

PROPOSED AMENDMENTS TO SENATE BILL NO. 2012

Page 1, line 2, after the semicolon insert "to amend and reenact section 24-02-37 of the North Dakota Century Code, relating to state highway fund expenditures;"

Page 1, line 2, remove "and"

Page 1, line 2, after "transfer" insert "; and to provide exemptions"

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$207,778,278	(\$5,692,586)	\$202,085,692
Operating expenses	295,762,751	(66,381,105)	229,381,646
Capital assets	700,081,402	70,624,188	770,705,590
Grants	<u>62,918,030</u>	<u>9,610,000</u>	<u>72,528,030</u>
Total special funds	\$1,266,540,461	\$8,160,497	\$1,274,700,958
Full-time equivalent positions	1,080.50	(31.50)	1,049.00"

Page 2, after line 12, insert:

SECTION 4. ADDITIONAL FUNDING FOR FEDERAL HIGHWAY MATCHING FUNDS. The department of transportation may use up to \$5,700,000 of the funding transferred, pursuant to section 4 of chapter 12 of the 2015 Session Laws, from the general fund to the highway fund to provide state matching funds for federal highway construction funding provided by the federal highway administration during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 5. FUNDING FOR NORTH DAKOTA COMMUNITY ENHANCEMENT PROGRAM. Notwithstanding any other provision of law, the department of transportation may use up to \$5,000,000 of the funding transferred, pursuant to section 4 of chapter 12 of the 2015 Session Laws, from the general fund to the highway fund to improve North Dakota's economic activity by reinvesting and enhancing transportation assets of communities, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 6. EXEMPTION - ENHANCED STATE HIGHWAY INVESTMENT FUNDING. Section 54-44.1-11 does not apply to funding of \$503,115,558 in the capital assets line item relating to enhanced state highway investments in section 1 of chapter 12 of the 2015 Session Laws. Any funds continued into the 2017-19 biennium but not spent by June 30, 2019, must be continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and may be expended only for enhanced state highway investments.

SECTION 7. EXEMPTION - SPECIAL ROADS FUND PROJECTS. Funding of \$2,000,000 appropriated to the department of transportation for special road projects, as contained in section 1 of chapter 12 of the 2015 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the department of transportation for special road projects during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 8. AMENDMENT. Section 24-02-37 of the North Dakota Century Code is amended and reenacted as follows:

24-02-37. State highway fund - Priorities for expenditure - Use of investment income.

The state highway fund, created by law and not otherwise appropriated and allocated, must be applied and used for the purposes named in this section, as follows:

1. Except for investment income as provided in subsection 3, the fund must be applied in the following order of priority:
 - a. The cost of maintaining the state highway system.
 - b. The cost of construction and reconstruction of highways in the amount necessary to match, in whatever proportion may be required, federal aid granted to this state by the United States government for road purposes in North Dakota. Notwithstanding any other provision of law, the department of transportation may repay the United States department of transportation for previous related expenditures from current biennium appropriations to allow the department to reobligate the federal aid to other federal aid projects.
 - c. Any portion of the highway fund not allocated as provided in subdivisions a and b may be expended for the construction of state highways without federal aid or may be expended in the construction, improvement, or maintenance of such state highways.
2. All funds heretofore appropriated or hereafter appropriated or transferred to the department, whether earmarked or designated for special projects or special purposes or not, must be placed or transferred into a single state highway fund in the office of the state treasurer and any claims for money expended by the department upon warrants prepared and issued by the office of management and budget and signed by the state auditor under this title must be paid out of the state highway fund by the state treasurer; provided, however, that the commissioner shall keep and maintain complete and accurate records showing that all expenditures have been made in accordance with legislative appropriations and authorizations.
3. The state treasurer shall deposit the moneys in the state highway fund in an interest-bearing account at the Bank of North Dakota. The state treasurer shall deposit eighty percent of the income derived from the interest-bearing account in a special interest-bearing account in the state treasury known as the special road fund. The special road fund may be used, within the limits of legislative appropriation, exclusively for the construction and maintenance of access roads to and roads within recreational, tourist, and historical areas as designated by the special road committee. A political subdivision or state agency may request funds from the special road fund by applying to the committee on forms designated by the committee. The committee may require the political subdivision or state agency to contribute to the cost of the project as a condition of any expenditure authorized from the special road fund. Any moneys in the fund not obligated by the special road committee by June thirtieth of each odd-numbered year must be held for an additional two years after which the funds revert to the state highway fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Department of Transportation - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$207,778,278	(\$5,692,586)	\$202,085,692
Operating expenses	295,762,751	(66,381,105)	229,381,646
Capital assets	700,081,402	70,624,188	770,705,590
Grants	62,918,030	9,610,000	72,528,030
Total all funds	\$1,266,540,461	\$8,160,497	\$1,274,700,958
Less estimated income	1,266,540,461	8,160,497	1,274,700,958
General fund	\$0	\$0	\$0
FTE	1080.50	(31.50)	1049.00

Department No. 801 - Department of Transportation - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Health Insurance Increase²	Removes FTE Positions³	Consolidates Highway Maintenance Sections⁴	Reduces Funding for Driver's License Field Sites⁵	Adds Funding for a Community Enhancement Program⁶
Salaries and wages	(\$2,584,831)	\$2,913,485	(\$5,363,021)	(\$658,219)		
Operating expenses				(628,400)	(160,293)	
Capital assets						
Grants						5,000,000
Total all funds	(\$2,584,831)	\$2,913,485	(\$5,363,021)	(\$1,286,619)	(\$160,293)	\$5,000,000
Less estimated income	(2,584,831)	2,913,485	(5,363,021)	(1,286,619)	(160,293)	5,000,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(26.50)	(5.00)	0.00	0.00

	Adjusts Base Level Funding⁷	Total Senate Changes
Salaries and wages		(\$5,692,586)
Operating expenses	(65,592,412)	(66,381,105)
Capital assets	70,624,188	70,624,188
Grants	4,610,000	9,610,000
Total all funds	\$9,641,776	\$8,160,497
Less estimated income	9,641,776	8,160,497
General fund	\$0	\$0
FTE	0.00	(31.50)

¹ Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

² Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

³ Salaries and wages funding is reduced relating to the removal of FTE positions, including 21.50 vacant FTE positions (\$3,427,063) as recommended by Governor Dalrymple and 5.00 additional FTE positions (\$1,935,958) as recommended by Governor Burgum.

⁴ Salaries and wages (\$658,219) and 5 FTE positions and related operating expenses (\$628,400) are reduced relating to the planned consolidation of 8 highway maintenance sections as recommended by Governor Dalrymple.

⁵ Operating expenses funding is reduced by \$160,293 by discontinuing operations at 9 driver's license field sites as recommended by Governor Dalrymple.

⁶ Funding of \$5,000,000 is provided for a North Dakota community enhancement program as recommended by Governor Burgum.

⁷ Base level funding is adjusted as follows:

	<u>Other Funds</u>
Reduces operating expenses	(\$65,592,412)
Increases capital assets	70,624,188
Increases grants	4,610,000
Total	<u>\$9,641,776</u>

This amendment also:

- Adds a section authorizing the use of \$5.7 million in enhanced state highway investment funding transferred from the general fund to the highway fund by the 2015 Legislative Assembly for matching federal highway construction funds during the 2017-19 biennium.
- Adds a section authorizing the use of \$5 million in enhanced state highway investment funding transferred from the general fund to the highway fund by the 2015 Legislative Assembly for the North Dakota community enhancement program during the 2017-19 biennium.
- Provides an exemption from North Dakota Century Code Section 54-44.1-11 for funds appropriated for enhanced state highway investments for the 2015-17 biennium to allow the funds to continue to be spent in the 2019-21 biennium.
- Provides an exemption from Section 54-44.1-11 for \$2 million of funds appropriated for special roads projects in the 2015-17 biennium to continue and be spent in the 2017-19 biennium.
- Adds a section to amend Section 24-02-37, relating to state highway fund expenditures.