

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

	FTE Positions	General Fund	Other Funds	Total
2001-03 executive budget (Governor Schafer) (bills as introduced)	1,041.00		\$734,924,454	\$734,924,454
2001-03 legislative appropriations	1,041.00		739,918,943	739,918,943
Legislative increase (decrease) to executive budget	0.00	\$0	\$4,994,489	\$4,994,489
Legislative increase (decrease) to 1999-2001 appropriations	1.00	\$0	\$64,182,664	\$64,182,664
2001-03 Governor Hoeven's recommendation	1,041.00	\$0	\$734,924,454	\$734,924,454
Legislative increase (decrease) to Governor Hoeven's recommendation	0.00	\$0	\$4,994,489	\$4,994,489

GOVERNOR HOEVEN'S RECOMMENDATIONS

The Hoeven recommendation did not change the Schafer recommendation.

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET (SCHAFER) AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Department of Transportation is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015. In addition to the above appropriations, agencies may receive additional funding from the \$5 million appropriated in Section 1 of House Bill No. 1015 for special market equity adjustments for classified state employees whose salaries are the furthest from their respective salary range midpoints. The bill includes funding to provide a market adjustment of \$198.92 per month for the director, \$461.08 per month for one deputy, and \$485.83 per month for the other deputy. These appointed officials' market adjustments are effective January 1, 2002. The bill also includes \$960,000 from the highway fund for providing salary market adjustments for engineers and engineering technicians and \$240,000 from the highway fund for providing salary market adjustments for information technology staff.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for the market equity salary increases effective January 1, 2002. The director's salary increase is provided at \$198.92 per month, one deputy director's increase is provided at \$461.08 per month, and the other deputy's increase is provided at \$485.83 per month. The executive budget included more funding than was necessary to provide for these increases.			(\$5,511)	(\$5,511)
Added federal funds for paying preliminary engineering costs on the Four Bears Bridge Project			5,000,000	5,000,000
Total	0.00	\$0	\$4,994,489	\$4,994,489

FTE Changes

The Legislative Assembly did not change the executive recommendation to add one FTE telecommunications technician II position.

Information Technology Projects

The following information technology projects were approved for the 2001-03 biennium:

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

License Plates

The executive budget included a \$3.2 million appropriation to the Motor Vehicle Division for a new general license plate issue in Senate Bill No. 2012. The Legislative Assembly removed the \$3.2 million for the general license plate issue from the operating expenses line item and added Section 3 to the bill which appropriates the \$3.2 million only if the 2001 Legislative Assembly specifically identifies additional revenues to provide for the cost of the general license plate issue. The Legislative Assembly did not specifically identify additional revenue to provide for the cost of issuing a new license plate.

Highway Construction Funds

The Legislative Assembly did not change the executive recommendation which provided a total of \$451,162,687, of which \$87,946,806 is from the highway fund and \$363,215,881 is federal funds for highway construction projects for the 2001-03 biennium, an increase of \$78,513,576 compared to the 1999-2001 biennium, prior to legislative approval in Section 4 of Senate Bill No. 2012 of \$49,186,400 of funding for additional 1999-2001 biennium emergency relief projects.

Other Capital Improvements

Other capital improvements approved include:

\$352,600 of bond proceeds for a lighting retrofit project in the headquarters building appropriated in Senate Bill No. 2023.

\$2.5 million from asbestos settlement proceeds for partial remodeling of the highway building, due to the presence of asbestos, appropriated in Senate Bill No. 2012. The total project is estimated to cost \$8.5 million.

\$800,000 from the highway fund for replacing an estimated three section buildings.

Highway Fund Revenues

The Legislative Assembly provided for additional highway fund revenues of \$14.5 million, \$600,000 less than the department requested. The additional revenues resulted from:

Reducing the recommended amount of highway fund moneys appropriated for use by the Highway Patrol by \$7,529,899, from \$13,729,899 to \$6,200,000.

Increasing motor vehicle registration fees by \$7 for each vehicle registered, excluding trailers, which is estimated to provide an additional \$9.5 million. For the 2001-03 biennium, the Legislative Assembly provided that collections relating to \$2 of the \$7 increase be deposited in the highway fund rather than the highway tax distribution fund. As a result, \$7,021,000 of the \$9,500,000 of additional revenue generated from the \$7 increase will be deposited in the state highway fund and the remaining \$2,479,000 will be distributed to cities and counties.

Fuel Taxes

The Legislative Assembly did not change the current 21 cents per gallon motor fuel tax rate. A one-cent gasoline tax per gallon generates an estimated \$3.5 million per year or \$7 million per biennium. A one-cent special fuels (diesel) tax raises an estimated \$1.55 million per year or \$3.1 million per biennium. Of the \$10.1 million total, \$6.4 million or 63 percent is deposited in the state highway fund, and \$3.7 million or 37 percent is distributed to counties and cities.

Other Sections in Senate Bill No. 2012

Fleet Services study - Section 2 was added providing for a Legislative Council study of Fleet Services.

Deficiency appropriation - Section 4 was added appropriating \$49,694,483 to the Department of Transportation for the 1999-2001 biennium. This appropriation relates to:

\$508,083 of collections from UNISYS, Inc., for costs incurred by the Motor Vehicle Division due to the delay in the completion of the vehicle registration and titling system.

\$17,414,616 of federal funds for flood-related work in the Devils Lake area (\$1,731,581) and for other highway projects (\$15,683,035).

\$31,771,784, of which \$27,439,028 is federal emergency relief funds and \$4,332,756 is from proceeds of a Bank of North Dakota loan, for flood-related projects in the Devils Lake area and in other parts of the state.

Driver's license number - Section 5 was added providing that after the initial application for a driver's license, an individual does not need to provide the individual's Social Security number when renewing the individual's driver's license unless the individual is changing from a distinguishing number to the individual's Social Security number.

Commercial driver's license number - Section 6 was added allowing individuals to request a unique identifying number other than their Social Security number for their commercial driver's license number.

Speed limit - Section 7 was added but was vetoed by the Governor, to increase the speed limit on the state's interstate highways to 75 miles per hour.

Related Legislation

Motor vehicle branch office pilot project - Senate Bill No. 2027 requires the Department of Transportation 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.

Loans for emergency relief projects - Senate Bill No. 2112, recommended as part of the executive budget, authorizes the Department of Transportation 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. The department estimates receiving \$32 million of federal emergency relief funds requiring \$8 million of state matching funds during the 2001-03 biennium. The Legislative Assembly appropriated \$31.8 million, \$4.3 of which is proceeds from a Bank of North Dakota loan for the remainder of the 1999-2001 biennium in Section 4 of Senate Bill No. 2012 for emergency relief projects.

Motor vehicle registration fees - Senate Bill No. 2159 increases motor vehicle registration fees by \$7 per year (see **Highway Fund Revenues** section).

Department of Transportation scholarships - House Bill No. 1167 authorizes the Department of Transportation to provide up to \$20,000 per year for scholarships, a \$10,000 increase per year compared to the current level.