

**Department of Transportation
Budget 801
House Bill No. 1012; Senate Bill Nos. 2015, 2371**

	FTE Positions	General Fund	Other Funds	Total
2011-13 legislative appropriation	1,063.50	\$376,550,000 ¹	\$1,749,054,459	\$2,125,604,459
2009-11 legislative appropriation	<u>1,054.50</u>	<u>4,600,000</u>	<u>1,247,015,588</u>	<u>1,251,615,588</u>
2011-13 appropriation increase (decrease) to 2009-11 appropriation	9.00	\$371,950,000	\$502,038,871	\$873,988,871

¹Reflects a \$370.6 million one-time transfer from the general fund to the highway fund, a \$100,000 one-time transfer from the general fund to the public transportation fund, and a one-time \$5.85 million general fund appropriation for Devils Lake area road projects.

Item Description

Emergency relief borrowing authority - The Legislative Assembly authorized the Department of Transportation to borrow up to \$200 million from the Bank of North Dakota for state highway emergency relief projects during the 2011-13 biennium. Any federal funds received for the emergency relief projects are to be used to repay the loan from the Bank.

Highway tax distribution fund - The Department of Transportation estimated \$412.5 million would be distributed from collections of 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 2011-13 biennium.

Roadway projects in areas affected by oil and gas development - The Legislative Assembly appropriated \$370.6 million from the highway fund for state highway projects (\$228.6 million) and county and township roadway projects (\$142 million) in areas affected by oil and gas development. House Bill No. 1012 (2011) provides the funding may be used for engineering and design costs incurred on projects as of January 1, 2011. The bill also provides that the local funding is to be distributed based on an Upper Great Plains Transportation Institute report, and each county is to submit a plan detailing the projects to the Department of Transportation for approval. The funds for local projects may be used for up to 90 percent of the cost of the project.

Fargo district office building - Section 12 of 2011 House Bill No. 1012 provides that \$800,000 of funding appropriated to the Department of Transportation from the highway fund for an equipment storage facility at the Fargo district office location is contingent upon the department offering the current district office location for sale. The department is to offer the Fargo

Status/Result

The Department of Transportation received Budget Section approval in March 2012 to receive and expend \$344,700,000 of federal emergency relief funding and \$45,600,000 of required state matching funds. The department anticipates requesting borrowing authority for the required state matching funds. The Budget Section encouraged the department, to the extent possible, to use highway fund revenues available during the 2011-13 biennium, to repay any funds borrowed. To the extent highway fund revenues are not available, the department plans to request a general fund deficiency appropriation from the 2013 Legislative Assembly to repay any remaining amounts outstanding.

Through January 2012, \$162.9 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 \$42.6 million, or 35.4 percent, from the original estimate for revenue available for distribution during the same time period.

The Department of Transportation used \$84.5 million of the \$228.6 million during the 2011 construction season for state highway projects. The department distributed \$19.5 million of the \$142 million during the 2011 construction season to counties for county and township road projects. The department anticipates using all remaining funds during the 2012 construction season.

The Department of Transportation advertised the Fargo district office location for sale in newspapers and on the department's website. The department did not receive any offers to purchase the office location. The department plans to construct the equipment storage facility at the Fargo district office location during the summer of 2012.

district office land and facilities for sale in exchange for a new location and facilities for the Fargo district office. The new location is to be of suitable size and condition, be accessible to the interstate system, and be located within the interstate storm gates in the cities of Fargo and West Fargo. The director of the department has the authority to determine if any offers for a new location and facilities for the Fargo district office are adequate for operations. The department may proceed with the construction of the equipment storage facility at the current location if an offer is not accepted by the department by May 1, 2012.

Federal fiscal stimulus funding - The Legislative Assembly appropriated \$24.1 million of federal fiscal stimulus funds to the Department of Transportation for transportation infrastructure projects (\$5.2 million), grants for rural transit programs (\$4.8 million), and to construct the North Central Regional Economic Growth Intermodal Port Connector project in Minot (\$14.1 million).

Driver's license renewals - House Bill No. 1109 (2011) increased the fee for driver's license renewals from \$10 to \$15 and extended the renewal period from four years to six years for Class D operator's licenses.

Increases in FTE positions - The Legislative Assembly in 2011 increased the authorized number of Department of Transportation FTE positions by nine compared to the number of positions authorized for the 2009-11 biennium. The new positions include four FTE driver's license examiner positions, two FTE motor vehicle licensing specialist positions, and three FTE transportation technician positions.

One-time funding - The Legislative Assembly appropriated \$5.85 million of one-time funding from the general fund to the Department of Transportation for road projects in the Devils Lake area for the 2011-13 biennium.

Highway-rail grade crossing safety fund - The Legislative Assembly in 2009 deposited \$1.6 million of special fuels tax collections related to diesel fuel sales to railroads in the highway-rail grade crossing safety fund. The Legislative Assembly in 2011 appropriated \$1.431 million from the fund to the Department of Transportation for projects approved during the 2009-11 biennium but for which funding was not distributed (\$1,201,000) and for new projects during the 2011-13 biennium (\$230,000). Grant funding for new projects may be used for railroad quiet zones, installing or upgrading active warning devices, resurfacing crossings, building grade separations, or any other cost associated with eligible improvements. Grant funds awarded during the 2011-13 biennium may not exceed \$80,000 per city.

Through April 2012, the Department of Transportation has spent \$11.1 million of the federal fiscal stimulus funding. The department anticipates spending the remaining funds by the end of the 2011-13 biennium.

The Department of Transportation began issuing driver's licenses with the extended renewal period and increased fee amount on August 1, 2011.

The Department of Transportation has allocated the positions to various districts in the state. Of the nine new FTE positions, four positions were located in Bismarck, two were located in Minot, and one new position was located each in Williston, Dickinson, and Fargo.

The Department of Transportation anticipates using all one-time funding for roadway projects in the Devils Lake area.

The Department of Transportation has not received any requests for new grants during the 2011-13 biennium related to the \$230,000 appropriated for new projects.

Temporary motor vehicle registrations - Senate Bill No. 2207 (2011) imposes certain registration requirements for nonresidents operating motor vehicles in the state.

The Department of Transportation has begun efforts to increase awareness of temporary motor vehicle registration requirements through billboard advertising, department personnel participating in press conferences and speaking to various groups, and by working with other agencies to develop checklists for new contractors that include information on temporary motor vehicle registrations.

From July 2011 through April 2012, the department has processed 6,667 temporary motor vehicle registrations and collected \$2,033,580 of fees.