

**Department 801 - Department of Transportation  
Senate Bill No. 2012**

**Dalrymple Executive Budget Comparison to Prior Biennium Appropriations**

	FTE Positions	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	1,054.00	\$0	\$1,276,870,224	\$1,276,870,224
2015-17 Adjusted Legislative Appropriations <sup>1</sup>	1,080.50	613,382,959 <sup>2</sup>	2,621,156,019	3,234,538,978
Increase (Decrease)	(26.50)	(\$613,382,959)	(\$1,344,285,795)	(\$1,957,668,754)

<sup>1</sup>The 2015-17 biennium agency appropriation amounts reflect general fund budget reductions made in August 2016, but do not include \$2,433,072 of allocations from the general fund to the agency from the state agency energy impact funding pool for temporary salary adjustments for agency employees located in areas of the state affected by energy development and \$35,186 for temporary employee health insurance.

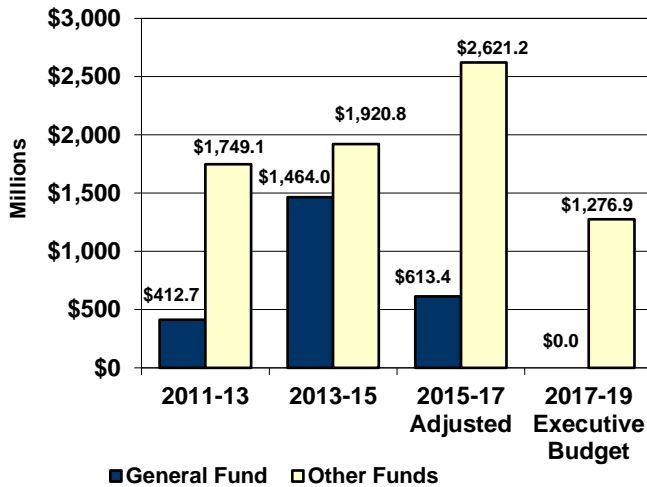
<sup>2</sup>The 2015-17 adjusted general fund appropriation amount includes the following:

- \$470.2 million transfer to the highway fund
- \$104.7 million for allocations to non-oil-producing counties
- \$18.7 million contingent transfer to the highway fund
- \$16.8 million transfer to the highway fund
- \$1.9 million transfer to the special road fund
- \$934,500 for motor coach reimbursement
- \$186,900 contingent transfer to public transportation
- \$56,070 for a truck size and weight harmonization study

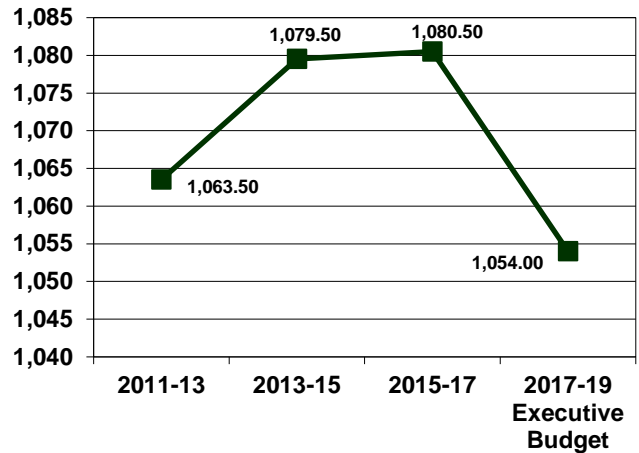
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 Dalrymple Executive Budget	\$0	\$0	\$0
2015-17 Adjusted Legislative Appropriations	0	613,382,959	613,382,959
Increase (Decrease)	\$0	(\$613,382,959)	(\$613,382,959)

**Agency Funding**



**FTE Positions**



**Dalrymple Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2017-19 Dalrymple Executive Budget	\$0	\$1,276,870,224	\$1,276,870,224
2017-19 Base Level	0	1,266,540,461	1,266,540,461
Increase (Decrease)	\$0	\$10,329,763	\$10,329,763

**First House Action**

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

## Dalrymple and Burgum Executive Budget Highlights (With First House Changes in Bold)

	General Fund	Other Funds	Total
1. Adds funding for state employee salary and benefit increases, of which \$807,704 is for salary increases and \$2,913,485 is for health insurance increases. (The Burgum budget removed funding for salary increases and provided for employees to pay for a portion of health insurance.) <b>The Senate removed funding for the salary increases.</b>	\$0	\$3,721,189	\$3,721,189
2. Removes 21.5 vacant FTE positions. (The Burgum budget reduced 5 additional FTE positions and \$1,935,958 in funding.)	\$0	(\$3,427,063)	(\$3,427,063)
3. Removes 5 FTE positions (\$658,219) and related operating expenses (\$628,400) through consolidation of the maintenance sections	\$0	(\$1,286,619)	(\$1,286,619)
4. Reduces funding for operating expenses. (The Burgum budget reduced operating expenses by an additional \$3,487,475.) <b>The Senate approved both executive recommendations and removed an additional \$1,526,251 from operating expenses.</b>	\$0	(\$34,455,416)	(\$34,455,416)
5. Adds funding for capital assets. (The Burgum budget increased funding for capital assets by an additional \$588,122.)	\$0	\$43,912,796	\$43,912,796
6. Adds funding for grants. (The Burgum budget increased funding for grants by an additional \$5 million for a North Dakota community enhancement program.)	\$0	\$4,610,000	\$4,610,000
7. Reduces funding for driver's license field sites	\$0	(\$160,293)	(\$160,293)

### 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, 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.

**Designation of funds for another purpose** - Section 4 authorizes the Department of Transportation to use \$5.7 million in funding provided by the Legislative Assembly in 2015 House Bill No. 1012, as matching funds for federal highway funding provided by the Federal Highway Administration during the 2017-19 biennium.

**North Dakota community enhancement program** - Section 5 provides \$5 million from unspent 2015-17 biennium enhanced state highway funding may be used to improve North Dakota's economic climate by reinvesting and fortifying a community's transportation assets for the 2017-19 biennium.

**Carryover authority - Enhanced state highway investments** - Section 6 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments may be continued into the 2017-19 biennium.

**Exemption - Contingent transfer - General fund to special road fund** - Section 7 provides that a \$2 million transfer from the general fund to the special road fund and an appropriation to the Department of Transportation by the 2015 Legislative Assembly is exempt from North Dakota Century Code Section 54-44.1-11 and is continued into the 2017-19 biennium.

**Payback and reallocation of federal aid** - Section 8 amends Section 24-02-37 relating to the state highway fund to authorize the Department of Transportation to repay the United States Department of Transportation for previous related expenditures from current 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 .4 percent base amount plus \$1.50 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 2015-16 interim identified a significant audit finding for improper reconciliation of the motor vehicle clearing account.

### Major Related Legislation

**House Bill No. 1110** - Creates a new section to Chapter 24-02 to authorize the Department of Transportation to contract with private entities for the construction of certain items on the state highway system which will benefit the private entity and the traveling public.

**House Bill No. 1111** - Creates a new section to Chapter 24-02 to authorize the Director of the Department of Transportation to enter an agreement with the metro flood diversion authority regarding the portion of the Fargo-Moorhead diversion construction project which will impact the state highway system.

**House Bill No. 1128** - Creates new sections to Title 39 related to operator's license and nondriver identification cards and the requirement of documentation and retention of that documentation for substitute operator's licenses.

**House Bill No. 1255** - Creates a new chapter to Title 24 to create a limited transportation network which allows trucks to be permitted for loads up to 129,000 pounds with the proper axle configuration.

**House Bill No. 1369** - Creates a new subsection to Section 39-06-14 relating to licenses issued to operators. The new subsection requires the director of the Department of Transportation to issue a unique operator's license to any resident who at the time of application is not a citizen of the United States and who fulfills the proper requirements.

**Senate Bill No. 2045** - Amends Section 39-12-14.1 relating to the deposit of voluntary settlement of extraordinary road use fee charges and Section 39-12-20 relating to the deposit of proceeds of sale to allow the fees collected to continue to be retained by the jurisdiction with the road on which the violation occurred rather than be deposited in the state highway fund.

**Senate Bill No. 2109** - Amends Section 24-02-02.3 relating to agreements with tribal governments and removes a requirement that the agreements must be limited to those necessary to meet federal highway program spending requirements.

**Department of Transportation - Budget No. 801**  
**Senate Bill No. 2012**  
**Base Level Funding Changes**

	<b>Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)</b>				<b>Senate Version</b>			
	<b>FTE Position</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>	<b>FTE Position</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2017-19 Biennium Base Level</b>	1,080.50	\$0	\$1,266,540,461	\$1,266,540,461	1,080.50	\$0	\$1,266,540,461	\$1,266,540,461
<b>2017-19 Ongoing Funding Changes</b>								
Base payroll changes			(\$2,584,831)	(\$2,584,831)			(\$2,584,831)	(\$2,584,831)
<b>Salary increase</b>				<b>0</b>				<b>0</b>
Health insurance increase			2,913,485	2,913,485			2,913,485	2,913,485
<b>Employee portion of health insurance</b>			<b>(1,526,251)</b>	<b>(1,526,251)</b>				<b>0</b>
Removes vacant FTE positions	(21.50)		(3,427,063)	(3,427,063)	(21.50)		(3,427,063)	(3,427,063)
Consolidates maintenance sections	(5.00)		(1,286,619)	(1,286,619)	(5.00)		(1,286,619)	(1,286,619)
<b>Removes 5 additional FTE positions</b>	<b>(5.00)</b>		<b>(1,935,958)</b>	<b>(1,935,958)</b>	<b>(5.00)</b>		<b>(1,935,958)</b>	<b>(1,935,958)</b>
Reduces funding for driver's license field sites			(160,293)	(160,293)			(160,293)	(160,293)
Adjusts funding for expenses, capital assets, and grants			14,067,380	14,067,380			14,067,380	14,067,380
2015-17 biennium line item transfers				0				0
<b>Reduces funding for operating expenses</b>			<b>(3,487,475)</b>	<b>(3,487,475)</b>			<b>(5,013,726)</b>	<b>(5,013,726)</b>
<b>Adds funding for capital assets</b>			<b>588,122</b>	<b>588,122</b>			<b>588,122</b>	<b>588,122</b>
<b>Adds funding for grants</b>			<b>5,000,000</b>	<b>5,000,000</b>			<b>5,000,000</b>	<b>5,000,000</b>
Total ongoing funding changes	(31.50)	\$0	\$8,160,497	\$8,160,497	(31.50)	\$0	\$8,160,497	\$8,160,497
<b>One-time funding items</b>								
No one-time funding items				\$0				\$0
Total one-time funding changes	0.00	\$0	\$0	\$0	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	<b>(31.50)</b>	<b>\$0</b>	<b>\$8,160,497</b>	<b>\$8,160,497</b>	<b>(31.50)</b>	<b>\$0</b>	<b>\$8,160,497</b>	<b>\$8,160,497</b>
<b>2017-19 Total Funding</b>	<b>1,049.00</b>	<b>\$0</b>	<b>\$1,274,700,958</b>	<b>\$1,274,700,958</b>	<b>1,049.00</b>	<b>\$0</b>	<b>\$1,274,700,958</b>	<b>\$1,274,700,958</b>

**Other Sections in Department of Transportation - Budget No. 801**

	<b>Burgum Executive Budget Recommendation (Changes to Dalrymple Budget in Bold)</b>		<b>Senate Version</b>	
Line item transfers		Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, 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.		Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, 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.
Designation of funds for another purpose		Section 4 authorizes the Department of Transportation to use <del>\$12.6</del> <b>\$5.7</b> million in funding provided by the Legislative Assembly in 2015 House Bill No. 1012, as matching funds for federal highway funding provided by the Federal Highway Administration during the 2017-19 biennium.		Section 4 authorizes the Department of Transportation to use \$5.7 million in funding provided by the Legislative Assembly in 2015 House Bill No. 1012, as matching funds for federal highway funding provided by the Federal Highway Administration during the 2017-19 biennium.

Other Sections in Department of Transportation - Budget No. 801

**Burgum Executive Budget Recommendation  
(Changes to Dalrymple Budget in Bold)**

**Senate Version**

**North Dakota Community Enhancement Program**

Section 5 provides \$5 million from the enhanced state highway funds be used to improve North Dakota's economic climate by reinvesting and fortifying a community's transportation assets, for the 2017-19 biennium.

Section 5 provides \$5 million from the enhanced state highway funds be used to improve North Dakota's economic climate by reinvesting and fortifying a community's transportation assets, for the 2017-19 biennium.

Carryover authority - Enhanced state highway investments

Section 6 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2019-21 biennium.

Section 6 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2019-21 biennium.

Exemption - Contingent transfer - General fund to special road fund

Section 7 provides that a \$2 million transfer from the general fund to the special road fund and an appropriation to the Department of Transportation by the 2015 Legislative Assembly is exempt from Section 54-44.1-11 and is continued into the 2017-19 biennium.

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Payback and reallocation of federal aid

Section 8 amends Section 24-02-37 relating to the state highway fund to authorize the Department of Transportation to repay the United States Department of Transportation for previous related expenditures from current biennium appropriations.

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## Department 801 - Department of Transportation

## Appropriations Comparisons to the Original and Adjusted Base Budgets

### General Fund Appropriations Adjustments (As a result of the August 2016 General Fund Budget Reductions)

	Ongoing	One-Time	Total
2015-17 original general fund appropriations	\$0	\$656,375,558	\$656,375,558
General fund reductions	0	(42,992,599)	(42,992,599)
Adjusted 2015-17 appropriations	\$0	\$613,382,959	\$613,382,959
Dalrymple Executive Budget changes	0	(613,382,959)	(613,382,959)
2017-19 Dalrymple Executive Budget	\$0	\$0	\$0

### Summary of August 2016 General Fund Budget Reductions

	Ongoing	One-Time	Total
Reduced funding for truck size and weight harmonization study (HB 1012)	\$0	(\$3,930)	(\$3,930)
Reduced funding for motor coach reimbursement (HB 1012)	0	(65,500)	(65,500)
Reduced general fund transfer to highway fund for state highway improvements (HB 1012)	0	(32,954,069)	(32,954,069)
Reduced general fund transfer to highway fund for state highway improvements (SB 2015)	0	(1,179,000)	(1,179,000)
Reduced contingent general fund transfer to highway fund for state highway improvements (SB 2015)	0	(1,310,000)	(1,310,000)
Reduced funding for allocations to non-oil-producing counties (HB 1176)	0	(7,336,000)	(7,336,000)
Reduced general fund transfer to special road fund (HB 1012)	0	(131,000)	(131,000)
Reduced contingent general fund transfer to public transportation fund (HB 1012)	0	(13,100)	(13,100)
Total reductions	\$0	(\$42,992,599)	(\$42,992,599)
Percentage reduction to ongoing and one-time general fund appropriations		6.55%	6.55%

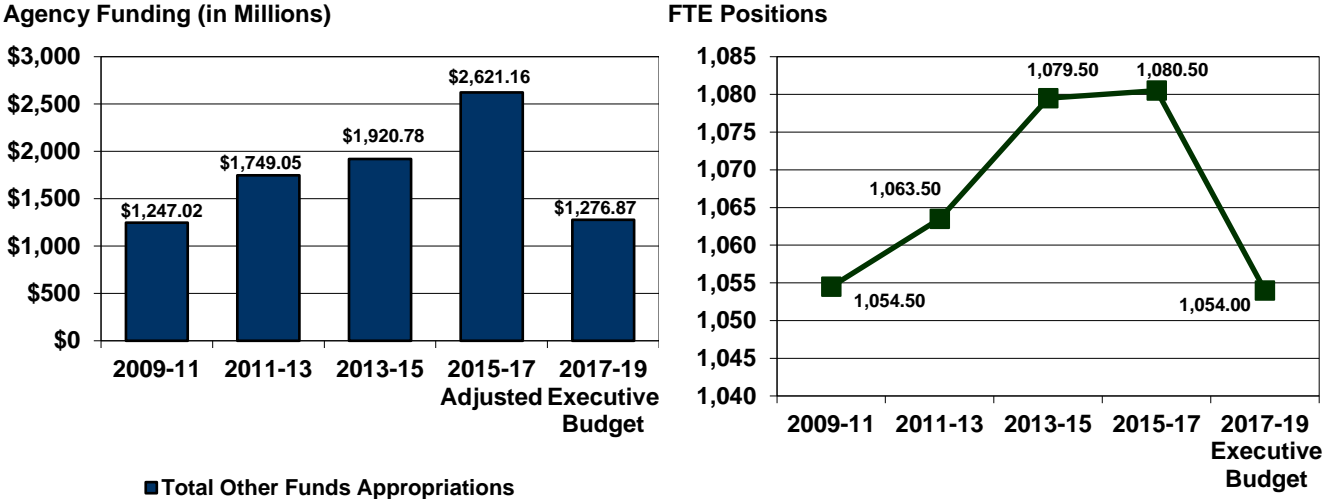
### 2017-19 Dalrymple Executive Budget Changes to the Original and Adjusted Base Budgets

	Changes to Original Budget	Budget Reduction Adjustments	Changes to Adjusted Budget
The Executive Budget does not recommend any general fund appropriations for road projects during the 2017-19 biennium	\$0	\$0	\$0
Total	\$0	\$0	\$0

Department 801 - Department of Transportation

# Historical Appropriations Information

## Total Other Funds Appropriations Since 2009-11



Total Other Funds Appropriations					
	2009-11	2011-13	2013-15	2015-17 Adjusted	2017-19 Dalrymple Executive Budget
Total other funds appropriations	\$1,247,015,588	\$1,749,054,459	\$1,920,779,434	\$2,621,156,019	\$1,276,870,224
Increase (decrease) from previous biennium	N/A	\$502,038,871	\$171,724,975	\$700,376,585	(\$1,344,285,795)
Percentage increase (decrease) from previous biennium	N/A	40.3%	9.8%	36.5%	(51.3%)
Cumulative percentage increase (decrease) from 2009-11 biennium	N/A	40.3%	54.0%	110.2%	2.4%

### Major Increases (Decreases) in Other Funds Appropriations

**2011-13 Biennium - Ongoing**

- 1. Added funding for 2 FTE motor vehicle licensing specialist positions \$191,948
- 2. Added funding for 4 FTE driver's license examiner positions \$341,207
- 3. Added funding for 3 FTE heavy equipment operator positions \$586,959
- 4. Added funding for roadway maintenance safety items \$15,605,992

**2011-13 Biennium - Special Road Funding**

- 1. Added funding from a general fund transfer to the highway fund for extraordinary highway maintenance needs \$228,600,000
- 2. Added funding from a general fund transfer to the highway fund for road construction in oil-producing counties \$142,000,000

**2013-15 Biennium - Ongoing**

- 1. Added funding for 16 FTE positions \$2,357,876

**2013-15 Biennium - Special Road Funding**

- 1. Added funding from a general fund transfer to the highway fund for enhanced state highway investments (2013 Senate Bill No. 2012) \$541,600,000
- 2. Added funding from the general fund for enhanced state highway investments (2013 Senate Bill No. 2176) \$620,000,000
- 3. Added funding from the general fund for distributions to oil-producing counties (2013 House Bill No. 1358) \$160,000,000

- 4. Added funding from the general fund for distributions to non-oil-producing counties (2013 House Bill No. 1358) \$120,000,000

**2015-17 Biennium - Ongoing**

- 1. Added funding for 1 FTE environmental scientist III position \$195,143
- 2. Increased funding for operating expenses \$8,748,743

**2015-17 Biennium - Special Road Funding**

- 1. Added funding from a general fund transfer to the highway fund for enhanced state highway investments (2015 House Bill No. 1012) \$503,115,558
- 2. Added funding from the general fund for distributions to non-oil-producing counties (2015 House Bill No. 1176) \$112,000,000
- 3. Added funding from the general fund transfer to the highway fund for enhanced state highway investments (2015 Senate Bill No. 2015) \$18,000,000
- 4. Added funding from a contingent general fund transfer to the highway fund for enhanced state highway investments (2015 Senate Bill No. 2015) \$20,000,000
- 5. Added funding from a strategic investment and improvements fund transfer to the highway fund for enhanced state highway investments as part of the "surge" bill (2015 Senate Bill No. 2103) \$450,000,000
- 6. Added funding from the strategic investment and improvements fund for distributions to non-oil-producing counties as part of the "surge" bill (2015 Senate Bill No. 2103) \$112,000,000
- 7. Added funding from the strategic investment and improvements fund for distributions to oil-producing counties as part of the "surge" bill (2015 Senate Bill No. 2103) \$240,000,000

**2017-19 Biennium (Dalrymple and Burgum Executive Budget Recommendations)**

- 1. Removes 21.50 vacant FTE positions. (The Burgum budget reduced 5 additional FTE positions and \$1,935,958 in funding.) (\$3,427,063)
- 2. Removes 5 FTE positions (\$658,219) and related operating expenses (\$628,400) through consolidation of the maintenance sections (\$1,286,619)
- 3. Removes funding for driver's license field sites (\$160,293)
- 4. Reduces funding for operating expenses. (The Burgum budget reduced operating expenses by an additional \$3,487,475.) **The Senate approved both executive recommendations and removed an additional \$1,526,251 from operating expenses.** (\$34,455,416)
- 5. Adds funding for capital assets. (The Burgum budget increased funding for capital assets by an additional \$588,122.) \$43,912,796
- 6. Adds funding for grants. (The Burgum budget increased funding for grants by an additional \$5 million for a North Dakota community enhancement program.) \$4,610,000