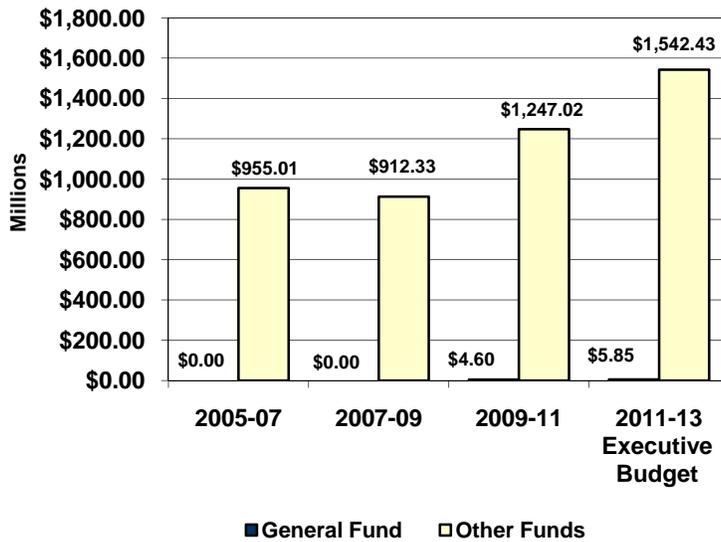


**Department 801 - Department of Transportation  
 House Bill No. 1012**

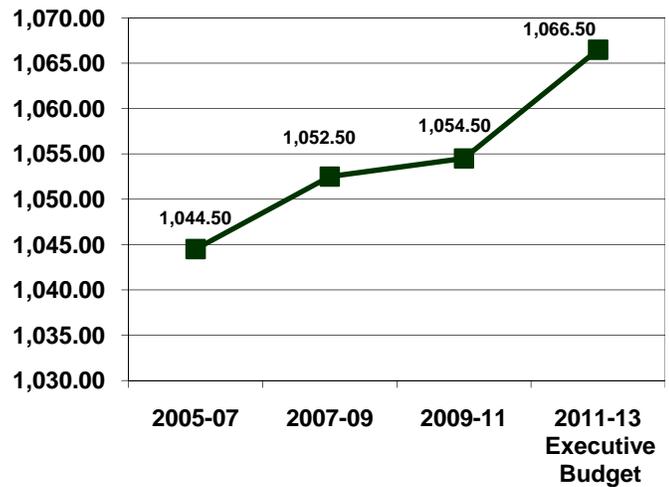
	FTE Positions	General Fund	Other Funds	Total
2011-13 Executive Budget	1,066.50	\$5,850,000	\$1,542,433,665	\$1,548,283,665
2009-11 Legislative Appropriations	1,054.50	4,600,000	1,247,015,588	1,251,615,588 <sup>1</sup>
Increase (Decrease)	12.00	\$1,250,000	\$295,418,077	\$296,668,077

<sup>1</sup>The 2009-11 appropriation amounts include \$3 million of special funds for the agency's share of the \$16 million funding pool appropriated to the Office of Management and Budget for special market equity adjustment for executive branch employees. The 2009-11 appropriation amounts do not include \$16,016,589 of project carryover authority or \$82,740,600 of additional special funds authority resulting from Emergency Commission action during the 2009-11 biennium.

**Agency Funding**



**FTE Positions**



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

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2011-13 Executive Budget	\$0	\$5,850,000	\$5,850,000
2009-11 Legislative Appropriations	0	4,600,000	4,600,000
Increase (Decrease)	\$0	\$1,250,000	\$1,250,000

**First House Action**

Attached is a summary of first house changes.

**Executive Budget Highlights  
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides one-time funding from the permanent oil tax trust fund for roadway projects on state highways in areas affected by oil and gas development		\$228,600,000	\$228,600,000
2. Provides one-time funding from the permanent oil tax trust fund for county and township roadway projects in areas affected by oil and gas development		\$142,000,000	\$142,000,000
3. Adds 6 FTE transportation technician positions. <b>The House removed 3 FTE positions.</b>		\$620,412	\$620,412
4. Adds 4 FTE driver's license examiner positions. <b>The House removed 2 FTE positions.</b>		\$361,172	\$361,172
5. Adds 2 FTE motor vehicle licensing specialist positions. <b>The House removed 1 FTE position.</b>		\$203,100	\$203,100

6. Provides one-time funding for asbestos abatement in the Highway Building		\$2,465,544	\$2,465,544
7. Provides one-time funding to convert department radios from analog to digital		\$530,886	\$530,886
8. Provides funding from special funds for salary equity adjustments for the recruitment and retention of heavy equipment operators. <b>The House removed this funding.</b>		\$1,100,000	\$1,100,000
9. Provides additional funding for roadway maintenance safety items due to increased material costs		\$15,605,992	\$15,605,992
10. Provides for the following anticipated changes in federal highway aid:			
Federal Highway Administration formula funds (from \$500.9 million to \$569.5 million)		\$68,600,000	\$68,600,000
Emergency relief (from \$33.7 million to \$56.2 million)		22,500,000	22,500,000
Federal rail funds (from \$2.3 million to \$6.1 million)		3,800,000	3,800,000
National Highway Traffic Safety Administration (from \$10 million to \$11.4 million)		1,400,000	1,400,000
Federal transit funds (from \$12.8 million to \$13.7 million)		900,000	900,000
2009-11 federal funds for Devils Lake area projects (from \$43.8 million to \$0)		(43,800,000)	(43,800,000)
Total		\$53,400,000	\$53,400,000
11. Provides funding for an information technology program to improve the department's method of estimating project costs		\$532,055	\$532,055
12. Removes one-time funding from the general fund provided in the 2009-11 biennium for Devils Lake area roadway projects	(\$4,600,000)		(\$4,600,000)
13. Provides one-time funding from the general fund to match federal funds for roadway projects in the Devils Lake area	\$5,850,000		\$5,850,000
14. Provides one-time funding to begin planning for the replacement of the department's driver's license computer system		\$500,000	\$500,000
15. Removes federal fiscal stimulus funding provided in the 2009-11 biennium relating to highway infrastructure projects		(\$170,978,876)	(\$170,978,876)
16. Authorizes spending authority for federal fiscal stimulus funding not spent during the 2009-11 biennium for transportation infrastructure projects (\$5,189,575), grants for rural transit programs (\$4,800,000), and a federal fiscal stimulus grant received to construct the North Central Regional Economic Growth Intermodal Port Connector project in Minot (\$14,130,000)		\$24,119,575	\$24,119,575

### Other Sections in Bill

**Highway-rail grade crossing safety fund** - Section 3 appropriates \$230,000 from the highway-rail grade crossing safety fund for railroad crossing safety project grants and provides guidelines for the distribution of grant funds. The appropriation amount represents the estimated balance of the highway-rail grade crossing safety fund on July 1, 2011. Section 7 repeals a section of the 2009 Session Laws which provides for any funding in the highway-rail grade crossing safety fund to be transferred to the highway tax distribution fund on August 1, 2011.

**Transportation funding distributions** - Section 4 appropriates \$25 million to the State Treasurer for 2009-11 biennium transportation funding distributions to counties, cities, and townships in non-oil-producing areas of the state. Section 5 appropriates \$25 million to the State Treasurer for 2011-13 biennium transportation funding distributions to counties, cities, and townships in non-oil-producing areas of the state. Guidelines are provided for each of the funding distributions.

**Line item transfers** - Section 6 authorizes the Department of Transportation to transfer funds between the operating expenses, 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.

**County and township road reconstruction program** - Section 8 establishes a program to allocate \$142 million to county and township road projects in areas affected by oil and gas development.

**State airplane study** - Section 9 provides for a Legislative Management study of the use of state-owned airplanes.

### Continuing Appropriations

There are no continuing appropriations for this agency.

### **Significant Audit Findings**

The operational audit for the Department of Transportation conducted by the State Auditor's office during the 2009-10 interim included the following significant audit findings:

- The Department of Transportation has a lack of controls over computer system access.
- The Department of Transportation is not properly reconciling the motor vehicle clearing account to the report of amounts processed and pending each month.

### **Major Related Legislation**

**House Bill No. 1109 - Driver's license renewal dates and fees** - Increases the fee for driver's license renewals from \$10 to \$15 and extends the driver's license renewal period from four years to six years for Class D operator's licenses.

**House Bill No. 1256** - Creates a graduated motor vehicle operator licensing program for minors.

**Senate Bill No. 2207** - Imposes certain registration requirements for nonresidents operating motor vehicles in the state.

**Senate Bill No. 2325** - Provides \$73.6 million from the permanent oil tax trust fund for a county and township road reconstruction program to support agricultural logistics and economic development.

ATTACH:1