MINUTES

MONTANA HOUSE OF REPRESENTATIVES
59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

Call to Order: By **CHAIRMAN JOHN SINRUD**, on January 10, 2005 at 8:00 A.M., in Room 317-B Capitol.

ROLL CALL

Members Present:
Rep. John Sinrud, Chairman (R)
Sen. Lane L. Larson, Vice Chairman (D)
Sen. Rick Laible (R)
Rep. Jon C. Sesso (D)
Sen. Corey Stapleton (R)
Rep. Janna Taylor (R)

Members Excused: Sen. Mike Cooney (D)

Members Absent: Rep. Rosalie (Rosie) Buzzas (D)

Staff Present:
Greg DeWitt, Legislative Branch
Esther Poor, Committee Secretary
Transcribed by Jamie Mickelson

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing & Date Posted: Department of Transportation
Executive Action:

HEARING ON THE DEPARTMENT OF TRANSPORTATION

Greg DeWitt, Legislative Fiscal Division (LFD), gave a general overview of the Montana Department of Transportation Hearing Schedule. He informed the
Committee that he replaced the main budget tables for the: Construction Program, Maintenance Program, and the Motor Carrier Program.
{Tape: 1; Side: A; Approx. Time Counter: 0 - 6}

LANGUAGE APPROPRIATION Page A-106

Jim Currie, Department of Transportation (DOT), addressed a global issue on Page A-106 labeled, "Language to Adjust Funding in the Special Revenue Fund Type-Implication." He stated that it is powerful language that allows flexibility between state special revenue and federal funding. He commented that the Department needs flexibility with their funding due to Department management. He stated that unlike other agencies, the Department is responsible for managing the highway state special revenue fund, and has difficulty with program delivery.

REP. BUZZAS entered the meeting at 9:18 A.M.

Discussion:

SEN. LAIBLE asked why the language was not proposed last session. **Mr. Currie** replied that they have had this language and displayed many different possibilities for funding over the last fourteen years.

SEN. LAIBLE asked if the Department has already had this language, why the language is being addressed again. **Mr. DeWitt** stated that this language was added to bring it to the Committee's attention that the powerfulness of this language is something that other agencies don't have.

CHAIRMAN SINRUD asked if someone in the LFD requested the language be reviewed. **Mr. DeWitt** confirmed it has been reviewed.

SEN. LARSON believed that the language is a billing issue, because the Federal government hasn't appropriated funds for the next few years, so the language may be appropriate.

Mr. DeWitt stated that the Committee needs to approve the language, however, it is an option to discuss it more during executive action on January 11.

CHAIRMAN SINRUD stated that the language the Committee would be approving during executive action is language on Page A-105.
{Tape: 1; Side: A; Approx. Time Counter: 6 - 22}

GENERAL OPERATIONS PROGRAM Page A-107

Mr. Currie gave a brief description of the Program. He stated that the Program administers motor fuel taxes and provides administrative support services for the Department, including: 1)general administration and management, 2)accounting and budgeting, 3)public affairs, 4)information technology services, 5)human resources activities, 6)compliance review, and 7)goods and services procurement.

DP 103 COMMERCIAL VEHICLE OPERATIONS ENHANCEMENTS Page A-108

Mr. Currie gave a brief description of DP 103 Commercial Vehicle Operations Enhancements. He explained that this was for an increase of $253,132 State special revenue and $212,530 Federal special revenue for the biennium to provide enhancements to the software used by the Department to administer and enforce state and Federal commercial motor carrier laws and regulations.

Discussion:

CHAIRMAN SINRUD asked if a trucker will be able to receive his permit on-line. **Mr. Curried** confirmed that they will.

Mr. Currie discussed the LFD Issue on page A-109. The LFD issue states that the base includes $725,000 for ongoing costs of the system. He explained that enhancement costs are not typically ongoing, therefore, the legislature may wish to designate the appropriation for system enhancements as one-time-only.

REP. TAYLOR asked Mr. Currie if it is possible to buy the software from another state that is already running this program successfully. **Mr. Currie** explained that the Department had this software built specifically for this program.

REP. TAYLOR asked if the Department would be able to get a discount on the software, if the software company is going to market the program after the Department crafted it. **Monte Brown, DOT,** stated that the Department partnered with Lockheed Martin to create the software, and there have been several advantages throughout those years. He explained that there was an increase in maintenance costs, so there is not much of a discount on the software.

{Tape: 1; Side: A; Approx. Time Counter: 22 - 30}

CHAIRMAN SINRUD asked if the Department of Revenue paid for the system to be created, and were there any risks on their part if the system failed. **Mr. Brown** stated that there were some risks in creating the software, and it is important to realize that it was not created specifically for Montana.

SEN. LAIBLE asked Mr. Curry if DP 103 includes maintenance costs or not. **Mr. Curry** stated that maintenance costs are included in this Decision Package.

SEN. LAIBLE asked if Montana is on the cutting edge, or do any other states have programs that are similar to this one. **Mr. Currie** stated that Montana is on the cutting edge, however, other states, such as Texas, have similar programs.

SEN. LAIBLE asked how other states do on-line permitting for their commercial haulers. **Mr. Currie** explained that some are manual and some are done on-line. He commented that this is the direction that many states are trying to switch over to.

DP 104 LOCAL OPTION TAX Page A-109

Mr. Currie gave a brief description of DP 104 Local Option Tax, which is an increase of $50,000 State special revenue for the biennium to modify the Department fuel tax administration system to incorporate a local option tax. He commented for the Committee to take notice of the LFD Issue and the LFD Comment concerning this DP.

DP 105 OVERTIME AND DIFFERENTIAL PAY Page A-109

Mr. Currie explained DP 105, which is an increase of $131,732 state special revenue for the biennium is to reestablish base year overtime and differential pay. He stated that included in the increase is a $17,284 for benefits, calculated at 15% of overtime and differential pay, to fund Federal payroll taxes, workers compensation and State unemployment insurance, and employer contribution to the Public Employee Retirement System (PERS).

Discussion:

Mr. DeWitt stated that this decision package will be shown in every program. He explained that there is a table on Page A-104. This table includes overtime differential and equipment program decision packages.

CHAIRMAN SINRUD referred to DP 104 and asked if there are any places in the State that have an extra tax on gas. **Mr. Currie** stated, "No."

CHAIRMAN SINRUD asked if there is any place in the state that would have the option of an extra gas tax, such as West Yellowstone. **Mr. Currie** replied that it would have to be approved by a ballot vote. He commented that a few years back this happened in Missoula and it did not pass.

REP. TAYLOR asked Mr. Currie how big the worker's compensation rates are increasing from 15% to 20%. **Mr. Currie** stated that worker's compensation is increasing due to safety regulations.

DP 106 EQUIPMENT RENTAL Page A-109

Mr. Currie explained that DP 106 is a request for an increase of $10,866 State special revenue for the biennium to fund the program share of proposed increases in the Equipment Program. He stated that the Equipment Program supports the entire Department for their equipment needs, from snow plows to passenger cars.

DP 108 HUMAN RESOURCE COMPLIANCE Page A-109

Mr. Currie stated that this is a request for an increase of $21,887 State special revenue for the biennium to provide on site compliance reviews of disadvantaged business enterprises and to develop and maintain records to verify contractor compliance with federal land and equal employment opportunity requirements.

Discussion:

SEN. LARSON asked if the records to verify contract compliance with Federal labor and equal employment opportunity to retire requirements involve Davis Bacon requirements. **Mr. Currie** stated that the program does include Davis Bacon requirements.

DP 109 DBE SUPPORT SERVICES EXPANSION Page A-109

Mr Currie explained that this is for an increase of $115,653 Federal special revenue for the biennium to expand services to disadvantaged business enterprise (DBE) companies. This includes increased reimbursements, additional meetings and training workshops, an improved monthly newsletter, and additional marketing and financial assistance.

Discussion:

CHAIRMAN SINRUD asked how much money is spent in a DBE program. **Mr. Currie** stated that the grant is for $900,000.

CHAIRMAN SINRUD requested a list from Mr. Currie, of what requirements make a company a minority company.

CHAIRMAN SINRUD asked about a lawsuit that had taken place in Colorado. He stated that a judge ruled this program unconstitutional. He wanted to know what effect that might have on what the Department is doing on this program. **Mr. Currie** stated that since the lawsuit, the Federal government has reevaluated their DBE program.

CHAIRMAN SINRUD requested some additional information on the DBE program.

REP. SESSO asked if there are any additional requests that can be granted from the Federal government to the administration of the Department so that they are able to have the flexibility that they need. **Mr. Currie** stated that he hopes the Department is granted Federal dollars, since many of their expenses are Federal, however, it is difficult to determine what Federal money will be granted to the Department.

REP. SESSO expressed his desire to increase the program, but not to increase the burden to the Department.

SEN. LAIBLE asked how many disadvantaged business have there been in the past two years and serviced through DBE and what are the goals of DBE. **Mr. Currie** said that the goal is to increase program training and financial support and provide assistance for marketing.
{Tape: 2; Side: A; Approx. Time Counter: 0 - 26.5}

DP 110 VIDEO CONFERENCING Page A-109

Mr. Currie stated that this is an increase of $21,600 State special revenue for the biennium to fund video conferencing units added at the end of FY 2004. The request would fund video conferencing fees paid to the Information Technology Services Division of the Department of Administration under a service level agreement. He commented that one of the things that the Department is trying to do is increase efficiency.
{Tape: 1; Side: B; Approx. Time Counter: 25 - 30}

DP 111 FUEL TAX EVASION Page A-110

Mr. Currie explained that this is an increase of $10,000 State special revenue and $119,950 Federal special revenue for the biennium for fuel tax evasion activities.

Discussion:

CHAIRMAN SINRUD asked if there are a lot of people involved in evading tax laws. **Mr. Currie** stated that there are individuals whom attempt to evade taxes in every state.

DP 101 REMOTE COMPUTER CONNECTIVITY Page A-110

Mr. Currie stated that this is an increase of about $1.3 million State special revenue for the biennium for a long-term project to integrate department management systems used to resource and project planning and scheduling, and financial planning, monitoring and administration. The request includes funding for 5.00 FTE FY 2006 and 6.00 FTE in FY 2007.

Discussion:

REP. SESSO asked if the Department was adding six more FTE or just one more. **Mr. Currie** stated that he is adding one more FTE in FY 2007 than will be added in FY 2006.

REP. TAYLOR asked if DP 101 is one-time-only. **Mr. DeWitt** stated that last session the request was one-time-only. The way this DP is stated it is intended to be an on-going cost for at least the next four biennia. He stated that it could be OTO, however, the Department would have to come back every two years for a new request.

REP. TAYLOR stated that the Department needs six FTE for the next eight years. **Mr. Currie** stated that it is difficult to determine, however, that is what is projected.

SEN. LAIBLE asked what the Department expects to accomplish with the $1.3 million over the next biennium. **Mr. Currie** stated that the Department is going to spend a lot of time implementing and designing improvements in the resource management systems.

REP. SESSO asked if the Department needs a CIO to oversee the expenditures and information technology. **Jeff Branat, CIO Department of Administration,** stated that was comfortable with the Department of Transportation and DP 101.

DP 102 REMOTE COMPUTER CONNECTIVITY Page A-110

Mr Curie explained that this is an increase of $500,000 State special revenue for the biennium and this provides high-speed remote access for the roughly 300 remote department work sites across the state that currently connect to the department computer networks via slow-speed dial-up connections.

Discussion:

Dick Clark, DOT, informed the Committee that the cost of each one of the sites costs $10,000 and upgrades to the existing systems is about $5,000 apiece.

CHAIRMAN SINRUD asked why the Department doesn't switch to a wireless connection. **Mr. Clark** stated that the system is not a wireless connection, because there are complications with connectivity into a wireless site. He explained that most of these sites are in inaccessible locations and there is not the ability to use wireless at the fullest capability.

SEN. LAIBLE asked what the Department is going to do with the other 250 sites. He also asked if it is going to cost another $10,000 per site. **Mr. Clark** stated that they are working with the Department of Administration on a large scale deployment plan. They have met with the Department of Administration and have communicated their Departmental needs.

HEARING ON THE CONSTRUCTION PROGRAM

Mr. Currie gave a brief presentation on the Construction Program. He stated that the Construction Program is responsible for construction project planning and development from the time a project is included in the long-range work plan through the actual construction of the project. **Mr. Currie** referenced the Department's second budget submission and said the new budget submission changes some of the decision packages in the Construction Program.

EXHIBIT(jgh06a01)

DP 201 TRAFFIC ENGINEERS Page A-113

Mr. Currie stated that this is an increase of $92,020 State special revenue and $144,808 Federal special revenue for the biennium to fund the additional two FTE traffic engineering specialists for each year. The traffic engineers would address

increasing demand for traffic engineering work in the preliminary engineering safety program.

DP 202 CONTRACTOR PAYMENTS State CONSTRUCTION PROGRAM
Page A-113

Mr. Currie stated that this is a reduction for $38.5 millionSstate special revenue for the biennium to reduce the State-funded Construction Program to the minimum amount of State maintenance of effort required to receive a favorable Federal participation rate on Federal aid projects.
{Tape: 2; Side: A; Approx. Time Counter: 0 - 30}

DP 203 CONTRACTOR PAYMENTS/ FEDERAL AID CONSTRUCTION

Mr. Currie stated that this is tied to the DP 202 reduction in State special revenue. He explained that DP 203 is an increase of $16.2 million State special revenue and $121.3 million Federal special revenue for the biennium to fund payments to highway construction contractors based on department estimates of federal-aid funding and the corresponding long-range highway construction plan.

Discussion:

Mr. DeWitt stated that the LFD issue is based on the previous figures and this is a significant reduction. He stated that the Department did not assume that they would have more Federal money. He stated that there is a policy option to have 100% State-funded construction.

Mr. DeWitt explained that for the Department to pay for the indirect costs which previously were State funded 100%,will now be funded with Federal money. He commented that the Department is growing and needs more funding. He suggested that the Department may want to implement a gas tax reduction.

SEN. LAIBLE asked what are the Department goals and how is the Department doing currently with their workload. **Mr. Currie** stated that it is most important to do quality work and to focus on safety. He explained that the Department has a target of what condition they want the highway system to be in, and try their best to maintain the roads the best the Department can.

SEN. LAIBLE stated that he would like to see a projected plan and list of Department goals for the next two years.

Mr. Currie stated that he can bring a list of goals and projected plans to the Committee.

REP. BUZZAS asked for clarification on the Alcohol Incentive Plan. **Mr. Currie** explained that this program has been around for a long time. He explained if the ethanol plants are operating, this funds up to $3 million per plant and $6 million for each year of the biennium.

REP. BUZZAS asked if there is a cap of $3 million. **Mr. Currie** sated that there is a cap of $3 million per plant and a total cap of $6 million per year.

REP. TAYLOR asked if it terminates in 2009. **Mr. DeWitt** stated that it terminates at the end of 2009.
{Tape: 2; Side: B; Approx. Time Counter: 0 - 21.}

REP. SESSO referred to DP 201 and asked how many traffic engineers the Department has, and what the benefits are of two added engineers. **Loran Frazier, Chief Engineer DOT,** stated that there are currently four traffic engineers that oversee program planning, and a staff of other professionals and they aid in program planning and projects. The benefits of two added engineers are that the Department is growing and so the work load is increasing, so adding two engineers will aid in the overwhelming workload tremendously.

DP 204 US HIGHWAY 93 Page A-114

Mr. Currie stated that DP 204 is a request due to accelerated construction on US Highway 93 from Evaro Hill to Polson to double the current traffic capacity and address safety problems. Highway revenue bonds would be issued to provide the funding for this accelerated schedule. He explained that this request is for $93 million State special revenue for the 2007 Biennium to provide debt services for the bond issue. He stated that actual amount requested in this DP is $74.6 million, instead of $93 million.
{Tape: 2; Side: B; Approx. Time Counter: 11.5 - 30}

Discussion:

REP. TAYLOR asked if the Federal government is going to pay for the construction on U.S. Highway 93, because it goes through the Flathead Indian Reservation. **Mr. Currie** stated that he is unsure.

CHAIRMAN SINRUD suggested that Mr. Curry review what is reimbursable and what expenses are not.

SEN. LAIBLE asked what the time frame of the bonds are. **Mr. Curry** stated that the usual time frame is currently fifteen years.

SEN. LAIBLE asked that if U.S. Highway 93 is done in three years, then the Department is going to bill the federal government for the entire duration. **Mr. Currie** stated that the Department has three years to use the money from the bond and fifteen years to pay it all off.
{Tape: 3; Side: A; Approx. Time Counter: 0 - 7}

DP 205 CONSTRUCTION MANAGEMENT FTE

Mr. Currie stated that the Department estimates FTE and engineering costs via the Construction Management System using standards that apply to the proposed construction plan. With the second submission, this adjustment would fund decreases of 20.35 FTE in FY 2006 and increases of 39.93 FTE in FY 2007, in combination with adjustments for preliminary and constriction engineering functions in support of highway construction. The request is for increases of $788,889 State special revenue and $1,743,179 Federal special revenue for the biennium. He also explained that Construction Management FTE (CMFTE) is used only for this program, because this program moves around so much.

Discussion:

CHAIRMAN SINRUD asked if the Department is going to lose 20.35 FTE in 2006 and then take $2.4 million to hire another 39.93 FTE for 2007. **Mr. Currie** confirmed his statement.
{Tape: 3; Side: A; Approx. Time Counter: 7 - 10}

DP 206 AGGREGATE POSITION FUNDING Page A-114

Mr. Currie commented that this is a DP that the Committee will probably only see with the Department of Transportation. He stated that aggregate positions are essentially one position that has 15 FTE and there are many employees in these positions with different pay and years of service. The system works by calculating positions based on the last incumbent left in that position. He stated that this has been around for thirty years. He explained that the Department comes before the Committee every biennium to ask for this DP to make the Department whole.

DP 207 RIGHT-OF-WAY UTILITIES Page A-115

Mr. Currie stated that this is a request for increases of $276,339 state special revenue and $1,295,551 Federal special revenue for the biennium to fund utility relocation activities and purchase right-of-way for the expected increase in highway construction projects that would result from expected higher Federal funding levels when the U.S. Congress reauthorizes Federal highway funding.

DP 208 COMMUNITY TRANSPORTATION ENHANCEMENT PROGRAM Page -115

Mr. Currie stated that the community transportation enhancement program (CTEP) provides nontraditional transportation related projects that are designed to strengthen the cultural, aesthetic, and environmental aspects of the multi-modal transportation system in Montana. He explained that increases of $103,120 State special revenue and $696,880 Federal special revenue for the biennium are requested to increase funding for CTEP to levels expected for the 2007 biennium under allocation formulas of Federal-aid highway funding.

DP 209 OVERTIME AND DIFFERENTIAL PAY & DP 210 EQUIPMENT RENTAL Page A-115

Mr. Currie stated that they are asking for an increase of $4,064,522 State special revenue and $4,693,336 Federal special revenue for the biennium. He explained that for the equipment program the Department is asking for an increase of $299,220 State special revenue and $437,971 Federal special revenue for the biennium. He stated that the equipment program for the Construction Program will be much more significant, because there is a lot of usage with the equipment.

Discussion:

SEN. LAIBLE he asked what type of equipment the Department would use or rent in addition to what the contractor already rents. **Mr. Currie** stated that it would be heavy construction equipment.

SEN. LAIBLE asked if the Department has their own office trailers on the sight, in addition to the contractor's job site office. **Mr. Currie** confirmed his question.

New Proposals

DP 211

Mr. Currie stated that this is a request for two civil engineers to perform bridge inspections and a snooper truck. This is a request for $278,546 State special revenue and $1,004,310 Federal special revenue for the biennium. The cost of the snooper truck could be made one-time-only.

DP 212

Mr. Currie explained that this DP is for an increase of $74.2 million Federal special revenue for the biennium. He explained that this is to account for expenditures of indirect cost recovery expenditures. He clarified that this is a budgeted transaction, instead of the previous practice of accounting for it as a non-budgeted transaction.

Mr. Brown commented that this should be a budgetary request, because there will be no effect on the cash balance.
{Tape: 3; Side: A; Approx. Time Counter: 10 - 30}

DP 213

Mr. Currie gave a brief explanation on Federal Earmarks Construction and it's funding.

Discussion:

REP. SESSO asked on the Federal Earmarks State special revenue, if the match comes out of other funds with the percentage of the gas tax money. **Mr. Currie** stated that it could be the State special revenue fund, and in some cases the local governments match the funds.

CHAIRMAN SINRUD requested the cost for this program, as well as the cost of each project.

CHAIRMAN SINRUD asked what it costs for an EIS. **Mr. Currie** stated that it is easy to spend $2 million on EIS.
{Tape: 3; Side: B; Approx. Time Counter: 0 - 11}

John Blacker, DOT, stated that he is in charge of the software for the maintenance program. He also gave a brief overview of the software expenditures and maintenance.
{Tape: 3; Side: B; Approx. Time Counter: 11 - 15}

DP 301 ADDITIONAL SECONDARY ROADS Page A-118

Mr. Blacker explained that this is an increase of $550,000 from State special revenue for the biennium. He stated that this relates to SB 333, that was passed three sessions ago when Department agreed to take over all of the paved secondary roads that were maintained by the counties. He stated that the DP is requesting the materials to maintain 10.5 additional centerline miles of paved secondary roads assumed from counties under the authority of 60-2-203, MCA.

DP 304 COMMUNICATIONS-TWO WAY RADIOS Page A-118

Mr. Blacker stated that the Department is responsible for not just the maintenance program communications radios, but the radios of the entire Department. He explained that they have a replacement program in place. He clarified that this is a request for an increase of $513,837 State special revenue for the biennium.

Discussion:

CHAIRMAN SINRUD asked if there is an accident on a road and a guard rail gets taken out, is the expense to replace the guard rail placed on the individual. **Mr. Blacker** replied that it is the expense of the individual either personally or through their insurance company; however, if the Department is unable to locate the individual who damaged the guard rail, then the expense is the responsibility of the Department.

CHAIRMAN SINRUD asked what would happen if there is a death of the party that caused the accident. **Mr. Blacker** stated that the family of the driver would still be sent the bill.
{Tape: 3; Side: B; Approx. Time Counter: 15 - 25}

DP 305 REST AREAS, VAULTS, AND NEW UTILITIES Page A-119

Mr. Blacker stated that this DP is a request for an increase of $723,222 state special revenue for the biennium for increased contract costs for rest are maintenance, operations and maintenance costs for two new rest areas that will open in the 2007 biennium, utility costs at a new maintenance facility constructed in Melstone to replace an abandoned section house in Ingomar, and the installation and maintenance of vault toilets at five pullout areas used by truck drivers and other large vehicles.

Discussion:

SEN. COONEY stated that rest areas present a significant challenge in the Department and he thinks that this DP is important.

REP. SESSO asked if it is still a prerequisite to a rest area hooked up to the city sewer to alleviate maintenance problems. **Mr. Blacker** stated that it is no longer a prerequisite for rest areas to be hooked up with a city sewer.

SEN. LAIBLE asked why the maintenance costs have gone up 25%. **Mr. Blacker** stated that they are going to improve maintenance of the rest area and possibly build new ones; that is what is attributed to the increase in maintenance.

SEN. LAIBLE asked what happens when the maintenance contract that the Department has does not get fulfilled. **Mr. Blacker** stated that periodic checks are done; and in the past the Department has discontinued contracts due to poor service.

REP. TAYLOR asked if the Department only uses maintenance companies from Montana, or if the Department hires the lowest bidder. **Mr. Blacker** stated that he believes that the Department goes with the lowest bidder; however, the maintenance company usually hires Montana workers.

DP 306 RWIS SYSTEM MAINTENANCE AND EXPANSION
Page A-118

Mr. Blacker stated that this is a request for an increase of $460,150 State special revenue for the biennium to establish a regular replacement program for Roadway Weather Information System (RWIS) hardware and software, and to expand and enhance the system by adding more web cameras to the system.

Discussion:

SEN. LARSON suggested that these sites may want to be sites that are identified as treacherous and icy stretches of road. **Mr. Blacker** stated that is a consideration and the Department will discuss this.

REP. TAYLOR asked how many hits on the website there were last year. **Mr. Blacker** stated that there were 350,000 hits on the website last year.

Mr. DeWitt stated that there is an LFD Issue that says some of the money of this DP is one-time-only.

Mr. Blacker stated that this funding is for two years of software equipment.

CHAIRMAN SINRUD stated that the Department has already discussed DP 308 and DP 311, so the Committee will not be discussing these DPs at this time.
{Tape: 4; Side: A; Approx. Time Counter: 0 - 17}

DP 309 BIENNIAL APPROPRIATION ADJUSTMENTS

Mr. Blacker explained that this is a request for a reduction of $1,692,994 State special revenue for the biennium is requested to adjust the funding for the pavement preservation activities. He clarified that this adjustment offsets the effects of the high base year expenditures. He commented that this is the top program to put the Department back where it needs to be.

DP 310 PAVEMENT MARKINGS Page A-119

Mr. Blacker stated that this is a request for an increase of $230,696 State special revenue and $808,942 Federal special revenue for the biennium to provide funding for pavement markings at the planned level of activity for the 2007 Biennium.

DP 313 511 TRAVELERS INFORMATION PROGRAM Page A-119

Mr. Blacker clarified that this is a request for an increase of $160,000 State special revenue for the biennium to fund the 511 Travelers Information Program with State funding to replace Federal funding that will not be available after June 2005.

Discussion:

CHAIRMAN SINRUD asked if this program helps the Department do their job more efficiently and help the Department to save money.
Mr. Blacker stated that it increased the level of service that the Department provides for travelers information.

REP. TAYLOR stated that the old system was a bunch of different telephone numbers for different areas of the state and that now it will be much more efficient for travelers to find information.

SEN. LAIBLE asked what the total overall cost of the 511 System is. Mr. Blacker stated that he is unsure what the total cost of the program is at this time.

DP 314 NOXIOUS WEED CONTROL Page A-120

Mr. Blacker stated that this is a request for an increase of $610,672 State special revenue for the biennium to increase the funding for the control of noxious weeds on state highway right of ways.

Discussion:

CHAIRMAN SINRUD asked if this is approximately a 10% increase. Mr. Blacker stated that it is about a 10% increase per contract.

DP 316 LAND ACQUISITION Page A-121

Mr. Currie explained this DP as an increase of $86,000 State special revenue for the biennium is requested to purchase land for stockpile sites associated with the Long Range Building Program.
{Tape: 4; Side: A; Approx. Time Counter: 17 - 30}

DP 307 CITY REST AREA Page A-121

Mr. Currie explained that this DP is for an increase of $150,000 State special revenue for the biennium to fund caretaker and janitorial services as basic maintenance and repairs at 10 city park rest areas in which city operating obligations have expired.

DP 317 RURAL TRANSPORTATION CENTER

Mr. Currie stated that $900,000 is earmarked to be given to a rural transportation center.

CHAIRMAN SINRUD asked if $900,000 would be one-time-only. **Mr. Currie** stated that this is an earmarked item.

Mr. DeWitt stated that it is similar to the 511 system. He informed the Committee that this is Federal funding now but it is highly likely that the funding will shift to State in the future.
{Tape: 4; Side: A; Approx. Time Counter: 0 - 8}

CHAIRMAN SINRUD opened the meeting for discussion.

REP. BUZZAS requested that when she is absent from the meeting in the morning, that she be given an excused absence, due to the fact that she is appointed to two committees.

SEN. LAIBLE asked Mr. Currie what the Department's concerns are for the future. **Mr. Currie** stated that his major concern is retirement of highly skilled and trained professionals.

REP. SESSO asked what are some potential goals for ethanol production and the Department of Transportation. **Mr. Lynch** stated that there are no specific goals lined up; however, ethanol production will help the State a great deal.

At the beginning of the meeting the Department handout out a booklet labeled, "Perceptions of Highway Maintenance in Montana in 2004: The Results from a Telephone Survey." This booklet was not mentioned in the meeting.

EXHIBIT(jgh06a02)

CHAIRMAN SINRUD adjourned the meeting and stated that the Committee would meet at 8:00 A.M. on 1/11/05.
{Tape: 4; Side: B; Approx. Time Counter: 0 - 17.7}

ADJOURNMENT

Adjournment: 11:55 A.M.

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REP. JOHN SINRUD, Chairman

_____
ESTHER POOR, Secretary
Transcribed by Jamie Mickelson

JS/jm

Additional Exhibits:

EXHIBIT(jgh06aad0.TIF)