

MINUTES OF THE MEETING OF THE APPROPRIATIONS SUB-COMMITTEE ON ELECTED OFFICIALS AND HIGHWAYS

March 10, 1983

(Tape 105, Side B)

The Appropriations Sub-committee on Elected Officials and Highways met at 4:00 p.m. on March 10, 1983 in Room 437 with Chairman Quilici presiding. The following members were present:

Chairman Quilici	Senator Dover
Rep. Connelly	Senator Keating
Rep. Lory	Senator Van Valkenburg
	Senator Stimatz

Also present: Terry Cohea, OBPP; Doug Booker, OBPP, and Leo O'Brien, LFA.

Representing the Department of Highways: Gary Wicks, Bill Salisbury and Don Harriott.

WORK SESSION

DEPARTMENT OF HIGHWAYS

Revised Budget -- Discretionary Funds

Director Wicks told the committee that in February the state had asked if the federal government would approve discretionary interstate funds for Lodge Grass-South Projects because they knew that the federal government saw that as a high priority. The problem they had in getting that let, besides funding, was a right-of-way problem with the Crow Indian Tribe. The agency finally reached agreement with the Tribe on the basis that they could not go forward with the discretionary funds unless they had an agreement. The agency then went to the Federal Highway Administration to request funding for these projects. Two days ago, although they have received no formal word, the Federal Highway Administration approved discretionary interstate funds for those projects. In terms of the budget, this changes the original list of interstate projects. (Exhibit 1)

Mr. Wicks said they were going to fund St. Regis-East & West at a lower level project and do Wyoming Line-North under current level funding. Now they have a revised list of interstate projects that would come under the current program, that is, all the available federal dollars matched with state. They will increase St. Regis-East and West. They are able to do that because now Wyoming Line-North will be funded with discretionary funds. They will do Wyola-South and Lodge Grass-South. Under the terms of discretionary funds that come to the state from the federal government they have to obligate or let the contract to those projects 90 days after the funds become available. Those projects will all have to be let in 1983 (calendar 1983 not fiscal year 1983). They expect to let

these projects anywhere from September through November. The advantage to the department is that by funding these projects with discretionary funds it allows them to use their bonding program to almost complete the interstate system. There are a couple projects that would be left that would not be covered which are included in the interstate cost estimate but they would be able to add several more projects that would bring the completion of the interstate system within the next two years (at least the contracts would be let within that time).

Mr. Wicks called the committee's attention to Exhibit 2 which lists the ACI projects and the revised funding. This would result in completing the interstate and making existing two-lane into four-lane. Mr. Wicks said this would give them a significant opportunity to complete the interstate system that they have been working on for almost 30 years.

Mr. Wicks noted that they have their original budget, a revised budget in addition to the original, and now this would be a second revision to the first two.

Revised Construction (Exhibit 3)

Mr. Wicks noted that in this revision there are additional FTE's of 28.16 in FY84 and 29.03 in FY85. Under "Contracted Services" the bulk of this is contractor payments. Under the other categories the department tried to stay in line with the Construction Management System and use those standards. Mr. Wicks said that the number and type of FTE's are listed at the bottom of the page (Exhibit 3).

In answer to a question from Senator Dover, Mr. Salisbury said the Highway Trust is the federal program. It has approximately 91-9 split. Mr. Wicks said the Highway Earmarked Account is state contributions.

The Chairman asked Mr. Wicks to explain to the committee where and how this federal money became available.

Mr. Wicks: "Previous to the passage of the Service Transportation Act, what the federal government did, was at the end of every fiscal year, they would see what states had not used their apportionment authority for that year. Of course, it ends up that there is always a balance there; the states never use all that they have available to them for various reasons that nobody has any control over. The federal government would then distribute that money. Every state would put in their request for discretionary interstate funds. Montana has done it and every other state has done it. Then they make a decision based pretty much on what they think are their priorities, where they see the greatest need for interstate monies. Prior to the passage of the Service Transportation Act we never got any obligation authority along with it or we haven't for the past couple years. So all they gave us was apportionment authority which didn't help

all that much. The Service Transportation Act passed and it set up, for whatever reason, a specific fund of discretionary interstate money nationwide at \$350 million for this year, Federal Fiscal 1983, and also in the distribution, carried with it additional obligation authority or actually gave the authority to spend. So we, at the suggestion of the feds, requested in February that Montana receive those discretionary funds for those three projects from the Wyoming border north to Lodge Grass and they decided that they would give us that money. And that's what they did. The strings are, attached to the bill, you can spend it nowhere except on those projects; there is no transferability or anything else, it has to be spent on the projects for which the money is approved. Secondly, you have to obligate it in the year in which the funds are received and if you don't obligate them then they just revert back like discretionary funds always have."

In answer to a question from Rep. Lory, Mr. Wicks said the biggest problem they had with this was the right-of-way and that's been dragging on for eight years. They finally resolved it. "The biggest advantage was to be able to say if we did get these discretionary funds we would be able to start putting some people to work down there."

In answer to a question from Senator Dover, Mr. Wicks said in terms of hiring people the department can't say use local people or don't use local people; it is the contractors who hire. That decision isn't the department's. However, some of the work has been arranged to be done by the Crow Indian Tribe.

Senator Van Valkenburg asked if the state earmarked portion of the money was in addition to money the committee has already appropriated. Mr. Wicks said that it was.

In answer to a question from Senator Van Valkenburg, Mr. Wicks said the effect of this would be to decrease the earmarked account. He said he didn't see any need to increase the gas tax to take care of this.

Senator Dover noted that it would tear this budget to pieces if the Highway Patrol were funded out of this earmarked account.

Mr. Wicks responded: "What it would tear to pieces would be.... I assume that the committee's priority and my priority is to match every federal dollar we can get because we are matching for \$1 expenditure we get \$9, \$8 or \$9 back. So the first priority is to do that. The problem is that if the Highway Patrol stays in the earmarked account, in my judgment, then that is where we start cutting. I don't like to but it seems to be the only reasonable thing to do is to make sure we cover the federal expenditures so the only place we have to cut is in the Reconstruction Trust Account. What we would end up dropping

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out of the system would be the primary projects we have scheduled for 1985. If there's any disagreement, it seems to me that we have to match every federal dollar we can get."

Senator Dover said that it has been expressed by some people that if we have to keep the general fund intact we may just not match all the federal money.

Senator Dover made a MOTION that the committee approve the Revised Highway Budget as outlined in Exhibits 3, 4, 5, and 6. Discussion.

In answer to a question from Rep. Lory, Mr. Wicks said this revised portion of the budget has 31 FTE's in FY84 and 36 FTE's in FY85.

Question being called for, the motion carried.


Exhibit 7 authorizing \$75,000 of public transportation funds in each year of the biennium to be distributed to counties was brought before the committee. The Department of Highways will make this distribution contingent upon passage of House Bill 861. Discussion.

Senator Dover made a MOTION that the committee approve the authorization as outlined in Exhibit 7. Discussion.

Question being called for, the motion carried.

Discussion.

The meeting adjourned at 4:30 p.m. (275)



Joe Quilici, Chairman
dm

ORIGINAL LIST OF INTERSTATE PROJECTS

		<u>Cost</u>	<u>Letting Date</u>
St. Regis-East & West	I-90	\$ 6.0	1984
Wyoming Line-North	I-90	<u>10.0</u>	1984
Total		\$16.0	

REVISED LIST OF INTERSTATE PROJECTS

St. Regis-East & West	I-90	\$12.4	1983
Wyoming Line-North	I-90	10.0	1983
Wyola-South	I-90	10.2	1983
Lodge Grass-South	I-90	<u>17.3</u>	1983
Total		\$49.9	

ORIGINAL LIST OF ACI PROJECTS

		<u>Cost</u>	<u>Letting Date</u>
Elk Park - N	I-15	\$ 7.9	1984
Bernice-Basin	I-15	17.5	1984
Bernice - S	I-15	10.8	1984
Springdale - W	I-90	9.0	1985
Lodge Grass - S	I-90	<u>16.9</u>	1985
TOTAL		\$62.1	

REVISED LIST OF ACI PROJECTS

		<u>Cost</u>	<u>Letting Date</u>
Elk Park - N	I-15	\$ 7.9	1984
Bernice-Basin	I-15	17.5	1984
Bernice - S	I-15	10.8	1984
Springdale - W	I-90	9.0	1985
Sloway-Superior	I-90	4.5	1985
Lodge Grass - N	I-90	4.0	1985
Armstead-Pipe Organ	I-90	<u>6.5</u>	1985
TOTAL		\$60.2	

REVISED
CONSTRUCTION

AE/OE	DESCRIPTION	FY '84 OBPP	FY '84 LFA	DIFFERENCE	FY '85 OBPP	FY '85 LFA	DIFFERENCE
0090	Full Time Equivalent (FTE)	28.16			29.03		
1100	Salaries	565,582			582,542		
1400	Employee Benefits	78,770			84,501		
1500	Health Insurance	26,995			27,868		
	Total Level	671,347			694,911		
2100	Contracted Services	5,580,171			13,568,421		
2200	Supplies	6,564			7,465		
2300	Communications	4,376			4,976		
2400	Travel	60,173			68,422		
2500	Rent	43,761			49,762		
2600	Utilities	5,470			6,220		
2700		548			621		
2800		548			621		
	Total Level	5,701,611			13,706,508		
	Total Program	6,372,958			14,401,419		
02422	Highway Earmarked	560,183			1,265,885		
03407	Highway Trust	5,812,775			13,135,534		

10/16/83

Title	Grade	Class Code	FY '84	FY '85
Survey Aid I	6	018009	2.96	3.06
Survey Aid II	8	018010	1.48	1.53
Eng. Tech. I	10	018003	1.48	1.53
Eng. Tech. II	11	018004	4.45	4.59
Eng. Tech. III	13	018005	2.96	3.06
Project Manager	15	182005	14.83	15.26
			<u>28.16</u>	<u>29.03</u>

VISIBLE
MODIFIED ACCELERATED INTERSTATE

AE/OE	DESCRIPTION	FY '84 OBPP	FY '84 LFA	DIFFERENCE	FY '85 OBPP	FY '85 LFA	DIFFERENCE
0000	Full Time Equivalent (FTE)				4.22		
1100	Salaries				105,326		
1400	Employee Benefits				16,002		
1500	Health Insurance				4,050		
	Total Level				<u>125,378</u>		
2100	Contracted Services	200,000			1,028,882		
2200	Supplies				3,150		
2300	Communications				2,101		
2400	Travel				28,881		
2500	Rent				18,146		
2600					2,627		
2700					261		
2800					<u>261</u>		
	Total Level	<u>200,000</u>			<u>1,084,309</u>		
	Total Program	200,000			1,209,687		
02424	Highway Reconstruction	200,000			1,209,687		

FTE		Class Code	FY '84	FY '85
Survey Aid I	6	018009		1.28
Survey Aid II	8	018010		.65
Eng. Tech. I	10	018003		.75
Eng. Tech. II	11	018004		(2.45)
Eng. Tech. III	13	018005		(2.43)
Project Manager	15	182005		6.42
				<u>4.22</u>

REVISED
PRECONSTRUCTION

AE/OE	DESCRIPTION	FY '84 OBPP	FY '84 LFA	DIFFERENCE	FY '85 OBPP	FY '85 LFA	FY '85 DIFFERENCE
0000	Full Time Equivalent (FTE)	2.00			2.00		
1100	Salaries	35,981			35,843		
1400	Employee Benefits	5,325			5,304		
1500	Health Insurance	<u>1,920</u>			<u>1,920</u>		
	Total Level	43,226			43,067		
2100	Contracted Services						
2400	Travel	<u>1,000</u>			<u>1,000</u>		
	Total Level	1,000			1,000		
6102	To Cities						
02422	Highway Earmarked						
03407	Highway Trust	<u>44,226</u>			<u>44,067</u>		
	Total Program	15,479			15,423		
		<u>28,747</u>			<u>28,644</u>		

Classification	Grade	Class Code	FTE
Designer III	14	005048	1.00
Designer Tech II	11	005023	1.00

2400 Job Site Plan-in-Hand inspection

WGS:nr:212/H2

3-10-83

Exhibit 5
3-10-83

REVISED
SERVICE REVOLVING

AE/OE	DESCRIPTION	FY '84 OBPP	FY '84 LFA	DIFFERENCE	FY '85 OBPP	FY '85 LFA	DIFFERENCE
0000	Full Time Equivalent (FTE)	1.00			1.00		
1100	Salaries	14,654			14,598		
1400	Employee Benefits	2,169			2,160		
1500	Health Insurance	960			960		
	Total Level	17,783			17,718		
2100	Contracted Services						
2200	Supplies	3,000			3,000		
2400	Travel	3,000			3,000		
2800	Other Expenses						
	Total Level	6,000			6,000		
6102	To Cities						
	Total Program	23,783			23,718		
06507	Highway Service Revolving	23,783			23,718		

Classification	Grade	Class Code	FTE
Lab Tech II	10	029005	1.00

2400 Travel to on-site locations for lab tests.
2800 Freight for lab samples.

'ISEC
GENERAL OPERATIONS

AE/OE	DESCRIPTION	FY '84 OBPP	FY '84 LFA	DIFFERENCE	FY '85 OBPP	FY '85 LFA	DIFFERENCE
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0000	Full Time Equivalent (FTE)						
1100	Salaries						
1400	Employee Benefits						
1500	Health Insurance						

Total Level

2100	Contracted Services						
2400	Travel						
2500	Rent						

Total Level

6102	To Cities	<u>75,000</u>			<u>75,000</u>		
02422	Highways Earmarked Sp. Rev.				75,000		
03407	Highway Trust-Sp. Rev.				75,000		

\$75,000 of public transportation funds allocated by Sec. 7-14-102, MCA to counties previously distributed by the Department of Administration. The Department of Highways will make this distribution contingent upon passage of HB 861.