



2025-2027

BUDGET REQUEST

SB 2012



NORTH
Dakota | Transportation
Be Legendary.



January 21, 2025

2025-27 EXECUTIVE BUDGET RECOMMENDATION

Object/Revenue	2023-25 Biennium Appropriations	2025-27 Base Budget Recommended	2025-27 Optional Budget Changes Recommended	2025-27 Total Budget Recommended
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Description	Code				
TOTAL BY APPROPRIATIONS ORGS		2,306,094,393	1,749,752,645	728,506,743	2,478,259,388
Salaries and Wages	80110	217,746,396	219,279,648	35,804,543	255,084,191
Operating Expenses	80130	332,881,474	316,256,474	76,588,648	392,845,122
Capital Improvements	80150	1,556,395,065	1,101,395,065	619,794,552	1,721,189,617
Grants	80160	120,571,458	112,821,458	(3,681,000)	109,140,458
Contingent Loan Authorization	80175	78,500,000	-	-	-
TOTAL BY OBJECT SERIES		2,306,094,393	1,749,752,645	728,506,743	2,478,259,388
General	GEN	10,375,000	-	-	-
Federal	FED	1,219,302,445	929,302,445	398,482,466	1,327,784,911
Special	SPEC	1,076,416,948	820,450,200	330,024,277	1,150,474,477
TOTAL BY FUNDS		2,306,094,393	1,749,752,645	728,506,743	2,478,259,388
Full Time Equivalent Positions		1,001	1,001	4	1,005

FEDERAL AID PROGRAM

- Funding used to construct and preserve current roadways and bridges on the state highway system.
- Federal aid formula funding is distributed based off a formula determined by Congress and is favorable to rural states.
- Funds to match the federal program.

BUDGET REQUEST: \$171.3M



FEDERAL AND STATE DISCRETIONARY PROGRAM



- Discretionary funding is larger than it has ever been.
- Funds additional transportation needs in North Dakota.
- Without additional state resources, the department will not be able to accept discretionary dollars.
- Allows flexibility.
- NDDOT needs match of \$115.2 for federal grants awarded.

BUDGET REQUEST: \$85M

PAVEMENT MANAGEMENT VAN

- The van collects approx. 8600 miles worth of data annually.
- Four-lane roads are collected both directions every year and two-lane roads alternate directions each year.
- Required to provide data to the federal government.
- NDDOT uses the data for assessing the condition of our system.
- Data collected:
 - Ride** - Measurement of road smoothness.
 - Rutting** - Depression or groove worn into a road.
 - Faulting** - Difference in elevation across a transverse joint or crack.
 - Cracking** - Variety of pavement distresses that occur.

BUDGET REQUEST: \$1.1M



FTE REQUEST | 4 NEW POSITIONS

- 1 Bridge Load Rater and/or Railroad Coordinator
- 2 Operators in Western ND to Meet Needs of US 85
- 1 Local Government Team Member





SB 2012 EXISTING SECTION

SECTION 2. EXEMPTION - LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, 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.

SB 2012

REQUESTED AMENDMENTS

SECTION 3. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income and the capital assets line items in section 1 of this Act include the sum of \$257,400,000 from the strategic investment and improvements fund for the following purposes:

1. The sum of \$171,300,000 for matching federal highway formula funding for transportation infrastructure projects;
2. The sum of \$85,000,000 for matching federal highway discretionary funding for transportation infrastructure projects;
3. The sum of \$1,100,000 for replacement of the pavement management van.

SECTION 4. EXEMPTION – UNEXPENDED APPROPRIATIONS

The following sections are not subject to the provisions of section 54-44.1-11 and may continue into the 2025 – 2027 biennium:

1. The remaining \$14,147,246 of the \$100,000,000 appropriated from special funds for the purpose of road and bridge construction projects in section 13, subsections 2 of chapter 15 of the 2021 Session Laws.
2. The remaining \$11,697,962 of the \$317,000,000 appropriated from federal funds for state, county, and township road and bridge projects in section 7 of chapter 548 of the 2021 Session Laws.*
3. The remaining \$4,478,557 of the \$61,700,060 appropriated from federal funds for surface transportation grants in subdivision 10 of section 1 of chapter 27 of the 2021 Session Laws.

* *Will be expended by Dec. 2026.*

REQUESTED AMENDMENTS - UNEXPENDED APPROPRIATIONS CONT.

4. The remaining \$12,080,513 of the \$13,660,000 appropriated from special funds for information technology projects in section 1 of chapter 40 of the 2021 Session Laws and the remaining \$8,448,243 of the additional \$9,125,000 appropriated from the general fund in the operating expenses line item relating to information technology projects in section 1 of chapter 12 of the 2023 Session Laws.
5. The remaining \$2,151,245 of the \$2,500,000 appropriated from special funds to match funding from the state of Minnesota and other sources for studies, preliminary engineering, and environmental studies to address northern Red River valley infrastructure affected by flooding; and the remaining \$2,368,407 of the \$5,000,000 appropriated from special funds for an environmental study of a portion of United States Highway 52, in section 1 of chapter 12 of the 2023 Session Laws.
6. The sum of \$757,000 included in the deferred maintenance funding pool line item and transferred to the department of transportation pursuant to chapter 47, section 15 of the 2023 session laws.
7. The sum of \$162,000,000 appropriated from special funds for Flexible Transportation Fund projects in section 1 of chapter 12 of the 2023 Session Laws.

SECTION 5. AMENDMENT. 49-17.1-05. of the North Dakota Century Code is amended and reenacted as follows:

49-17.1-05. SUBSIDY OF RAILWAY LINES – CONTINUING APPROPRIATION. The department, with the approval of the commission, may provide financial assistance, ~~within the limits of funds appropriated by the legislative assembly,~~ for the continuation of operations and maintenance of any railroad within the state, as provided for in the Railroad Revitalization and Regulatory Reform Act of 1976 [Pub. L. 94-210; 90 Stat. 149; 49 U.S.C. 1651 et seq.], or other relevant federal legislation. Moneys in the state rail fund are appropriated to the department of transportation on a continuing basis for distributions authorized under this section. The department or the commission may act as the agent in cooperation with the federal government, any local or regional transportation authority, local governmental units, any group of rail users, or any person in any rail service assistance program.

SECTION 6. AMENDMENT. MISCELLANEOUS EXPENSES FOR NDDOT FACILITIES. The NDDOT may expend funds for basic workspace appliances limited to coffee makers, microwaves and refrigerators.

SB 2012 ADDITIONAL REQUEST ABOVE EXECUTIVE BUDGET RECOMMENDATION

SECTION 7. AMENDMENT. LOAN AUTHORIZATION - HIGHWAY

IMPROVEMENT PROJECTS. The department of transportation may borrow from the Bank of North Dakota, \$55,000,000, or so much of the sum as may be necessary, which is hereby appropriated to the department of transportation in the capital assets line item in section 1 of this Act for matching a federal grant that has been awarded to the department of transportation for construction on US Highway 85, for the biennium beginning July 1, 2025, and ending June 30, 2027. The department of transportation shall request from the seventieth legislative assembly an appropriation to repay any outstanding loans authorized in this section.

If approved, capital improvements line item should be increased by \$55M.

ADDITIONAL BUDGET INFORMATION

NDDOT Appropriations

Salaries & Wages	\$255,084,191
Operating Expenses	\$392,845,122
Capital Improvements	\$1,721,189,617
Grants	\$109,140,458

MAIN REVENUE STREAMS

Federal Funds	\$1.327B
Highway Tax Distribution Fund	\$317.6M
SIIF Funding	\$257.4M
Flexible Transportation Fund	\$171.5M
State Fleet Reimbursements	\$100.3M
License Fees & Permits	\$93.7M
Other Revenue	\$79.3M
Local Government Reimbursements	\$73.6M
Legacy Earnings Highway Distribution Fund	\$60.0M

SALARIES & WAGES | *\$255,084,191*

INCLUDES:

- 1,005 FTEs
- 3% - 2025 / 3% - 2026
Performance-Based
increases
- Health Insurance – Includes
continued coverage for all
FTEs



OPERATING EXPENSES | \$392,845,122

INCLUDES:

Consultant Engineering <i>(60% of all engineering)</i>	\$155.7M
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Information Technology	\$45.0M
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NDDOT State Fleet Use Costs	\$43.9M
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Road Maintenance Material Costs	\$45.0M
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CAPITAL IMPROVEMENTS | \$1,721,189,617

Road & Bridge Construction

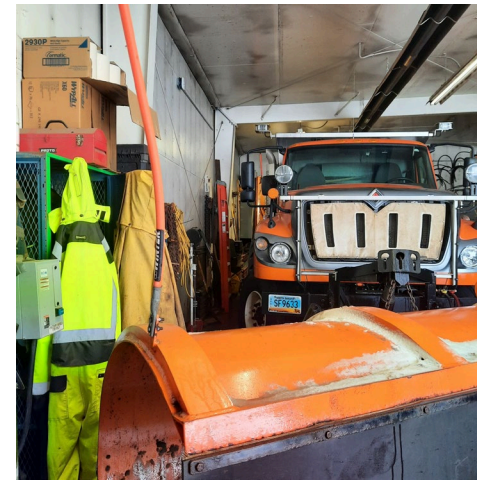
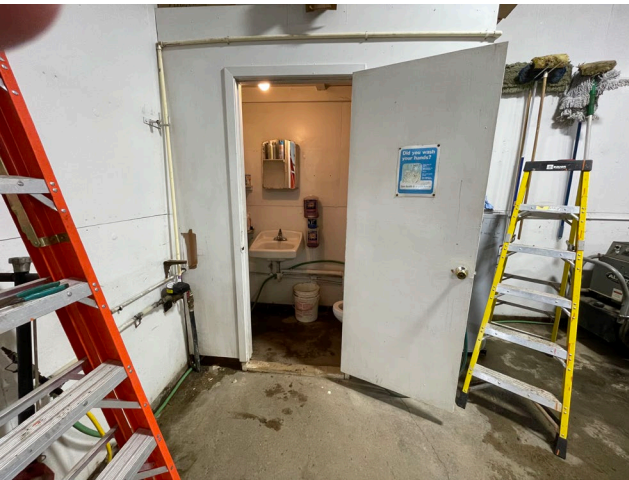
\$1.6B

Buildings & Grounds

\$15.5M

Large Equipment

\$15.7M



GRANTS | \$109,140,458

INCLUDES GRANTS FOR:

- Counties
- Cities
- Townships
- Transit Providers



IT PROJECTS

Driver & Vehicle Services Appointment System

\$3.0M

Barcoding Software

\$350,000



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THANK YOU.
Questions?