

**Department of Transportation  
House Bill No. 1012**

|   | <b>FTE Positions</b> | <b>General Fund</b> | <b>Other Funds</b> | <b>Total</b>       |
|---|----------------------|---------------------|--------------------|--------------------|
| 2003-05 executive budget (bills as introduced)            | 1,046.00             | \$0                 | \$734,792,567      | \$734,792,567      |
| <b>2003-05 legislative appropriations</b>                 | <b>1,046.00</b>      |                     | <b>784,385,918</b> | <b>784,385,918</b> |
| Legislative increase (decrease) to executive budget       | 0.00                 | \$0                 | \$49,593,351       | \$49,593,351       |
| Legislative increase (decrease) to 2001-03 appropriations | 5.00                 | \$0                 | \$44,089,280       | \$44,089,280       |

**SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS**

**Salaries and Wages**

The legislative action affecting the recommended appropriation for the Department of Transportation is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2423, which allows agencies to provide salary increases of up to 1 percent on January 1, 2004, and up to 2 percent on January 1, 2005, to be funded in part from pooled savings accumulated from agency FTE position reductions.

|   | <b>Major Items<br/>FTE Positions</b> | <b>General Fund</b> | <b>Other Funds</b> | <b>Total</b>  |
|---|--------------------------------------|---------------------|--------------------|---------------|
| The legislative action:   |                                      |                     |                    |               |
| Removed funding recommended in the executive budget for state employee salary increases   |                                      |                     | (\$1,027,153)      | (\$1,027,153) |
| Reduced funding recommended in the executive budget for state employee health insurance premiums from \$493 to \$488.70 per month per policy  |                                      |                     | (108,154)          | (108,154)     |
| Reduced funding for information technology. The amount reduced represents a reduction in information technology funding of approximately 2 percent. (See <b>Related Legislation</b> section below)  |                                      |                     | (350,000)          | (350,000)     |
| Changed the line item from operating expenses to capital assets in which \$11.6 million of funding for highway maintenance projects eligible for federal reimbursement is appropriated  |                                      |                     |                    | 0             |
| Added funding for highway construction projects, of which \$33,750,000 is for construction costs and \$10 million is for consulting engineers. Of the \$43,750,000, \$35 million is federal funds and \$8,750,000 is from the highway fund. |                                      |                     | 43,750,000         | 43,750,000    |
| Added federal funding for highway construction projects that do not require a state match   |                                      |                     | 7,100,000          | 7,100,000     |

|  |             |            |                     |                     |
|--|-------------|------------|---------------------|---------------------|
| Added funding for highway construction projects to utilize the federal funding of \$182,926 and related state matching funds of \$45,732 which became available as a result of removing the funding for a state employee salary increase |             |            | 228,658             | 228,658             |
| Total  | <u>0.00</u> | <u>\$0</u> | <u>\$49,593,351</u> | <u>\$49,593,351</u> |

**FTE Changes**

The Legislative Assembly did not change the executive recommendation to add 1 FTE telecommunications technician II position, 2 FTE transportation engineer positions, and 2 FTE engineering technician positions.

**Federal Highway Construction Funds**

The Legislative Assembly appropriated funding to match an estimated \$182.5 million per year of federal highway construction funds for federal fiscal years 2003 and 2004 compared to the executive budget recommendation, which included funding to match an estimated \$165 million per year. North Dakota received \$169 million of federal highway construction funds in federal fiscal year 2001 and \$181 million in federal fiscal year 2002.

**Motor Vehicle Registration Fee Increase**

The Legislative Assembly, in House Bill No. 1012, increased motor vehicle registration fees by \$3 per year. Of the \$3 increase, \$2 is deposited in the highway tax distribution fund and \$1 directly in the highway fund. For the 2001-03 biennium, \$2 of each motor vehicle registration fee was being deposited directly in the highway fund rather than in the highway tax distribution fund. The provisions added by the Legislative Assembly in House Bill No. 1012 increase the amount deposited directly into the highway fund by \$1 to \$3 and remove the expiration date of June 30, 2003, for the temporary \$2 allocation directly to the highway fund made by the 2001 Legislative Assembly. The \$3 motor vehicle registration fee increase is estimated to generate \$4.1 million, of which \$2.7 million will be deposited in the highway tax distribution fund and \$1.4 million directly in the highway fund. The state share will be \$3.1 million and the city and county share will be \$1 million.

**Transfer of Information Technology Positions**

Section 10 of House Bill No. 1505 authorizes the reduction and transfer of 2 FTE positions relating to information technology services, including electronic mail, file and print server administration, data base administration, storage, application server, and hosting services, from the Department of Transportation to the Information Technology Department. The Department of Transportation is to establish an information technology services accounting code consisting of funding related to the salaries and wages for the identified employee positions and related funding for equipment, training, office rent, travel, contracted services, or other related costs. The Department of Transportation is to use the funding contained in the information technology services account to purchase information technology services from the Information Technology Department. The Department of Transportation is entitled to receive from the Information Technology Department the equivalent in services that would have been performed by the employee in the transferred position at a cost not to exceed the amounts transferred to the agency's information technology services account.

**Capital Assets**

The Legislative Assembly did not change the executive recommendation which included \$1,719,000 from the highway fund for replacing and making improvements at section and salt buildings; \$5,469,901 from the highway fund for replacing road maintenance equipment; and \$3,175,000 from asbestos settlement proceeds, interest income, and other funds for partially remodeling the highway building (\$2,822,400) and for a lighting retrofit project (\$352,600).

**Other Sections in Bill**

**Acquiring no-mow or managed-mow areas** - Section 2, added by the Legislative Assembly, authorizes the department to acquire land to eliminate no-mow or managed-mow areas along state highways.

**Mowing no-mow or managed-mow areas** - Section 3, added by the Legislative Assembly, delays the effective date from January 1, 2004, to January 1, 2006, of a section allowing a landowner owning land next to a no-mow or managed-mow area to hay the no-mow or managed-mow area after July 15 without payment or penalty.

**Speed limit on paved two-lane county and township roads** - Section 6, added by the Legislative Assembly, sets the speed limit on paved two-lane county and township highways at 55 miles per hour unless posted differently.

#### **Related Legislation**

**Overweight fees** - House Bill No. 1112 increases overweight vehicle assessments and fees.

**Blood/alcohol level for driving under the influence penalty** - House Bill No. 1161 lowers the legal blood alcohol concentration level for operating a motor vehicle from .10 to .08 percent.

**Special funds transfer** - Section 2 of House Bill No. 1505 authorizes the Office of Management and Budget to transfer \$350,000 of special funds reduced from the Department of Transportation's information technology budget to the Information Technology Department for funding a portion of the Information Technology Department's operating budget.

**Ethanol incentive funding** - Senate Bill No. 2222 provides that 40 percent of all farm truck registration fee collections be deposited in the ethanol production incentive fund rather than the highway tax distribution fund and be used for providing production incentives to North Dakota ethanol plants.