

**Department of Transportation
Budget No. 801
House Bill Nos. 1012 and 1176, Senate Bill Nos. 2015 and 2103**

	FTE Positions	General Fund	Other Funds	Total
2015-17 legislative appropriations	1,080.50	\$636,375,558	\$2,601,156,019	\$3,237,531,577
2015-17 base budget	1,079.50	0	1,379,179,434	1,379,179,434
Legislative increase (decrease) to base budget	1.00	\$636,375,558	\$1,221,976,585	\$1,858,352,143

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 legislative appropriations	\$0	\$636,375,558	\$636,375,558
2013-15 legislative appropriations	0	1,464,020,000	1,464,020,000
2015-17 legislative increase (decrease) to 2013-15 appropriations	\$0	(\$827,644,442)	(\$827,644,442)
Percentage increase (decrease) to 2013-15 appropriations	0.0%	(56.5%)	(56.5%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE 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 Senate Bill No. 2015.

	Changes to Base Budget			Total
	FTE Positions	General Fund	Other Funds	
The legislative action:				
Added funding for base payroll changes for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.			\$1,909,645	\$1,909,645
Added funding for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year.			7,050,591	7,050,591
Added funding for employee health insurance premiums to reflect a premium estimate of \$1,130.22 per month.			3,864,417	3,864,417
Added 1 environmental scientist III FTE position and related funding.	1.00		195,143	195,143

Added funding to upgrade the maintenance management system.		589,000	589,000
Increased funding for operating expenses.		8,748,743	8,748,743
Increased funding for contract patching from \$82,935,780 to \$118,649,089.		35,713,309	35,713,309
Adjusted funding for grants.		(16,870,000)	(16,870,000)
Removed 2013-15 biennium capital assets funding.		(153,839,821)	(153,839,821)
Provided contingent transfers from the general fund to the public transportation fund.	\$200,000		200,000
Provided a one-time transfer from the general fund to the highway fund of \$503.1 million for state highway improvements, and appropriated the funding from the highway fund to the Department of Transportation.	503,115,558	503,115,558	1,006,231,116
Provided a one-time transfer from the general fund to the special road fund of \$2 million for improvements to roads that lead to recreational areas, and appropriated the funding from the special road fund to the Department of Transportation.	2,000,000	2,000,000	4,000,000
Added one-time funding from the general fund to offset the costs incurred from motor coach operations.	1,000,000		1,000,000
Added one-time funding to continue the motor vehicle registration and titling system replacement project.		2,500,000	2,500,000
Added one-time funding from the strategic investment and improvements fund for the Department of Transportation's short line railroad loan program.		7,000,000	7,000,000
Added one-time funding from the general fund for a truck size and weight harmonization study.	60,000		60,000
Added funding for distributions to non-oil-producing counties for county road and bridge projects. (House Bill No. 1176)	112,000,000		112,000,000
Provided a one-time transfer from the general fund to the highway fund of \$18 million for state highway improvements, and appropriated the funding from the highway fund to the Department of Transportation. (Senate Bill No. 2015)	18,000,000	18,000,000	36,000,000
Added funding from the strategic investment and improvements fund for distributions to oil-producing counties for county road and bridge projects. (Senate Bill No. 2103)		240,000,000	240,000,000

Added funding from the strategic investment and improvements fund for distributions to non-oil-producing counties for county road and bridge projects. (Senate Bill No. 2103)			112,000,000	112,000,000
Provided a transfer from the strategic investment and improvements fund to the highway fund of \$450 million for state highway improvements, and appropriated the funding from the highway fund to the Department of Transportation. (Senate Bill No. 2103)			450,000,000	450,000,000
Total	<u>1.00</u>	<u>\$636,375,558</u>	<u>\$1,221,976,585</u>	<u>\$1,858,352,143</u>

FTE Changes

The 2015-17 biennium appropriation includes funding for 1,080.50 FTE positions, an increase of 1 FTE position from the 2013-15 biennium authorized level of 1,079.50 FTE positions. The Legislative Assembly added 1 environmental scientist III FTE position.

One-Time Funding

The 2015-17 biennium legislative appropriations for the Department of Transportation include \$1,968,991,116 of one-time funding as follows:

	General Fund	Other Funds	Total
General fund transfer to highway fund	\$521,115,558		\$521,115,558
Enhanced state highway investments (transfer of \$521,115,558 from general fund to the highway fund and \$450 million from strategic investment and improvements fund to the highway fund)		\$971,115,558	971,115,558
General fund transfer to the special road fund	2,000,000		2,000,000
Improvements to roads that lead to recreational areas (transfer from general fund of \$2 million to the special road fund)		2,000,000	2,000,000
Short line railroad loan program funding from the strategic investment and improvements fund		7,000,000	7,000,000
Contingent general fund transfers to public transportation fund	200,000		200,000
General fund appropriation to offset costs incurred from motor coach operations	1,000,000		1,000,000
Motor vehicle registration and titling system replacement project		2,500,000	2,500,000
Truck size and weight harmonization study	60,000		60,000
Transportation distributions from the strategic investment and improvements fund to oil-producing counties (Senate Bill No. 2103)		240,000,000	240,000,000
Transportation distributions from the general fund (\$112 million) and from the strategic investment and improvements fund (\$112 million) to non-oil-producing counties (House Bill No. 1176 and Senate Bill No. 2103)	112,000,000	112,000,000	224,000,000
Total	\$636,375,558	\$1,334,615,558	\$1,970,991,116

State Highway Funding

The 2015-17 biennium legislative appropriations to the Department of Transportation included \$1,699,145,558 of one-time funding for improvements to state highways as follows:

- **House Bill No. 1012** - \$503,115,558 general fund transfer to the highway fund for enhanced state highway improvements.
- **House Bill No. 1012** - \$679.4 million for highway construction projects including \$545.3 million of federal highway construction funds and \$134.1 million of state and local matching funds.
- **House Bill No. 1012** - \$48.63 million for emergency relief projects, including \$42,430 of federal funds and \$6.2 million of state and local matching funds.
- **Senate Bill No. 2015** - \$18 million general fund transfer to the highway fund for enhanced state highway improvements.
- **Senate Bill No. 2103** - \$450 million strategic investment and improvements fund transfer to the highway fund for enhanced state highway improvements.

Contingent State Highway Funding

The Legislative Assembly appropriated one-time contingent funding of \$91.85 million to the Department of Transportation in Senate Bill No. 2015 for improvements to state highways as follows:

- \$20 million general fund transfer to the highway fund if 2013-15 general fund revenues exceed projections by at least \$20 million.
- \$25.85 million strategic investment and improvements fund transfer to the highway fund if 2015-17 general fund revenues exceed projections by at least \$126 million.
- \$46 million general fund transfer to the highway fund if 2015-17 general fund revenues exceed projections by at least \$250 million.

Special Transportation Funding Distributions to Counties, Cities, and Townships

The Legislative Assembly provided 2015-17 biennium special transportation funding distributions to counties, cities, and townships as follows:

- **House Bill No. 1012 - Non-oil-producing political subdivisions** - Funding of \$8 million from the general fund was appropriated to the State Treasurer for transportation funding distributions to counties that received less than \$5 million of oil and gas tax allocations under North Dakota Century Code Section 57-51-15(2) in the state fiscal year ending June 30, 2014. The State Treasurer is to distribute the funds through a one-time distribution of \$5,000 to each organized township and a one-time distribution of \$5,000 for each unorganized township to the county in which the unorganized township is located.
- **House Bill No. 1176 - Non-oil-producing counties** - Funding of \$112 million from the general fund was appropriated to the Department of Transportation for distributions to counties that received less than \$5 million of oil and gas tax allocations under Section 57-51-15(2) from the period beginning September 1, 2013, and ending August 31, 2014. One-half of 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 and one-half of the funding is to be distributed based on the most recent data compiled by the Upper Great Plains Transportation Institute regarding North Dakota's county, township, and tribal road and bridge infrastructure needs.
- **Senate Bill No. 2103 - Non-oil-producing political subdivisions** - Funding of \$16 million from the strategic investment and improvements fund was appropriated to the State Treasurer for 2013-15 biennium transportation funding distributions to counties that received less than \$5 million of oil and gas tax allocations under Section 57-51-15(2) for formula allocation year 2014, for the benefit of townships to improve township roads.
- **Senate Bill No. 2103 - Non-oil-producing counties** - Funding of \$112 million from the strategic investment and improvements fund was appropriated to the Department of Transportation for distributions to non-oil-producing counties that received less than \$5 million of oil and gas tax allocations under Section 57-51-15(2) for the period beginning September 1, 2013, and ending August 31, 2014. 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.
- **Senate Bill No. 2103 - Oil-producing counties** - Funding of \$240 million from the strategic investment and improvements fund was appropriated to the Department of Transportation for distributions to oil-producing counties that received the highest total allocations under Section 57-51-15(2) for the period beginning September 1, 2013, and ending August 31, 2014. The funding is to be distributed proportional to each oil-producing county's total estimated road and bridge investment needs for the years 2015 to 2034, identified by the Upper Great Plains Transportation Institute of all the eligible oil-producing counties under this distribution.

Other Sections in House Bill No. 1012

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.

Appropriation - Transfer - General fund to highway fund - Section 4 appropriates and transfers one-time funding of \$503,115,558 from the general fund to the highway fund for statewide enhanced state highway improvements.

Appropriation - Motor coach reimbursement - Section 5 appropriates one-time funding of \$1 million from the general fund to the Department of Transportation for reimbursement of costs incurred from motor coach operations.

Appropriation - Transfer - General fund to special road fund - Section 6 appropriates and transfers one-time funding of \$2 million from the general fund to the special road fund for improvements to roads that lead to recreational areas.

Appropriation - Railroad loan program - Section 7 appropriates \$7 million from the strategic investment and improvements fund to the Department of Transportation for the department's short line railroad loan program.

Appropriation - State Treasurer - Section 8 appropriates one-time funding of \$8 million from the general fund to the State Treasurer for allocations to counties for allocation to or for the benefit of organized and unorganized townships in non-oil-producing counties that received less than \$5 million of oil and gas tax allocations under Section 57-51-15(2) in the state fiscal year ending June 30, 2014. The State Treasurer shall distribute the funds through one-time distribution of \$5,000 to each organized township and a one-time distribution of \$5,000 for each unorganized township to the county in which the unorganized township is located.

Truck size and weight harmonization - Section 9 provides that \$60,000 from the general fund in the operating line item for the Department of Transportation is to be used to collaborate with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and potential implications. Section 10 provides for a Legislative Management study of the findings of the truck size and weight harmonization study to determine appropriate changes to state law.

Contingent transfers to public transportation fund - Section 11 provides contingent transfers of \$100,000 from the general fund to the public transportation fund on July 1, 2015, and July 1, 2016. The transfers are contingent upon deposits from the highway tax distribution fund into the public transportation fund being \$5.2 million or less during the preceding state fiscal year.

Department of Transportation study - Report to Legislative Management - Section 12 provides that the Department of Transportation study state funding distributions and allocations to public transportation providers and report the findings to the Legislative Management by June 30, 2016.

Exemption - Highway - Rail grade crossing safety projects fund - Section 13 provides funding appropriated from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to Section 54-44.1-11, and may be continued into the 2015-17 biennium by the Department of Transportation.

Carryover authority - Enhanced state highway investments - Section 14 provides unexpended 2015-17 biennium appropriations of \$503,115,558 for enhanced state highway investments must be continued into the 2017-19 biennium.

Exemption - Road grade raising grants - Section 15 provides funding appropriated from the state disaster relief fund Section 14 of Chapter 579 of the 2011 Session Laws for road grade raising grants is not subject to Section 54-44.1-11 and may be continued into the 2015-17 biennium by the Department of Transportation.

Payback and reallocation of federal aid - Section 16 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of current biennium appropriations so that the department may re-obligate the federal aid to other federal aid projects.

Branch office contracts - Application - Section 17 amends Section 39-02-03 to authorize the Director of the Department of Transportation to enter into five year contracts for branch offices and Section 21 provides that Section 17 applies to applicable contracts, regardless of whether entered before or after the effective date of House Bill No. 1012.

Rail safety - Report to Legislative Management - Section 18 requires the Department of Transportation to report to Legislative Management regarding the department's updated North Dakota state rail plan and requires the department to post the updated North Dakota state rail plan to the department's public website and to provide an electronic copy to the Legislative Council for placement on the legislative branch public website.

Legislative Management studies - Sections 19 and 20 provide for Legislative Management studies of short line railroads and high-efficiency vehicles.

Related Legislation

House Bill No. 1067 - Population estimates - Amends Section 57-39.2-26.1 to change the state aid distribution formula from allocations based on the decennial population to allocations based on the most recent actual or estimated census data.

House Bill No. 1144 - Transportation network company networks - Creates Chapters 26.1-40.1 and 39-34 relating to insurance coverage of motor vehicles participating in transportation network company networks and services, priority of coverage, and minimum limits.

House Bill No. 1176 - Non-oil-producing county distribution - Provides an appropriation of \$112 million to the Department of Transportation from the general fund for distributions to non-oil-producing counties for county road and bridge repairs and improvements.

House Bill No. 1389 - Legislative Management study - Provides for a Legislative Management study of issues relating to verification of citizenship status for the purpose of voting, including absentee and mail ballot voting. The study also must address the process through which the Department of Transportation verifies citizenship status in the issuance of driver's licenses and nondriver identification cards and the feasibility and desirability of requiring the Department of Transportation to include on a driver's license or nondriver identification card of a noncitizen a notation indicating the individual is not a citizen of the United States.

Senate Bill No. 2015 - Enhanced state infrastructure funding - Provides a transfer of \$18 million from the general fund to the highway fund and an appropriation of \$18 million to the Department of Transportation for statewide enhanced state highway improvements. The bill also provides contingent transfers to the highway fund and appropriations to the Department of Transportation of:

- \$20 million from the general fund if 2013-15 general fund revenues exceed projections by at least \$20 million;
- \$25.85 million from the strategic investment and improvements fund if 2015-17 general fund revenues exceed projections by at least \$126 million; and
- \$46 million from the general fund if 2015-17 general fund revenues exceed projections by at least \$250 million.

Senate Bill No. 2103 - Political subdivision distributions and enhanced state highway funding - Provides a total appropriation of \$1.1 billion from the strategic investment and improvements fund; of which \$352 million is to the Department of Transportation for distribution to oil-producing counties (\$240 million) and non-oil-producing counties (\$112 million) for county road and bridge repairs and improvements; and \$298 million to the State Treasurer for distributions and allocations to counties, cities, and townships. The bill also provides a transfer of \$450 million from the strategic investment and improvements fund to the highway fund and an appropriation of \$450 million to the Department of Transportation from the highway fund for construction and maintenance of state transportation infrastructure. The funding provided in this bill is declared to be an emergency measure.

Senate Bill No. 2352 - Vehicles or objects obstructing highways - Authorizes the removal of a vehicle or any personal property or cargo spilled that is blocking the highway or endangering public safety to be removed and provides that a police officer and the police officer's employing agency, the Department of Transportation or an employee of the Department of Transportation, or a political subdivision or employee of a political subdivision authorized by a police officer is not liable in civil damages for loss or damage to any vehicle removed from a highway or state property under this section, so long as reasonable care is used in the removal process.