

**Department of Transportation**  
**Budget No. 801**  
**Senate Bill Nos. 2012 and 2176, House Bill Nos. 1033 and 1358**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2013-15 executive budget (bills as introduced)	1,079.50	\$693,600,000 <sup>1</sup>	\$2,695,703,578	\$3,389,303,578
<b>2013-15 legislative appropriations</b>	<b>1,079.50</b>	<b>1,464,020,000<sup>2</sup></b>	<b>1,920,779,434</b>	<b>3,384,799,434</b>
Legislative increase (decrease) to executive budget	0.00	\$770,420,000	(\$774,924,144)	(\$4,504,144)
Legislative increase (decrease) to 2011-13 appropriations	16.00	\$1,051,331,107 <sup>3</sup>	\$171,724,975	\$1,223,056,082

<sup>1</sup>The 2013-15 executive budget reflects a 2013-15 biennium transfer of \$683.6 million from the general fund to the highway fund. The amounts shown do not include a 2011-13 biennium transfer of \$620 million from the general fund to the highway fund included in the executive budget recommendation.

<sup>2</sup>The 2013-15 legislative appropriations amount reflects a \$541.6 million transfer from the general fund to the highway fund and a \$1.1 million contingent transfer from the general fund to the public transportation fund.

<sup>3</sup>This amount reflects a 2011-13 biennium deficiency appropriation of \$36,138,893 to the Department of Transportation to repay loan proceeds received by the department for emergency relief projects during the 2011-13 biennium.

**ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS**

	<b>Ongoing General Fund Appropriation</b>	<b>One-Time General Fund Appropriation</b>	<b>Total General Fund Appropriation</b>
2011-13 legislative appropriations	\$0	\$412,688,893	412,688,893
<b>2013-15 legislative appropriations</b>	<b>0</b>	<b>1,464,020,000</b>	<b>1,464,020,000</b>
2013-15 legislative increase (decrease) to 2011-13 appropriations	\$0	\$1,051,331,107	\$1,051,331,107
Percentage increase (decrease) to 2011-13 appropriations	0.0%	254.8%	254.8%
2013-15 legislative increase (decrease) to executive budget	\$0	\$770,420,000	\$770,420,000
Percentage increase (decrease) to executive budget	N/A	111.1%	111.1%

**SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS**

**Salaries and Wages**

The legislative action affecting the recommended appropriation for the Department of Transportation is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015. Consistent with the guidelines, \$7,280,897 of salaries and wages funding from other funds for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying accrued annual leave and sick leave for eligible employees.

	Major Items		
	FTE Positions	General Fund	Other Funds
			Total
The legislative action:			
Adjusted funding for state employee salaries and benefits consistent with the legislative compensation package guidelines included in House Bill No. 1015.			(\$1,519,145)
Removed a 2011-13 biennium transfer from the general fund to the highway fund for road construction projects in western North Dakota and directly appropriated the funding from the general fund to the department (Senate Bill No. 2176).		\$620,000,000	(620,000,000)
Added authority to continue highway-rail grade crossing safety projects previously approved by the department.			640,000
Provided contingent transfers from the general fund to the public transportation fund.		1,100,000	1,100,000
Added funding for a general license plate issue.		6,820,000	6,820,000
Removed funding for housing and compensation assistance for employees affected by energy development.			(3,644,999)
Removed appropriation authority for the public transportation fund. (House Bill No. 1142 provided a continuing appropriation for the public transportation fund.)			(8,900,000)
Added funding for a rail safety pilot program.			500,000
Removed funding included in the executive budget for a county and township road reconstruction program in areas affected by oil and gas development. (Funding appropriated from the general fund and transferred to the highway fund for the program is removed along with the related appropriation authority from the highway fund.)		(142,000,000)	(142,000,000)
Added funding for county road projects in areas affected by oil and gas development (House Bill No. 1358).		160,000,000	160,000,000
Added funding for county road projects in areas not affected by oil and gas development (House Bill No. 1358).		120,000,000	120,000,000
Added funding to purchase replacement airplanes for the department's fleet (House Bill No. 1033).		4,500,000	4,500,000
<b>Total</b>	<u>0.00</u>	<u>\$770,420,000</u>	<u>(\$774,924,144)</u>

### FTE Changes

The 2013-15 biennium appropriations include funding for 1,079.5 FTE positions, an increase of 16 FTE positions from the 2011-13 biennium authorized level of 1,063.5 FTE positions. The Legislative Assembly did not change the executive recommendation to add 5 FTE engineers, 4 FTE transportation technicians, 4 FTE motor vehicle licensing specialists, 2 FTE driver's license supervisors, and 1 FTE accounting/budget specialist.

### One-Time Funding

The 2013-15 biennium legislative appropriations for the Department of Transportation include \$2,005,620,000 of one-time funding as follows:

	General Fund	Other Funds	Total
General fund transfer to highway fund	\$541,600,000		\$541,600,000
Enhanced state highway investments	620,000,000	\$541,600,000	1,161,600,000
TIGER III federal railroad program grant match	10,000,000		10,000,000
General license plate issue	6,820,000		6,820,000
Contingent general fund transfers to public transportation fund	1,100,000		1,100,000
Airplane replacement	4,500,000		4,500,000
Transportation distributions to oil-producing counties	160,000,000		160,000,000
Transportation distribution to non-oil-producing counties	120,000,000		120,000,000
<b>Total</b>	<b>\$1,464,020,000</b>	<b>\$541,600,000</b>	<b>\$2,005,620,000</b>

### Special Transportation Funding Distributions to Counties, Cities, and Townships

The Legislative Assembly provided 2013-15 biennium special transportation funding distributions to counties, cities, and townships as follows:

- **Senate Bill No. 2176 - Non-oil-producing political subdivisions** - Funding of \$100 million from the general fund was appropriated to the State Treasurer for transportation funding distributions to non-oil-producing counties, cities, and townships. Of the total, \$64 million was to be distributed to counties and cities pursuant to North Dakota Century Code Section 54-27-19(4), \$16,000,000 was to be distributed to counties and townships pursuant to Section 54-27-19.1, and \$20,000,000 was to be distributed to counties and townships through a grant of \$15,000 for each organized and unorganized township. To be eligible for a distribution, a political subdivision must have been located in a county that received an oil and gas tax allocation under Section 57-51-15 (oil and gas production tax allocations) of \$500,000 or less during state fiscal year 2012.
- **House Bill No. 1358 - Non-oil-producing counties** - Funding of \$120 million from the general fund was appropriated to the Department of Transportation for county road and bridge projects in counties that received less than \$5 million of oil and gas tax allocations under Section 57-51-15(2) during state fiscal year 2013. The funding is to be distributed based on the number of miles of roadway located in each county defined by the Department of Transportation as a county major collector roadway.
- **House Bill No. 1358 - Oil-producing counties** - Funding of \$160 million from the general fund was appropriated to the Department of Transportation for county road and bridge projects in counties that received \$5 million or more of oil and gas tax allocations under Section 57-51-15(2) during state fiscal year 2013. The funding is to be distributed based on data supplied by the Upper Great Plains Transportation Institute.
- **House Bill No. 1358 - Grants for certain oil-producing townships** - Funding of \$8,760,000,000 from the general fund was appropriated to the State Treasurer for grants to townships located in counties that received between \$500,000 and \$5,000,000 of oil and gas tax allocations under Section 57-51-15(2) during state fiscal year 2013. Each eligible township is to receive a grant of \$15,000 during each year of the biennium.

### General License Plate Issue

Sections 8, 9, and 14 of Senate Bill No. 2012 provide for a general license plate issue by the Department of Transportation. A general fund appropriation of \$6,820,000 was provided to the department for estimated costs associated with the license plate issue. A special funds appropriation of \$4.9 million was provided to the Department of Corrections and Rehabilitation for estimated costs to be incurred by Roughrider Industries related to the license plate issue. The general issue may not be made on embossed license plates and the department is to develop guidelines regarding the development of a new license plate design and the administration of the license plate issue. The department is to provide its recommendation for a new license plate design to the Budget Section for final approval of the design.

### **Highway-Rail Grade Crossing Safety Projects**

Section 4 of Senate Bill No. 2012 provides guidelines for the continuation of previously approved highway-rail grade crossing safety projects into the 2013-15 biennium. The Legislative Assembly in 2009 provided \$2.5 million of one-time funding for highway-rail grade crossing safety projects. The Legislative Assembly added appropriation authority of \$640,000 for the estimated costs to continue existing projects into the 2013-15 biennium.

Section 4 of Senate Bill No. 2012 also provides for a pilot program during the 2013-15 biennium for highway-rail grade crossing safety projects on local roadways. Section 15 provides that up to \$500,000 of special fuels excise taxes collected on diesel sales to railroads must be deposited in the highway-rail grade crossing safety projects fund for projects during the 2013-15 biennium. The Department of Transportation is to develop guidelines for the distribution of program funds. An eligible project may be located on a paved or unpaved roadway and a local match of 10 percent of total project costs must be provided for any approved project that is not located on the state highway system. On June 30, 2015, the State Treasurer is required to transfer any unexpended and unobligated balance in the highway-rail grade crossing safety projects fund to the highway tax distribution fund.

### **Other Sections in Senate Bill No. 2012**

**Line item transfers** - Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating expenses, capital assets, and grants line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.

**Contingent transfers to public transportation fund** - Section 5 provides contingent transfers of \$550,000 from the general fund to the public transportation fund on July 1, 2013, and July 1, 2014. The transfers are contingent upon deposits from the highway tax distribution fund into the public transportation fund being \$5 million or less during the preceding state fiscal year.

**2011-13 biennium township transportation funding distributions** - Section 16 amends Section 27 of Chapter 579 of the 2011 Session Laws to provide that a political subdivision eligible to receive a transportation funding distribution under that Section must have received an allocation under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or less in state fiscal year 2010 rather than state fiscal year 2011. Section 6 provides an appropriation of \$720,000 from the general fund to the State Treasurer to distribute funding to any political subdivision eligible to receive a distribution under subsection 3 of Section 27 of Chapter 579 of the 2011 Session Laws which has not already received a distribution under that subsection.

**2013-15 biennium township transportation funding distribution corrections** - Section 7 appropriates \$385,000 to the State Treasurer as an emergency to correct an error in distributions made to townships under Senate Bill No. 2176.

**2013-15 biennium general fund transfer** - Section 13 provides for a \$541.6 million transfer from the general fund to the highway fund during the 2013-15 biennium.

**Carryover authority - Enhanced state highway investments** - Section 11 provides unexpended 2013-15 biennium appropriations for enhanced state highway investments must be continued into the 2015-17 biennium.

**Exemption - Road grade raising grants** - Section 12 provides funding appropriated from the state disaster relief fund in 2011 Senate Bill No. 2371 for road grade raising grants is not subject to Section 54-44.1-11 and may be continued into the 2013-15 biennium by the Department of Transportation.

**Motor vehicle branch office fees** - Section 13 amends Section 39-02-03 relating to fees charged by Department of Transportation motor vehicle branch offices.

**Legislative Management studies** - Sections 17, 18, 19, and 20 provide for Legislative Management studies of state railroad assistance programs, transportation costs and funding, renewable fuel standards, and Department of Transportation motor vehicle branch offices.

### Related Legislation

**Special transportation funding distributions eligibility** - House Bill No. 1015 amends Sections 5, 6, and 7 of House Bill No. 1358 to base the eligibility to receive a special transportation funding distribution on the amount of oil and gas production tax allocations received by a county in state fiscal year 2013 rather than state fiscal year 2012 as included in House Bill No. 1358.

**Airplane replacement** - House Bill No. 1033 appropriates \$4.5 million for the purchase of replacement airplanes for the department's fleet and creates a committee to advise the department on the airplane replacement.

**Redistribution of public transportation funds** - House Bill No. 1122 allows the redistribution of public transportation funds allocated to a county but not expended. The bill also allows the Department of Transportation to use unexpended public transportation funding for transit coordination purposes.

**Public transportation fund continuing appropriations** - House Bill No. 1142 provides a continuing appropriation to the Department of Transportation to distribute funds from the public transportation fund.

**Extraordinary road use fees** - Senate Bill No. 2025 provides that extraordinary road use fees for a violation that did not occur on an interstate or a state highway must be deposited in the general fund of the jurisdiction having authority over the road on which the violation occurred and must be used for the support of the road system of that jurisdiction. Currently, all extraordinary road use fees are deposited in the state highway fund.