



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill # SB0290

Title: Apply private motor carrier safety standards to certain publicly owned vehicles

Primary Sponsor: Keane, Jim

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$3,435,840	\$2,599,084	\$2,201,315	\$2,204,845
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact: The bill states that the public entities are under the same requirements as a private person for Federal Motor Carrier Safety Administration (FMCSA). This change will have a fiscal impact on the Department of Transportation.

FISCAL ANALYSIS

Assumptions:

Montana Department of Transportation (MDT)

Maintenance Division

- Currently, the rules in Title 18, Chapter 8, Rule 152, ARM, state that the department will adopt the FMCSA regulations in Title 49. In Title 49, part 390, sub-part a, it states that "Transportation performed by the federal government, a state, or any political subdivision of a state" are exempt in parts 391-396 of Title 49. Under this bill MDT would have to follow the provisions in Title 49 parts 391-396. This would include a restriction of hours of service, requiring additional FTE, enhanced record keeping, and additional lighting for the department's trucks.
- Additional Maintenance area FTE would be required to maintain the current level of service. The FMCSA regulations require a maximum work day of 14 hours with a total of 11 hours of service in a truck in a 24

hour period. Currently, the department attempts to limit each driver to a maximum of 12 hours in a plow truck; however, at times the 12 hours is exceeded in emergency situations. As the bill is written, the department would have to remove drivers from the truck after 11 hours. Therefore, the department would require additional drivers as to not compromise the safety of the traveling public. The severity of winters and storms throughout the year will affect the need for additional FTE. For purposes of this fiscal note, an estimate of 2.00 FTE per maintenance area or 20.00 FTE statewide. The cost for salary and benefits for the 20.00 FTE is \$1,242,540 annually.

3. The department would be required to add more lighting on MDT plow trucks. There are 700 trucks that would need additional lights at a cost of \$928 per truck; additionally every new truck in subsequent years would need to have these lights as well. MDT replaces on average 25 trucks per year. The total costs for FY 2016 would be \$649,600. The total costs for FY2017 – FY2019 would be \$23,200.
4. To record the hours of service, congress has mandated that all vehicles be equipped with electronic log books. There are however, no rules written as to when electronic data logs will be required so MDT could split the cost of the electronic log book over two fiscal years. Currently these electronic data logs are between \$800 and \$1,200 per truck for the unit, software, and installation. Assuming a mid-range of \$1,000 per truck and 700 trucks needing the electronic unit, the cost would be \$700,000 to retrofit MDT's current fleet. MDT replaces on average 25 trucks per year at an additional cost of \$25,000 per year (FY 2017 – 2019) for these units to be installed in MDT's new vehicles.
5. The FMSCA may require additional record keeping and training beyond what is currently done by MDT. MDT would need to hire a consultant to investigate the gap between current records and training and FMSCA requirements and to conduct a gap analysis. The cost of a consultant is estimated to be \$50,000 in the FY 2016. In addition, it is estimated that it would require \$50,000 to become FMSCA compliant in the second year FY 2017.

Motor Carrier Services Division (MCS)

6. The bill applies to public entities including, state and local governments, school districts and possibly others public entities. As such, the Motor Carrier Services Division (MCS) assumes safety inspectors would have to conduct inspections on vehicles over 26,000 lbs. Gross Vehicle Weight (GVW) and compliance reviews on 50 counties, 394 school districts (school buses), 129 municipalities, and all state agencies including MDT. These inspections would occur on vehicles over 26,000 lbs. GVW, interstate vehicles over 10,000 lbs. GVW, and passenger vehicles with seating to transport 9 or more passengers including the driver.
7. The department would have to hire 11.00 FTE safety inspectors to enforce motor carrier safety regulations and laws. The estimated cost of salary and benefits for the 11.00 FTE is \$636,713 in FY 2016 and \$634,733 in FY 2017.
8. Startup and operating costs including vehicle maintenance, computers, training, and other costs for the 11.00 FTE would be \$214,874 FY 2016.
9. Annual ongoing operating costs include vehicle usage and maintenance, communications costs, and other costs would be \$128,249 in FY 2017.
10. A 1.5% inflation factor is applied to operating expenses in FY 2018 and FY 2019.
11. The department would purchase vehicles for the 11.00 FTE Motor Carrier Services officers at a cost of \$275,000.
12. The additional FTE for this analysis assumes that the Montana Highway Patrol's safety inspections of school buses remain at the current level of effort.

Administration Division

13. MDT would be required to complete annual driving records and e-background checks on all drivers. The department has approximately 750-925 commercial drivers (depending on the time of year). A criminal background check is \$11.50 and a driving record check is \$7.00, which would have to be done annually. These costs would come to \$17,113 per fiscal year.

Department of Natural Resources and Conservation (DNRC)

14. DNRC owns and operates various transport trucks, including but not limited to, nursery vehicles and various types of fire vehicles which meet the criteria within SB 290. In order to comply with SB 290, DNRC would need to:

- a. ensure that any employees with commercial drivers' licenses maintained log books of vehicle operations; and
- b. abide by the dyed diesel rules and associated Montana Department of Transportation (MDT) inspections (15-70-3, MCA).

15. The time and resources to track, report, and comply with Assumption 14 would be minimal and could be absorbed by existing staff and resources.

Department of Transportation

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	31.00	31.00	31.00	31.00
<u>Expenditures:</u>				
Personal Services	\$1,879,253	\$1,877,273	\$1,875,282	\$1,875,282
Operating Expenses	\$1,281,587	\$698,611	\$302,833	\$306,363
Equipment	\$275,000	\$23,200	\$23,200	\$23,200
TOTAL Expenditures	<u><u>\$3,435,840</u></u>	<u><u>\$2,599,084</u></u>	<u><u>\$2,201,315</u></u>	<u><u>\$2,204,845</u></u>
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	<u>\$3,435,840</u>	<u>\$2,599,084</u>	<u>\$2,201,315</u>	<u>\$2,204,845</u>
TOTAL Funding of Exp.	<u><u>\$3,435,840</u></u>	<u><u>\$2,599,084</u></u>	<u><u>\$2,201,315</u></u>	<u><u>\$2,204,845</u></u>
<u>Revenues:</u>				
State Special Revenue (02)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Revenues	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	(\$3,435,840)	(\$2,599,084)	(\$2,201,315)	(\$2,204,845)

Sponsor's Initials

Date

Budget Director's Initials

Date