

MINUTES OF THE MEETING
HIGHWAYS AND TRANSPORTATION COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

January 11, 1985

An informal meeting was held with members of the House and Senate Highways and Transportation Committees in attendance, at the Department of Highways on January 11, 1985 at 8:30 a.m.

Department Director, Gary Wicks, opened the meeting, the purpose of which was to give legislators an overview of departmental functions and provide an opportunity for a question/answer period. Mr. Wicks explained the Department of Highways is a public service organization whose aim is to build and protect Montana's highway system. He cited setting speed limits and condemnation of property as two items of controversy with the general public, referring to the Department's Report to the 49th Legislature (Exhibit 1).

Mr. Wicks told Committee members the Department's budget is one of the largest, if not the largest, in State government and is kept going by Montana refineries and other industries, making it vital to the State's economy. He added, "the Department is a good employer with many FTE positions".

Mr. Wicks said the Surface Transportation Act of 1982 is one of the most important since the 1930's and that other states have followed Montana's lead in raising the fuel tax, the dollars from which provided funding for work in the current biennium. In breaking down the fuel tax, the Department received only 3½ cents of the 6 cent allocation while 1½ cents went to local governments and 1 cent was earmarked for Montana Highway Patrol salaries. He explained other income is received from GVW fees and the coal severance tax.

According to Mr. Wicks' testimony, changes in financial districts increased GVW fines and a \$150 million bonding program have been instrumental toward completion of Montana's interstate system. In noting the primary system, he said the reconstruction trust fund which will provide 100% state funding over a 10 year period for the primary system, could also be used for other projects. He stated although interstates are "federal-aid highways", Montana provides 100% of the materials, while secondary or local highways receive 72% state funding and the balance in federal aid. The federal average, as stated by Mr. Wicks, is 82% with 18% of funding provided by the State.

Mr. Wicks explained federal dollars come with "strings attached" as to how and when funds may be spent, and although federal authorities cannot approve or disapprove state projects, they may withdraw funds if the State does not cooperate with federal intent. He told Committee members documentation of expenditures is strictly enforced as well as requirements for the construction industry.

Mr. Wicks said federal funds nearly doubled in 1985 at \$113 million, with additional discretionary federal funds available (made up of unused dollars which are retained in a pool and expended at year-end for special projects), of which there were \$8 million in October, 1984.

Mr. Wicks stated \$517 million has been budgeted for 1984-85 and \$584 million for 1986-87, explaining these figures allow for claims a contractor may submit to the Department after a certain amount of work has been completed, which can extend over a period of several years. He said a number of project payments will peak in 1986-87 from those projects being let now, and that strikes, weather and other problems can contribute to project and payment delays. He commented the key is in the letting schedule for construction, for which \$154 million was paid in 1982-83, \$298 million in 1984-85 and \$358 million is estimated for payment in 1986-87.

According to Department plans, 70 of 74 remaining miles of incomplete interstate is scheduled for completion in 1988, with the remaining 4.4 miles to be let in 1986. Mr. Wicks stated 144 miles remain to be completed on other highway systems in the State; 744 miles of 1200 designated have been overlayed; and 44% of the interstate system has been repaved in the past four years. He said all of this work has been completed with 1930 FTE's or 376 fewer than those authorized.

Mr. Wicks said he is requesting 2005 FTE's in 1986, and explained the increase is needed for construction personnel to monitor contractors for bids presently being let, but this FTE requirement would drop in subsequent years.

Mr. Wicks stated measures to achieve cost efficiency included a computer system to improve the quality of design and drafting, reorganization of highway districts from 11 to 5, decentralization of authority, changing specifications for highways and improving claim procedures. As an example, he cited Two Medicine bridge which will be rehabilitated, instead of being replaced, at a savings of \$2 million. Mr. Wicks added, the Department is still "way short of what is needed to do the job", as there are insufficient funds to meet requirements for 40' rural primary highways (which would cost \$160 million per year for the next 10 years to accomplish).

Mr. Wicks brought to the attention of those legislators present, House Bill 19, which he said would be presented this session as a request of the Department to correct an error in funding to the Highway Reconstruction Trust Fund, thus making it effective in 1986 instead of 1987.

Highways and Transportation Committee
January 11, 1985
Page 3

Other significant legislation this session will include an alternative and special fuels bill and an orphan plant bill, according to Mr. Wicks.

Addressing the federal requirement for an age 21 drinking limit, Mr. Wicks said the State would lose 5% or \$5.5 million in 1986 and 10% per year thereafter or \$11 million annually, if compliance is not achieved. He told the Committee there is a need for two bills, one for a referendum to put the drinking age limitation before the voters in 1986, and a second to change related laws.

Mr. Wicks mentioned the Child Restraint Act, but made no related comments and said the Surface Transportation Act runs out in 1986, at which time the federal government will bring in another new program, problems with deficit relationships and much uncertainty. He stated these changes may prove difficult for the Department.

Mr. Wicks closed his presentation and those present viewed a Department of Highways film which explained functions of the Department, in addition to history and current projects.

Following the film presentation, Mr. Don Harriott, Administrator, Engineering Division, told committee members there are presently 450 projects in the design phase of preconstruction with 30 more to enter. He said preconstruction is connected to construction by contract plans and the Montana Highway Commission.

Mr. Harriott requested legislative support of funding for CAD (computer aided design) and said the Department would be making a request for computer equipment.

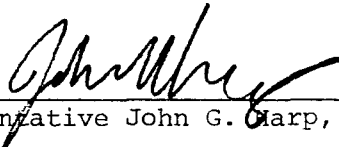
Mr. Don Copley, Administrator, Gross Vehicle Weight Division, addressed collection of GVW fees and issuance of permits for weight, size and length. He also discussed operation of new weigh stations in the State and the utilization of new FTE's authorized last legislative session.

Mr. Bob Champion, Administrator, Program Development Division, explained the functions of his Division include retention and availability of records, availability of project information, documentation of federal aid with regard to funding. He said federal funding is certain only through 1986 and discussed state matching funds, in addition to establishment of funding priorities. Mr. Champion stated the Highway Commission has the final say in project selection and made reference to the sufficiency rating scale of 1-100, which is used to rank projects for distribution of funds in each financial district.

Highways and Transportation Committee
January 11, 1985
Page 4

Mr. Don Gruel, Administrator, Maintenance and Equipment Division, told committee members his division is presently operating under a \$41 million budget with more than 600 FTE's and a fleet of 3171 units in the Motor Vehicle Division, plus 151 cars for State employee travel.

No other information was presented and those present returned to the State Capitol at 11 a.m.



Representative John G. Harp, Chairman

Jan 11, 1985
Exhibit 1

MONTANA HIGHWAY PROGRAM



Report to the 49th Legislature

DEPARTMENT OF HIGHWAYS



TED SCHWINDEN, GOVERNOR

2701 PROSPECT

STATE OF MONTANA

HELENA, MONTANA 59620

November 16, 1984

Honorable John G. Harp
134 Park Avenue
Kalispell, MT 59901

Dear John:

Enclosed is a copy of the Montana Department of Highways' Program Report to the 49th Legislature. The report was prepared to assist legislators and the public to better understand Montana's highway needs, programs, problems and plans for the 1986-87 biennium and beyond.

The actions taken by the 48th Legislature regarding fuel tax increases, bonding authority, and the Reconstruction Trust Fund to improve the primary system have had a very positive impact on the highway construction program.

The report includes information on how those changes are being implemented, and on the other steps being taken by the Department to deliver a higher level of service to highway users.

This report lists the highway projects to be undertaken during the 1986-87 biennium by Financial District, and represents the Department's construction work plan. Questions regarding the specific projects should be directed to the District Engineer in your area. The District Engineers are:

| | |
|-------------|---------------------------------------|
| District 1: | Vernon Borden, Missoula, 549-6491 |
| District 2: | Kenneth Rapp, Butte, 494-3224 |
| District 3: | Thomas Barnard, Great Falls, 727-4350 |
| District 4: | Jay Randall, Glendive, 365-5296 |
| District 5: | Duane Meiers, Billings, 252-4138 |

I hope you will take the time to read the report. If you have any questions or would like additional copies of the report, please contact me.

Sincerely,

A handwritten signature in cursive script, reading "Gary J. Wicks".

Gary J. Wicks
Director of Highways

GJW:jm:1K