

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
Department of Transportation			
Salaries and wages	\$204,109,585	\$217,746,396	\$13,636,811
Operating expenses	270,888,188	332,881,474	61,993,286
Capital assets	902,431,344	1,556,395,065	653,963,721
Grants	118,085,610	120,571,458	2,485,848
Contingent loan authorization		78,500,000	78,500,000
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Total all funds	\$1,495,514,727	\$2,306,094,393	\$810,579,666
Less estimated income	<u>1,495,514,727</u>	<u>2,295,719,393</u>	<u>800,204,666</u>
General fund	\$0	\$10,375,000	\$10,375,000
FTE	982.00	1,001.00	19.00
Bill total			
Total all funds	\$1,495,514,727	\$2,306,094,393	\$810,579,666
Less estimated income	<u>1,495,514,727</u>	<u>2,295,719,393</u>	<u>800,204,666</u>
General fund	\$0	\$10,375,000	\$10,375,000
FTE	982.00	1,001.00	19.00

House Bill No. 1012 - Department of Transportation - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$204,109,585	\$28,313,251	\$232,422,836
Operating expenses	270,888,188	59,493,286	330,381,474
Capital assets	902,431,344	741,713,721	1,644,145,065
Grants	118,085,610	3,985,848	122,071,458
Contingent loan authorization		78,500,000	78,500,000
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Total all funds	\$1,495,514,727	\$912,006,106	\$2,407,520,833
Less estimated income	<u>1,495,514,727</u>	<u>901,631,106</u>	<u>2,397,145,833</u>
General fund	\$0	\$10,375,000	\$10,375,000
FTE	982.00	16.00	998.00

Department 801 - Department of Transportation - Detail of House Changes

	Adds Funding for Cost to Continue Salary Increases¹	Adjusts Base Level Funding²	Adds Funding for Salary and Benefit Increases³	Adds FTE Positions⁴	Adds Funding to Match Federal Formula Funds⁵	Adds One-Time Funding to Match Federal Discretionary Grants⁶
Salaries and wages	\$9,903,727		\$15,414,574	\$2,994,950		
Operating expenses		\$45,216,310		151,976		
Capital assets		(32,536,279)			\$169,250,000	\$490,000,000
Grants		(5,264,152)				
Contingent loan authorization						
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Total all funds	\$9,903,727	\$7,415,879	\$15,414,574	\$3,146,926	\$169,250,000	\$490,000,000
Less estimated income	<u>9,903,727</u>	<u>7,415,879</u>	<u>15,414,574</u>	<u>3,146,926</u>	<u>169,250,000</u>	<u>490,000,000</u>
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	16.00	0.00	0.00

	Adds Funding for State Flexible Transportation Program⁷	Adds Contingent Loan Authorizations⁸	Adds One-Time Funding for Short Line Railroad Programs⁹	Adds One-Time Funding for Projects to Address Flooding¹⁰	Adds One-Time Funding for Rural Transit¹¹	Adds One-Time Funding for Projects and Technology¹²
Salaries and wages						
Operating expenses				\$5,000,000		\$9,125,000
Capital assets	\$115,000,000					
Grants			\$8,000,000		\$1,250,000	
Contingent loan authorization		\$78,500,000				
Total all funds	\$115,000,000	\$78,500,000	\$8,000,000	\$5,000,000	\$1,250,000	\$9,125,000
Less estimated income	115,000,000	78,500,000	8,000,000	5,000,000	0	0
General fund	\$0	\$0	\$0	\$0	\$1,250,000	\$9,125,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Total House Changes
Salaries and wages	\$28,313,251
Operating expenses	59,493,286
Capital assets	741,713,721
Grants	3,985,848
Contingent loan authorization	78,500,000
Total all funds	\$912,006,106
Less estimated income	901,631,106
General fund	\$10,375,000
FTE	16.00

¹ Funding is added for the cost to continue 2021-23 biennium salary increases.

² Funding is adjusted based on estimated federal funds to be received and for other adjustments.

³ The following funding is added for 2023-25 biennium salary adjustments of 4 percent on July 1, 2023, and 4 percent on July 1, 2024, and increases in health insurance premiums from \$1,429 to \$1,648 per month:

	Other Funds
Salary increase	\$10,268,264
Health insurance increase	5,146,310
Total	\$15,414,574

⁴ Funding is added for the following FTE positions:

	FTE	Other Funds
Auditors	4.00	\$829,992
Equipment operators	7.00	949,974
Driving examiners	2.00	499,984
Accountants	3.00	715,000
Total	16.00	\$2,994,950

Operating funding of \$151,976 is also added for the examiner positions to increase the availability of commercial driver's license testing.

⁵ Funding from the highway fund is appropriated to match federal funds. The funding is from 50 percent of motor vehicle excise taxes deposited in the highway fund resulting in a general fund revenue reduction of \$169,250,000.

⁶ Funding from the strategic investment and improvements fund (\$200 million) is appropriated to match federal discretionary grants (\$290 million).

⁷ Funding is appropriated from the strategic investment and improvements fund to establish a state flexible transportation program.

⁸ A \$50 million appropriation from a contingent Bank of North Dakota loan is provided to match federal grants received for projects improving US Highway 85. A \$28.5 million appropriation from a contingent Bank of North Dakota loan is provided to match funds provided by the Minnesota Department of Transportation for projects to address flooding in the northern Red River Valley.

⁹ One-time funding from the strategic investment and improvements fund is added to enhance loan programs to assist short line railroads with rail improvement projects.

¹⁰ One-time funding from the strategic investment and improvements fund is added for studies, preliminary engineering, and environmental studies to address northern Red River Valley infrastructure affected by flooding.

¹¹ One-time funding is added for grants to rural transit providers.

¹² One-time funding from the general fund is added for the following projects:

- \$6,250,000 for the roadway information management system project;
- \$865,000 for building door security; and
- \$2,010,000 for an automated vehicle location project.

This amendment also:

- Amends North Dakota Century Code Section 57-40.3-10 to deposit 50 percent of motor vehicle excise tax collections in the highway fund. The amendment would reduce estimated general fund revenues by \$169,250,000;
- Amends Section 13 of Chapter 15 of the 2021 Session Laws to adjust appropriation language relating to the distribution of 2021-23 biennium funding to townships;
- Amends Section 10 of Chapter 80 of the 2021 Session Laws to adjust appropriation language relating to the use of funding derived from bond proceeds during the 2021-23 biennium;
- Authorizes the Department of Transportation to construct a rest area in the western part of the state utilizing funds from the highway fund; and
- Provides exemptions to allow the Department of Transportation to continue selected 2021-23 biennium appropriations into the 2023-25 biennium.

House Bill No. 1012 - Department of Transportation - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$204,109,585	\$232,422,836	(\$14,676,440)	\$217,746,396
Operating expenses	270,888,188	330,381,474	2,500,000	332,881,474
Capital assets	902,431,344	1,644,145,065	(87,750,000)	1,556,395,065
Grants	118,085,610	122,071,458	(1,500,000)	120,571,458
Contingent loan authorization		78,500,000		78,500,000
Total all funds	\$1,495,514,727	\$2,407,520,833	(\$101,426,440)	\$2,306,094,393
Less estimated income	1,495,514,727	2,397,145,833	(101,426,440)	2,295,719,393
General fund	\$0	\$10,375,000	\$0	\$10,375,000
FTE	982.00	998.00	0.00	998.00

Department 801 - Department of Transportation - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Salary Funding for Funding Pool ²	Reclassifies 4 FTE Positions ³	Adjusts Funding for Federal Highway Funds Match ⁴	Adjusts Discretionary and Flexible Transportation Funding ⁵	Reduces Funding for Short Line Railroad Loan Program ⁶
Salaries and wages	\$3,181,552	(\$17,857,992)				
Operating expenses						
Capital assets				\$4,750,000	(\$92,500,000)	
Grants						(\$1,500,000)
Contingent loan authorization						
Total all funds	\$3,181,552	(\$17,857,992)	\$0	\$4,750,000	(\$92,500,000)	(\$1,500,000)
Less estimated income	3,181,552	(17,857,992)	0	4,750,000	(92,500,000)	(1,500,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for Flood Study ^z	Adds Funding for Environmental Study ⁸	Total Senate Changes
Salaries and wages			(\$14,676,440)
Operating expenses	(\$2,500,000)	\$5,000,000	2,500,000
Capital assets			(87,750,000)
Grants			(1,500,000)
Contingent loan authorization			
Total all funds	(\$2,500,000)	\$5,000,000	(\$101,426,440)
Less estimated income	(2,500,000)	5,000,000	(101,426,440)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	Other Funds
Salary increase	\$3,297,276
Health insurance adjustment	(115,724)
Total	\$3,181,552

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	Other Funds
New FTE positions	(\$2,994,974)
Vacant FTE positions	(14,863,018)
Total	(\$17,857,992)

³ Four vacant FTE positions are reclassified to 2 FTE driver's license examiner positions and 2 FTE positions to administer the county and township roadway program.

⁴ Funding of \$169,250,000 derived from 50 percent of motor vehicle excise tax collections deposited in the highway fund to match regular federal highway funding is removed and replaced with \$60 million from legacy fund earnings and one-time funding of \$114 million from the strategic investment and improvements fund.

⁵ Funding for federal discretionary funds match and the flexible transportation fund is adjusted as follows:

House:

Flexible transportation fund - \$115 million from the strategic investment and improvements fund

Discretionary match - \$200 million from the strategic investment and improvements fund

Senate:

Flexible transportation fund, including discretionary match - \$171.5 million from motor vehicle excise tax collections, \$51 million from the strategic investment and improvements fund

⁶ Funding added by the House from the strategic investment and improvements fund to enhance the short line railroad loan program is reduced from \$8 million to \$6.5 million.

⁷ One-time funding from the strategic investment and improvements fund added by the House for studies, preliminary engineering, and environmental studies to address northern Red River Valley infrastructure affected by flooding is reduced from \$5 million to \$2.5 million.

⁸ One-time funding from the strategic investment and improvements fund is added for an environmental study of US Highway 52 from Minot to Voltaire.

This amendment also:

- Adjusts statutory language to provide that 50 percent of motor vehicle excise taxes be deposited in the general fund and the remaining 50 percent be deposited in the flexible transportation fund. The House provided for 50 percent of motor vehicle excise taxes to be deposited in the highway fund and 50 percent to be deposited in the general fund.
- Amends statutory language regarding the flexible transportation fund to provide that at least 25 percent of motor vehicle excise taxes deposited in the fund be used for county and township road and bridge projects, to require Budget Section approval for certain projects, and to require Budget Section reports.
- Adds a section to create a legacy earnings highway distribution fund to distribute transportation funding to the highway fund and political subdivisions that is received from legacy fund earnings.
- Adds a section to create a legacy earnings township highway aid fund to distribute transportation funding to non-oil producing counties that is received from legacy fund earnings.
- Adds a Legislative Management study of the effect of electric vehicles in the state.
- Provides for the Department of Transportation to develop a plan to finish the US Highway 85 four-lane project.

House Bill No. 1012 - Department of Transportation - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$204,109,585	\$232,422,836	(\$14,676,440)	\$217,746,396	\$217,746,396	
Operating expenses	270,888,188	330,381,474	2,500,000	332,881,474	332,881,474	
Capital assets	902,431,344	1,644,145,065	(87,750,000)	1,556,395,065	1,556,395,065	
Grants	118,085,610	122,071,458	(1,500,000)	120,571,458	120,571,458	
Contingent loan authorization		78,500,000		78,500,000	78,500,000	
Total all funds	\$1,495,514,727	\$2,407,520,833	(\$101,426,440)	\$2,306,094,393	\$2,306,094,393	\$0
Less estimated income	1,495,514,727	2,397,145,833	(101,426,440)	2,295,719,393	2,295,719,393	0
General fund	\$0	\$10,375,000	\$0	\$10,375,000	\$10,375,000	\$0
FTE	982.00	998.00	3.00	1,001.00	998.00	3.00

Department 801 - Department of Transportation - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Salary Funding for Funding Pool ²	Adds Funding for FTE Positions ³	Reclassifies 2 FTE Positions ⁴	Adjusts Funding for Federal Highway Funds Match ⁵	Adjusts Discretionary and Flexible Transportation Funding ⁶
Salaries and wages	\$3,181,552	(\$18,408,702)	\$550,710			
Operating expenses						
Capital assets					\$4,750,000	(\$92,500,000)
Grants						
Contingent loan authorization						
Total all funds	\$3,181,552	(\$18,408,702)	\$550,710	\$0	\$4,750,000	(\$92,500,000)
Less estimated income	3,181,552	(18,408,702)	550,710	0	4,750,000	(92,500,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	3.00	0.00	0.00	0.00

	Reduces Funding for Short Line Railroad Loan Program ²	Reduces Funding for Flood Study ³	Adds Funding for Environmental Study ⁴	Total Conference Committee Changes
Salaries and wages				(\$14,676,440)
Operating expenses		(\$2,500,000)	\$5,000,000	2,500,000
Capital assets				(87,750,000)
Grants	(\$1,500,000)			(1,500,000)
Contingent loan authorization				
Total all funds	(\$1,500,000)	(\$2,500,000)	\$5,000,000	(\$101,426,440)
Less estimated income	(1,500,000)	(2,500,000)	5,000,000	(101,426,440)
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	3.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	Other Funds
Salary increase	\$3,297,276
Health insurance adjustment	(115,724)
Total	\$3,181,552

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Office of Management and Budget for a transfer from the new and vacant FTE funding pool.

	Other Funds
New FTE positions	(\$3,545,684)
Vacant FTE positions	(14,863,018)
Total	(\$18,408,702)

The Senate also removed funding for the new and vacant FTE funding pool.

³ Funding is added for the following FTE positions:

Description	FTE	Other Funds
Equipment operator	1.00	\$135,714
Township program coordinator	1.00	207,498
Township program coordinator	<u>1.00</u>	<u>207,498</u>
Total	3.00	\$550,710

These positions were not added by the House or Senate.

⁴ Two vacant FTE positions are reclassified to 2 FTE driver's license examiner positions. The Senate also reclassified these positions.

⁵ Funding of \$169.25 million derived from 50 percent of motor vehicle excise tax collections deposited in the highway fund to match regular federal highway funding is removed and replaced with \$60 million from legacy fund earnings and one-time funding of \$114 million from the strategic investment and improvements fund. The Senate also made this adjustment.

⁶ Funding for federal discretionary funds match and the flexible transportation fund is adjusted as follows:

House:

Flexible transportation fund - \$115 million from the strategic investment and improvements fund

Discretionary match - \$200 million from the strategic investment and improvements fund

Senate and Conference Committee:

Flexible transportation fund, including discretionary match - \$171.5 million from motor vehicle excise tax collections, \$51 million from the strategic investment and improvements fund

⁷ Funding added by the House from the strategic investment and improvements fund to enhance the short line railroad loan program is reduced from \$8 million to \$6.5 million. The Senate also made this reduction.

⁸ One-time funding from the strategic investment and improvements fund added by the House for studies, preliminary engineering, and environmental studies to address northern Red River Valley infrastructure affected by flooding is reduced from \$5 million to \$2.5 million. The Senate also reduced this funding.

⁹ One-time funding from the strategic investment and improvements fund is added for an environmental study of US Highway 52 from Minot to Voltaire. The Senate also added this funding.

This amendment also:

- Adjusts statutory language to provide that 50 percent of motor vehicle excise taxes be deposited in the general fund and the remaining 50 percent be deposited in the flexible transportation fund, the same as the Senate. The House provided for 50 percent of motor vehicle excise taxes to be deposited in the highway fund and 50 percent to be deposited in the general fund.
- Amends statutory language regarding the flexible transportation fund to provide that at least 25 percent of motor vehicle excise taxes deposited in the fund be used for county and township road and bridge projects, to require Budget Section approval for certain projects, and to require Budget Section reports. The Senate also added this language.
- Adds a section to designate a portion of State Highway 13 as the Trooper Beryl McLane Memorial Highway.
- Adds a section to create a legacy earnings highway distribution fund to distribute transportation funding to the highway fund and political subdivisions that is received from legacy fund earnings, the same as the Senate.
- Adds a section to create a legacy earnings township highway aid fund to distribute transportation funding to non-oil-producing counties that is received from legacy fund earnings, the same as the Senate.
- Adds a Legislative Management study of the effect of electric vehicles in the state, the same as the Senate.
- Provides for the Department of Transportation to develop a plan to finish the US Highway 85 four-lane project, the same as the Senate.