

**Department of Transportation
Budget 801
Senate Bill Nos. 2012, 2338**

	FTE Positions	General Fund	Other Funds	Total
2009-11 legislative appropriation	1,054.50	\$4,600,000 ¹	\$1,247,015,588	\$1,251,615,588
2007-09 legislative appropriation	<u>1,052.50</u>	<u>0</u>	<u>912,325,446²</u>	<u>912,325,446</u>
2009-11 appropriation increase (decrease) to 2007-09 appropriation	2.00	\$4,600,000	\$334,690,142	\$339,290,142

¹This amount is considered one-time funding.

²This amount reflects the 2007-09 deficiency appropriation of \$8.5 million from special funds to the Department of Transportation for highway projects and public transportation grants relating to weather-related cost-sharing distributions.

NOTE: The 2009-11 legislative appropriation amounts include \$3 million of other funds for the agency's share of the \$16 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for executive branch employees.

Item Description

Line item transfers - Section 13 of Senate Bill No. 2012 provides that the director of the Department of Transportation may transfer authority between the operating expenses and capital assets line items of the bill when it is cost-effective for the construction and maintenance of highways. The department is to notify OMB and report to the Legislative Management if any transfers are made.

Federal highway funds - The Department of Transportation estimated receiving \$500.9 million of Federal Highway Administration funding during the 2009-11 biennium.

Federal fiscal stimulus funding - In Section 2 of Senate Bill No. 2012, the Legislative Assembly appropriated \$176,082,671 of federal fiscal stimulus funds from the American Recovery and Reinvestment Act of 2009 to the Department of Transportation for highway infrastructure (\$170,126,497) and grants to rural transit programs (\$5,956,174). These amounts do not include \$5,041,000 of federal fiscal stimulus funding distributed directly to transit programs in metropolitan planning areas. The Department of Transportation may seek Emergency Commission and Budget Section approval for authority to spend any additional federal funds received under the American Recovery and Reinvestment Act of 2009 in excess of the amounts appropriated.

Status/Result

In September 2009 the department transferred \$8,417,500 from the capital assets line item to the operating expenses line item. The transfer was made to provide additional funds for routine highway maintenance. The department provided a report in June 2010 to the Legislative Management's interim Public Safety and Transportation Committee regarding the transfer.

The current federal highway funding bill expired on September 30, 2009. Since then, several congressional continuing resolutions have been passed to continue to provide federal highway funding to states. However, the exact amount of federal highway funding that will be received is uncertain due to the temporary nature of the continuing resolutions.

The department used approximately \$90 million of the \$170.1 million of stimulus funding for transportation infrastructure projects in construction year 2009. The department is anticipating to use the remaining funding in construction year 2010 as follows:

Project Type	Number of Projects	Total Funding
State	23	\$63,900,000
Urban	20	6,900,000
County	7	4,750,000
Transportation enhancement	20	5,100,000
Total	70	\$80,650,000

Highway-rail grade crossing safety fund - Senate Bill No. 2338 provides for up to \$1.6 million of special fuels excise taxes collected on sales of diesel fuel to railroads be deposited in the highway-rail grade crossing safety projects fund. Senate Bill No. 2338 also provides a \$1.6 million appropriation from the highway-rail grade crossing safety fund and \$900,000 of federal highway safety funds to the Department of Transportation for funding highway-rail grade crossing safety projects, including grants for the reduction of associated special assessments. Grants may be used for developing a railroad quiet zone with total grant funding limited to \$225,000 for each city.

Regional public transportation coordination pilot projects - Senate Bill No. 2223 (2009) provides for the Department of Transportation to develop two regional public transportation coordination pilot projects.

General fund transfer to state highway fund - Section 10 of Senate Bill No. 2012 provides for a \$4.6 million transfer from the general fund to the state highway fund for Devils Lake area road projects. This funding is considered to be one-time funding for the 2009-11 biennium.

State highway fund revenue - The Department of Transportation estimated that \$239.7 million of funding would be deposited in the state highway fund from motor fuels taxes and motor vehicle registration fees during the 2009-11 biennium.

As of May 2010, the department has received applications from the cities of Casselton, Medora, Beach, and Jamestown. The department has obligated \$359,391 of funding for the Casselton and Medora projects and the Beach and Jamestown projects are under review.

The department is working with the Upper Great Plains Transportation Institute on two public transportation coordination projects in Bismarck and Valley City. The projects are expected to be completed in early 2011.

The department anticipates using the funds for roadway projects in the Devils Lake area.

Through May 2010, deposits of motor fuels taxes and motor vehicle registration fees in the state highway fund have totaled \$116,438,708, which is 3.1 percent more than projected for the same time period.