Ferry Division

9	**Maintain Current Level of Service**	$11,349,869	$11,349,869
	Provides operating funds to maintain the current level of services for FY 2010-11.		

Maintenance

10	**Maintenance Funds**		($7,709,150)
	Decreases funds for maintenance of the State's highway infrastructure.		
11	**Maintenance Funds**	($2,078,811)	
	Decreases funds for maintenance of the State's highway infrastructure. The total budget for maintenance is $936,166,830 in FY 2010-11. Changes include:		

	Adj (R)	Total
Primary System	$0	$186,055,224
Secondary System	$0	$269,153,619
Contract Resurfacing	$0	$300,000,000
System Preservation	$0	$100,000,000
General Maintenance Reserve	$-2,078,811	$ 80,957,987

Rail Division

12	**Grants to Short Line Railroads**		
	Provides funds to the Rail Division for grants to short line railroad companies for rehabilitation projects that strengthen North Carolina's short line rail infrastructure.	$2,000,000 NR	$2,000,000 NR
13	**Pembroke Northeast Bypass Connector**		
	Provides funds for construction of the Pembroke Northeast Bypass project, which will provide improved multi-modal access to southeast North Carolina, linking the state's military bases and State ports.	$4,325,000 NR	$4,325,000 NR

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
	Reserves		
14	**Retirement System Contribution**	$1,857,000	$906,000
	Increases employer contributions to the retirement system to maintain the system's actuarially sound status.		
	Statutory Adjustments		
15	**Secondary Road Improvement Program Funds**	$3,840,718	$3,840,718
	Adjusts funding in FY 2010-11 for the secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.		
16	**Leaking Underground Storage Tank (LUST) Fund**		($40,000)
	Adjusts budget for the LUST fund by -1.5% based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.		
17	**Leaking Underground Storage Tank (LUST) Fund**	($40,000)	
	Adjusts budget for the LUST fund by -1.5 percent based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.		
18	**Aid to Municipalities**	($785,319)	($785,319)
	Adjusts funding for aid to municipalities by -0.9 percent based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1		
	Transfers		
19	**DPI - Driver Education Program**	$32,021,964	$32,021,964
	Partially restores funding to the Driver Education program. Funding was eliminated in FY2010-11 pending a Continuation Review.		
20	**CCPS - VIPER matching funds**	$2,200,000 NR	$4,700,000 NR
	Provides funds to the Highway Patrol for matching funds for the Public Safety Interoperability Communications grant from the US Department of Commerce. The grant will assist in the further development of the Voice Interoperability Project for Emergency Responders (VIPER) network.		

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
21	**North Carolina Global TransPark Authority**	($640,000)	
	Reduces the Global TransPark budget by 50 percent to a total of $640,000.		
22	**Reduce Transfer to General Fund - Dept of State Treasurer**	($500,000)	($500,000)
	Reduces the transfer to the General Fund by $500,000 to account for the transfer of the Department of Commerce Executive Aircraft Division.		
	Department Totals	$43,147,728	$40,647,728
		-41.00	10.00
		$9,742,272 N	$12,242,272 NR

Highway Trust Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
Highway Trust Fund			
23	**Administration**	$371,520	$371,520
	Increases appropriation for administration for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b).		
24	**Aid to Municipalities**	$524,109	$524,109
	Increases appropriation for Aid to Municipalities for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(3).		
25	**Intrastate System**	$4,995,162	$4,995,162
	Increases appropriation for the Intrastate System for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(1).		
26	**Secondary Road Construction**	($170,627)	($170,627)
	Reduces appropriation for the Secondary Road construction program for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(4).		
27	**Urban Loops**	$2,019,836	$2,019,836
	Increases appropriation for the Urban Loops for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(2).		
	Department Totals	$7,740,000	$7,740,000

Exhibit B

Senate and House Differ

Senate Version

DRIVER EDUCATION PROGRAM FUND REVERSION

SECTION 28.2. G.S. 20-88.1 reads as rewritten:

"**§ 20-88.1. Driver education.**

...

(a1) For each fiscal year, the State Superintendent of Public Instruction shall calculate a per student allocation for the driver education program by dividing the total funds allocated for the program by the estimated number of qualified students throughout the State, as described in subsection (a) of this section. The Superintendent shall distribute funds to local school administrative units by giving each local school administrative unit an amount equal to the per student allocation multiplied by the estimated number of qualified students within that local school administrative unit's district, including students enrolled in both public and private schools. If, at the end of the fiscal year, fewer than the expected number of students have participated in the driver education program in a local school administrative unit, then the local school administrative unit shall revert the per student allocation for each student that was estimated to be eligible to participate but did not actually participate in the driver education program.

...

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund. At the end of each fiscal year, the Department of Public Instruction shall collect and revert any unused funds allocated for this program back to the Highway Fund.

..."

House Version

DRIVER EDUCATION PROGRAM FUND REVERSION AND STUDIES

SECTION 28.2.(a) G.S. 20-88.1 reads as rewritten:

"**§ 20-88.1. Driver education.**

...

(a1) For each fiscal year, the State Superintendent of Public Instruction shall calculate a per student allocation for the driver education program by dividing the total funds allocated for the program by the estimated number of qualified students throughout the State, as described in subsection (a) of this section. The Superintendent shall distribute funds to local school administrative units by giving each local school administrative unit an amount equal to the per student allocation multiplied by the estimated number of qualified students within that local school administrative unit's district, including students enrolled in both public and private schools. If, at the end of the fiscal year, fewer than the expected number of students have participated in the driver education program in a local school administrative unit, then the local school administrative unit shall revert the per student allocation for each student that was estimated to be eligible to participate but did not actually participate in the driver education program.

...

(c) All expenses incurred by the State in carrying out the provisions of this section shall be paid out of the Highway Fund. At the end of each fiscal year, the Department of Public Instruction shall collect and revert any unused funds allocated for this program back to the Highway Fund.

...."

SECTION 28.2.(b) The Highway Safety Research Center Institute of the University of North Carolina at Chapel Hill shall work in collaboration with the Department of Public Instruction and the Governor's Highway Safety Commission to create a standard curriculum to be used for the Driver Education Program in the Department of Public Instruction. The curriculum shall be ready for use in the school year beginning in the fall of 2011 and shall be used for all driver education programs funded with State funds.

SECTION 28.2.(c) The Office of State Budget and Management (OSBM) shall review the funding and efficacy of the Driver Education Program to determine the most appropriate source of funds to support the program and outcomes of the funding on student driving. The review shall include recommendations for improving services, reducing costs and/or duplication, and alternative funding mechanisms including fees. OSBM shall also work with the Department of Public Instruction to establish performance measures for the program to be used to determine the program's effectiveness. OSBM shall make recommendations to the Governor and the General Assembly no later than November 1, 2010.

House Only

REQUIRE GLOBAL TRANSPARK TO REPORT ON ANTICIPATED REPAYMENT SCHEDULE

SECTION 28.3. The Board of Directors of the Global TransPark Authority shall report on or before December 31, 2010, to the House Appropriations Subcommittee on Transportation and the Senate Committee on Appropriations on Department of Transportation on the Authority's strategic, business, and financial plans. The report shall include the Authority's proposed schedule to achieve financial self-sufficiency and proposed schedule to repay to the Escheat Fund the investment authorized under G.S. 147-69.2(b)(11) and any accumulated interest, both of which totaled thirty-seven million seven hundred ninety-eight thousand eight hundred ninety-eight dollars and fifty cents ($37,798,898.50) as of March 31, 2010.

House Only

ADJUST ROAD NAMING POLICY

SECTION 28.4. The Department of Transportation shall remove the existing prohibition on naming State roads after specific military veterans and shall adopt a policy for naming highways after specific military veterans. This new policy shall be part of the Department of Transportation's existing system for naming State roads after people. The Department of Transportation shall report to the Joint Legislative Transportation Oversight Committee no later than December 1, 2011, on the new policy and the Department's implementation of the policy.

House Only

STATE HIGHWAY PATROL TO USE FORFEITURE FUNDS FOR VIPER PROGRAM

SECTION 28.5. The Department of Crime Control and Public Safety, State Highway Patrol Division, shall use two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the United States Asset Forfeiture Program for the Voice Interoperability Plan for Emergency Responders (VIPER) project for expenditures that would be permitted under the Asset Forfeiture Program's rules.

In the event that the State Highway Patrol's 2010-2011 budget, as established by S.L. 2009-451, this act, or any other act, is reduced in any way, the State Highway Patrol may use, but shall not be required to use, two million five hundred thousand dollars ($2,500,000) of the funds in the State Highway Patrol's asset forfeiture account from its participation in the Asset Forfeiture Program for the VIPER project.

House Only

DEVELOP FEE SCHEDULE FOR FERRY SYSTEM

SECTION 28.6. The Department of Transportation, Ferry Division, shall develop a fee schedule for all ferry routes in an amount necessary to cover the operating costs of the existing ferry routes. As part of developing a fee schedule, the Department of Transportation, Ferry Division, shall provide a fee exception for schoolchildren and teachers who reside on a barrier island and travel on a ferry to attend or teach at a primary or secondary school. The Division shall also consider the needs of commuters and other frequent passengers in developing the fee schedule. The Department of Transportation, Ferry Division, shall report on its planned fee schedule and implementation time line to the House Appropriations Subcommittee on Transportation and the Senate Committee on Appropriations on Department of Transportation no later than February 1, 2011.

House Only

ESTABLISH NC MOBILITY FUND

SECTION 28.7.(a) Chapter 136 of the General Statutes is amended by adding a new Article to read:

"Article 14A.

"North Carolina Mobility Fund.

"**§ 136-187. Creation of the North Carolina Mobility Fund.**

(a) A special fund designated as the North Carolina Mobility Fund is hereby created. The Mobility Fund consists of revenue from appropriations or transfers by the General Assembly.

(b) The amounts deposited to the Mobility Fund shall be used as provided in this Article, notwithstanding any provision of Article 14 to the contrary. The provisions of G.S. 136-17.2A shall not apply to the application of the Mobility Fund.

"**§ 136-188. Use of North Carolina Mobility Fund.**

(a) The Department of Transportation shall use the Mobility Fund to fund transportation projects of statewide and regional significance that relieve congestion and enhance mobility across all modes of transportation. The Department of Transportation shall establish project selection criteria based on the provisions of this Article.

(b) The initial project funded from the Mobility Fund shall be the widening and improvement of Interstate 85 north of the Yadkin River Bridge.

"**§ 136-189. Reports by Department of Transportation.**

The Department of Transportation shall develop, and update annually, a report containing a completion schedule for all projects to be funded from the Mobility Fund, including the selection criteria and reasoning used for each project. 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 report shall also include the Department's anticipated schedule for future projects. The Department shall submit the report and the annual updates to the Joint Legislative Transportation Oversight Committee."

SECTION 28.7.(b) The Department of Transportation shall develop a selection criteria under G.S. 136-188, as enacted by this act, and shall report to the Joint Legislative Transportation Oversight Committee on its development of the selection criteria. A preliminary report on the selection criteria for projects is due to the Joint Legislative Transportation Oversight Committee by October 1, 2010. A final report is due to the Joint Legislative Transportation Oversight Committee by December 15, 2010. When developing the project criteria and selection process, the Department shall give preferential consideration to projects qualified to receive state grants from the Congestion Relief and Intermodal Transportation 21st Century Fund under Article 19 of Chapter 136 of the General Statutes. When developing the project criteria and selection process, the Department shall involve the public and other stakeholders, including, but not limited to, the North Carolina Association of Municipal Planning Organizations, the North Carolina Association of Rural Planning Organizations, the North Carolina League of Municipalities, the North Carolina Association of County Commissioners, the North Carolina Metropolitan Mayors Coalition, and the North Carolina Council of Regional Governments.

SECTION 28.7.(c) Any funds appropriated to the North Carolina Turnpike Authority in fiscal year 2009-2010 under G.S. 136-176(b2) that remain unencumbered at the end of fiscal year 2009-2010 are hereby transferred to the North Carolina Mobility Fund, as enacted by this act, to be used for Phase II of the Yadkin River Bridge project.

SECTION 28.7.(d) G.S. 105-187.9 reads as rewritten:

"**§ 105-187.9. Disposition of tax proceeds.**

...

(b) ~~Transfer.~~ General Fund Transfer. – In each fiscal ~~year~~ year, the State Treasurer shall transfer the amounts provided below from the taxes deposited in the Trust Fund to the General

Fund. The transfer of funds authorized by this section may be made by transferring one-fourth of the amount at the end of each quarter in the fiscal year or by transferring the full amount annually on July 1 of each fiscal year, subject to the availability of revenue.

(1) The sum of ~~seventy-one million dollars ($71,000,000).~~ forty million dollars ($40,000,000).

...

(c) Mobility Fund Transfer. – In each fiscal year, the State Treasurer shall transfer thirty-one million dollars ($31,000,000) from the taxes deposited in the Trust Fund to the Mobility Fund. The transfer of funds authorized by this section may be made by transferring one-fourth of the amount at the end of each quarter in the fiscal year or by transferring the full amount annually on July 1 of each fiscal year, subject to the availability of revenue."

SECTION 28.7.(e) G.S. 105-187.9, as amended by this act, reads as rewritten:

"**§ 105-187.9. Disposition of tax proceeds.**

...

(b) General Fund Transfer. – In each fiscal year, the State Treasurer shall transfer the amounts provided below from the taxes deposited in the Trust Fund to the General Fund. The transfer of funds authorized by this section may be made by transferring one-fourth of the amount at the end of each quarter in the fiscal year or by transferring the full amount annually on July 1 of each fiscal year, subject to the availability of revenue."

(1) The sum of ~~forty million dollars ($40,000,000).~~ twenty-six million dollars ($26,000,000).

...

(c) Mobility Fund Transfer. – In each fiscal year, the State Treasurer shall transfer ~~thirty-one million dollars ($31,000,000)~~ forty-five million dollars ($45,000,000) from the taxes deposited in the Trust Fund to the Mobility Fund. The transfer of funds authorized by this section may be made by transferring one-fourth of the amount at the end of each quarter in the fiscal year or by transferring the full amount annually on July 1 of each fiscal year, subject to the availability of revenue."

SECTION 28.7.(f) Subsection (d) of this section becomes effective July 1, 2011. Subsection (e) of this section becomes effective July 1, 2012.

Joint Transportation Appropriations Conference Subcommittee

House Members	6/16
Nelson Cole, Chairman	✓
Grier Martin, Co-Chairman	✓
Lorene Coates, Vice Chair	✓
Jerry Dockham	✓
Rosa Gill	✓
Chris Heagarty, Vice Chair	
John May	✓
Diane Parfitt	✓
Arthur Williams	✓
Senate Members	
Steve Goss, Chairman	✓
Malcolm Graham, Chairman	✓
Julia Boseman	
Clark Jenkins	✓
Larry Shaw	
R. C. Soles, Jr.	
Josh Stein	✓

VISITOR REGISTRATION SHEET

JOINT HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENT OF TRANSPORTATION JUNE 16, 2010

Committee **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE ASSISTANT

NAME	FIRM OR AGENCY AND ADDRESS
PETER FRANZESE	CITY OF CONCORD/NCLM
Thomas Jones	NCACC
Rebecca Trask	NCACC
Randy Barnes	DOT
ANTHONY M. ALLEN	NCACC
Jackson Miller	NC DPI
Pete Hans	Nelson Mullins
Zadia Brown	Speaker's Office
Fred Baggett	City of High Point

VISITOR REGISTRATION SHEET

JOINT HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENT OF TRANSPORTATION JUNE 16, 2010

Committee **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE ASSISTANT

NAME	FIRM OR AGENCY AND ADDRESS
William V. "Bill" Bell	Mayor - 101 City Hall Plaza Durham NC 27701
Thomas C. Coles, Jr.	NC Dept. of Crime Control & Public Safety
Johanna Reese	DOT
	Civitas
Lotimer Alexander	City Council At Large - High Point
John Poluncta	NCAAA
Hope McLamb	NCDMV
Nicholas Brod	NC DOC
Mercedes Benton	OSBM

VISITOR REGISTRATION SHEET

JOINT HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENT OF TRANSPORTATION JUNE 16, 2010

Committee **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE ASSISTANT

NAME	FIRM OR AGENCY AND ADDRESS
	RANC · Tag Agents
Damien Graham	Triangle Transit
Jackson Miller	NC DPI
Julie White	NCMMC
MARK FOSTER	NCDOT
Bo Heath	MWC
Everett Chester	SHP
Robert West	SHP
Cam Cowe	BPMHC

VISITOR REGISTRATION SHEET

JOINT HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENT OF TRANSPORTATION JUNE 16, 2010

Committee **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE ASSISTANT

NAME	FIRM OR AGENCY AND ADDRESS
Katherine Joyce	NCASA
Suzanne Beasley	SEANC
John Haelan	MFJS
MARIA Sullivan	OFFICE OF GOV.

House Conferees on SB 897: Appropriations Act of 2010

Chairs
Michaux
Adams
Alexander, M.
Crawford
Haire
Jeffus
Tolson
Yongue
Luebke
Gibson
Wainwright
Weiss
Holliman
Owens

Appropriations Subcommittee on Capital
Goforth, Owens, Womble
Holliman
Ross
Wainwright
Grady

Appropriations Subcommittee on Education
Glazier, Rapp, McLawhorn
Bell
Lucas
Parmon
Tarleton
Wiley

Appropriations Subcommittee on General Government
Fisher, Underhill
Tucker
Whilden
Floyd
Steen

Appropriations Subcommittee on Health and Human Services
Earle, England, Insko
Farmer-Butterfield
Brisson
Stewart
Weiss
Barnhart

Appropriations Subcommittee on Justice and Public Safety
Bordsen, Love
Spear
Sutton
R. Warren
Goodwin
Jackson
Mobley
Justus

Appropriations Subcommittee on Natural and Economic Resources
Harrison, Pierce, E. Warren
Wilkins
Wray
Bryant
Langdon

Appropriations Subcommittee on Transportation
Cole, Martin
Coates
Gill
Heagarty
May
Parfitt
Williams
Dockham

Finance
Luebke, Gibson, Wainwright, Weiss
Hill
Holliman
Womble
K. Alexander
Braxton
Carney
Cotham
Faison
Hall
Hughes
Owens
Ross
Howard
McComas
Starnes

North Carolina General Assembly

Joint Appropriations Conference Committee
2010 Session

Rules for Senate Bill 897 Subcommittee Conferees

June 10, 2010

1. **Subcommittee targets are spending targets.**

2. **Regarding expansion, subcommittees:**
   a. **Shall not** fund any new expansions not funded in either the House or Senate budgets

   b. **Shall not** increase any expansion above the higher amount in either the House or Senate budget.

   c. **May** reduce or eliminate items that are not in controversy if both sides agree to re-visit the item.

   d. **Shall not** restore or expand non-recurring items funded in the FY 2009-10 budget or previous budgets (unless items are included in the House or Senate budgets).

3. **Regarding reductions, subcommittees:**
   a. **May** include reductions that are not in either the House or Senate budget.

   b. **May** increase the amount of any reduction in the House and/or Senate budgets (i.e., take a larger reduction).

   c. **May** reduce or eliminate items that are not in controversy if both sides agree to re-visit the item.

   d. **Shall not** use nonrecurring reductions to restore recurring reductions.

4. **No new special provisions,** unless a provision is necessary to conform language and money items.

5. **Any unresolved questions or items** shall be forwarded to the Joint Conference Committee Chairs for resolution.

Fiscal Research Division
Joint Budget Development Team

NORTH CAROLINA
GENERAL ASSEMBLY

SB 897 JOINT CONFERENCE COMMITTEE

COMPARISON REPORT ON THE CONTINUATION, EXPANSION AND CAPITAL BUDGETS FOR TRANSPORTATION

JUNE 16, 2010

House/Senate Comparison Report

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
	Administration		
1	**IT Budget Reductions**	($207,933)	
	Reduces the Department's IT budget to reflect FY 2010-11 rate changes from the Office of Information Technology Services.		
2	**IT Payment Card Industry Data Security Standard Compliance**	$254,406 1.00 $350,000 NR	$254,406 1.00 $350,000 NR
	Provides funds to upgrade DOT's computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by MasterCard. One Business and Technology Specialist position ($95,344) is funded and will serve as the compliance officer for the program.		
3	**IT - Enterprise IP Telephone System**	$544,289 $515,000 NR	$544,289 $515,000 NR
	Provides funds to replace the existing DMV Interactive Voice Response hardware and applications and includes annual operating funds required for related IT expenses. The current telephone system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center.		
	Aviation Division		
4	**Transfer of Department of Commerce Executive Aircraft Division**	$500,000 4.00	
	Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft.		
	The positions transferred include: 60080839 Executive Pilot II 60080840 Executive Pilot II 60080842 Aircraft Mechanic 60080838 Executive Pilot II		

Highway Fund

	House FY 10-11	Senate FY 10-11
(Items in Controversy are Shaded)		
Transfer of Department of Commerce Executive Aircraft Division		$500,000 4.00

Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft.

Department-wide

6	**Vacant Positions**	($3,233,406) -51.00	

Eliminates positions vacant prior to January 1, 2009 in the Division of Motor Vehicles. Eliminates all other DOT positions vacant prior to January 1, 2010. This includes 7 DMV positions and 44 DOT positions supported by the Highway Fund. It includes 14 DMV positions and 1,059 DOT positions funded through projects, receipts, or through federal funds.

The total cut to DMV for the salary and benefits for the vacant Highway Fund supported positions is $416,898. The total cut to the DOT administrative budget for the salary and benefits for the vacant Highway Fund supported positions is $2,816,508.

Division of Motor Vehicles

7	**Medical Certification Compliance**	$264,951 5.00 $7,550 NR	$264,951 5.00 $7,550 NR

Provides funds to allow DMV to become compliant with new federal requirements for medical certification as part of the Commercial Driver License (CDL) process. Medical certificates for all CDL holders must be reviewed by January 30, 2012 and every two years afterward to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration. In order to comply with these new federal requirements, funds are provided for additional personnel and for operating support.

Positions include four Processing Assistant V positions ($27,544 each) and one Administrative Assistant 1 ($29,502) for a total of five positions costing $139,678 in salaries and $52,673 in benefits. Additional recurring costs of $72,600 for mailing and $7,550 in nonrecurring costs for computers and office equipment are incurred.

Highway Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
8	**DMV Security Measures**		
	Provides funds to enhance building security at the Charlotte and Raleigh Registration and Renewals, Titles, and Plate offices. Security cameras, panic buttons, and door swipe card access systems are needed to secure State funds and equipment and limit access into secure areas.	$344,722 NR	$344,722 NR

Ferry Division

9	**Maintain Current Level of Service**	$11,349,869	$11,349,869
	Provides operating funds to maintain the current level of services for FY 2010-11.		

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10	**Maintenance Funds**		($7,709,150)
	Decreases funds for maintenance of the State's highway infrastructure.		
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Contract Resurfacing	$0	$300,000,000
System Preservation	$0	$100,000,000
General Maintenance Reserve	$-2,078,811	$ 80,957,987

Rail Division

12	**Grants to Short Line Railroads**		
	Provides funds to the Rail Division for grants to short line railroad companies for rehabilitation projects that strengthen North Carolina's short line rail infrastructure.	$2,000,000 NR	$2,000,000 NR
13	**Pembroke Northeast Bypass Connector**		
	Provides funds for construction of the Pembroke Northeast Bypass project, which will provide improved multi-modal access to southeast North Carolina, linking the state's military bases and State ports.	$4,325,000 NR	$4,325,000 NR

Highway Fund

(Items in Controversy are Shaded)

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14	**Retirement System Contribution**	$1,857,000	$906,000
	Increases employer contributions to the retirement system to maintain the system's actuarially sound status.		
	Statutory Adjustments		
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	Adjusts funding in FY 2010-11 for the secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.		
16	**Leaking Underground Storage Tank (LUST) Fund**		($40,000)
	Adjusts budget for the LUST fund by -1.5% based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.		
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	Adjusts funding for aid to municipalities by -0.9 percent based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1		
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19	**DPI - Driver Education Program**	$32,021,964	$32,021,964
	Partially restores funding to the Driver Education program. Funding was eliminated in FY2010-11 pending a Continuation Review.		
20	**CCPS - VIPER matching funds**	$2,200,000 NR	$4,700,000 NR
	Provides funds to the Highway Patrol for matching funds for the Public Safety Interoperability Communications grant from the US Department of Commerce. The grant will assist in the further development of the Voice Interoperability Project for Emergency Responders (VIPER) network.		

Highway Fund

		House FY 10-11	Senate FY 10-11
	(Items in Controversy are Shaded)		
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	Reduces the Global TransPark budget by 50 percent to a total of $640,000.		
22	**Reduce Transfer to General Fund - Dept of State Treasurer**	($500,000)	($500,000)
	Reduces the transfer to the General Fund by $500,000 to account for the transfer of the Department of Commerce Executive Aircraft Division.		
	Department Totals	$43,147,728 -41.00 $9,742,272 N	$40,647,728 10.00 $12,242,272 NR

Highway Trust Fund

(Items in Controversy are Shaded)

		House FY 10-11	Senate FY 10-11
	Highway Trust Fund		
23	**Administration**	$371,520	$371,520
	Increases appropriation for administration for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b).		
24	**Aid to Municipalities**	$524,109	$524,109
	Increases appropriation for Aid to Municipalities for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(3).		
25	**Intrastate System**	$4,995,162	$4,995,162
	Increases appropriation for the Intrastate System for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(1).		
26	**Secondary Road Construction**	($170,627)	($170,627)
	Reduces appropriation for the Secondary Road construction program for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(4).		
27	**Urban Loops**	$2,019,836	$2,019,836
	Increases appropriation for the Urban Loops for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(2).		
	Department Totals	$7,740,000	$7,740,000