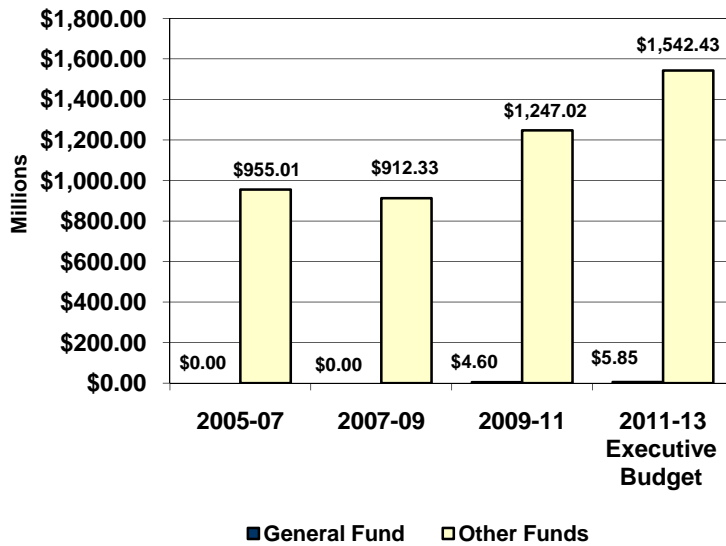


**Department 801 - Department of Transportation
 House Bill No. 1012**

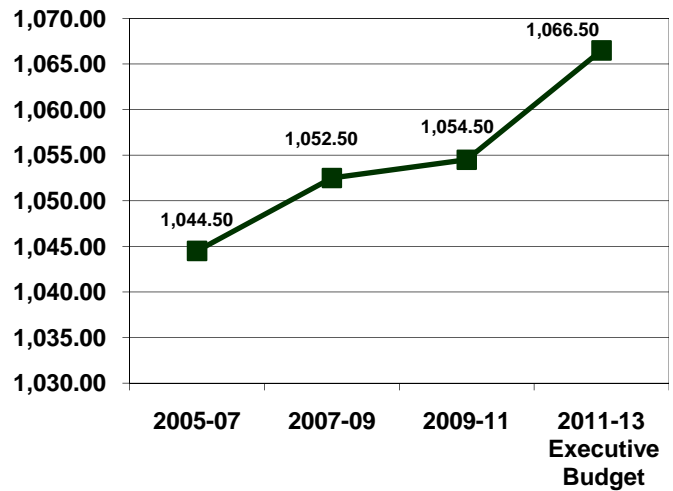
	FTE Positions	General Fund	Other Funds	Total
2011-13 Executive Budget	1,066.50	\$5,850,000	\$1,542,433,665	\$1,548,283,665
2009-11 Legislative Appropriations	1,054.50	4,600,000	1,247,015,588	1,251,615,588 ¹
Increase (Decrease)	12.00	\$1,250,000	\$295,418,077	\$296,668,077

¹The 2009-11 appropriation amounts include \$3 million of special funds for the agency's share of the \$16 million funding pool appropriated to the Office of Management and Budget for special market equity adjustment for executive branch employees. The 2009-11 appropriation amounts do not include \$16,016,589 of project carryover authority or \$82,740,600 of additional special funds authority resulting from Emergency Commission action during the 2009-11 biennium.

Agency Funding



FTE Positions



Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2011-13 Executive Budget	\$0	\$5,850,000	\$5,850,000
2009-11 Legislative Appropriations	0	4,600,000	4,600,000
Increase (Decrease)	\$0	\$1,250,000	\$1,250,000

First House Action

Attached is a summary of first house changes.

**Executive Budget Highlights
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides one-time funding from the permanent oil tax trust fund for roadway projects on state highways in areas affected by oil and gas development		\$228,600,000	\$228,600,000
2. Provides one-time funding from the permanent oil tax trust fund for county and township roadway projects in areas affected by oil and gas development		\$142,000,000	\$142,000,000
3. Adds 6 FTE transportation technician positions. The House removed 3 FTE positions.		\$620,412	\$620,412
4. Adds 4 FTE driver's license examiner positions. The House removed 2 FTE positions.		\$361,172	\$361,172
5. Adds 2 FTE motor vehicle licensing specialist positions. The House removed 1 FTE position.		\$203,100	\$203,100

6. Provides one-time funding for asbestos abatement in the Highway Building		\$2,465,544	\$2,465,544
7. Provides one-time funding to convert department radios from analog to digital		\$530,886	\$530,886
8. Provides funding from special funds for salary equity adjustments for the recruitment and retention of heavy equipment operators. The House removed this funding.		\$1,100,000	\$1,100,000
9. Provides additional funding for roadway maintenance safety items due to increased material costs		\$15,605,992	\$15,605,992
10. Provides for the following anticipated changes in federal highway aid:			
Federal Highway Administration formula funds (from \$500.9 million to \$569.5 million)		\$68,600,000	\$68,600,000
Emergency relief (from \$33.7 million to \$56.2 million)		22,500,000	22,500,000
Federal rail funds (from \$2.3 million to \$6.1 million)		3,800,000	3,800,000
National Highway Traffic Safety Administration (from \$10 million to \$11.4 million)		1,400,000	1,400,000
Federal transit funds (from \$12.8 million to \$13.7 million)		900,000	900,000
2009-11 federal funds for Devils Lake area projects (from \$43.8 million to \$0)		(43,800,000)	(43,800,000)
Total		\$53,400,000	\$53,400,000
11. Provides funding for an information technology program to improve the department's method of estimating project costs		\$532,055	\$532,055
12. Removes one-time funding from the general fund provided in the 2009-11 biennium for Devils Lake area roadway projects	(\$4,600,000)		(\$4,600,000)
13. Provides one-time funding from the general fund to match federal funds for roadway projects in the Devils Lake area	\$5,850,000		\$5,850,000
14. Provides one-time funding to begin planning for the replacement of the department's driver's license computer system		\$500,000	\$500,000
15. Removes federal fiscal stimulus funding provided in the 2009-11 biennium relating to highway infrastructure projects		(\$170,978,876)	(\$170,978,876)
16. Authorizes spending authority for federal fiscal stimulus funding not spent during the 2009-11 biennium for transportation infrastructure projects (\$5,189,575), grants for rural transit programs (\$4,800,000), and a federal fiscal stimulus grant received to construct the North Central Regional Economic Growth Intermodal Port Connector project in Minot (\$14,130,000)		\$24,119,575	\$24,119,575

Other Sections in Bill

Highway-rail grade crossing safety fund - Section 3 appropriates \$230,000 from the highway-rail grade crossing safety fund for railroad crossing safety project grants and provides guidelines for the distribution of grant funds. The appropriation amount represents the estimated balance of the highway-rail grade crossing safety fund on July 1, 2011. Section 7 repeals a section of the 2009 Session Laws which provides for any funding in the highway-rail grade crossing safety fund to be transferred to the highway tax distribution fund on August 1, 2011.

Transportation funding distributions - Section 4 appropriates \$25 million to the State Treasurer for 2009-11 biennium transportation funding distributions to counties, cities, and townships in non-oil-producing areas of the state. Section 5 appropriates \$25 million to the State Treasurer for 2011-13 biennium transportation funding distributions to counties, cities, and townships in non-oil-producing areas of the state. Guidelines are provided for each of the funding distributions.

Line item transfers - Section 6 authorizes the Department of Transportation to transfer funds between the operating expenses, capital assets, and grants budget line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.

County and township road reconstruction program - Section 8 establishes a program to allocate \$142 million to county and township road projects in areas affected by oil and gas development.

State airplane study - Section 9 provides for a Legislative Management study of the use of state-owned airplanes.

Continuing Appropriations

There are no continuing appropriations for this agency.

Significant Audit Findings

The operational audit for the Department of Transportation conducted by the State Auditor's office during the 2009-10 interim included the following significant audit findings:

- The Department of Transportation has a lack of controls over computer system access.
- The Department of Transportation is not properly reconciling the motor vehicle clearing account to the report of amounts processed and pending each month.

Major Related Legislation

House Bill No. 1109 - Driver's license renewal dates and fees - Increases the fee for driver's license renewals from \$10 to \$15 and extends the driver's license renewal period from four years to six years for Class D operator's licenses.

House Bill No. 1256 - Creates a graduated motor vehicle operator licensing program for minors.

Senate Bill No. 2207 - Imposes certain registration requirements for nonresidents operating motor vehicles in the state.

Senate Bill No. 2325 - Provides \$73.6 million from the permanent oil tax trust fund for a county and township road reconstruction program to support agricultural logistics and economic development.

ATTACH:1