

**Department of Transportation
Budget No. 801
Senate Bill Nos. 2012 and 2021; House Bill No. 1024**

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriation	1,047.00	\$0	\$1,270,504,868	\$1,270,504,868
2015-17 legislative appropriation	<u>1,080.50</u>	<u>613,382,959¹</u>	<u>2,621,156,019</u>	<u>3,234,538,978</u>
2017-19 appropriation increase (decrease) to 2015-17 appropriation	(33.50)	(\$613,382,959)	(\$1,350,651,151)	(\$1,964,034,110)

¹The 2015-17 biennium general fund appropriation included the following one-time funding--\$470.2 million for a transfer to the highway fund, \$104.7 million for allocations to non-oil-producing counties, \$18.7 million for a contingent transfer to the highway fund, \$16.8 million for a transfer to the special road fund, \$1.9 million for a transfer to the special road fund, \$934,500 for motor coach reimbursement, \$186,900 for a contingent transfer to public transportation, \$56,070 for a truck size and weight harmonization study.

Item Description

FTE positions - The 2017 Legislative Assembly authorized 1,047.00 FTE positions, a decrease of 33.50 FTE positions from the 2015-17 biennium authorized level of 1,080.50 FTE positions. The Legislative Assembly removed 26.5 undesignated vacant FTE positions, 5 FTE positions related to the consolidation of highway maintenance sections, and 2 FTE administrator positions.

Highway tax distribution fund - The Department of Transportation estimated \$524.4 million would be distributed from motor vehicle fuel taxes and registration fees deposited in the highway tax distribution fund to the state highway fund, counties, cities, the township highway aid fund, and the public transportation fund during the 2017-19 biennium.

Line item transfer - Section 4 of 2017 Senate Bill No. 2012 authorizes the Director of DOT to transfer funds between the salaries and wages, operating expenses, capital assets, and grants line items when it is cost-effective for construction and maintenance of highways.

REAL ID Act - The federal REAL ID Act and related rules establish minimum standards for state-issued driver's licenses and personal identification cards to be accepted for official federal purposes. REAL ID became effective on May 11, 2008, but states may request waivers until October 1, 2020, to comply with the Act.

Disposition of maintenance section sites - Section 8 of Senate Bill No. 2012 directs DOT to consult with political subdivisions in the areas where the department may close highway maintenance section sites. The proposed site closures are located in Starkweather, Finley, Fessenden, Gackle, Litchville, New England, Courtenay, and Mayville.

Status/Result

The Department of Transportation (DOT) removed the 33.5 FTE positions. All positions removed were vacant.

Through April 2018, \$252.7 million was available to be distributed from the highway tax distribution fund to the state highway fund, counties, cities, the township highway aid fund, and the public transportation fund. This represents an increase of \$15.5 million, or 6.5 percent, from the original estimates for revenue available for distribution during the same time period.

The Department of Transportation transferred \$841,975 from the operating expenses line item and \$17,884,632 from the capital assets line item to the grants line item for a total of \$18,726,607 in August 2017. The agency determined transfers were needed to accurately reflect expenditures.

As of May 2018 DOT met all requirements of the REAL ID Act and began issuing compliant driver's licenses.

As of April 2018 all highway maintenance section operations for sites selected to be consolidated have been discontinued, with the exception of the Starkweather site which will be discontinued before the end of the 2017-19 biennium.

Payback and reallocation of federal aid - Section 9 of Senate Bill No. 2012 amended North Dakota Century Code Section 24-02-37 relating to the state highway fund to authorize DOT to repay the United States Department of Transportation for previous related expenditures from current biennium appropriations.

Department of Transportation study - Snow and ice control services - Section 10 of Senate Bill No. 2012 requires the department to study the manner in which it provides snow and ice control services on the state highway system, including the existing costs for the services and any potential savings. The department is to report to the Legislative Management prior to July 1, 2018, regarding the results of the study.

Department of Transportation study - Consolidation of services - Section 11 of Senate Bill No. 2012 requires the department to study options to consolidate transportation facilities within Williams County and the Williston district headquarters. The department is to report to the Legislative Management prior to July 1, 2018, and the 66th Legislative Assembly regarding the results of the study. The section also restricts the department from constructing any new buildings at the Williston district headquarters location until the study is complete.

Department of Transportation fees - Section 13 of Senate Bill No. 2012 requires the department to report annually to the Budget Section during the 2017-18 interim regarding all fees charged by the department in comparison to the actual cost incurred for the services provided.

Department of Transportation and Information Technology Department study - Telecommunications infrastructure on highway rights of way - Section 14 of Senate Bill No. 2012 requires DOT, along with the Information Technology Department, to study the benefits of allowing wireless telecommunication infrastructure within state highway rights of way before issuing permits to build such infrastructure.

Electronic payment processing system - Senate Bill No. 2021 (2017) provides total special funds appropriations of \$306,000 to DOT. Section 10 of the bill authorizes DOT to obtain a \$147,000 loan from the Bank of North Dakota, to be used to pay the Information Technology Department to implement an electronic payment processing system for credit card fees. Section 11 of the bill includes an appropriation of \$159,000 from special funds derived from additional revenue received as a result of the new system to repay the loan.

As of April 2018 the department has not repaid the United States Department of Transportation for previous related expenditures during the 2017-19 biennium.

The Department of Transportation contracted with C2Logix for \$179,031 in August 2017, to conduct the snow and ice control services study. The Department of Transportation obtained public input on snow and ice control and will provide a report to the Legislative Council upon completion of the study and present the report to the Government Finance Committee at its September 2018 meeting.

The Department of Transportation reported to the Government Finance Committee in March 2018 the consolidation of facilities would not be beneficial due to the cost of the infrastructure needed.

The Department of Transportation reported to the Budget Section in September 2017 that during the 2015-17 biennium, driver's license fee collections totaled approximately \$8.4 million while driver's license expenditures, including information technology costs, totaled \$13.4 million. Approximately \$27.2 million of motor vehicle registration fee collections are spent on motor vehicle registration-related expenditures.

The Department of Transportation and Information Technology Department, as a result of their study, recommend legislation be enacted to allow the regulation of telecommunication infrastructure within state highway rights of ways.

The Department of Transportation declined to implement the electronic payment processing system and will not obtain a loan from the Bank of North Dakota. The Department of Transportation has implemented an online platform for driver's license and motor vehicle transactions that allow for renewals online. The department has also installed three motor vehicle kiosks in Bismarck and new machines will be installed in Fargo, Grand Forks, Minot, Williston, and Dickinson. The department chose not to implement the payment processing system as an additional fee would be charged, which could discourage users to utilize the newly implemented systems.

House Bill No. 1024 - In Section 2 of 2017 House Bill No. 1024, the Legislative Assembly appropriated \$709,000 to DOT from special funds received from the Adjutant General for law enforcement support, which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota Access Pipeline project.

House Bill No. 1111 - This bill created Section 24-02-02.4 to authorize the Director of DOT to enter an agreement with the metro flood diversion authority regarding the portion of the Fargo-Moorhead diversion construction project which will affect the state highway system.

House Bill No. 1255 - This bill created Chapter 24-18, authorizing a limited transportation network to allow trucks to be permitted for loads up to 129,000 pounds with the proper axle configuration.

The Department of Transportation has spent a total of \$385,260 related to unlawful activity associated with the construction of the Dakota Access Pipeline. The department anticipates it will not spend any of the remaining \$323,740.

As of May 2018 DOT has not entered an agreement with the metro flood diversion authority.

The limited transportation network was effective as of August 1, 2017. See the limited transportation network map below.