

MINUTES OF THE MEETING

OF THE

LEGISLATIVE COMMISSION'S COMMITTEE TO STUDY THE CONSTRUCTION AND MAINTENANCE OF HIGHWAYS AND ROADS

(Senate Concurrent Resolution No. 53, File No. 143, *Statutes of Nevada 1997*)

November 10, 1997

Las Vegas, Nevada

The first meeting of the Legislative Commission's Committee to Study the Construction and Maintenance of Highways and Roads for the 1997-1998 interim was held on Monday, November 10, 1997, at 10 a.m., at the Grant Sawyer State Office Building, 555 East Washington Avenue, Room 4412, Las Vegas, Nevada. The meeting was video conferenced to the Legislative Building, 401 South Carson Street, Room 4100, Carson City, Nevada. Pages 2 and 3 contain the "Meeting Notice and Agenda."

COMMITTEE MEMBERS PRESENT:

Assemblyman P.M. Roy Neighbors, Chairman

Senator Ernest E. Adler

Senator Lawrence E. Jacobsen

Assemblyman Mark E. Amodei

Assemblyman David R. Parks

Assemblyman Bob Price

COMMITTEE MEMBERS ABSENT:

Senator Bill R. O'Donnell

Senator Dean A. Rhoads

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Paul Mouritsen, Principal Research Analyst

Kim M. Guinasso, Principal Deputy Legislative Counsel

Leslie Hamner, Deputy Legislative Counsel

Debbra J. King, Program Analyst

Jeanne Peyton, Senior Research Secretary

MEETING NOTICE AND AGENDA

Name of Organization: Legislative Commission's Committee to
Study the Construction and Maintenance of Highways and Roads

(S.C.R. 53)

Date and Time of Meeting: Monday, November 10, 1997

10 a.m.

Place of Meeting: Grant Sawyer State Office Building

Room 4412

555 East Washington Avenue

Las Vegas, Nevada

Note: Some members of the committee may be attending the meeting, and other persons may observe the meeting and provide testimony, through a simultaneous video conference conducted at the following location:

Legislative Building

Room 4100

401 South Carson Street

Carson City, Nevada

A G E N D A

I. Opening Remarks and Introductions

Assemblyman Roy Neighbors, Chairman

II. Staff Report

Paul Mouritsen, Principal Research Analyst, Research Division, Legislative Counsel Bureau (LCB)

— Review of Sources of Revenue for Construction and Maintenance of Highways and Roads

— Review of Previous Legislative Study from 1993-1994 Interim (see the report entitled *Financing for Construction, Maintenance and Repair of Highways*, LCB Bulletin No. 95-2)

— Review of Legislation from the 1995 and 1997 Sessions regarding the construction and maintenance of highways and roads

III. Presentation by the Clark County Regional Transportation Commission regarding needs for highway and road construction and maintenance in Clark County

IV. Presentation by Tom Stephens, Director of Nevada's Department of Transportation, regarding projected needs for highway and road construction and maintenance and plans for meeting those needs

V. Presentation by John Price, Administrator, Nevada Division of the Federal Highway Administration — Legislation pending in Congress to reauthorize the federal highway programs and

the effect of such legislation on Nevada

VI. Public Testimony

VII. Tour of Transportation Facilities in Southern Nevada

This tour will be conducted by Nevada's Department of Transportation. The committee will visit the following sites:

- Spring Mountain
- US-95 to New Ann Road with a stop at Lone Mountain
- LVACTS (Las Vegas Area Computer Traffic System)

The tour will take about four hours. Members of the public may accompany the committee but must provide their own transportation.

Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Research Division of the Legislative Counsel Bureau, in writing, at the Legislative Building, Capitol Complex, Carson City, Nevada 89701-4747, or call Jeanne Peyton, at 684-6825, as soon as possible.

Notice of this meeting was posted in the following Carson City, Nevada, locations: Blasdel Building, 209 East Musser Street; Capitol Press Corps, Basement, Capitol Building; Carson City Courthouse, 198 North Carson Street; Legislative Building, Room 1214, 401 South Carson Street; and Nevada State Library, 100 Stewart Street. Notice of this meeting was faxed for posting to the following Las Vegas, Nevada, locations: Grant Sawyer State Office Building, 555 East Washington Avenue; Clark County Office, 500 South Grand Central Parkway.

OPENING REMARKS AND INTRODUCTIONS

Chairman Neighbors called the meeting to order at 10 a.m. He introduced the members of the committee and the Legislative Counsel Bureau (LCB) staff.

STAFF REPORT

Paul Mouritsen

Mr. Mouritsen, Principal Research Analyst, Research Division, LCB, explained that the committee was established by Senate Concurrent Resolution No. 53 (File No. 143, *Statutes of Nevada 1997*) (Exhibit A) to followup on an interim study conducted in 1994, *Financing, Construction and Maintenance of Highways and Roads in Nevada*, LCB Bulletin No. 95-2, dated September 1994 (Exhibit B). According to S.C.R. 53, the committee must:

- Hold a total of five meetings during the 1997-1998 interim period.
- Consist of four members of the Senate (two members from the Senate Committee on Transportation and two members from the Senate Committee on Taxation); and four members of the Assembly (two from the Assembly Committee on Transportation and two members from the Assembly Committee on Taxation).
- Study the financing and construction of highways and roads in Nevada by:
 1. Reviewing the findings and recommendations from the 1994 interim study;
 2. Reviewing the federal, state, and local revenue to identify new sources of funding;
 3. Considering the effect on Nevada of proposals for highway reauthorization being

considered by the United States Congress;

4. Examining ways to make more efficient use of current revenues; and
5. Examining innovative funding opportunities that are used by other states.

Regarding Exhibit B, Mr. Mouritsen outlined the results of the 12 recommendations the Legislative Commission's Committee to Study the Financing of the Construction, Maintenance and Repair of Highways and Roads in Nevada submitted to the 1995 Legislature.

- Recommendation No. 1 (Assembly Bill 760) – The bill was drafted, but not introduced.
- Recommendation No. 2 (A.B. 415, Chapter 626, *Statutes of Nevada 1995*) – Mr. Mouritsen explained that diesel fuel tax collections have risen by 43 percent (approximately \$18 million) since this bill was enacted on July 5, 1995.
- Recommendation No. 3 – Introduced as A.B. 423 and died in the Assembly Committee on Ways and Means. A similar bill was introduced during the 1997 Session as A.B. 275, which died in the Assembly Committee on Taxation.
- Recommendation Nos. 4, 5, and 11 were introduced as A.B. 422. The bill was amended to designate the Extraterrestrial Alien Highway (EAH), but was never enacted. Recommendation No. 5 was implemented as part of the budget process.
- Recommendation No. 6 was placed in A.B. 419, which died in the Assembly Committee on Ways and Means. The Legislature revisited this issue during the 1997 Session in A.B. 135, which also died in the Assembly Committee on Ways and Means.
- Recommendation No. 7 (A.B. 421) – Died in the Assembly Committee on Taxation. In 1997, A.B. 666 and the first reprint of Senate Bill 452 had similar provisions, but neither passed.
- Recommendation No. 8 (A.B. 413) passed the Assembly and died in the Senate Committee on Transportation. During the 1997 Session, two bills were introduced with the same provisions — A.B. 403, which lost in the Assembly on a final vote and A.B. 499, which passed the Assembly and died in the Senate Committee on Transportation.
- Recommendation No. 9 was placed in A.B. 420, which died in the Assembly Committee on Transportation.
- Recommendation No. 10 – No bill was introduced.
- Recommendation No. 12 required that the Governor not propose and the Legislature not approve any additional exemptions or exclusions from state fuel taxes. This recommendation did not require a bill.

Mr. Mouritsen explained that Article 9, Section 5 of the *Nevada Constitution* requires that the fees collected from the registration of vehicles and motor fuel taxes be made available only for construction and maintenance of roads and highways and are limited for that purpose. He referred to a booklet titled "State of Nevada Transportation Facts and Figures," dated January 1997, published by Nevada's Department of Transportation (NDOT) (see Exhibit C), which lists some of the most important sources of revenue.

Continuing, Mr. Mouritsen said the major sources of revenue for the construction and maintenance of highways and roads that the committee may want to consider during its deliberations are:

- Gasoline taxes, which are collected at both the federal and state level. A breakdown of the gasoline tax is listed below:
 1. The federal tax is summarized on page 14 of Exhibit C and totals 18.3 cents per gallon;
 2. The state's share totals 18.4 cents per gallon, of which 17.65 cents is applied to the State

Highway Fund and .75 cents per gallon for the cleanup of petroleum discharges;

3. Four county mandatory taxes which total 6.35 percent; and

4. A county optional tax with a cap of 9 cents per gallon.

- A second source of revenue at the state level is the vehicle licensing and registration fees (see pages 17 and 18 of Exhibit C).
- A third source is federal funding.

In closing, Mr. Mouritsen informed the committee of one last item set forth in S.C.R. 53 which mandates that a concurrence of both a majority of the Senate members and a majority of the Assembly members is required for a vote to pass.

PRESENTATION BY THE CLARK COUNTY REGIONAL TRANSPORTATION COMMISSION REGARDING NEEDS FOR HIGHWAY AND ROAD

CONSTRUCTION AND MAINTENANCE IN CLARK COUNTY

Kurt Weinrich

Mr. Weinrich, P.E., Director, Regional Transportation Commission (RTC) in Las Vegas, provided the committee with the following information through an overhead slide presentation and a packet of prepared comments (see Exhibit D for more detailed information). He noted that the RTC's primary focus is:

- Transportation planning;
- The Public Transit Program;
- Public investment from the federal, state, local, and regional governments; and
- The highway financing program which is managed by the RTC.

He explained that under federal transportation laws, the RTC is required to manage and maintain a comprehensive, continuous, and cooperative planning process, allowing all entities involved with investing transportation dollars to share and coordinate their plans. The planning phase includes:

- An annual review of the short range transit plan; development of bicycle and pedestrian facilities; periodic review of road and street projects; and highways, which is where the majority of the funding is applied.
- A lengthy process mandated by federal law, which allows NDOT, each of the counties, the cities, and the general public to have input into the transportation needs and priorities for the region.

Referring to a map of Nevada (see Exhibit E), Mr. Weinrich noted that the Las Vegas Valley and a portion of the Eldorado Valley containing the inhabited portion of Boulder City to the Colorado River is a significant boundary area that is subject to a broader planning process (it covers approximately 500 square miles and the majority of the population). Projects outside of this area are not subject to the same planning and coordination process.

According to Mr. Weinrich, the RTC's direct programs include administering the 9 cent per gallon county optional gasoline tax that the Clark County Board of Commissioners imposed. Currently this tax funds the arterial road construction program and the RTC, both located in Clark County, Nevada. The nine cent gasoline tax includes a provision that the RTC follows, in which outlying areas can use this funding for their own needs. Pursuant to Chapter 373 of *Nevada Revised Statutes* (NRS), "County Tax on Fuel," the RTC reviews the projects to be funded by this gasoline tax on an annual basis. See Exhibit D for a list of the projects approved by the RTC.

Continuing, Mr. Weinrich explained that although it is difficult to plan into the future for one of the fastest growing county's in the nation, the Metropolitan Planning Organization (MPO) has adopted a 20-year regional transportation plan for the urban areas. One of the major aspects of this process is to determine that the plan conforms with the Federal Clean Air Act (Act). The agencies responsible for preparing and adopting the state implementation plan required by the Act (Division of Environmental Protection, State Department of Conservation and Natural Resources, the Board of County Commissioners, and Comprehensive Planning Department) must come up with a new implementation plan that addresses the shift in Clark County to serious nonattainment for carbon monoxide. Also, the state must follow a separate plan for particulate matter (PM-10).

In response to questions posed by Senator Adler as to whether the installation of a light rail system in Clark County would lessen motor vehicle traffic and lessen the carbon monoxide problem, Mr. Weinrich said that a major investment study has just been completed identifying the future transportation needs in the Las Vegas resort corridor. The following four specific actions have been identified:

- A fixed guide way/monorail. The RTC is proceeding with an environmental impact study on this project and Congress has allocated \$5 million in the current transportation appropriation bill towards the preliminary engineering of the fixed guideway.
- Expansion of the Citizens Area Transit (CAT) bus system by doubling its size from 212 buses to over 500. The RTC has been approved to receive \$8 million from the Federal Government to purchase more buses.
- Systems management activities, many of which are part of the intelligent transportation system plan for the State of Nevada include: (1) expanding and updating the centralized computer system for traffic signals; (2) installing ramp metering on the freeways; and (3) establishing an incident management system on the freeways.
- Adding nine roads to the regional transportation plan. The RTC and its member entities have been pursuing a multi-model plan that is basically driven by the Act and its amendments of 1990.

Replying to Senator Adler, Mr. Weinrich noted that new roads would not necessarily increase traffic, but would be used by the CAT bus system and high occupant vehicles (i.e., car and van pools through park and ride programs).

According to Mr. Weinrich, the 1991 Legislature passed S.B. 112 in response to the Clark County voters "overwhelming" support of Ballot Question Number 10 during 1990 General Election. This legislation allowed in part for the cent per gallon county optional tax to be increased to 9 cents. It also made possible a ¼ cent sales tax for the mass transit system, enabled the local entities to levy an additional hotel/motel room tax for transportation, increased the motor vehicle privilege tax, and increased and reallocated the aviation jet fuel tax, all of which was applied to the creation of a \$100 million per year fund at the local level within Clark County, for transportation improvements. He informed the committee that a report is being prepared on the performance of these taxes and offered to make a presentation at a future meeting of this committee. Because of the growth of the base of these taxes, over \$100 million is being collected each year.

Responding to a question posed by Senator Adler, Mr. Weinrich said that the ¼ cent increase in the sales tax can be applied towards a fixed guideway project. The options for financing to be provided by the local government are currently being analyzed. Forty-five percent of the cost of the first phase has been requested from Congress, which is being considered as part of the Intermodal Surface Transportation Efficiency Act. The productivity of the current ¼ cent tax is not sufficient to fully support the expansion of the CAT bus system, therefore, it will certainly not be adequate to finance the local government's share of building a fixed guideway.

Chairman Neighbors requested that Mr. Weinrich prepare a breakdown of Clark County's transportation fund to be presented at a future meeting of the committee. He also requested a summary on how NDOT, the RTC, and other county funds are combined and distributed for the construction and maintenance of highways and roads.

PRESENTATION BY TOM STEPHENS, DIRECTOR OF NEVADA'S
DEPARTMENT OF TRANSPORTATION, REGARDING THE NEEDS FOR

HIGHWAY AND ROAD CONSTRUCTION AND MAINTENANCE AND PLANS FOR MEETING THOSE NEEDS

Tom Stephens

Mr. Stephens, Director, NDOT, presented the committee with a highway system and funding overview of Nevada's Department of Transportation, through an overhead slide presentation (see Exhibits F and G). Referring to a number of charts outlined in Exhibit G, Mr. Stephens said that:

- Approximately 40 percent of the highways in Nevada are part of the National Highway System.
- Of a total of 19,000 miles of paved center line roads (mileage is determined by the length of the road, therefore, a two lane or an eight lane highway would be the same mileage) in Nevada, approximately 29 percent are maintained by the state.
- Eighty-nine percent of pavement damage is on NDOT roads and 11 percent is on local streets and highways and county roads.
- For Fiscal Years (FY) 1992-1997, a total of \$364,182,229 (72 percent) was spent in Clark County and \$110,051,322 (22 percent) in Washoe County, Nevada, on capacity (construction) projects. Clark County utilizes most of its funding for capacity projects, while the majority of the financing available for the maintenance of roads is used by the rural areas.
- The amount of money spent on each area within the state varies from year to year depending on where the construction or repairs are most needed.
- Core revenue to NDOT, FY 1998 projections include:
 1. \$146 million in state gasoline tax;
 2. \$66 million in diesel tax;
 3. \$26 million in Nevada's Department of Motor Vehicles and Public Safety (DMV&PS) fees after its costs; and
 4. \$118 million in federal funds.
- The 1997 backlog of maintenance needs is approximately \$447 million.

Responding to Senator Jacobsen, Mr. Stephens said that Nevada was receiving only .64 percent of the total federal funding. Since the Federal Government's formula does not take into consideration the population growth within the state or the percentage of public lands, a request was made by Nevada's United States Senator Harry Reid and its rate was increased to .73 percent of the total funding.

He explained that the local revenues projected for FY 1998 for road construction in Clark County consist of: (1) gasoline tax of \$72 million, (2) sales tax of \$41 million (used to subsidize mass transportation), (3) privilege tax of \$15 million, (4) room tax of \$15 million (can be used for a fixed guideway), (5) developer tax of \$25 million, and (6) jet fuel tax of \$8 million; a total of \$176 million.

The Chairman commented that many of the counties do not take advantage of some of the gasoline taxes available to them.

Responding, Mr. Stephens said that the rural areas cannot expect the urban communities to pay for capacity projects needed in those counties if they are not utilizing the sources of revenue that are available to them such as the optional gasoline tax.

In reply to a comment made by Assemblyman Price regarding a vehicle tax charged in the State of Virginia, Mr.

Stephens said that the privilege tax (which is the largest percentage of the cost to register a motor vehicle in Nevada) is not allocated to highway and road construction or maintenance.

Continuing with his presentation, Mr. Stephens said that in Washoe County:

- Eight-three percent of the roads are state maintained and 17 percent are locally maintained.
- Local revenues projected for FY 1998 for road construction are: (1) \$21 million in gas tax; (2) \$11 million in sales tax; (3) \$7 million in local general funds; (4) \$2 million in regional road impact fees; (5) \$1 million in development fees; and (6) \$2 million in other miscellaneous fees.

Referring to a map in Exhibit G, Mr. Stephens pointed out the large number of NDOT maintenance stations located throughout the state.

According to Mr. Stephens, ten-year projections concerning highways and roads in Nevada include: \$5.6 billion in revenue; \$7 billion in expenditures; and \$1.4 billion in unfunded capacity projects.

The Chairman requested that Mr. Stephens present to the committee at its next meeting in January 1998, a breakdown by miles of the roads that are maintained by NDOT within each county, city, and unincorporated towns.

Responding to Senator Jacobsen, Mr. Stephens said that NDOT is presently considering five "super projects" within the state. These projects are:

- Construction on U.S. 95 in northwest area of Las Vegas, which is in the environmental study process.
- The widening of I-15 from Las Vegas to Primm, which is in the design and environmental study process.
- The construction of a bypass around Boulder City and a bridge to bypass Boulder Dam.
- Completion of the freeway from Reno to Carson City and the Carson City bypass.

In Mr. Stephen's opinion, the Federal Government should fully fund the bridge to bypass Boulder Dam (see Exhibit H, "An Overview of Highway Projects in Southern Nevada").

Sohila Bermanian

Ms. Bermanian, Principal Pavement Engineer, NDOT, provided the committee with a profile of: (1) how NDOT prioritizes the needs of the existing system; (2) the condition of the existing system; and (3) how NDOT optimizes its available funding (see Exhibit I). She explained that:

- A pavement management system is used to identify roadways needing repair, and allows NDOT to maintain its system at a high level of serviceability and a lesser cost. The components of this system are:
 1. Data analysis and collection; and
 2. Project ranking, prioritization, and optimization.

She explained that NDOT has equipment to measure the strength of the pavement. By defining the weaker areas in the highways and roads, the pavement overlay can be made thicker only where it is necessary, therefore, making optimal use of the funding available.

Ms. Bermanian noted that NDOT's project ranking and prioritization consists of several factors, including:

- Condition of the existing pavement;
- Vehicle and truck traffic;

- Route classification (primary or secondary route); and
- Environmental conditions.

She explained that several options are addressed when dealing with the repair and maintenance of primary or interstate routes, and fewer options are considered for lower volume roads. After a project is reviewed by NDOT administrators, it will be subsidized based on the available funding.

Continuing, Ms. Bermanian noted that expenditures are broken down into five categories based on the importance of the route; whereas, the greatest amount of funding is placed into category 1 and 2 projects. She noted that most of the high profile routes are under contract for repair and the lower profile routes are maintained by NDOT personnel.

Concluding, Ms. Bermanian noted that the ultimate goal of NDOT is to make sure the system is maintained at the highest level and available funding is utilized to its fullest. For example, rather than waiting several years to reconstruct a road, it can be maintained by applying a two-inch overlay, greatly reducing the total cost.

The Chairman apprised the committee of an article from the University of North Carolina, Charlotte, regarding California's roads. The article stated that California's administrative costs predominate its costs for construction and maintenance of roads, and that its staff consists of one supervisor/manager for every four employees.

In reply, Ms. Bermanian said that in the *Federal Highway Report*, which evaluates all the states, California is ranked number 47 as far as the condition of its pavement and Nevada is ranked number 7.

Russ Law

Mr. Law, Chief Operations Analysis Engineer, NDOT, directed the committee's attention to the "State Highway Preservation Report," dated January 1997 (Exhibit J) and provided a brief overview to the committee. He noted that:

- Preservation work is done to extend the life of Nevada's existing roadways and bridges.
- Approximately 3,595 lane miles of state maintained roads are in need of overlay and reconstruction work at a cost of about \$447.5 million.

Kent Cooper

Mr. Cooper, Program Development Manager, NDOT, with offices located in Carson City and Las Vegas, provided the committee with a brief overview of NDOT's annual work program and short/long range plan (see Exhibit K). He explained that NDOT's legislative requirements are set forth in NRS 408.203 "Duties of director: Reports to legislature"; NRS 408.280 "Program for work on highways: Contents; distribution"; NRS 408.319 "Report of projects for construction and maintenance: Preparation; contents; revision; public inspection"; and 23 *Code of Federal Regulations* Part 450.216, which deals with the metropolitan planning area transportation implementation programs (TIP).

He informed the committee that before NDOT can begin a major construction project in Clark or Washoe Counties, it must first be approved by the local government and the RTC. Also, close coordination with the MPO's (Clark and Washoe Counties only) and the RTC offices in the other 15 counties is maintained, in addition to a public participation process which is approved at the federal and state level for both Clark and Washoe Counties.

Explaining the yearly planning process, Mr. Cooper said that:

- Since October is the beginning of the federal fiscal year, in November of each year, all agencies are notified of prioritization in their areas.
- By January of the following year, each agency should have identified its capacity projects and provided the information to the MPO and NDOT.
- By March 1 of each year this process is complete and by March 31, the air quality process is completed.

- By April 30, a draft list of the projects is completed and a county tour process begins. All 17 counties are visited by NDOT and meetings with the RTC in each area are arranged. At these meetings, a draft list of projects chosen are submitted, and around July 1, each MPO should have completed its public participation plan process.
- Mr Stephens makes the final approval on the statewide transportation improvement program for submittal to the Federal Highway Administration (FHA). This is submitted during the month of September of each year to coincide with the start of the federal fiscal year.

Gerald Colquhoun

Mr. Colquhoun, Chief, Programs and Budget, NDOT, submitted a fund status report (Exhibit L), which separates the funding available to many different projects. He explained that any funding not used within a particular year can be carried over for a period of four years and, for the most part, the matching ratio on federal money is 95 percent federal funding and 5 percent state funding.

Responding to the Chairman, Mr. Colquhoun said that the \$55 million represents the apportionments being larger than the annual spending authority allowed. He explained that the Federal Government gave Nevada an average of \$130 million each year over a six-year period when it reauthorized the highway program (the last bill being the Intermodal Transportation Efficiency Act of 1991 [ISTEA], *Public Law 102.240*), but Congress assigned a lesser amount in order to help balance the federal budget.

PRESENTATION BY JOHN PRICE, ADMINISTRATOR, NEVADA DIVISION **OF THE FEDERAL HIGHWAY ADMINISTRATION — LEGISLATION** **PENDING IN CONGRESS TO REAUTHORIZE THE FEDERAL HIGHWAY** **PROGRAMS AND THE EFFECT OF SUCH LEGISLATION ON NEVADA**

John Price

Using an overhead slide projector, Mr. Price, Administrator of the Nevada Division of the FHA, presented the committee with information regarding the federal highway program and the reauthorization process. He said that:

- The Federal Government collects various taxes and apportions them to the states. Each state determines what projects they want to proceed with and a list is submitted to the FHA for authorization.
- Congress is required to pass reauthorization legislation every several years to continue authorized amounts for the highway program. The legislation in effect at present is ISTEA.
- The National Economic Crossroads Transportation Efficiency Act of 1997 (NEXTEA) is the FHA's proposal for the next reauthorization and will consist of a six-year bill (S. 468). This bill will include \$175 billion for funding of Amtrak, the highway transit, highway safety, and the entire surface transportation program.

Continuing, Mr. Price said that the FHA and the current highway program consists of several core projects, including the:

- Interstate Maintenance Program (90 percent federally-funded) which covers 45,000 miles of the national interstate system, of which approximately 560 miles are located in Nevada.
- National Highway System (80 percent federally-funded) which includes a 165,000 mile national network.

Approximately 2,000 miles are located in Nevada.

- Surface Transportation Program (80 percent federally-funded) which has consolidated several small programs, and some urban and rural programs into one broad category. Part of this program stipulates that the state must spend a certain amount of its funding on transportation enhancement and safety projects.
- Congestion Mitigation Air Quality Program (CMAC) which provides funds to those areas which are in nonattainment of the air quality standards. This program is 80 percent federally-funded.
- Bridge Replacement and Rehabilitation Program (80 percent federally-funded) which provides funding to replace structurally inadequate or functionally deficient bridges in the nation.

According to Mr. Price, federal law indicates apportionment factors for each one of the above listed categories. Land area, rural or urban population, postal mileages, cost to replace deficient bridges, and vehicle miles of travel within each state are all taken into consideration when funds are appropriated from the Federal Highway Fund.

Mr. Price noted that although Nevada has usually been allocated more funding than the state contributed to the Federal Highway Fund, some states complain that they are not getting their fair share. From 1956 to 1996, Nevada has received \$1.56 in allocations and apportionments for every dollar it paid into the fund.

Reviewing legislation pending in Congress to reauthorize the federal highway programs and the effect of such legislation on Nevada, Mr. Price said:

- Nevada's share of ISTEA was \$103 million over the six-year period from 1991 to 1997 (the total bill was for \$18 billion).
- That NEXTEA proposes \$122 million for Nevada, which is .61 percent of the total amount.
- The Building Efficient Surface Transportation and Equity Act of 1997 (BESTEA) (H.R. 2400) is the House of Representatives version of NEXTEA (\$20 billion) and proposes a six-year bill consisting of \$24 billion in funding, far exceeding the budget agreement executed between Congress and President Bill Clinton. This bill proposes \$139 million for Nevada, which is .58 percent of the total amount.
- The Intermodal Surface Transportation Efficiency Act II, S. 1173 (ISTEA II) proposes \$161 million for Nevada, which is .73 of the total amount.

Mr. Stephens remarked that the states only receive about 90 percent of the authorization levels shown above.

Mr. Price concurred and explained that the states are budgeted for a larger amount of funds than Congress actually allows to be used on a yearly basis. The highway program competes with other federal domestic programs and the annual budget process, and it depends on where the money is needed most.

According to Mr. Price, the Highway Trust Fund generates approximately \$23 billion in funding each year.

Mr. Price explained that with the expiration of ISTEA in October 1997:

- The states have \$9.7 billion in unobligated apportionments that can be spent. Nevada's share is approximately \$55 million.
- States may perform construction in advance of new funding being allocated to them by the Federal Government, and be reimbursed when the appropriations are made.
- During November 1997, the U.S. Senate passed a bill allowing the states to use their unobligated balances and allow them flexibility with this money until the multiyear bill is considered.

Responding to Senator Jacobsen, Mr. Price said that:

- The funding pledged under the Federal Highway Program by President Clinton to be used in the Lake Tahoe

Basin is basically part of the money administered to the state. These funds are apportioned to each state according to formulas. If the State of Nevada wants to spend additional federal money on the Lake Tahoe Basin, it would have to be diverted from another project.

- The U.S. Department of Energy will only designate the route for transporting nuclear waste to Nevada. He is not aware of special funding being allocated to the state for roads leading to the waste disposal site.

PUBLIC TESTIMONY

Pamela S. Miller

Ms. Miller, representing Nevada's chapter of Associated General Contractors (AGC), testified next. In Ms. Miller's opinion, more roads need to be built in Nevada. The AGC requested that a transportation study be done during the 1997-1998 interim period because of its concern regarding capacity and maintenance projects. She suggested that the committee address the following issues:

- Establish guidelines for money drawn from NDOT's budget. Over \$27 million was spent from the State Highway Fund for items other than roads (i.e., sound barriers).
- The state should make an effort to return all user fees to the State Highway Fund. Thirty out of 50 states have separate highway funds, versus intermingling with the General Fund. Nevada also has a tire tax that is used to fund the Division of Environmental Protection, State Department of Conservation and Natural Resources. In Ms. Miller's opinion, these fees should be part of the State Highway Fund.
- Either increase the gas tax or link it to some kind of indexing which may allow more flexibility. The last gas tax increases were on October 1, 1991, and October 1, 1992 (2.5 cent increase each year).

In closing, Ms. Miller suggested that a representative of Granite Construction Company (GCC) (which does highway and road construction and maintenance throughout the United States) be included in a future agenda of this committee. She added that GCC has been involved in many successful public/private partnerships.

The Chairman directed staff to speak with Ms. Miller about including this on a future agenda.

Michael S. Lynch

Mr. Lynch, Director, Government Affairs, Builders Association of Northern Nevada, testified via video conference from Carson City. His statement (see Exhibit M) concerned a 1993 study proposed by the Washoe County RTC to examine the funding shortfall for road construction and maintenance within the county. The RTC predicted a \$660 million deficit over the next 20 years. He explained that a "blue ribbon" committee was appointed that developed a balanced approach to fund the shortfall by creating a:

- Five-cent gas tax;
- Regional impact fee for new construction; and
- One-quarter-cent sales tax.

Mr. Lynch noted that the Builders Association supports the examination of indexing the fuel tax with inflation.

In closing, the Chairman informed the committee to contact Mr. Mouritsen to discuss any topics they may wish to be included in a future agenda.

Senator Jacobsen directed LCB staff, along with NDOT staff to develop additional charts describing all revenue sources available for the construction and maintenance of Nevada's highways and roads.

Exhibit N is the "Attendance Record" for this meeting.

There being no further business before the committee, Chairman Neighbors adjourned the meeting and informed the committee that the tour of the transportation facilities in southern Nevada would begin at 2 p.m.

TOUR OF TRANSPORTATION FACILITIES IN SOUTHERN NEVADA

All the members of the committee present during the meeting attended the tour except for Assemblyman Mark Amodei who was excused. The committee members, LCB staff, and other interested participants gathered outside the Grant Sawyer State Office Building in Las Vegas for a tour conducted by NDOT.

Stanton Wilkerson

Mr. Wilkerson, Marketing Manager for the RTC in Las Vegas, described the Citizens Area Transit (CAT) Fixed Route Transit Service (one of the CAT buses would be transporting the committee on the tour). He said that the CAT began in December 1992 and offers service on 39 routes in the urbanized Las Vegas Valley and routes in the communities of Mesquite and Laughlin, Nevada. It operates daily from 5:30 a.m. until 1:30 a.m., seven days a week on most of the routes (see Exhibit O for complete details).

Susan G. Martinovich

Beginning the tour, Ms. Martinovich, P.E., Assistant Director — Engineering, NDOT, described the construction taking place at each location (see Exhibit P for complete details). The first stop was made at the Spring Mountain Road/I-15 Modification site, which will cost approximately \$107.51 million and is scheduled for 630 working days of construction. Some of the proposed projects include:

- Building eight new bridges and widening four existing bridges;
- Building approximately 13.4 lane miles of travel lanes and 4.5 lane miles of new asphalt travel lanes;
- Excavating 105,600 cubic yards of material;
- Placing 24 miles of lane striping; and
- Placing 104,360 square feet of mechanically stabilized earth wall.

Continuing on the tour, Ms. Martinovich explained that along I-15 to the U.S. 95 Cheyenne Interchange, the existing shoulders will be converted to auxiliary lanes in both directions and the road will be widened for new shoulders. The estimated construction time for this job is approximately 100 working days at an estimated cost of \$5.2 million.

A stop was made at the Rancho Interchange (U.S. 95 and Rancho Drive) which was opened to the public in August 1997. The consultant selection process for design study of this project began in November 1992 and HDR Engineering, Inc. was selected to design the Rancho Interchange. The contract for construction was awarded to Max Riggs Construction Company for \$15.7 million.

P.D. Kiser

A final stop was made at the Las Vegas Area Computerized Traffic Control System (LVACTS) where Mr. Kiser, P.E., Traffic Engineering Manager, Parsons Transportation Group, Inc., Barton-Aschman Associates, Inc., Reno, provided the group with an overview of the LVACTS (see Exhibit Q). Following a slide presentation of the operation of the system, he explained that the LVACTS:

- Was established in 1983 as one of the only multijurisdictional centralized traffic signal systems in the United States.
- In 1993, NDOT and LVACTS secured the services of Barton-Ashman Associates, Inc., to upgrade the existing system.

Responding to Assemblyman Price, Mr. Kiser said that LVACTS is not used as a law enforcement tool.

According to Mr. Kiser, the dry weather conditions in the Las Vegas area work well with the high-frequency microwave communications system used by LVACTS.

Following a short tour through the building to view the equipment, the group returned to the Grant Sawyer State Office Building at 5:15 p.m.

Respectfully submitted

Jeanne Peyton

Senior Research Secretary

Approved By:

Assemblyman P.M. Roy Neighbors Chairman

Date

LIST OF EXHIBITS

Exhibit A is a copy of Senate Concurrent Resolution No. 53 (File No. 143, *Statutes of Nevada 1997*), submitted by Paul Mouritsen, Principal Research Analyst, Research Division, Legislative Counsel Bureau (LCB).

Exhibit B is a copy of *Financing, Construction and Maintenance of Highways and Roads in Nevada*, LCB Bulletin No. 95-2, dated September 1994, submitted by Mr. Mouritsen.

Exhibit C is a booklet titled, "State of Nevada Transportation Facts and Figures," dated January 1997, provided by Mr. Mouritsen.

Exhibit D is a packet provided by Kurt Weinrich, P.E., Director, Regional Transportation Commission (RTC), Las Vegas, Nevada which includes:

1. The "Final Budget" of the Regional Transportation Commission for Fiscal Year 1997-1998;
2. A chart titled, "Regional Transportation Commission Planning Document Preparation Process"; and
3. An outline titled, "Regional Transportation Commission of Clark County Cash Flow Analysis," updated October 29, 1997.

Exhibit E is map of Nevada titled "Roadway Functional Classification," provided by Mr. Mouritsen.

Exhibit F is an "Agenda" of Nevada's Department of Transportation (NDOT) speakers at the November 10, 1997, meeting of the Legislative Commission's Committee to Study the Construction and Maintenance of Highways and Roads (Senate Concurrent Resolution No. 53) and the "Tour" schedule following the meeting, submitted by Tom Stephens, P.E., Director, NDOT.

Exhibit G is a booklet titled "Highway System and Funding Overview, November 1997," submitted by Tom Stephens, P.E., Director, NDOT.

Exhibit H is a brochure entitled "An Overview of Highway Projects in Southern Nevada," submitted by NDOT.

Exhibit I is a leaflet concerning NDOT's pavement management system submitted by Sohila Bermanian, Principal Pavement Engineer, NDOT.

Exhibit J is the "State Highway Preservation Report," dated January 1997, submitted by Russ Law, Chief Operations Analysis Engineer, NDOT.

Exhibit K is a booklet titled "Project Evaluation for State Transportation Improvement Program and Long Range Element and Project Submittal Form," prepared by NDOT and submitted by Kent L. Cooper, Program Development Manager, NDOT.

Exhibit L is a list of fund descriptions submitted by NDOT, titled "NDOT - Financial Management Division: Fund Status Report," dated November 6, 1997.

Exhibit M is written testimony from Michael Lynch, Director, Government Affairs, Builders Association of Northern Nevada.

Exhibit N is the "Attendance Record" for this meeting.

Exhibit O is a packet distributed by the RTC titled "CAT Citizens Area Transit," including:

1. An outline titled "Regional Transportation Commission of Clark County, Nevada," dated October 1997; and
2. A campaign summary by Kurt Weinrich, P.E., Director, RTC, titled "Make the Turn to Blue Skies...Be a Part of the Pollution Solution."

Exhibit P is a number of fact sheets distributed by NDOT concerning the locations visited on the tour, including:

1. "Spring Mountain/I-15 Modifications, Contract 2779, dated November 7, 1997";
2. "Job Description: I-15 Spaghetti Bowl to Cheyenne Interchange";
3. "Rancho Interchange - Contract 2727"; and
4. "Las Vegas Bowl - Stage 2, Reconstruction Facts and Figures."

Exhibit Q, provided by P.D. Kiser, P.E., Traffic Engineering Manager, Parsons Transportation Group, Inc., Barton-Aschman Associates, Inc., Reno, is titled "An Improved Traffic Signal System for the Las Vegas Valley."

Copies of the materials distributed in the meeting are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. You may contact the library at (702) 684-6827.