

**Department of Transportation
Budget No. 801
Senate Bill Nos. 2012 and 2021; House Bill No. 1024**

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriations	1,047.00	\$0	\$1,270,504,868	\$1,270,504,868
2017-19 base budget	1,080.50	0	1,266,540,461	1,266,540,461
Legislative increase (decrease) to base budget	(33.50)	\$0	\$3,964,407	\$3,964,407

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2017-19 legislative appropriations	\$0	\$0	\$0
2015-17 adjusted legislative appropriations	0	613,382,959	613,382,959
2017-19 legislative increase (decrease) to 2015-17 adjusted appropriations	\$0	(\$613,382,959)	(\$613,382,959)
Percentage increase (decrease) to 2015-17 adjusted appropriations	0.0%	(100.0%)	(100.0%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly did not include funding for employee salary increases.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.			(\$2,584,831)	(\$2,584,831)
Added funding for employee health insurance premiums to reflect a revised premium rate of \$1,240.83 per month.			2,702,395	2,702,395
Removed 26.5 vacant FTE positions.	(26.50)		(5,363,021)	(5,363,021)
Removed 5 FTE positions (\$658,219) and related operating expenses (\$628,400) through consolidation of 8 highway maintenance sections.	(5.00)		(1,286,619)	(1,286,619)
Removed 2 FTE administrator positions and transferred \$396,261 from the salaries and wages line item to the capital assets line item.	(2.00)		0	0
Adjusted funding for operating expenses, capital assets, and grants.			14,067,380	14,067,380

Added funding for capital assets.			588,122	588,122
Reduced funding for operating expenses.			(5,013,726)	(5,013,726)
Reduced funding for driver's license field sites.			(160,293)	(160,293)
Added one-time funding of other funds received from Adjutant General loan proceeds for law enforcement costs relating to unlawful activity associated with the construction of the Dakota Access Pipeline (House Bill No. 1024).			709,000	709,000
Added one-time funding for an electronic payment processing system to be implemented by the Information Technology Department, of which \$147,000 is from a Bank of North Dakota loan and \$159,000 is for repayment of the loan. (Senate Bill No. 2021)			306,000	306,000
Total	<u>(33.50)</u>	<u>\$0</u>	<u>\$3,964,407</u>	<u>\$3,964,407</u>

FTE Changes

The Legislative Assembly approved 1,047 FTE positions for the Department of Transportation for the 2017-19 biennium, a decrease of 33.50 FTE positions from the 2015-17 biennium authorized level of 1,080.50 FTE positions.

Other Sections in House Bill No. 2012

Health insurance increase - Section 2 identifies the amount of funding included in the agency budget for state employee health insurance premium rate increases during the 2017-19 biennium.

Line item transfers - Section 4 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating expenses, 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.

Additional funding for federal highway matching funds - Section 5 authorizes the use of \$16.3 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.

Exemption - Enhanced state highway investments - Section 6 provides funding appropriated to the Department of Transportation for enhanced state highway investments for the 2015-17 biennium is not subject to North Dakota Century Code Section 54-44.1-11 and may be continued into the 2019-21 biennium.

Exemption - Special roads fund projects - Section 7 provides that \$2 million of funds appropriated to the Department of Transportation for special roads projects in the 2015-17 biennium is not subject to Section 54-44.1-11 and may be continued into the 2017-19 biennium.

Disposition of maintenance section sites - Section 8 directs the Department of Transportation to consult with political subdivisions in the areas where highway maintenance section sites may be closed.

Payback and reallocation of federal aid - Section 9 amends Section 24-02-37 relating to the state highway fund to authorize the Department of Transportation to repay the United States Department of Transportation for previous related expenditures from current biennium appropriations.

Department of Transportation study - Snow and ice control services - Section 10 requires the department to study the manner in which it provides snow and ice control services on the state highway system, including the existing costs for the services and any potential savings. The department is to report to the Legislative Management prior to July 1, 2018, regarding the results of the study.

Department of Transportation study - Consolidation of services - Section 11 requires the department to study options to consolidate transportation facilities within Williams County and the Williston district headquarters. The department is to report to the Legislative Management prior to July 1, 2018, and the 66th Legislative Assembly regarding the results of the study. The section also restricts the department from constructing any new buildings at the Williston district headquarters location until the study is complete.

Legislative Management study - Transportation funding - Section 12 provides for a Legislative Management study of transportation funding.

Department of Transportation fees - Section 13 requires the department to report annually to the Budget Section during the 2017-18 interim regarding all fees charged by the department in comparison to the actual cost incurred for the services provided.

Department of Transportation and Information Technology Department Study - Telecommunications infrastructure on highway rights of way - Section 14 requires the Department of Transportation along with the Information Technology Department to study the benefits of allowing wireless telecommunication infrastructure within state highway rights of way before issuing permits to build such infrastructure.

Related Legislation

House Bill No. 1024 - Section 2 provides an appropriation of \$709,000 to the Department of Transportation from special funds received from the Adjutant General for law enforcement support, which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota Access Pipeline project.

House Bill No. 1110 - Creates a new section to Chapter 24-02 to authorize the Department of Transportation to contract with private entities for the construction of certain items on the state highway system which will benefit the private entity and the traveling public.

House Bill No. 1111 - Creates a new section to Chapter 24-02 to authorize the Director of the Department of Transportation to enter an agreement with the metro flood diversion authority regarding the portion of the Fargo-Moorhead diversion construction project which will impact the state highway system.

House Bill No. 1128 - Creates new sections to Title 39 related to operator's license and nondriver identification cards and the requirement of documentation and retention of that documentation for substitute operator's licenses.

House Bill No. 1255 - Creates a new chapter to Title 24 to create a limited transportation network which allows trucks to be permitted for loads up to 129,000 pounds with the proper axle configuration.

House Bill No. 1369 - Creates a new subsection to Section 39-06-14 relating to licenses issued to operators. The new subsection requires the Director of the Department of Transportation to issue a unique operator's license to any resident who at the time of application is not a citizen of the United States and who fulfills the proper requirements.

Senate Bill No. 2045 - Amends Section 39-12-14.1 relating to the deposit of voluntary settlement of extraordinary road use fee charges and Section 39-12-20 relating to the deposit of proceeds of sale to allow the fees collected to continue to be retained by the jurisdiction with the road on which the violation occurred rather than be deposited in the state highway fund.

Senate Bill No. 2021 - Authorizes the Department of Transportation to obtain a loan of \$147,000 from the Bank of North Dakota, which will be used by the Information Technology Department to implement an electronic processing system for credit card fees. An appropriation of \$159,000 is also provided for the repayment of the loan, resulting in a total appropriation of \$306,000 to the Department of Transportation in Senate Bill No. 2021.

Senate Bill No. 2109 - Amends Section 24-02-02.3 relating to agreements with tribal governments and removes a requirement that the agreements must be limited to those necessary to meet federal highway program spending requirements.