

Department of Transportation
 Budget No. 801
 House Bill No. 1012

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriations	982.00	\$2,500,000	\$1,462,245,404	\$1,464,745,404
2019-21 base budget	1,047.00	0	1,269,489,868	1,269,489,868
Legislative increase (decrease) to base budget	(65.00)	\$2,500,000	\$192,755,536	\$195,255,536

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2019-21 legislative appropriations	\$0	\$2,500,000	\$2,500,000
2017-19 legislative appropriations	0	13,000,000 ¹	13,000,000 ¹
2019-21 legislative increase (decrease) to 2017-19 appropriations	\$0	(\$10,500,000)	(\$10,500,000)
Percentage increase (decrease) to 2017-19 appropriations	N/A	(80.8%)	(80.8%)

¹The 2017-19 biennium general fund appropriations reflect a 2017-19 biennium supplemental appropriation of \$13 million made in House Bill No. 1012. See the **Supplemental Appropriations** section below for additional information.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes.			(\$1,019,746)	(\$1,019,746)
Added funding to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020.			5,552,787	5,552,787
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,426.74 per month.			4,685,263	4,685,263
Removed 42 unspecified FTE positions and related funding.	(42.00)		(7,979,595)	(7,979,595)

Restored 16 FTE positions for research and development, enterprise management, and to transform the department's artificial intelligence and design, drones, robotics, smart license plates, and digital driver's licenses (\$3 million), and added 2 FTE positions related to Fargo driver's license operations (\$334,000).	18.00		3,334,000	3,334,000
Transferred 41 FTE information technology positions and related funding to the Information Technology Department (\$8,224,012) and adds funding of \$8,284,451 for payments to the Information Technology Department for the information technology unification initiative.	(41.00)		60,439	60,439
Increased funding for capital assets to provide a total ongoing capital asset funding of \$859,725,944.			87,874,093	87,874,093
Adjusted operating expenses by reducing payments to State Fleet Services (\$3,550,000), and by adding funding for Microsoft Office 365 licensing expenses (\$708,498), and other operating expenses (\$213,190).			(2,628,312)	(2,628,312)
Increased funding for grants to provide a total of \$95,854,637.			17,226,607	17,226,607
Reclassified short line railroad loan repayments deposited in the highway fund for the rail loan program.			11,100,000	11,100,000
Added funding to implement recommendations from the department's snow and ice control study.			750,000	750,000
Added one-time funding from the highway fund to replace the current driver's license system.			22,500,000	22,500,000
Added one-time funding from the highway fund for improvements to the Minot and Williston driver's license facilities.			1,300,000	1,300,000
Added one-time funding from the general fund for the Department of Transportation's (DOT) short line railroad program.		\$2,500,000		2,500,000
Added contingent one-time funding from a Bank of North Dakota loan to match federal grants the department had applied for after February 1, 2019.			50,000,000	50,000,000
Total	<u>(65.00)</u>	<u>\$2,500,000</u>	<u>\$192,755,536</u>	<u>\$195,255,536</u>

FTE Changes

The Legislative Assembly approved 982 FTE positions for DOT for the 2019-21 biennium, a decrease of 65 FTE positions from the 2017-19 biennium authorized level of 1,047 FTE positions. The Legislative Assembly removed 42 unspecified FTE positions; restored 16 FTE positions for research and development, enterprise management, and to transform the department's artificial intelligence and design, drones, robotics, smart license plates, and digital driver's licenses; added 2 FTE positions related to Fargo driver's license operations; and transferred 41 FTE information technology positions to the Information Technology Department.

One-Time Funding

One-time appropriations for the 2019-21 biennium for DOT include the following:

	General Fund	Other Funds	Total
Driver's license system replacement (highway fund)		\$22,500,000	\$22,500,000
Improvements to the Minot and Williston driver's license facilities (highway fund)		1,300,000	1,300,000
Short line railroad program	\$2,500,000		2,500,000
Contingent funding to match federal funds (Bank of North Dakota loan)		50,000,000	50,000,000
Total	\$2,500,000	\$73,800,000	\$76,300,000

Supplemental Appropriations

The Legislative Assembly, in Section 6 of House Bill No. 1012, appropriated \$13 million from the general fund for road maintenance during the 2017-19 biennium. The section authorizes the department to continue any unexpended amount from this appropriation into the 2019-21 biennium.

Other Sections in House Bill No. 1012

Line item transfers - Section 3 authorizes the Director of the Office of Management and Budget to transfer funds between the salaries and wages, operating expenses, capital assets, and grants line items as requested by DOT when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Legislative Council.

Exemption - Enhanced state highway investments - Section 4 provides that \$503,115,558 appropriated in the capital assets line item in House Bill No. 1012 (2015) relating to enhanced state highway investments is exempt from North Dakota Century Code Section 54-44.1-11 and any unexpended funds may be continued into the 2019-21 and 2021-23 bienniums.

2019-21 appropriation - General fund - Short line railroad program - Section 5 provides a one-time appropriation of \$2.5 million from the general fund to DOT for its short line railroad program during the 2019-21 biennium.

2017-19 appropriation - General fund - Enhanced state highway investment - Section 6 provides a one-time appropriation of \$13 million from the general fund to DOT for road maintenance funding during the 2017-19 biennium and provides that this appropriation is exempt from Section 54-44.1-11 and any unexpended funds may be continued into the 2019-21 biennium.

Contingent loan authorization - Contingent appropriation - Highway improvement projects - Section 7 provides for a contingent loan authorization allowing DOT to borrow up to \$50 million from the Bank of North Dakota and provides a contingent appropriation of those funds to DOT for the purpose of matching federal grants the department had applied for after February 1, 2019.

Cooperative agreements with private entities - Section 8 amends Section 24-02-45.1 to require that only the private entity's cost-share is to be paid in advance of construction.

Maintenance section sites - Operational requirements - Section 9 provides legislative intent that DOT provide seasonal winter services at the Mayville, Courtenay, Gackle, New England, Litchville, and Finley sections.

DOT study - Public transportation services - Section 10 provides for a DOT study of public transportation services within the state. The study must include the number of users of public transportation services, demographics of users, other transportation options available to users of public transportation services, and the identification of areas of the state which have no public or private transportation services available. The department is to report its findings to the Legislative Management.

Motor vehicle excise tax exemption - Section 11 creates a new subsection to Section 57-40.3-04 to provide that vehicles purchased by public transportation providers, which receive state funding through the highway tax distribution formula and provide public transportation services, are exempt from the motor vehicle excise tax. Section 12 provides for an effective date for taxable events occurring after June 30, 2019.

Emergency - Section 13 declares Sections 6 and 8 to be an emergency measure.

Related Legislation

House Bill No. 1093 - Creates Section 39-04-14.4 to establish a motorcycle registration expiration date of March 31 every year.

House Bill No. 1291 - Provides the option for a one-time permanent trailer registration and establishes the fee.

House Bill No. 1404 - Designate State Highway 22 from the South Dakota border to the junction of State Highway 22 and State Highway 23 as the Veterans Memorial Highway.

House Bill No. 1418 - Creates Chapter 8-12 and a new section to Chapter 39-01, to provide definitions related to automated vehicle network companies and autonomous vehicle operations.

Senate Bill No. 2061 - Creates a new section to Chapter 39-04 to provide definitions and to establish a road use fee of \$120 for electric vehicles, \$50 for hybrid vehicles, and \$20 for each electric motorcycle, charged at the beginning of each annual registration period.

Senate Bill No. 2119 - Amends Section 39-01-15, to remove a fee for special identifying certificates for mobility-impaired applicants.

Senate Bill No. 2120 - Amends Section 39-22-18, to increase the minimum number of motor vehicle sales a dealer must make during the previous year from four to eight to require dealer license renewal.

Senate Bill No. 2176 - Directs DOT to establish a road train pilot program and provides for a Legislative Management study of the feasibility and desirability of creating a road train pilot program.

Senate Bill No. 2187 - Expands a motor vehicle excise tax exemption relating to vehicles to transport the elderly or disabled to include vehicles other than busses.

Senate Bill No. 2244 - Increases various driver's license fees, which are deposited into the state highway fund. **This bill was vetoed by the Governor.**

Senate Bill No. 2268 - Creates a corridors of commerce program.

Senate Bill No. 2321 - Authorizes volunteer firefighters to qualify for a special vehicle license plate and provides further definitions for who qualifies for a volunteer vehicle license plate.