

Department of Transportation
Budget No. 801
Senate Bill Nos. 2012 and 2018; House Bill Nos. 1015, 1395, and 1431

	FTE Positions	General Fund	Other Funds	Total
2021-23 legislative appropriations	982.00	\$0	\$2,249,534,084	\$2,249,534,084
2021-23 base budget	982.00	0	1,388,445,404	1,388,445,404
Legislative increase (decrease) to base budget	0.00	\$0	\$861,088,680	\$861,088,680

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 legislative appropriations	\$0	\$0	\$0
2019-21 legislative appropriations	0	102,500,000 ¹	102,500,000
2021-23 legislative increase (decrease) to 2019-21 appropriations	\$0	(\$102,500,000)	(\$102,500,000)
Percentage increase (decrease) to 2019-21 appropriations	N/A	(100.0%)	(100.0%)

¹This amount includes a \$100 million general fund appropriation approved by the 2021 Legislative Assembly to be transferred to the highway fund.

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes			\$2,631	\$2,631
Added funding to provide employee salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2.0 percent on July 1, 2022			4,493,978	4,493,978
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,428.77 per month			48,150	48,150
Added funding from federal funds for a transportation management center			5,000,000	5,000,000
Increased funding for temporary driver's license staffing			1,737,788	1,737,788
Increased ongoing funding for other capital payments to provide a total of \$837,191,709			19,416,426	19,416,426

Increased funding for grants to provide a total of \$113,068,637	16,954,000	16,954,000
Increased funding for building, grounds, and maintenance to provide a total of \$80,402,361	11,874,907	11,874,907
Increased funding for professional services to provide a total of \$79,008,372	10,213,695	10,213,695
Increased funding for data processing to provide a total of \$26,176,352	6,143,124	6,143,124
Reduced funding for motor vehicles to provide a total of \$36,257,237	(4,000,000)	(4,000,000)
Increased funding for repairs to provide a total of \$17,066,944.	3,765,529	3,765,529
Increased funding for operating fees and services to provide a total of \$7,840,256	4,365,500	4,365,500
Reduced funding for travel to provide a total of \$30,768,202	(3,294,567)	(3,294,567)
Increased funding for renting or leasing of equipment or other items \$2,538,279	1,844,317	1,844,317
Increased funding for utilities to provide a total of \$6,421,854	1,463,946	1,463,946
Reduced funding for IT contractual services and repairs to provide a total of \$2,444,302	(1,000,000)	(1,000,000)
Increased funding for IT software to provide a total of \$7,131,635	581,133	581,133
Increased funding for renting or leasing of buildings or land	239,100	239,100
Added funding for Microsoft Office 365 license expenses	117,100	117,100
Reduced funding for other operating expenses	(503,331)	(503,331)
Reduced funding for other capital assets	(70,000)	(70,000)
Increased funding from federal funds (\$18,127,139) and the highway fund (\$4,531,785) for bridge rehabilitation and replacement	22,658,924	22,658,924
Added funding from federal funds (\$4,013,578) and other funds (\$1,003,395) to provide grants for electric charging infrastructure	5,016,973	5,016,973
Added one-time funding for a construction and materials management system	9,660,000	9,660,000
Added one-time funding from federal funds for infrastructure improvements to US Highway 85	45,000,000	45,000,000

Added contingent one-time funding from a Bank of North Dakota loan to match federal grants for US Highway 85	50,000,000	50,000,000
Added one-time funding from the state disaster relief fund for providing emergency road repair grants to townships	750,000	750,000
Added one-time funding from federal funds as matching funds for road and bridge projects, of which \$35 million is to match funding provided through bonding in House Bill No. 1431 and \$20 million is to match funding allocated to townships (House Bill No. 1015). See the Related Legislation section below for additional information.	55,000,000	55,000,000
Added one-time funding of \$100 million from the highway fund and \$100 million of federal match funding for road and bridge projects (House Bill No. 1015). See the Related Legislation section below for additional information.	200,000,000	200,000,000
Added one-time funding from federal funds received under the federal American Rescue Plan Act and other federal funding (House Bill No. 1395). See the Related Legislation section below for additional information.	318,609,357	318,609,357
Added one-time funding from bond proceeds deposited in the highway fund for state highway bridge projects (\$35 million) and for matching federal funds for US Highway 85 (\$35 million) (House Bill No. 1431). See the Related Legislation section below for additional information.	70,000,000	70,000,000
Added one-time funding from grant funds received from the Department of Commerce for infrastructure construction expenses of the beyond visual line of sight unmanned aircraft systems program (Senate Bill No. 2018). See the Related Legislation section below for additional information.	5,000,000	5,000,000
Total	<u>0.00</u>	<u>\$0</u>
	<u>\$861,088,680</u>	<u>\$861,088,680</u>

FTE Changes

The Legislative Assembly authorized 982 FTE positions for the Department of Transportation (DOT) for the 2021-23 biennium, the same as the 2019-21 biennium.

One-Time Funding

The following is a summary of one-time funding items for DOT for the 2021-23 biennium:

	General Fund	Other Funds	Total
Construction and materials management system (highway fund)		\$9,660,000	\$9,660,000
Contingent one-time funding from a Bank of North Dakota loan to match federal grants for US Highway 85		50,000,000	50,000,000
Infrastructure improvements to US Highway 85 (federal funds)		45,000,000	45,000,000
Infrastructure improvements to US Highway 85 (bond proceeds)		35,000,000	35,000,000
State highway bridge projects (bond proceeds)		35,000,000	35,000,000
Emergency road repair grants to townships (state disaster relief fund)		750,000	750,000
Road and bridge projects (federal funds)		155,000,000	155,000,000
Road and bridge projects (highway fund)		100,000,000	100,000,000
American Rescue Plan Act and other federal funding		318,609,357	318,609,357
Beyond visual line of sight infrastructure (Department of Commerce grant)		5,000,000	5,000,000
Total	\$0	\$754,019,357	\$754,019,357

Federal COVID-19 Funding - 2019-21 Biennium

The following is a summary of federal COVID-19 funding appropriated by the Legislative Assembly to DOT for the 2019-21 biennium:

	Federal Funds - 2019-21 Biennium
Enhanced mobility services (House Bill No. 1394)	\$115,202
Surface transportation grants (House Bill No. 1394)	61,584,858
Federal coronavirus relief funds - Transportation grants (House Bill No. 1395)	14,670,106
Total	\$76,370,166

Federal COVID-19 Funding - 2021-23 Biennium

The following is a summary of federal COVID-19 funding appropriated by the Legislative Assembly to DOT for the 2021-23 biennium:

	Federal Funds - 2021-23 Biennium
Rural area formula apportionment (House Bill No. 1395)	\$628,855
Enhanced mobility of seniors and persons with disabilities (House Bill No. 1395)	115,204
Intercity bus formula apportionment (House Bill No. 1395)	865,298
State transportation infrastructure (House Bill No. 1395)	317,000,000
Total	\$318,609,357

Other Sections in Senate Bill No. 2012

Line item transfers - Section 3 authorizes the Director of the Office of Management and Budget to transfer funds between the salaries and wages, operating expenses, capital assets, and grants line items as requested by DOT when it is cost-effective for the construction and maintenance of highways. The Department of Transportation must report transfers to the Legislative Council.

Appropriation - State disaster relief fund - Section 4 appropriates \$750,000 from the state disaster relief fund to DOT for providing emergency road repair grants to townships.

Federal funds - Traffic management center - Section 5 identifies \$5 million from federal funds for the creation of a traffic management center and authorizes DOT to use state funds available within its appropriation to match the federal funds.

Contingent loan authorization - Contingent appropriation - Highway improvement projects - Section 6 provides for a contingent loan authorization for DOT to borrow up to \$50 million from the Bank of North Dakota and provides a contingent appropriation of those funds to DOT for the purpose of matching federal grants related to US Highway 85. The funds are contingent upon certification by the Director of DOT to the Director of the Office of Management and Budget that the

department has been awarded additional federal grants related to US Highway 85 during the 2021-23 biennium, and that other state funds from bond proceeds are not available for this purpose.

Exemption - Enhanced state highway investments - Section 7 exempts \$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 from North Dakota Century Code Section 54-44.1-11 and is continued into the 2023-25 biennium.

Exemption - Driver's licenses system project - Section 8 exempts \$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 from Section 54-44.1-11 and is continued into the 2021-23 biennium.

Cooperative agreements - Section 9 creates Section 24-02-02.5 regarding rest area cooperative agreements.

Biological and other renewable products - Legislative intent - Section 10 provides legislative intent that DOT use gasoline fuel with 15 percent ethanol and the highest compatible percentage of biodiesel or renewable diesel for all department and State Fleet vehicles when these products are available and result in cost-savings. It also provides intent that State Fleet vehicles refueling at nonstate fuel sites use renewable fuels when available.

Emergency - Section 11 declares Section 4 to be an emergency measure.

Related Legislation

House Bill No. 1015 - Appropriation - This bill appropriates \$55 million of federal funds of which, \$35 million is to match funding provided through bonding in House Bill No. 1431 and \$20 million is to match funding allocated to townships. This bill also provides \$100 million from the highway fund and \$100 million of federal match funding for road and bridge projects and provides that at least \$10 million of funding from the highway fund must be used to match federal funds for township road and bridge projects.

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

House Bill No. 1101 - Cooperative agreements - This bill authorizes the Director of DOT to enter agreements with tribal governments for federally funded safety improvement projects on tribal owned highways, streets, roads, and bridges.

House Bill No. 1168 - Operator's license examination - This bill requires DOT 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. 1394 - COVID-19 - This bill provides an appropriation of \$61,700,060 of federal funds for COVID-19-related expenditures for the remainder of the 2019-21 biennium and the 2021-23 biennium.

House Bill No. 1395 - COVID-19 - This bill appropriates funding from the federal Coronavirus Relief Fund for the 2019-21 biennium and appropriates other federal funds relating to COVID-19 to other agencies, including DOT for the 2021-23 biennium.

House Bill No. 1431 - Bonding - Revolving loan programs - This bill appropriates \$70 million of bond proceeds deposited into the highway fund to DOT for state highway bridge projects (\$35 million) and matching federal funds (\$35 million). If the department does not commit the entire \$35 million for matching federal funds by October 1, 2022, the amount uncommitted must be transferred to the infrastructure revolving loan fund under Section 6-09-49.

Senate Bill No. 2018 - Beyond visual line of sight unmanned aircraft systems program - This bill appropriates \$5 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 - Department of Transportation study - This bill directs DOT to study and conduct pilot projects on the feasibility and impact of long combination vehicle operations.

Senate Bill No. 2111 - Department of Transportation radio towers - This bill authorizes DOT 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 - State Highway 57 - This bill designates State Highway 57 as the Akicita (veteran) memorial highway and provides a continuing appropriation for donations for the highway to DOT.