

**Department of Transportation  
Budget 801  
Senate Bill Nos. 2012, 2023**

|   | <b>FTE Positions</b> | <b>General Fund</b> | <b>Other Funds</b> | <b>Total</b>  |
|---|----------------------|---------------------|--------------------|---------------|
| 2001-03 legislative appropriation                                       | 1,041.00             |                     | \$740,296,638      | \$740,296,638 |
| 1999-2001 legislative appropriation                                     | 1,040.00             |                     | 675,736,279        | 675,736,279   |
| 2001-03 appropriation increase (decrease) to<br>1999-2001 appropriation | 1.00                 | \$0                 | \$64,560,359       | \$64,560,359  |

**NOTE:** The 2001-03 appropriation amounts include \$377,695 of other funds for the agency's share of the \$5,000,000 funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees.

**Item Description**

**Loans for emergency relief projects** - Senate Bill No. 2112, approved by the 2001 Legislative Assembly, authorizes the department to borrow funds from the Bank of North Dakota to match federal emergency relief funds that may become available for highway projects. If funding is unavailable to repay the loan by the end of the biennium, the department is to request a deficiency appropriation from the highway fund to repay the loan and accumulated interest. During the legislative session, the department estimated receiving \$32 million of federal emergency relief funds requiring \$8 million of state matching funds during the 2001-03 biennium.

**Market equity increases** - The 2001 Legislative Assembly appropriated \$1.2 million from the highway fund for providing market equity salary increases to engineers, engineering technicians, and information technology staff.

**Status/Result**

The department has established a \$12 million line of credit with the Bank of North Dakota. The department has obligated \$72.2 million of emergency relief projects for the 2001-03 biennium. The state matching share of these projects totals \$10.4 million. Through March 2002, the department, by managing its cash flow, has not borrowed any funds on its line of credit at the Bank of North Dakota. The department anticipates it will need to borrow the funds by August 2002 in order to meet cash flow needs as the 2002 construction season ends. The department anticipates borrowing up to \$15 million for emergency relief projects for the 2001-03 biennium.

In addition to the first-year salary increases authorized by the Legislative Assembly for all state employees which were to average 3 percent with a \$35 per month minimum, the department utilized \$1.1 million of the \$1.2 million for market equity increases to provide additional first-year increases as follows:

- Approximately \$770,000 of the \$1.1 million was allocated for 346 engineering and engineering technician increases which ranged from 1.2 to 8.2 percent. The average additional increase was 2.7 percent.
- Approximately \$60,000 of the \$1.1 million was allocated for 25 information technology position increases which ranged from 1.3 to 8.6 percent. The average additional increase was 2.9 percent.
- Approximately \$144,000 of the \$1.1 million was allocated for 80 equipment operator increases which ranged from 2.8 to 3.6 percent. The average additional increase was 3.1 percent.
- Approximately \$150,000 of the \$1.1 million was allocated for 49 other department employee increases which ranged from 2.4 to 9.4 percent. The average additional increase was 4.5 percent.

**Information technology projects** - The 2001 Legislative Assembly provided funding for the following information technology projects:

- Development of an electronic document management system (\$478,865).
- Development of e-commerce applications (\$182,883).
- Replacement of the construction automated records system (\$404,400).
- Expansion of highway project development tools (\$253,760).
- Replacement of the automated driver's license testing system (\$450,000).

**Four Bears Bridge project** - The 2001 Legislative Assembly appropriated \$5 million of federal funds for preliminary engineering costs on the Four Bears Bridge project.

**Federal highway construction funds** - The department anticipated receiving \$428 million of federal highway funds during the 2001-03 biennium, excluding federal funds for emergency relief projects.

**Highway Building remodeling** - The 2001 Legislative Assembly appropriated \$2.5 million from asbestos settlement proceeds for partial remodeling of the Highway Building due to the presence of asbestos. The total project is estimated to cost \$8.5 million.

**Lighting retrofit project** - The 2001 Legislative Assembly, in Senate Bill No. 2023, appropriated \$352,600 of bonding proceeds to the department for an energy saving lighting retrofit project.

**Motor vehicle branch office pilot project** - Senate Bill No. 2027, approved by the 2001 Legislative Assembly, required the department to establish a motor vehicle pilot project office site in three counties, with the county treasurer administering motor vehicle registration programs at each of these sites.

The funds remaining of approximately \$100,000 will be used for providing additional salary increases for the second year of the biennium.

The status of the projects is:

- The electronic document management system is anticipated to be completed by June 2003 within the appropriated amount of \$478,865.
- The e-commerce applications are being developed. The primary application will allow for motor vehicle registrations to be renewed on-line. This service should be available by July 2002. The department anticipates the appropriated amount to be adequate.
- Replacement of the construction automated records system is anticipated to be completed by June 2003 at an estimated cost of \$594,000, \$190,000 more than budgeted.
- The department has purchased a highway project development tool application for \$50,000 and is evaluating other available applications for expanding highway project development tools.
- The department completed replacement of the automated driver's license testing system in February 2002 at a cost of \$316,000, \$134,000 less than budgeted.

The preliminary design of the Four Bears Bridge project is proceeding on schedule and within the budgeted amount. The department anticipates beginning construction in 2003 and completing the bridge in 2004. The total cost of the project is estimated at \$45 million, \$43 million of which is federal funds and \$2 million from the state highway fund.

The department anticipates receiving approximately \$428 million in federal highway funds during the 2001-03 biennium, the same as budgeted. The estimate excludes federal funds received for emergency relief projects.

The department is proceeding with preliminary planning and preparation of architectural drawings for the remodeling project. These items are estimated to cost \$188,000. The department has not yet decided whether it will begin remodeling during the 2001-03 biennium.

The department has not begun this project. It is planning to coordinate this project with the Highway Building remodeling project.

Three pilot projects have been established. The county treasurers in Bowman, Emmons, and McKenzie Counties began providing motor vehicle registration services in October 2001.