

**Department 801 - Department of Transportation
 House Bill No. 1012**

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	1,081.50	\$1,460,115,558 ¹	\$2,727,287,715	\$4,187,403,273
2013-15 Legislative Appropriations ²	1,079.50	1,464,020,000 ³	1,920,779,434	3,384,799,434
Increase (Decrease)	2.00	(\$3,904,442)	\$806,508,281	\$802,603,839

¹The 2015-17 executive budget general fund amount includes the following transfers:

- Senate Bill No. 2015 - \$904,115,558 transfer from the general fund to the highway fund.
- Senate Bill No. 2015 - \$5 million from the general fund to the special roads fund.
- Senate Bill No. 2126 - \$550 million (\$450 million for state highway investments and \$100 million for distributions to cities, counties, and townships in non-oil-producing areas) from the general fund to the highway fund.

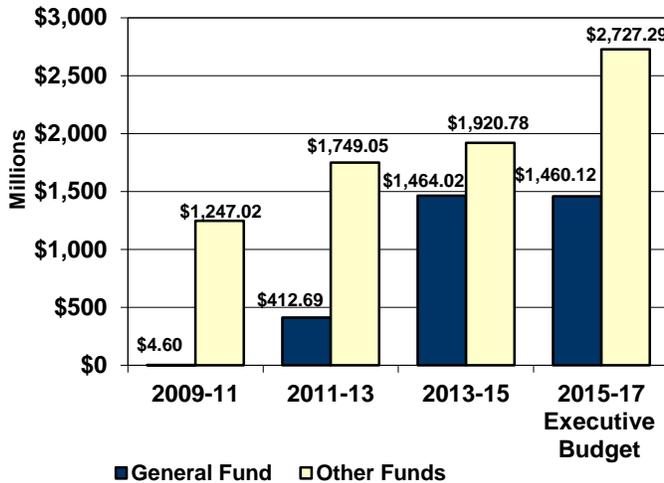
²The 2013-15 appropriation amounts do not include other funds (\$3,809,234) allocations to the agency from the state agency energy impact funding pool for temporary salary adjustments (\$3,383,180) and rental assistance payments (\$426,054) for agency employees located in areas of the state affected by energy development.

³The 2013-15 general fund appropriation amount includes a \$541.6 million transfer from the general fund to the highway fund and a \$1.1 million contingent transfer to public transportation.

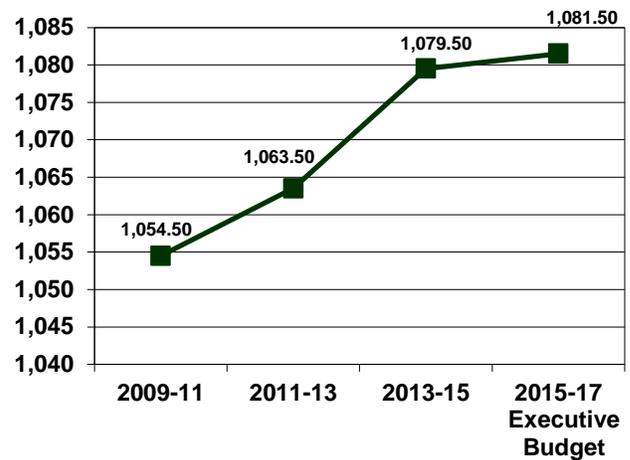
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 Executive Budget	\$0	\$1,460,115,558	\$1,460,115,558
2013-15 Legislative Appropriations	0	1,464,020,000	1,464,020,000
Increase (Decrease)	\$0	(\$3,904,442)	(\$3,904,442)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
House Bill No. 1012	\$1,000,000	\$2,177,287,715	\$2,178,287,715
Senate Bill No. 2015	909,115,558	0	909,115,558
Senate Bill No. 2126	550,000,000	550,000,000	1,100,000,000
2015-17 Executive Budget	\$1,460,115,558	\$2,727,287,715	\$4,187,403,273
2015-17 Base Level	0	1,379,179,434	1,379,179,434
Increase (Decrease)	\$1,460,115,558	\$1,348,108,281	\$2,808,223,839

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases of which \$9,441,399 relates to performance increases, \$364,295 is for market equity adjustments, \$4,684,832 is for health insurance increases, and \$973,898 is for retirement contribution increases	\$0	\$15,464,424	\$15,464,424
2. Adds funding for 1 new FTE archaeologist position	\$0	\$182,280	\$182,280
3. Adds funding for 1 new FTE environmental scientist position	\$0	\$195,143	\$195,143
4. Provides for the following anticipated changes in federal highway aid:			
Federal Highway Administration formula funds (from \$532.2 million to \$545.3 million)	\$0	\$13,100,000	\$13,100,000
Emergency relief (from \$116.8 million to \$42.4 million)	\$0	(\$74,400,000)	(\$74,400,000)
Federal rail funds (from \$8.4 million to \$4 million)	\$0	(\$4,400,000)	(\$4,400,000)
National Highway Traffic Safety Administration (from \$9.3 million to \$9.5 million)	\$0	\$200,000	\$200,000
Federal transit funds (from \$14.8 million to \$15.3 million)	\$0	\$500,000	\$500,000
Total	\$0	(\$65,000,000)	(\$65,000,000)
5. Increases funding for contract patching	\$0	\$35,713,309	\$35,713,309
6. Provides a one-time general fund transfer to the highway fund of \$904.1 million for state highway (SB 2015)	\$904,115,558	\$0	\$904,115,558
7. Provides a one-time general fund transfer of \$5 million to the special roads fund for improvements to roads that lead to recreational areas (SB 2015)	\$5,000,000	\$0	\$5,000,000
8. Provides a one-time general fund transfer to the highway fund of \$550 million for state highway investments (\$450 million) and transportation distributions to non-oil-producing political subdivisions (\$100 million) (SB 2126)	\$550,000,000	\$0	\$550,000,000
9. Provides one-time funding of special funds for enhanced state highway investments in areas affected by oil and gas development, including truck reliever routes, and upgrading two-lane roadways to four-lane roadways and repairing bridges (SB 2015)	\$0	\$904,115,558	\$904,115,558
10. Provides one-time funding of special funds for improvements to roads that lead to recreational areas (SB 2015)	\$0	\$5,000,000	\$5,000,000
11. Provides a one-time funding of special funds of \$450 million for state highway investments (SB 2126)	\$0	\$450,000,000	\$450,000,000
12. Provides one-time funding of special funds for allocations to non-oil-producing cities, townships, and counties (SB 2126)	\$0	\$100,000,000	\$100,000,000
13. Provides \$2.5 million of one-time funding of special funds to continue the motor vehicle registration and titling system replacement project	\$0	\$2,500,000	\$2,500,000
14. Provides one-time funding from the general fund to reimburse the state fleet program for a loss on the sale of motor coaches	\$1,000,000	\$0	\$1,000,000
15. Provides one-time funding of special funds to upgrade the maintenance management system	\$0	\$589,000	\$589,000

Other Sections in Bill

Line item transfers - Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants budget 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.

Exemption - Highway-rail grade crossing safety projects - Section 4 provides that the amount appropriated to the Department of Transportation 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 the provisions of North Dakota Century Code Section 54-44.1-11.

Carryover authority - Enhanced state highway investments - Section 5 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments may be continued into the 2017-19 biennium.

Exemption - State disaster relief fund - Road grade raising - Section 6 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.

Payback and reallocation of federal aid - Section 7 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures from 2015-17 biennium appropriations.

Continuing Appropriations

Public transportation fund - Section 39-04.2-04 - Consists of a 1.5 percent allocation from the state highway tax distribution fund. The funds received by the public transportation fund are allocated to each county. Each county receives four-tenths of 1 percent base amount plus one dollar and fifty cents per capita of population in the county, based upon the latest regular or special official federal census.

Significant Audit Findings

The operational audit for the Department of Transportation conducted by the State Auditor's office during the 2013-14 interim identified a significant audit finding for improper reconciliation of the motor vehicle clearing account.

Major Related Legislation

House Bill No. 1031 - Provides for an allocation of up to \$75 million of the oil and gas gross production tax to the highway fund each biennium and requires funds from oil and gas production tax collections deposited in the state highway fund be accounted for separately and used for major improvements and construction of highway corridors impacted by energy development.

Senate Bill No. 2015 - Transfers \$904,115,558 from the general fund to the highway fund for construction and maintenance of state infrastructure and transfers \$5,000,000 from the general fund to the special roads fund for improvements to roads that lead to recreational areas.

Senate Bill No. 2126 - Transfers \$550 million from the general fund to the highway fund for construction and maintenance of state and county highways, and of the amount transferred, appropriates \$450 million to the Department of Transportation for construction and maintenance of state infrastructure and \$100 million to the department for allocations among cities and counties (\$80 million), and townships (\$20 million) in non-oil-producing areas of the state.

Department of Transportation - Budget No. 801
House Bill No. 1012
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2015-17 Biennium Base Level	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434
2015-17 Ongoing Funding Changes				
Base payroll changes			\$1,909,645	\$1,909,645
Salary increase - Performance			9,441,399	9,441,399
Salary increase - Market equity			364,295	364,295
Retirement contribution increase			973,898	973,898
Health insurance increase			4,684,832	4,684,832
New FTE - Archaeologist I	1.00		182,280	182,280
New FTE - Environmental Scientist III	1.00		195,143	195,143
Operating expenses increases			8,748,743	8,748,743
Contract patching increase			35,713,309	35,713,309
Grants adjustment			(16,870,000)	(16,870,000)
Information technology - Maintenance management system			589,000	589,000
Remove capital assets			(159,439,821)	(159,439,821)
Line item transfer				0
Total ongoing funding changes	2.00	\$0	(\$113,507,277)	(\$113,507,277)
One-time funding items				
Enhanced state infrastructure investments			\$904,115,558	\$904,115,558
Recreational road access funding			5,000,000	5,000,000
Loss on discontinuation of motor coaches		1,000,000		1,000,000
Motor vehicle registration and titling system			2,500,000	2,500,000
Total one-time funding changes	0.00	\$1,000,000	\$911,615,558	\$912,615,558
Total Changes to Base Level Funding	2.00	\$1,000,000	\$798,108,281	\$799,108,281
2015-17 Total Funding	1,081.50	\$1,000,000	\$2,177,287,715	\$2,178,287,715

Other Sections in House Bill No. 1012

Executive Budget Recommendation

Line item transfers

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Payback and reallocation of federal aid

Section 7 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.