

# **SB 2012**

House Appropriations Committee  
Government Operations Division

**Supplemental Material**  
**March 17, 2021**

# SB 2012

## March 17 Topics

Ron Henke, Deputy Director for Engineering

- Traffic Data
- Project Map
- Wetlands Mitigation

Robin Rehborg, Deputy Director for Driver Safety

- Motor Vehicle
- State Fleet

Terra Miller-Bowley, Deputy Director for Administration

- IT Unification

Shannon Sauer, Chief Financial Officer

- Budget Information



# **TRAFFIC DATA | PROJECT MAP WETLANDS MITIGATION**

Ron Henke, Deputy Director for Engineering

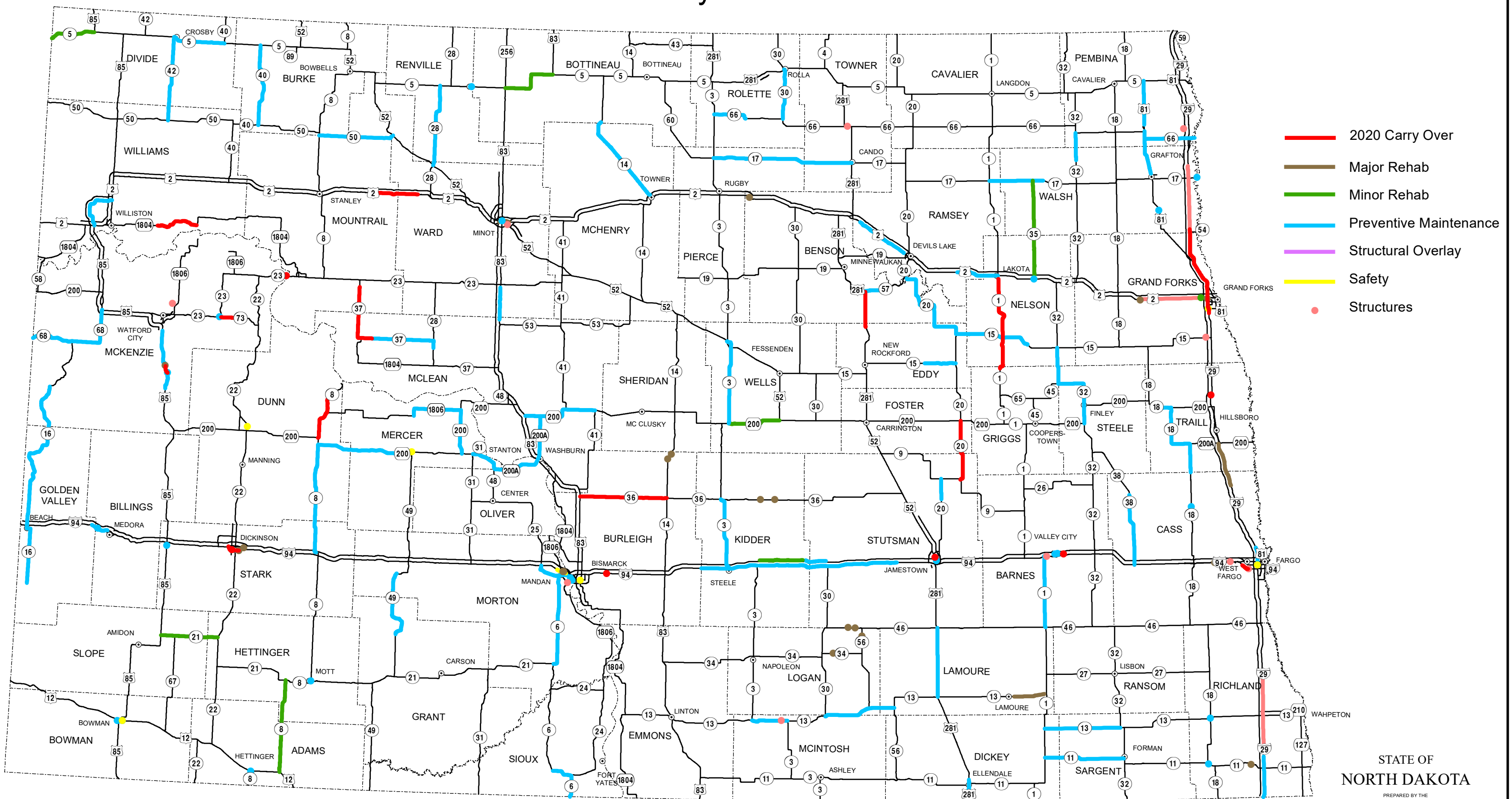


# NORTH DAKOTA TRAFFIC DATA

For North Dakota city and county traffic reports and interactive traffic maps, visit:

- [NDDOT Website | Traffic Reports](http://www.dot.nd.gov/business/maps-portal.htm#trafficreportsmonthlyandannual)  
<http://www.dot.nd.gov/business/maps-portal.htm#trafficreportsmonthlyandannual>
- [NDDOT Website | Traffic Reports County & City](https://www.dot.nd.gov/business/maps-portal.htm#trafficcountsstateandcity)  
<https://www.dot.nd.gov/business/maps-portal.htm#trafficcountsstateandcity>

# 2021 CONSTRUCTION PROJECTS with 2020 Carry Over



STATE OF  
NORTH DAKOTA

PREPARED BY THE  
NORTH DAKOTA DEPARTMENT OF TRANSPORTATION  
PLANNING / ASSET MANAGEMENT DIVISION  
IN COOPERATION WITH THE  
U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

March 11, 2021

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**NDDOT Wetland  
Mitigation Expenditures**

| 3/16/2021   | 2008                | 2009                | 2010               | 2011                | 2012                | 2013                | 2014                  | 2015                  | 2016                  | 2017                | 2018                | 2019                | 2020                | Total Years           |
|---|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| <b>Mitigation Banks</b>                               | \$195,647.90        | \$67,999.86         | \$31,609.00        | \$2,000.00          | \$40,496.13         | \$139,857.30        | \$989,599.52          | \$1,066,394.37        | \$263,299.79          | \$115,186.82        | \$27,220.37         | \$2,230.53          | \$6,593.94          | \$2,948,135.53        |
| <b>Permittee-responsible mitigations (On-Site)</b>    | \$0.00              | \$219,649.65        | \$0.00             | \$104,322.85        | \$496,326.63        | \$611,372.27        | \$1,682,791.28        | \$858,316.86          | \$720,775.20          | \$44,151.35         | \$214,900.57        | \$77,109.63         | \$40,529.08         | \$5,070,245.36        |
| <b>In-Lieu Fee Programs</b>                           | \$0.00              | \$0.00              | \$0.00             | \$0.00              | \$0.00              | \$0.00              | \$0.00                | \$0.00                | \$0.00                | \$0.00              | \$0.00              | \$0.00              | \$0.00              | \$0.00                |
| <b>Monitoring (*Data not available prior to 2015)</b> | *                   | *                   | *                  | *                   | *                   | *                   | *                     | \$60,967.98           | \$69,241.85           | \$109,560.53        | \$117,367.78        | \$229,821.94        | \$141,599.30        | \$728,559.38          |
| <b>Wetland Mitigation Grand Total</b>                 | <b>\$195,647.90</b> | <b>\$287,649.51</b> | <b>\$31,609.00</b> | <b>\$106,322.85</b> | <b>\$536,822.76</b> | <b>\$751,229.57</b> | <b>\$2,672,390.80</b> | <b>\$1,985,679.21</b> | <b>\$1,053,316.84</b> | <b>\$268,898.70</b> | <b>\$359,488.72</b> | <b>\$309,162.10</b> | <b>\$188,722.32</b> | <b>\$8,746,940.27</b> |
| <b>NDDOT Construction Program</b>                     | \$275,000,000       | \$319,000,000       | \$410,000,000      | \$590,000,000       | \$550,000,000       | \$820,000,000       | \$820,000,000         | \$615,000,000         | \$680,000,000         | \$382,000,000       | \$357,000,000       | \$405,000,000       | \$396,000,000       | \$6,619,000,000       |
| <b>Wetland Mitigation % of Program</b>                | <b>0.07%</b>        | <b>0.09%</b>        | <b>0.01%</b>       | <b>0.02%</b>        | <b>0.10%</b>        | <b>0.09%</b>        | <b>0.33%</b>          | <b>0.32%</b>          | <b>0.15%</b>          | <b>0.07%</b>        | <b>0.10%</b>        | <b>0.08%</b>        | <b>0.05%</b>        | <b>0.13%</b>          |

\* Data not available prior to 2015

**Mitigation Banks:** These costs encompass all project development (surveys, studies, design) and construction of NDDOT managed Mitigation Banks. Mitigation Bank costs were calculated through finance query by PCN, as mitigation banks projects have their own exclusive PCN/Project Number.

**Permittee-responsible mitigations (On-site):** These costs include design, ROW, and construction for on-site mitigation as part of roadway improvement project costs. On-Site mitigation costs include both locations within the ROW, and locations outside ROW through acquisition of project specific permanent wetland mitigation easement. On-site mitigation costs were calculated by OPD staff manually analyzing quantities and bid items within project plans, ROW easement costs, and uses additional 10% for engineering/design.

**In-Lieu Fee Programs:** These costs would encompass direct payments for mitigation to NGO such as Ducks Unlimited. The NDDOT has not participated in this type of mitigation to date.

**Monitoring:** These costs encompass field monitoring and annual reporting for monitoring both On-Site Mitigation, as well as NDDOT Mitigation Bank monitoring. Monitoring contracts began using a stand- alone PCN/Project Number in 2015, and cumulative costs are only readily available starting in 2015.

**Wetland Mitigation Grand Total:** Includes all of the above cumulative costs.

**NDDOT Construction Program:** Annual NDDOT construction costs.

# **MOTOR VEHICLE**

Robin Rehborg, Deputy Director for Driver Safety

# MOTOR VEHICLE Division

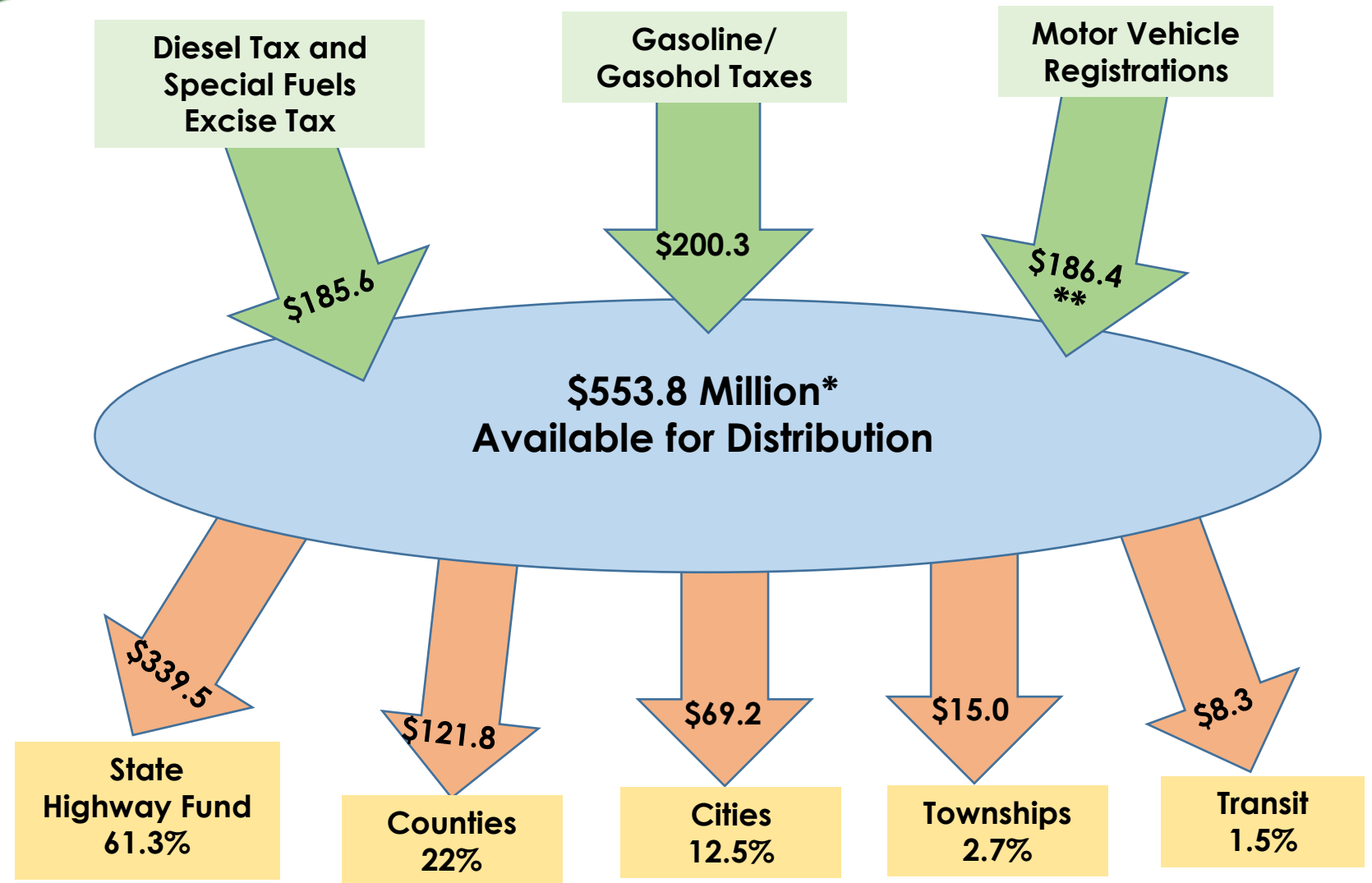
- Consumer Section
- Quality Assurance & Support System
- Business Operations
- Motor Carrier
- Dealer Services





# Highway Tax Distribution Fund

2021-2023  
(millions)



\*\$18.5 million was withheld prior to distribution for allocation to the Highway Patrol (\$8.3), to the Ethanol Subsidy Fund (\$4.7) and to the NDDOT for administrative assistance to other transferees (\$5.5)

\*\* Approximately 2.2 million vehicle registrations per biennium

# MOTOR VEHICLE Process & Programs

## BIG WIN!

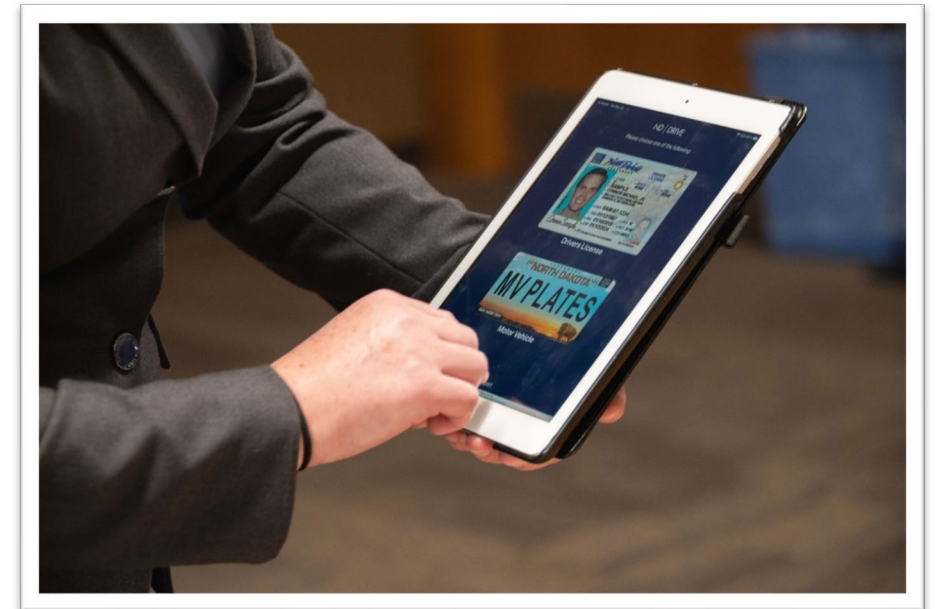
Processing time on motor vehicle requests dropped from 8 weeks to 3.2 weeks in the last year

- Automation has allowed team members to assist others
- Mail processes were improved (avg. 366 pieces of mail daily)
- Licensing specialists process titles as time permits
- Consumer team was restructured to create efficiency



# MOTOR VEHICLE Process & Programs

- All locations started taking appointments. Prior to the pandemic, Motor Vehicle did not take appointments, only walk-ins. (*900 per week in Bismarck*)
- Licensing Enterprise Gateway Endpoint for North Dakota (LEGEND). (\$22.5 million)
  - What is it? One database, one record universal service delivery platform.
  - System merge has begun. (\$6 million, CARES funding)
  - Business process analysis for Drivers License was completed March 30, 2020.
  - Both Motor Vehicle and Drivers License teams are engaged in the process.
  - GO LIVE date: May 9, 2022
- eDealer



# **NDDOT eDealer Summary Pilot Project Information**

## **Description**

“eDealer” is a term used to describe electronic processing of certain vehicles “titles” sold by automotive dealers. This is currently an industry standard in the United States.

## **Background**

In February of 2012, the North Dakota Department of Transportation (NDDOT) was looking for ways to reduce the backlog of paperwork processing in its central Bismarck operations office. It also needed to modernize antiquated data systems that were expensive, prone to mistakes, and ineffective for ND businesses. At that time, many other states (70%) had already, successfully implemented Electronic Lien and Title (ELT) and eDealer processing for this purpose. ELT allows DMV’s to replace paper title issuance with an electronic notification and release. eDealer processing makes states more efficient by allowing electronic data files to come from automotive dealers to the state. eDealer reduces the amount of data entered by state employees for vehicle title processing and makes the entire titling process more consistent and secure.

## **eDealer Process Details and Benefits**

Reliable technology is required for information to be passed to and from automotive dealers without allowing access into our secured state title and registration system. To process vehicle sales, automotive dealers enter significant amounts of data into their own business information management systems. The challenge is how to connect secure state title and registration systems to the dealer information management systems, and then process this information consistently and without errors. Further, a secure, efficient, and connected information management system would save state employees valuable time and avoid having to re-enter the same data, several times.

A summary of benefits to the state and our branch office contractors include but are not limited to:

- Improved process efficiency for ND, the dealer, the lender (lien holder), and the citizen
- Improved data accuracy and reduced extra processing time due to errors
- Reduced fraud potential and improved security throughout the title process
- Reduced cost of generating, printing, and routing paper titles
- Eliminates most paper-based lien releases and reduces title work wait times
- Improved process awareness as dealers and eventually, citizens they will be able to see the status of documents submitted and receive electronic notification of missing information

## **Pilot Project**

In 2019, to further understand the challenges and details of implementing any new title information processing system, NDDOT decided to begin by establishing a pilot project. The value of the pilot project is significant and pre-dates deployment of any system change. We can determine the proof of concept, determine the cost and savings from any deployment, gather input from the largest group of stakeholders possible, change direction if needed, and better understand the time needed for deployment.

## **Pilot Project Contractor**

Prior to developing a pilot project request for proposal, we researched what other states are doing and lessons learned from them. Next, we developed some overall technical goals for the pilot project including more timely delivery of lien or title notifications (days vs. weeks); better consistency and

security, more efficient citizen follow-up on title issues and inquiries; reducing the need for physical storage space.

After research and extensive evaluation, the state began developing a scope of work for the pilot project in 2019. In accordance with state procurement laws and NDDOT procurement policies, the state publicly circulated a request for proposals for the pilot project in early 2020 (See Attachment: Electronic Vehicle Licensing Services). The public had the information and access to pilot project experts for an extended period in early 2020.

The state received 3 responses (one ND company and two out of state) to the request for proposals for a pilot project. In accordance with state procurement laws and NDDOT procurement policies, pilot project responses were evaluated in March 2020. The pilot project contract was conditionally awarded in March 2020. The pilot project contract negotiations occurred between March 2020 and July 2020 and included extensive input from branch office contractors. The pilot project contract between the State of North Dakota and ND Auto Dealers Association was completed in July 2020.

### **Current Status**

The pilot project contractor will target an automotive dealer(s) in the Bismarck/Mandan area of North Dakota for the pilot demonstration and data collection effort. This will allow the Bismarck operations office to better oversee the pilot project tasks and schedule, monitor and analyze data management improvements, begin to understand how and when any further improvements would be deployed.

The pilot project is designed to not adversely affect current state office operations or the state's branch office contractor operations. We anticipate the start date for the pilot project will be after May 2022 as the Driver License and Motor Vehicle upgrade project is underway and all current systems are locked for any changes until it is completed.

# **STATE FLEET**

Robin Rehborg, Deputy Director for Driver Safety

# STATE FLEET Overview

- State Fleet operates under NDCC 24-02-03.3 as an Internal Service Fund.
- The State Fleet was established in 1983. In 1995, Higher Ed was added to the fleet.
- State vehicles are purchased, managed, and sold by State Fleet.

## COMPOSITION OF STATE FLEET

- Motor Pool daily rental | 320 vehicles
- Long term assigned vehicles | 2897 vehicles
- Aviation



# State Fleet Rental Rates

- By state law, the user charge must be based upon the actual cost of the service provided, including depreciation.
- Rates must comply with 2CFR Part 200 and are audited by the U.S. Department of Health and Human Services - Division of Cost Allocation and the State Auditor's office.
- Reviewed quarterly and adjusted to remain responsive to changing conditions, designed to cover actual costs. Not designed to result in net profit or loss to State Fleet.

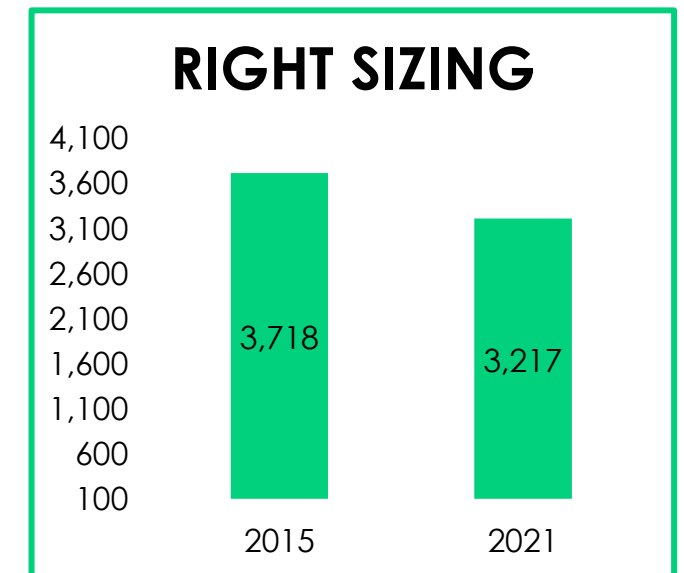




# Composition of Rental Rates

- **OPERATING** - parts and repair, fuel, insurance, labor, State Fleet Services overhead and shop overhead.
- **DEPRECIATION** - actual cost, less salvage value, spread over the estimated useful life of the vehicle.
- **REPLACEMENT RATE** - represents the difference between what is needed to purchase new vehicles and the amount that is recovered through the depreciation portion of the rate.

Fleet business model for agency-assigned vehicles is a long-term program. Any early turn back that can't be consumed by other agencies or motor pools affects the rental rate for all agencies.



# Fuel

- 13 fuel sites across North Dakota
  - Current unleaded contract price: \$2.13 | Budget: \$2.56
  - Winter diesel: \$2.39 | Budget: \$2.88
  - If fuel is purchased retail the federal tax is stripped, state taxes are included.
- Fixed Price Fuel
- E15



# Pandemic Impact

- Over 100 vehicles assigned to Department of Health and ND National Guard
- Overall fleet utilization is down 200,000 miles
- Vehicle supply chain for new purchases will be impacted



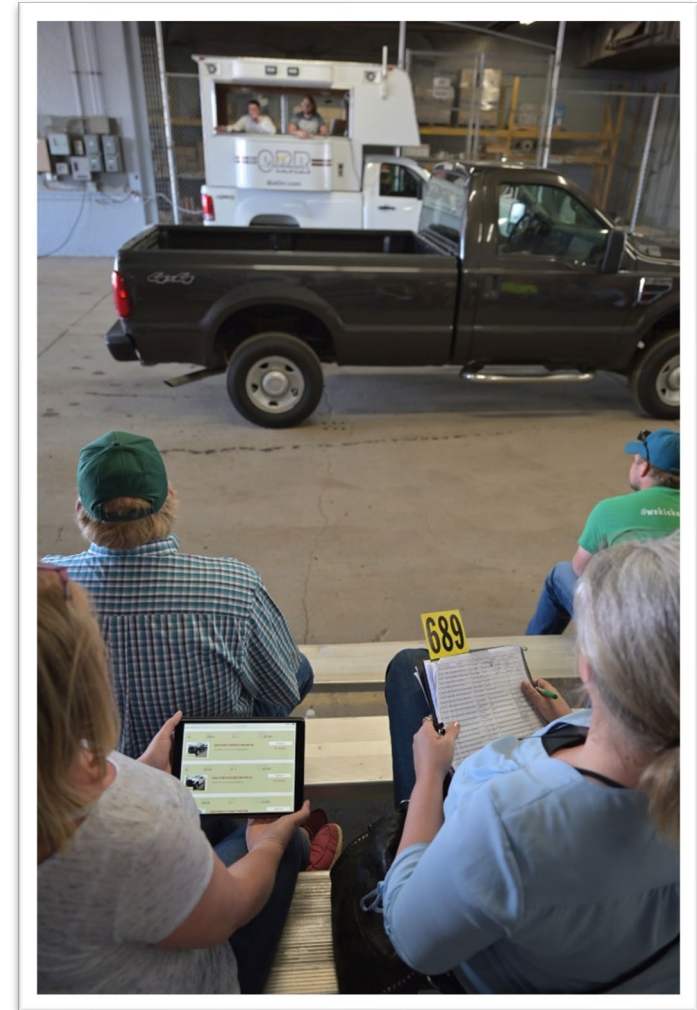
# State Fleet Motor Pool Pilot Program

- Began mid-October
- Partnership between UND, Enterprise and State Fleet
- Monthly analysis shows cost of State Fleet is 50% less than Enterprise
- Next step: Continue to monitor and advertise the program with agencies that use the UND motor pool



# ONLINE AUCTION

- Changed to virtual live auction platform in 2020
- Auctioneer is based out of Jamestown
- 4 auctions held
- 286 vehicles sold
- Increase in sales revenue 27%



# **IT UNIFICATION**

Terra Miller-Bowley, Deputy Director for Administration

# IT Unification

2019 – 2021 Biennium

- Approximately 41 FTEs transferred to NDIT.
- All FTEs transferred were assigned to NDDOT's Information Technology Division which provided IT support to the following areas:
  - Engineering
  - Driver License/Motor Vehicle/Safety
  - Geographic Information Systems
  - Computer/Network Services
  - Telecom/Radio/Electrical (13)
  - Department Wide IT Projects/Administration
- NDIT **assumed** salary and benefit funds related to the transferred FTEs
- NDDOT **retained** operational funds, ownership of IT assets, IT procurement and IT contract management.

# Transportation Technology Needs

- **Statewide Initiatives and Engagement**
  - Access to statewide systems, software, and services.
    - Cybersecurity, Statewide Interoperable Radio Network (SIRN), Geographic Information Systems (GIS), data storage and migration, etc.
- **Enterprise Specific Projects**
  - Technical expertise and support for NDDOT-specific IT projects and systems.
    - Licensing Enterprise Gateway Endpoint for North Dakota (LEGEND), Travel Maps, DocuSign, TeamMate, Bridge Management (BrM), etc.





# Transportation Technology Needs

- **Transportation System Technology**
  - Advancement of smart infrastructure and other transportation technology.
    - Automatic Traffic Recorders (ATR), Weight In Motion (WIM), roadway and weather cameras, bridge deck anti-ice systems, Automated Vehicle Location (AVL), etc.
- **Strategic Technology Partner**
  - Assistance with IT strategy evaluation, internal organizational analysis, and IT strategy execution throughout the agency.



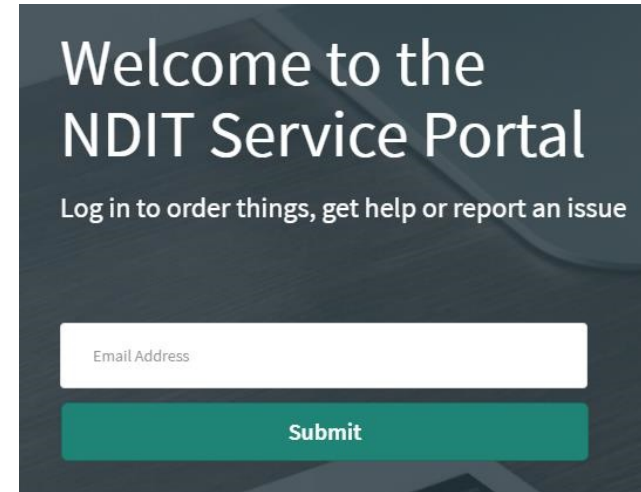
# Excitement Ahead

- Creation of Key Customer Management Team and assignment of permanent Customer Success Manager to NDDOT.
- Integration of NDDOT IT staff into NDIT organizational structure with defined reporting structures and management oversight.
- Definition of processes and procedures by NDIT which will allow us to educate our staff on how to access IT services improving communication and reducing frustration.



# Excitement Ahead

- Increased knowledge of and access to statewide IT solutions which have begun to generate monetary savings.
- Migration of IT contract management to NDIR in the next biennium.
- Workorder Management System (WMS) will be decommissioned June 2021 which allows the NDDOT to transition to the ServiceNow platform.



# Large IT Projects

2021 – 2023 Biennium

- Roadway Information Management System (RIMS) + Construction and Materials Management System (CMMS)
  - Total Cost: \$9.6 Million
- Traffic Data Editing and Analysis (TDEA) software program + Traffic Counting Program
  - Total Cost: \$3.5 Million
- Automated Vehicle Location (AVL) Expansion
  - Total Cost: \$3.5 Million
- NDDOT Website Move to Drupal
  - Total Cost: \$500,000

# **BUDGET INFORMATION**

Shannon Sauer, Chief Financial Officer

**Department 801 - Department of Transportation  
Senate Bill No. 2012**

**Executive Budget Comparison to Prior Biennium Appropriations**

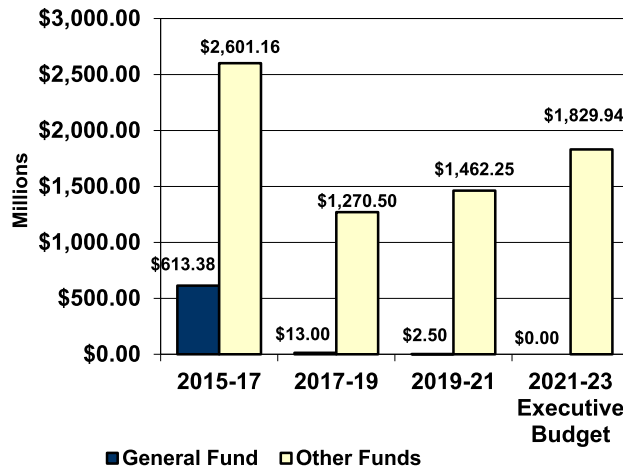
|   | FTE Positions | General Fund  | Other Funds     | Total           |
|---|---------------|---------------|-----------------|-----------------|
| 2021-23 Executive Budget                        | 987.00        | \$0           | \$1,829,935,907 | \$1,829,935,907 |
| 2019-21 Legislative Appropriations <sup>1</sup> | 982.00        | 2,500,000     | 1,462,245,404   | 1,464,745,404   |
| Increase (Decrease)                             | 5.00          | (\$2,500,000) | \$367,690,503   | \$365,190,503   |

<sup>1</sup>The 2019-21 biennium agency appropriation amounts have not been adjusted for additional federal Coronavirus (COVID-19) funds authority of \$14,670,106 resulting from Emergency Commission action during the 2019-21 biennium.

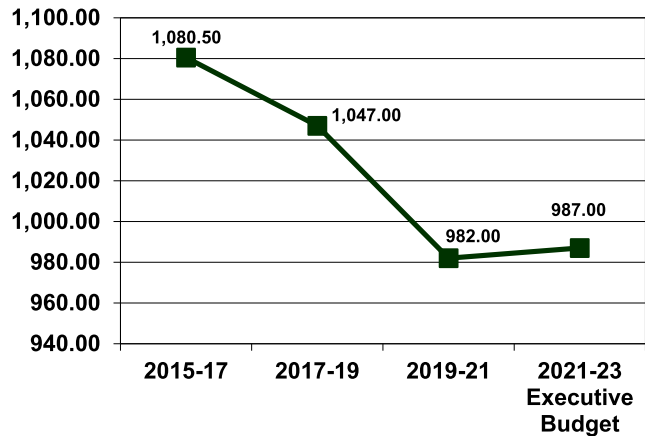
**Ongoing and One-Time General Fund Appropriations**

|                                    | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|------------------------------------|------------------------------------|-------------------------------------|----------------------------------|
| 2021-23 Executive Budget           | \$0                                | \$0                                 | \$0                              |
| 2019-21 Legislative Appropriations | 0                                  | 2,500,000                           | 2,500,000                        |
| Increase (Decrease)                | \$0                                | (\$2,500,000)                       | (\$2,500,000)                    |

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

|                          | General Fund | Other Funds     | Total           |
|--------------------------|--------------|-----------------|-----------------|
| 2021-23 Executive Budget | \$0          | \$1,829,935,907 | \$1,829,935,907 |
| 2021-23 Base Level       | 0            | 1,388,445,404   | 1,388,445,404   |
| Increase (Decrease)      | \$0          | \$441,490,503   | \$441,490,503   |

**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. Adds funding for state employee salary and benefit increases, of which \$4,586,189 is for salary increases, \$48,150 is for health insurance increases, and \$944,866 is for retirement contribution increases. <b>The Senate added funding for salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 and 2 percent on July 1, 2022, and increases in health insurance premiums from \$1,427 to \$1,429 per month. The Senate did not add funding for retirement contribution increases.</b> | \$0          | \$5,579,205  | \$5,579,205  |
| 2. Adds 5 FTE positions (\$1,004,301), related operating expenses (\$2,435,649), funding for a transportation management center (\$6,300,050), and grant funding (\$260,000). <b>The Senate did not</b>  | \$0          | \$10,000,000 | \$10,000,000 |

**include the 5 FTE positions or funding for a transportation management center but provided for a Legislative Management study of the feasibility and desirability of creating a transportation management center in the state during the 2021-22 interim.**

|   |     |               |               |
|---|-----|---------------|---------------|
| 3. Increases funding for temporary driver's license staffing  | \$0 | \$1,737,788   | \$1,737,788   |
| 4. Increases ongoing funding for other capital payments to provide a total of \$837,191,709   | \$0 | \$19,416,426  | \$19,416,426  |
| 5. Increases funding for grants to provide a total of \$113,068,637   | \$0 | \$16,954,000  | \$16,954,000  |
| 6. Increases funding for building, grounds, and maintenance to provide a total of \$80,402,361  | \$0 | \$11,874,907  | \$11,874,907  |
| 7. Increases funding for professional services to provide a total of \$79,008,372   | \$0 | \$10,213,695  | \$10,213,695  |
| 8. Increases funding for data processing to provide a total of \$26,173,352   | \$0 | \$6,143,124   | \$6,143,124   |
| 9. Reduces funding for motor vehicles to provide a total of \$36,257,237  | \$0 | (\$4,000,000) | (\$4,000,000) |
| 10. Increases funding for repairs to provide a total of \$17,066,944  | \$0 | \$3,765,529   | \$3,765,529   |
| 11. Increases funding for operating fees and services to provide a total of \$7,840,256   | \$0 | \$3,365,500   | \$3,365,500   |
| 12. Reduces funding for travel to provide a total of \$30,768,202   | \$0 | (\$3,294,567) | (\$3,294,567) |
| 13. Increases funding for rentals/leases of equipment or other items to provide a total of \$2,538,279  | \$0 | \$1,844,317   | \$1,844,317   |
| 14. Increases funding for utilities to provide a total of \$6,421,854   | \$0 | \$1,463,946   | \$1,463,946   |
| 15. Reduces funding for information technology (IT) contractual services and repairs to provide a total of \$2,444,302  | \$0 | (\$1,000,000) | (\$1,000,000) |
| 16. Increases funding for IT software to provide a total of \$7,131,635   | \$0 | \$581,133     | \$581,133     |
| 17. Increases funding for rentals/leases of buildings or land to provide a total of \$3,685,341   | \$0 | \$239,100     | \$239,100     |
| 18. Adds funding for Microsoft Office 365 license expenses  | \$0 | \$117,100     | \$117,100     |
| 19. Reduces funding for other operating expenses  | \$0 | (\$503,331)   | (\$503,331)   |
| 20. Reduces funding for other capital assets  | \$0 | (\$70,000)    | (\$70,000)    |
| 21. Adds <b>one-time</b> funding for a construction and materials management system   | \$0 | \$9,660,000   | \$9,660,000   |
| 22. Adds <b>one-time</b> funding from bond proceeds (\$302.4 million) and federal funds (\$45 million) for infrastructure improvements. <b>The Senate provided one-time funding of \$45 million from federal funds.</b> | \$0 | \$347,400,000 | \$347,400,000 |

### **Other Sections in Senate Bill No. 2012 (As Detailed in the Attached Appendix)**

**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 - State disaster relief fund - Emergency road repair grants** - Section 4 appropriates \$500,000 from the state disaster relief fund to the Department of Transportation for the purpose of providing emergency road repair grants to townships. Section 9 declares this section to be an emergency measure.

**Contingent loan authorization - Contingent appropriation - Highway improvement projects** - Section 5 provides for a contingent loan authorization for the Department of Transportation to borrow up to \$50 million from the Bank of North Dakota and provides a contingent appropriation of those funds to the Department of Transportation for the purpose of matching federal grants related to US Highway 85.

**Exemption - Enhanced state highway investments** - Section 6 provides that \$26,200,669 of the \$503,115,558 appropriated in the capital assets line item of House Bill No. 1012 (2015), relating to enhanced state highway investments is exempt from North Dakota Century Code Section 54-44.1-11 and may be continued into the 2023-25 biennium.

**Exemption - Driver's licenses system project** - Section 7 provides that \$22.5 million appropriated in the operating expenses line item of House Bill No. 1012 (2019), relating to replacement of the driver's license system is exempt from Section 54-44.1-11.

**Legislative Management study - Transportation management center** - Section 8 provides that the Legislative Management consider studying the feasibility and desirability of creating a transportation management center in the state during the 2021-22 interim.

### **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 .4 percent base amount plus \$1.50 per capita of population in the county, based upon the latest regular or special official federal census.

### **Deficiency Appropriation**

**House Bill No. 1394** - Appropriates \$61,700,060 from federal coronavirus relief funds to the Department of Transportation for enhanced mobility services (\$115,202) and surface transportation grants (\$61,584,858) for the 2021-23 biennium and provides for any unexpended funds to be continued into the 2021-23 biennium.

### **Significant Audit Findings**

There are no significant audit findings for this agency.

### **Major Related Legislation**

**House Bill No. 1072** - Creates a new section to Chapter 39-06 relating to electronic motor vehicle operator's licenses. This bill requires the Department of Transportation to implement a computerized licensing system that allows a licensed motor vehicle operator to provide electronic proof of valid licensing.

**House Bill No. 1101** - Authorizes the director of the Department of Transportation to enter agreements with tribal governments for federally funded safety improvement projects on tribal owned highways, streets, roads, and bridges.

**House Bill No. 1168** - Requires the Department of Transportation to establish a process to administer the written portion of an examination for an operator's license through an online electronic medium and requires the department to charge an applicant fee of \$10 to access the online written examination.

**House Bill No. 1395** - Appropriates federal coronavirus relief funds previously authorized by the Emergency Commission and Budget Section.

**House Bill No. 1431** - Appropriates \$70 million from bond proceeds deposited into the highway fund to the Department of Transportation for state highway bridge projects (\$35 million) and matching federal funds (\$35 million).

**House Bill No. 1464** - Increases the motor vehicle fuels and special fuels tax and increases road use fees for electric vehicles, plug-in hybrid vehicles, and electric motorcycles.

**Senate Bill No. 2018** - Appropriates \$28 million of grant funds received from the Department of Commerce for radio tower infrastructure construction expenses relating to beyond visual line of sight unmanned aircraft systems.

**Senate Bill No. 2026** - Amends Section 39-12-23 relating to a Governor's order authorizing excess limits regarding road trains. This bill provides for the Governor to authorize excess limits for the operation of road trains.

**Senate Bill No. 2111** - Authorizes the Department of Transportation to lease space on the 45 department-owned radio tower locations to private entities and provides for a continuing appropriation for the lease revenue to the department.

**Senate Bill No. 2297** - Designates State Highway 57 as the Akicita (veteran) memorial highway and provides a continuing appropriation for donations for the highway to the Department of Transportation.



**Department of Transportation - Budget No. 801**  
**Senate Bill No. 2012**  
**Base Level Funding Changes**

|  | Executive Budget Recommendation |              |                 |                 | Senate Version |              |                 |                 |
|--|---------------------------------|--------------|-----------------|-----------------|----------------|--------------|-----------------|-----------------|
|  | FTE Positions                   | General Fund | Other Funds     | Total           | FTE Position   | General Fund | Other Funds     | Total           |
| <b>2021-23 Biennium Base Level</b>                                       | 982.00                          | \$0          | \$1,388,445,404 | \$1,388,445,404 | 982.00         | \$0          | \$1,388,445,404 | \$1,388,445,404 |
| <b>2021-23 Ongoing Funding Changes</b>                                   |                                 |              |                 |                 |                |              |                 |                 |
| Base payroll changes   |                                 | \$0          | \$2,631         | \$2,631         |                |              | \$2,631         | \$2,631         |
| Salary increase  |                                 |              | 4,586,189       | 4,586,189       |                |              | 4,587,307       | 4,587,307       |
| Health insurance increase  |                                 |              | 48,150          | 48,150          |                |              | 48,150          | 48,150          |
| Retirement contribution increase   |                                 |              | 944,866         | 944,866         |                |              |                 | 0               |
| Adds 5 FTE and funding for a Transportation Management Center            | 5.00                            |              | 10,000,000      | 10,000,000      |                |              |                 | 0               |
| Increases funding for temporary driver's license staffing                |                                 |              | 1,737,788       | 1,737,788       |                |              | 1,737,788       | 1,737,788       |
| Increases funding for other capital payments                             |                                 |              | 19,416,426      | 19,416,426      |                |              | 19,416,426      | 19,416,426      |
| Increases funding for grants   |                                 |              | 16,954,000      | 16,954,000      |                |              | 16,954,000      | 16,954,000      |
| Increases funding for building, grounds and maintenance                  |                                 |              | 11,874,907      | 11,874,907      |                |              | 11,874,907      | 11,874,907      |
| Increases funding for professional services                              |                                 |              | 10,213,695      | 10,213,695      |                |              | 10,213,695      | 10,213,695      |
| Increases funding for data processing                                    |                                 |              | 6,143,124       | 6,143,124       |                |              | 6,143,124       | 6,143,124       |
| Reduces funding for motor vehicles                                       |                                 |              | (4,000,000)     | (4,000,000)     |                |              | (4,000,000)     | (4,000,000)     |
| Increases funding for repairs  |                                 |              | 3,765,529       | 3,765,529       |                |              | 3,765,529       | 3,765,529       |
| Increases funding for operating fees and services                        |                                 |              | 3,365,500       | 3,365,500       |                |              | 3,365,500       | 3,365,500       |
| Reduces funding for travel   |                                 |              | (3,294,567)     | (3,294,567)     |                |              | (3,294,567)     | (3,294,567)     |
| Increases funding for rentals/leases of equipment or other items         |                                 |              | 1,844,317       | 1,844,317       |                |              | 1,844,317       | 1,844,317       |
| Increases funding for utilities  |                                 |              | 1,463,946       | 1,463,946       |                |              | 1,463,946       | 1,463,946       |
| Reduces funding for IT contractual services and repairs                  |                                 |              | (1,000,000)     | (1,000,000)     |                |              | (1,000,000)     | (1,000,000)     |
| Increases funding for IT software  |                                 |              | 581,133         | 581,133         |                |              | 581,133         | 581,133         |
| Increases funding for rentals/leases of buildings or land                |                                 |              | 239,100         | 239,100         |                |              | 239,100         | 239,100         |
| Adds funding for Microsoft Office 365 license expenses                   |                                 |              | 117,100         | 117,100         |                |              | 117,100         | 117,100         |
| Reduces funding for other operating expenses                             |                                 |              | (503,331)       | (503,331)       |                |              | (503,331)       | (503,331)       |
| Reduces funding for other capital assets                                 |                                 |              | (70,000)        | (70,000)        |                |              | (70,000)        | (70,000)        |
| Total ongoing funding changes  | 5.00                            | \$0          | \$84,430,503    | \$84,430,503    | 0.00           | \$0          | \$73,486,755    | \$73,486,755    |
| <b>One-time funding items</b>  |                                 |              |                 |                 |                |              |                 |                 |
| Adds one-time funding for a construction and materials management system |                                 | \$0          | \$9,660,000     | \$9,660,000     |                |              | \$9,660,000     | \$9,660,000     |
| Adds funding for infrastructure improvements                             |                                 |              | 347,400,000     | 347,400,000     |                |              | 45,000,000      | 45,000,000      |
| Total one-time funding changes   | 0.00                            | \$0          | \$357,060,000   | \$357,060,000   | 0.00           | \$0          | \$54,660,000    | \$54,660,000    |
| <b>Total Changes to Base Level Funding</b>                               | 5.00                            | \$0          | \$441,490,503   | \$441,490,503   | 0.00           | \$0          | \$128,146,755   | \$128,146,755   |
| <b>2021-23 Total Funding</b>   | 987.00                          | \$0          | \$1,829,935,907 | \$1,829,935,907 | 982.00         | \$0          | \$1,516,592,159 | \$1,516,592,159 |
| <i>Total ongoing changes as a percentage of base level</i>               | 0.5%                            |              | 6.1%            | 6.1%            | 0.0%           |              | 5.3%            | 5.3%            |
| <i>Total changes as a percentage of base level</i>                       | 0.5%                            |              | 31.8%           | 31.8%           | 0.0%           |              | 9.2%            | 9.2%            |

**Other Sections in Department of Transportation - Budget No. 801**

|   | Executive Budget Recommendation  | Senate Version  |
|---|--|---|
| Line item transfers   | Section 3 would authorize 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. | 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 - State disaster relief fund - Emergency road repair grants |  | Section 4 appropriates \$500,000 from the state disaster relief fund to the Department of Transportation for the purpose of providing emergency road repair grants to townships.  |

**Other Sections in Department of Transportation - Budget No. 801**

**Executive Budget Recommendation**

**Senate Version**

Contingent loan authorization - Contingent appropriation - Highway improvement projects

Section 5 provides for a contingent loan authorization for the Department of Transportation to borrow up to \$50 million from the Bank of North Dakota and provides a contingent appropriation of those funds to the Department of Transportation for the purpose of matching federal grants related to U.S. Highway 85.

Exemption - Enhanced state highway investments

Section 4 would provide that \$503,115,558 appropriated in the capital assets line item in House Bill No. 1012 (2015) relating to enhanced state highway investments is exempt from Section 54-44.1-11 and is continued into the 2023-25 biennium.

Section 6 provides that \$26,200,669 of the \$503,115,558 appropriated in the capital assets line item in House Bill No. 1012 (2015) relating to enhanced state highway investments is exempt from Section 54-44.1-11 and is continued into the 2023-25 biennium.

Appropriation - Additional income

Section 5 would appropriate any additional federal or other funds available to the Department of Transportation during the 2021-23 biennium.

Exemption - Driver's licenses system project

Section 6 would provide that \$22.5 million appropriated in the operating expenses line item of House Bill No. 1012 (2019), relating to replacement of the driver's license system is exempt from Section 54-44.1-11.

Section 7 provides that \$22.5 million appropriated in the operating expenses line item of House Bill No. 1012 (2019), relating to replacement of the driver's license system is exempt from Section 54-44.1-11.

Legislative Management study - Transportation management center

Section 8 provides that the Legislative Management shall consider studying the feasibility and desirability of creating a transportation management center in the state during the 2021-22 interim.

Emergency

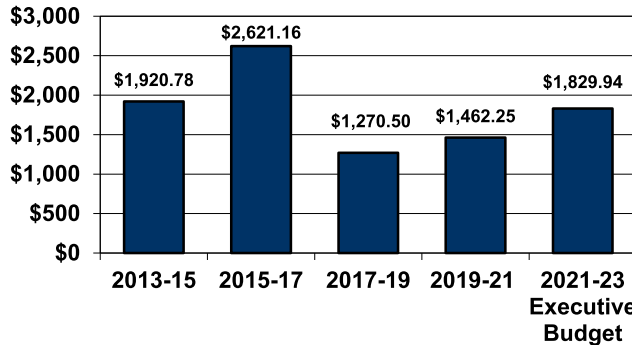
Section 9 declares Section 4 to be an emergency measure.

Department 801- Department of Transportation

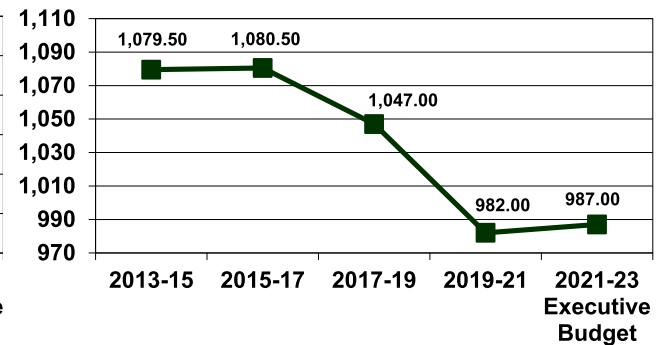
# Historical Appropriations Information

## Total Other Funds Appropriations Since 2013-15

Agency Funding (in Millions)



FTE Positions



| Total Other Funds Appropriations                                |                 |                 |                   |                 |                          |
|---|-----------------|-----------------|-------------------|-----------------|--------------------------|
|   | 2013-15         | 2015-17         | 2017-19           | 2019-21         | 2021-23 Executive Budget |
| Total other funds appropriations                                | \$1,920,779,434 | \$2,621,156,019 | \$1,270,504,868   | \$1,462,245,404 | \$1,829,935,907          |
| Increase (decrease) from previous biennium                      | N/A             | \$700,376,585   | (\$1,350,651,151) | \$191,740,536   | \$367,690,503            |
| Percentage increase (decrease) from previous biennium           | N/A             | 36.5%           | (51.5%)           | 15.1%           | 25.1%                    |
| Cumulative percentage increase (decrease) from 2013-15 biennium | N/A             | 36.5%           | (33.9%)           | (23.9%)         | (4.7%)                   |

### Major Increases (Decreases) in Other Funds Appropriations

#### 2015-17 Biennium - Ongoing

- Added funding for 1 FTE environmental scientist III position \$195,143
- Increased funding for operating expenses \$8,748,743

#### 2015-17 Biennium - Special Road Funding

- Added funding from a general fund transfer to the highway fund for enhanced state highway investments (House Bill No. 1012 (2015)) \$503,115,558
- Added funding from the general fund for distributions to non-oil-producing counties (House Bill No. 1176 (2015)) \$112,000,000
- Added funding from the general fund transfer to the highway fund for enhanced state highway investments (Senate Bill No. 2015 (2015)) \$18,000,000
- Added funding from a contingent general fund transfer to the highway fund for enhanced state highway investments (Senate Bill No. 2015 (2015)) \$20,000,000
- Added funding from a strategic investment and improvements fund transfer to the highway fund for enhanced state highway investments as part of the "surge" bill (Senate Bill No. 2103 (2015)) \$450,000,000
- Added funding from the strategic investment and improvements fund for distributions to non-oil-producing counties as part of the "surge" bill (Senate Bill No. 2103 (2015)) \$112,000,000
- Added funding from the strategic investment and improvements fund for distributions to oil-producing counties as part of the "surge" bill (Senate Bill No. 2103 (2015)) \$240,000,000

#### 2017-19 Biennium - Ongoing

- Removed 26.5 vacant FTE positions (\$5,363,021)
- Removed 5 FTE positions (\$658,219) and related operating expenses (\$628,400) through consolidation of 8 highway maintenance sections (\$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 \$0
- Adjusted funding for operating expenses, capital assets, and grants \$14,067,380

|   |               |
|---|---------------|
| 5. Added funding for capital assets   | \$588,122     |
| 6. Reduced funding for operating expenses   | (\$5,013,726) |
| 7. Reduced funding for driver's license field sites   | (\$160,293)   |
| <b>2019-21 Biennium - Ongoing</b>   |               |
| 1. Removed 42 unspecified FTE positions and related funding   | (\$7,979,595) |
| 2. Restored 16 FTE positions for research and development, enterprise management, and to transform the department's artificial intelligence and design, drones, robotics, smart license plates, and digital driver's licenses (\$3 million), and added 2 FTE positions related to Fargo driver's license operations (\$334,000)   | \$3,334,000   |
| 3. Transferred 41 FTE IT positions and related funding to the Information Technology Department (\$8,224,012) and adds funding of \$8,284,451 for payments to the Information Technology Department for the IT unification initiative   | \$60,439      |
| 4. Increased funding for capital assets to provide a total ongoing capital asset funding of \$859,725,944   | \$87,874,093  |
| 5. Increased funding for grants to provide a total of \$95,854,637  | \$17,226,607  |
| <b>2021-23 Biennium - Ongoing - (Executive Budget Recommendation)</b>   |               |
| 1. Adds 5 FTE positions (\$1,004,301), related operating expenses (\$2,435,649), funding for a transportation management center (\$6,300,050), and grant funding (\$260,000). <b>The Senate did not include the 5 FTE positions or funding for a transportation management center but provided for a Legislative Management study of the feasibility and desirability of creating a transportation management center in the state during the 2021-22 interim.</b> | \$10,000,000  |
| 2. Increases funding for temporary driver's license staffing  | \$1,737,788   |
| 3. Increases ongoing funding for other capital payments to provide a total of \$837,191,709   | \$19,416,426  |
| 4. Increases funding for grants to provide a total of \$113,068,637   | \$16,954,000  |
| 5. Increases funding for building, grounds, and maintenance to provide a total of \$80,402,361  | \$11,874,907  |
| 6. Increases funding for professional services to provide a total of \$79,008,372   | \$10,213,695  |
| 7. Increases funding for data processing to provide a total of \$26,173,352   | \$6,143,124   |
| 8. Reduces funding for motor vehicles to provide a total of \$36,257,237  | (\$4,000,000) |
| 9. Increases funding for repairs to provide a total of \$17,066,944   | \$3,765,529   |
| 10. Increases funding for operating fees and services to provide a total of \$7,840,256   | \$3,365,500   |
| 11. Reduces funding for travel to provide a total of \$30,768,202   | (\$3,294,567) |
| 12. Increases funding for rentals/leases of equipment or other items to provide a total of \$2,538,279  | \$1,844,317   |
| 13. Increases funding for utilities to provide a total of \$6,421,854   | \$1,463,946   |
| 14. Reduces funding for IT contractual services and repairs to provide a total of \$2,444,302   | (\$1,000,000) |
| 15. Increases funding for IT software to provide a total of \$7,131,635   | \$581,133     |
| 16. Increases funding for rentals/leases of buildings or land to provide a total of \$3,685,341   | \$239,100     |
| 17. Adds funding for Microsoft Office 365 license expenses  | \$117,100     |
| 18. Reduces funding for other operating expenses  | (\$503,331)   |
| 19. Reduces funding for other capital assets  | (\$70,000)    |

**GOVERNOR'S RECOMMENDATION FOR THE  
DEPARTMENT OF TRANSPORTATION AS SUBMITTED  
BY THE OFFICE OF MANAGEMENT AND BUDGET**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the department of transportation for the purpose of defraying the expenses of the department of transportation, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

|                                | <u>Base Level</u> | <u>Adjustments or<br/>Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|--|----------------------|
| Salaries and Wages             | \$ 197,827,038    | \$ 8,323,925                           | \$ 206,150,963       |
| Operating Expenses             | 235,037,785       | 46,906,102                             | 281,943,887          |
| Capital Assets                 | 859,725,944       | 369,046,476                            | 1,228,772,420        |
| Grants                         | <u>95,854,637</u> | <u>17,214,000</u>                      | <u>113,068,637</u>   |
| Total Special Funds            | \$1,388,445,404   | \$441,490,503                          | \$1,829,935,907      |
| Full-Time Equivalent Positions | 982.00            | 5.00                                   | 987.00               |

**SECTION 2. ONE-TIME FUNDING.** The following amounts reflect the one-time funding items approved by the sixty-sixth legislative assembly for the 2019-21 biennium and the 2021-23 one-time funding items included in the appropriation in section 1 of this Act:

| <u>One-Time Funding Description</u>                       | <u>2019-21</u> | <u>2021-23</u>     |
|---|----------------|--------------------|
| Driver's License System Project                           | \$22,500,000   | \$ 0               |
| Minot and Williston Driver's License Facility Maintenance | 1,300,000      | 0                  |
| Construction and Materials Management System Project      | 0              | 9,660,000          |
| Infrastructure Bonding                                    | <u>0</u>       | <u>347,400,000</u> |
| Total Special Funds                                       | \$23,800,000   | \$357,060,000      |

The 2021-23 one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The department of transportation shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 3. LINE ITEM TRANSFERS.** The director of the department of transportation may transfer between the salaries and wages, operating, capital assets, and grants line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the office of management and budget of any transfers made pursuant to this section.

**SECTION 4. EXEMPTION - ENHANCED STATE HIGHWAY INVESTMENTS.** 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 2021-23 biennium but not spent by June 30, 2023, must be continued into the biennium beginning July 1, 2023, and ending June 30, 2025, and may be expended only for enhanced state highway investments.

**SECTION 5. APPROPRIATION – DEPARTMENT OF TRANSPORTATION.** In addition to the amounts appropriated to the department of transportation in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 6. EXEMPTION – DRIVERS LICENSE SYSTEM PROJECT.** The amount appropriated for the drivers license system project, as contained in section 1 of chapter 12 of the 2019 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued drivers license system project costs during the biennium beginning July 1, 2021 and ending June 30, 2023.

# Questions?

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