

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

Executive Budget Comparison to Prior Biennium Appropriations

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	1,081.50	\$1,460,115,558 ¹	\$2,727,287,715	\$4,187,403,273
2013-15 Legislative Appropriations ²	1,079.50	1,464,020,000 ³	1,920,779,434	3,384,799,434
Increase (Decrease)	2.00	(\$3,904,442)	\$806,508,281	\$802,603,839

¹The 2015-17 executive budget general fund amount includes the following transfers:

- Senate Bill No. 2015 - \$904,115,558 transfer from the general fund to the highway fund.
- Senate Bill No. 2015 - \$5 million from the general fund to the special roads fund.
- Senate Bill No. 2126 - \$550 million (\$450 million for state highway investments and \$100 million for distributions to cities, counties, and townships in non-oil-producing areas) from the general fund to the highway fund.

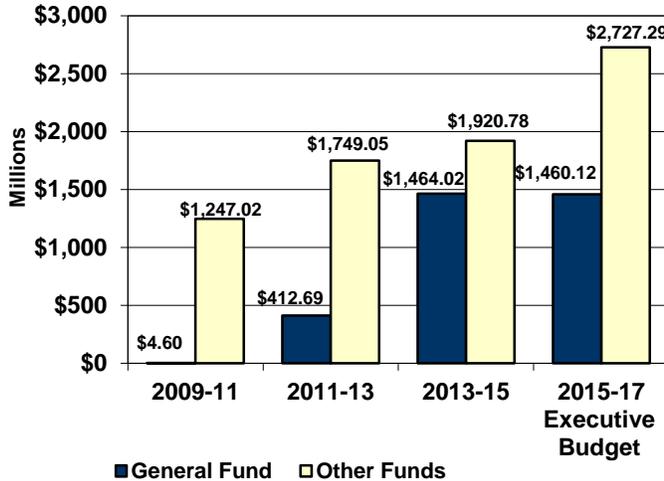
²The 2013-15 appropriation amounts do not include other funds (\$3,809,234) allocations to the agency from the state agency energy impact funding pool for temporary salary adjustments (\$3,383,180) and rental assistance payments (\$426,054) for agency employees located in areas of the state affected by energy development.

³The 2013-15 general fund appropriation amount includes a \$541.6 million transfer from the general fund to the highway fund and a \$1.1 million contingent transfer to public transportation.

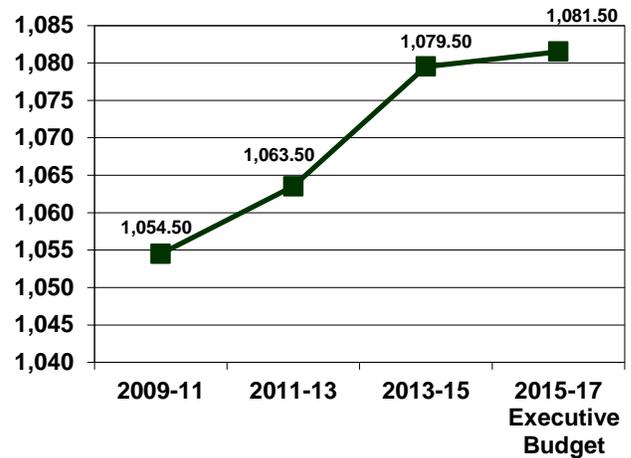
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 Executive Budget	\$0	\$1,460,115,558	\$1,460,115,558
2013-15 Legislative Appropriations	0	1,464,020,000	1,464,020,000
Increase (Decrease)	\$0	(\$3,904,442)	(\$3,904,442)

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
House Bill No. 1012	\$1,000,000	\$2,177,287,715	\$2,178,287,715
Senate Bill No. 2015	909,115,558	0	909,115,558
Senate Bill No. 2126	550,000,000	550,000,000	1,100,000,000
2015-17 Executive Budget	\$1,460,115,558	\$2,727,287,715	\$4,187,403,273
2015-17 Base Level	0	1,379,179,434	1,379,179,434
Increase (Decrease)	\$1,460,115,558	\$1,348,108,281	\$2,808,223,839

First House Action

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

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

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases of which \$9,441,399 relates to performance increases, \$364,295 is for market equity adjustments, \$4,684,832 is for health insurance increases, and \$973,898 is for retirement contribution increases. The House provided funding for performance salary increases of 2 to 4 percent per year and funding for health insurance increases, but did not include funding for market equity increases, or funding for retirement contribution increases.	\$0	\$15,464,424	\$15,464,424
2. Adds funding for 1 new archaeologist FTE position. The House did not include the new FTE position.	\$0	\$182,280	\$182,280
3. Adds funding for 1 new environmental scientist FTE position. The House did not include the new FTE position.	\$0	\$195,143	\$195,143
4. Provides for the following anticipated changes in federal highway aid:			
Federal Highway Administration formula funds (from \$532.2 million to \$545.3 million)	\$0	\$13,100,000	\$13,100,000
Emergency relief (from \$116.8 million to \$42.4 million)	\$0	(\$74,400,000)	(\$74,400,000)
Federal rail funds (from \$8.4 million to \$4 million)	\$0	(\$4,400,000)	(\$4,400,000)
National Highway Traffic Safety Administration (from \$9.3 million to \$9.5 million)	\$0	\$200,000	\$200,000
Federal transit funds (from \$14.8 million to \$15.3 million)	\$0	\$500,000	\$500,000
Total	\$0	(\$65,000,000)	(\$65,000,000)
5. Increases funding for contract patching	\$0	\$35,713,309	\$35,713,309
6. Provides a one-time general fund transfer to the highway fund of \$904.1 million for state highway (SB 2015). The House provided a one-time general fund transfer to the highway fund of \$504.1 million for state highways in Section 4 of HB 1012.	\$904,115,558	\$0	\$904,115,558
7. Provides a one-time general fund transfer of \$5 million to the special road fund for improvements to roads that lead to recreational areas (SB 2015). The House provided a one-time general fund transfer to the special road fund of \$1 million for roads that lead to recreational areas in Section 5 of HB 1012.	\$5,000,000	\$0	\$5,000,000
8. Provides a one-time general fund transfer to the highway fund of \$550 million for state highway investments (\$450 million) and transportation distributions to non-oil-producing political subdivisions (\$100 million) (SB 2126). The Legislative Assembly provided a one-time strategic investment and improvements fund transfer of \$450 million to the highway fund for state highways in Section 3 of SB 2103.	\$550,000,000	\$0	\$550,000,000
9. Provides one-time funding of special funds for enhanced state highway investments in areas affected by oil and gas development, including truck reliever routes, and upgrading two-lane roadways to four-lane roadways and repairing bridges (SB 2015). The House provided one-time funding of special funds of \$504.1 million for enhanced state highway investments in HB 1012.	\$0	\$904,115,558	\$904,115,558
10. Provides one-time funding of special funds for improvements to roads that lead to recreational areas (SB 2015). The House provided one-time funding of special funds of \$1 million for improvements to roads that lead to recreational areas in HB 1012.	\$0	\$5,000,000	\$5,000,000
11. Provides a one-time funding of special funds of \$450 million for state highway investments (SB 2126). The Legislative Assembly provided one-time funding of special funds of \$450 million to the Department of Transportation for enhanced state highway investments in Section 4 of SB 2103.	\$0	\$450,000,000	\$450,000,000

12. Provides one-time funding of special funds for allocations to non-oil-producing cities, townships, and counties (SB 2126). The Legislative Assembly provided \$352 million of one-time funding from the strategic investment and improvements fund for allocations to oil-producing counties (\$240 million) and non-oil-producing counties (\$112 million) in Section 2 of SB 2103 to be used for county road and bridge repairs and improvements. In addition, the House provided \$112 million of one-time funding from the general fund for distributions to non-oil-producing counties for county road and bridge repairing and improvements in HB 1012.	\$0	\$100,000,000	\$100,000,000
13. Provides \$2.5 million of one-time funding of special funds to continue the motor vehicle registration and titling system replacement project	\$0	\$2,500,000	\$2,500,000
14. Provides one-time funding from the general fund to reimburse the state fleet program for a loss on the sale of motor coaches. The House provided \$750,000 of special funds from reimbursements from various state universities.	\$1,000,000	\$0	\$1,000,000
15. Provides one-time funding of special funds to upgrade the maintenance management system. The House did not include funding for the maintenance management system.	\$0	\$589,000	\$589,000

Other Sections in Bill

Line item transfers - Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, 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.

Appropriation - Transfer - General fund to highway fund - Section 4 added by the House provides a one-time appropriation and transfer of \$504,115,558 from the general fund to the highway fund.

Appropriation - Transfer - General fund to special road fund - Section 5 added by the House provides a one-time appropriation and transfer of \$1 million from the general fund to the special road fund.

Appropriation - Section 6 added by the House provides a one-time appropriation of \$2 million from the strategic investment and improvements fund to Department of Transportation to provide additional funding for the department's short line railroad program.

Appropriation - State Treasurer - Section 7 added by the House provides a one-time appropriation of \$8 million from the general fund to the State Treasurer for allocation to counties for the benefit of organized and unorganized townships in non-oil-producing counties for township roads or other infrastructure needs.

Legislative intent - Contingent funding for building and new major information technology projects - Section 8 added by the House provides legislative intent that the Department of Transportation refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly.

Exemption - Highway-rail grade crossing safety projects - Section 9 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of North Dakota Century Code Section 54-44.1-11.

Carryover authority - Enhanced state highway investments - Section 10 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments may be continued into the 2017-19 biennium.

Exemption - State disaster relief fund - Road grade raising - Section 11 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.

Payback and reallocation of federal aid - Section 12 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures from 2015-17 biennium appropriations.

Amendment - Section 13 added by the House amends Section 39-02-03 regarding the powers and duties of the Director to authorize the Director to enter five-year contracts for branch offices.

Legislative Management study - Short line railroad - Section 14 added by the House provides for a Legislative Management study regarding short line railroad infrastructure.

Legislative Management study - High-efficiency vehicles - Section 15 added by the House provides for a Legislative Management study regarding high-efficiency vehicles.

Legislative Management study - Automated motor vehicle - Section 15 added by the House provides for a Legislative Management study regarding automated motor vehicles.

Continuing Appropriations

Public transportation fund - Section 39-04.2-04 - Consists of a 1.5 percent allocation from the state highway tax distribution fund. The funds received by the public transportation fund are allocated to each county. Each county receives four-tenths of 1 percent base amount plus one dollar and fifty cents per capita of population in the county, based upon the latest regular or special official federal census.

Significant Audit Findings

The operational audit for the Department of Transportation conducted by the State Auditor's office during the 2013-14 interim identified a significant audit finding for improper reconciliation of the motor vehicle clearing account.

Major Related Legislation

House Bill No. 1053 - Excludes the Department of Transportation from required use of centralized desktop support services.

House Bill No. 1122 - Authorizes the use of online services provided by the Department of Transportation to obtain a substitute operator's license or nondriver photo identification card.

House Bill No. 1144 - Creates Chapters 26.1-40.1 and 39-34 relating to insurance coverage of motor vehicles participating in transportation network company networks and services, priority of coverage, and minimum limits.

House Bill No. 1176 - Provides an appropriation of \$112 million to the Department of Transportation from the general fund for distributions to non-oil-producing counties for county road and bridge repairs and improvements.

House Bill No. 1318 - Directs the Department of Transportation to establish and administer an agriculture impact grant program and creates the agriculture impact grant fund to provide agriculture development impact grants to be awarded by the Agriculture Impact Grant Advisory Committee and distributed by the Department of Transportation.

House Bill No. 1389 - Provides for a Legislative Management study of issues relating to verification of citizenship status for the purpose of voting, including absentee and mail ballot voting. The study also must address the process through which the Department of Transportation verifies citizenship status in the issuance of driver's licenses and nondriver identification cards and the feasibility and desirability of requiring the Department of Transportation to include on a driver's license or nondriver identification card of a noncitizen a notation indicating the individual is not a citizen of the United States.

Senate Bill No. 2103 - Approved - Provides a total appropriation of \$1.1 billion from the strategic investment and improvements fund, of which \$352 million is to the Department of Transportation for distribution to oil-producing counties (\$240 million) and non-oil-producing counties (\$112 million) for county road and bridge repairs and improvements, and \$298 million to the State Treasurer for distributions and allocations to counties, cities, and townships. The bill also provides a transfer of \$450 million from the strategic investment and improvements fund to the highway fund and an appropriation of \$450 million to the Department of Transportation from the highway fund for construction and maintenance of state transportation infrastructure. The funding provided in this bill is declared to be an emergency measure.

Senate Bill No. 2352 - Authorizes the removal of a vehicle or any personal property or cargo spilled that is blocking the highway or endangering public safety to be removed and provides that a police officer and the police officer's employing agency, the Department of Transportation or an employee of the Department of Transportation, or a political subdivision or employee of a political subdivision authorized by a police officer is not liable in civil damages for loss or damage to any vehicle removed from a highway or state property under this section, so long as reasonable care is used in the removal process.

Department of Transportation - Budget No. 801
House Bill No. 1012
Base Level Funding Changes

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
2015-17 Biennium Base Level	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434
2015-17 Ongoing Funding Changes								
Base payroll changes			\$1,909,645	\$1,909,645			\$1,909,645	\$1,909,645
Salary increase - Performance			9,441,399	9,441,399			7,042,812	7,042,812
Salary increase - Market equity			364,295	364,295				0
Retirement contribution increase			973,898	973,898				0
Health insurance increase			4,684,832	4,684,832			4,676,196	4,676,196
New FTE - Archaeologist I	1.00		182,280	182,280				0
New FTE - Environmental scientist III	1.00		195,143	195,143				0
Operating expenses increase			8,748,743	8,748,743			8,748,743	8,748,743
Contract patching increase			35,713,309	35,713,309			35,713,309	35,713,309
Grants adjustment			(16,870,000)	(16,870,000)			(16,870,000)	(16,870,000)
Information technology - Maintenance management system			589,000	589,000				0
Reduce capital assets			(159,439,821)	(159,439,821)			(158,850,821)	(158,850,821)
Total ongoing funding changes	2.00	\$0	(\$113,507,277)	(\$113,507,277)	0.00	\$0	(\$117,630,116)	(\$117,630,116)
One-time funding items								
Enhanced state infrastructure investments			\$904,115,558	\$904,115,558			\$504,115,558	\$504,115,558
Recreational road access funding			5,000,000	5,000,000			1,000,000	1,000,000
Loss on discontinuation of motor coaches		1,000,000		1,000,000			750,000	750,000
Motor vehicle registration and titling system			2,500,000	2,500,000			2,500,000	2,500,000
Short line railroad program				0			2,000,000	2,000,000
Total one-time funding changes	0.00	\$1,000,000	\$911,615,558	\$912,615,558	0.00	\$0	\$510,365,558	\$510,365,558
Total Changes to Base Level Funding	2.00	\$1,000,000	\$798,108,281	\$799,108,281	0.00	\$0	\$392,735,442	\$392,735,442
2015-17 Total Funding	1,081.50	\$1,000,000	\$2,177,287,715	\$2,178,287,715	1,079.50	\$0	\$1,771,914,876	\$1,771,914,876

Other Sections in House Bill No. 1012

Line item transfers

Executive Budget Recommendation

Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants 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.

House Version

Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants 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.

Appropriation - Transfer - General fund to highway fund

Section 4 provides a \$504,115,558 appropriation and transfer from the general fund to the highway fund to be used for enhanced state infrastructure investments.

Appropriation - Transfer - General fund to special road fund

Section 5 provides a \$1 million appropriation and transfer from the general fund to the special road fund to be used for improvements to roads that lead to recreational areas.

Executive Budget Recommendation

House Version

Appropriation

Section 6 provides a \$2 million appropriation from the strategic investment and improvements fund to the Department of Transportation for the purpose of increasing the department's short line railroad program.

Appropriation - State Treasurer

Section 7 provides a \$8 million appropriation from the general fund to the State Treasurer for distributions to townships in non-oil-producing counties.

Legislative intent - Contingent on federal funds

Section 8 provides legislative intent that the Department of Transportation refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives at least as much federal funding anticipated by the 64th Legislative Assembly.

Exemption - Highway-rail grade crossing safety projects

Section 4 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of North Dakota Century Code Section 54-44.1-11.

Section 9 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11.

Carryover authority - Enhanced state highway investments

Section 5 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2017-19 biennium.

Section 10 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2017-19 biennium.

Exemption - State disaster relief fund - Road grade raising

Section 6 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.

Section 11 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.

Payback and reallocation of federal aid

Section 7 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.

Section 12 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.

Amendment

Section 13 amends Section 39-02-03 regarding contracts between the Department of Transportation and branch offices within the state.

Legislative Management study - Short line railroad infrastructure

Section 14 provides for a Legislative Management study regarding short line railroad infrastructure.

Legislative Management study - High efficiency vehicles

Section 15 provides for a Legislative Management study regarding high efficiency vehicles.

Legislative Management study - Automated motor vehicle

Section 16 provides for a Legislative Management study regarding automated motor vehicles.