

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
Department of Transportation			
Salaries and wages	\$201,478,341	\$197,827,038	(\$3,651,303)
Operating expenses	229,381,646	257,537,785	28,156,139
Capital assets	771,101,851	861,025,944	89,924,093
Grants	67,528,030	95,854,637	28,326,607
Short line railroad program		2,500,000	2,500,000
Contingent Bank of North Dakota Loan		50,000,000	50,000,000
Total all funds	\$1,269,489,868	\$1,464,745,404	\$195,255,536
Less estimated income	1,269,489,868	1,462,245,404	192,755,536
General fund	\$0	\$2,500,000	\$2,500,000
FTE	1,047.00	982.00	(65.00)
Bill total			
Total all funds	\$1,269,489,868	\$1,464,745,404	\$195,255,536
Less estimated income	1,269,489,868	1,462,245,404	192,755,536
General fund	\$0	\$2,500,000	\$2,500,000
FTE	1,047.00	982.00	(65.00)

House Bill No. 1012 - Department of Transportation - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$201,478,341	\$460,582	\$201,938,923
Operating expenses	229,381,646	19,871,688	249,253,334
Capital assets	771,101,851	89,924,093	861,025,944
Grants	67,528,030	28,326,607	95,854,637
Short line railroad program		2,500,000	2,500,000
Total all funds	\$1,269,489,868	\$141,082,970	\$1,410,572,838
Less estimated income	1,269,489,868	138,582,970	1,408,072,838
General fund	\$0	\$2,500,000	\$2,500,000
FTE	1,047.00	(42.00)	1,005.00

Department 801 - Department of Transportation - Detail of House Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Removes 42 Unspecified FTE Positions³	Adjusts Base Level Funding⁴	Adds Funding for Snow and Ice Control⁵	Adds Funding for Microsoft Office 365 Licensing⁶
Salaries and wages	(\$1,019,746)	\$9,459,923	(\$7,979,595)			
Operating expenses				(\$3,336,810)		\$708,498
Capital assets				87,874,093	\$750,000	
Grants				28,326,607		
Short line railroad program						
Contingent Bank of North Dakota Loan						
Total all funds	(\$1,019,746)	\$9,459,923	(\$7,979,595)	\$112,863,890	\$750,000	\$708,498
Less estimated income	(1,019,746)	9,459,923	(7,979,595)	112,863,890	750,000	708,498
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(42.00)	0.00	0.00	0.00

	Adds Funding for Driver's License System Project ²	Adds Funding for Driver's License Facility Maintenance ⁸	Adds Funding for Short Line Railroad Program ⁹	Total House Changes
Salaries and wages				\$460,582
Operating expenses	\$22,500,000			19,871,688
Capital assets		\$1,300,000		89,924,093
Grants				28,326,607
Short line railroad program			\$2,500,000	2,500,000
Contingent Bank of North Dakota Loan				
Total all funds	\$22,500,000	\$1,300,000	\$2,500,000	\$141,082,970
Less estimated income	22,500,000	1,300,000	0	138,582,970
General fund	\$0	\$0	\$2,500,000	\$2,500,000
FTE	0.00	0.00	0.00	(42.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2019-21 biennium salary adjustments of 2 percent per year and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	<u>Other Funds</u>
Salary increase	\$4,774,660
Health insurance increase	<u>4,685,263</u>
Total	\$9,459,923

³ Forty-two unspecified FTE positions and related funding is removed.

⁴ Base level funding is adjusted as follows:

	<u>Other Funds</u>
Increases funding for capital assets	\$87,874,093
Increases funding for grants	17,226,607
Reclassifies funding for the rail loan program	11,100,000
Reduces payments to State Fleet Services	(3,550,000)
Adjusts operating expenses	213,190
Total	\$112,863,890

⁵ Funding is added for the purchase of three snow plows.

⁶ Funding is added for Microsoft Office 365 licensing.

⁷ One-time funding from the highway fund is added for the department's driver's license system project.

⁸ One-time funding from the highway fund is added for driver's license facility maintenance at Minot and Williston.

⁹ A section is added to provide one-time funding from the general fund for the Department of Transportation's short line railroad program.

This amendment also adds sections to:

- 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 provisions of North Dakota Century Code Section 54-44.1-11 and may be continued into the 2019-21 biennium.
- Appropriate one-time funding of \$13 million from the general fund for enhanced state highway funding during the 2017-19 biennium, and provide an exemption from Section 54-11.1-11, authorizing the funding to be continued into the 2019-21 biennium.
- Amend Section 24-02-45.1 to require that in cooperative agreements for highway construction items, only the private entity's cost-share is to be paid in advance of the construction and declares this section an emergency.
- Direct the department to establish the Mayville section site as a satellite site of the Hillsboro section and set requirements for seasonal winter services in the Courtenay, Gackle, New England, and Finley sections.
- Require a Department of Transportation study of public transportation services within the state.

- Require the Department of Transportation to report to the 2021 Legislative Assembly regarding the department's state fleet service expenditures compared to its 2019-21 biennium budgeted amounts.

House Bill No. 1012 - Department of Transportation - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$201,478,341	\$201,938,923	(\$3,777,885)	\$198,161,038
Operating expenses	229,381,646	249,253,334	8,284,451	257,537,785
Capital assets	771,101,851	861,025,944		861,025,944
Grants	67,528,030	95,854,637		95,854,637
Short line railroad program		2,500,000		2,500,000
Total all funds	\$1,269,489,868	\$1,410,572,838	\$4,506,566	\$1,415,079,404
Less estimated income	1,269,489,868	1,408,072,838	4,506,566	1,412,579,404
General fund	\$0	\$2,500,000	\$0	\$2,500,000
FTE	1,047.00	1,005.00	(21.00)	984.00

Department 801 - Department of Transportation - Detail of Senate Changes

	Adjusts Funding for Salary Increases ¹	Restores and Adds FTE Positions ²	Transfers 41 FTE for IT Unification ³	Total Senate Changes
Salaries and wages	\$778,127	\$3,668,000	(\$8,224,012)	(\$3,777,885)
Operating expenses			8,284,451	8,284,451
Capital assets				
Grants				
Short line railroad program				
Contingent Bank of North Dakota Loan				
Total all funds	\$778,127	\$3,668,000	\$60,439	\$4,506,566
Less estimated income	778,127	3,668,000	60,439	4,506,566
General fund	\$0	\$0	\$0	\$0
FTE	0.00	20.00	(41.00)	(21.00)

¹ Funding is added to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020. The House provided funding for salary increases of 2 percent per year.

² The Senate restored 16 FTE positions (\$3,000,000) of the 42 FTE positions removed by the House and added 4 FTE positions (\$668,000) of which 2 relate to Fargo driver's license operations.

³ Forty-one FTE positions are transferred to the Information Technology Department for the IT unification project, resulting in reduced salaries and wages of \$8,224,012 and increased operating expenses of \$8,284,451. The House version did not include the IT unification project.

This amendment also:

- Provides 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 provisions of North Dakota Century Code Section 54-44.1-11 and may be continued into the 2021-23 biennium. The House authorized these funds to be continued into the 2019-21 biennium only.
- Changes the purpose of the \$13 million from the general fund by the House for the 2017-19 biennium from enhanced state highway funding to road maintenance funding.
- Authorizes the Department of Transportation to obtain a contingent loan 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 that the department applies for after March 1, 2019. The House did not include this section.
- Removes a section added by the House directing the department to establish the Mayville section site as a satellite site of the Hillsboro section and set requirements for seasonal winter services in the Courtenay, Gackle, New England, and Finley sections.
- Creates a new subsection to Section 57-40.3-04 to provide an exemption from the motor vehicle excise tax for

vehicles purchased by public transportation providers that receive state funding through the highway tax distribution formula and provide public transportation services and Section 11 provides for an effective date. The House version did not include these sections.

- Removes a section requiring the Department of Transportation to report to the 2021 Legislative Assembly regarding the department's state fleet expenditures compared to its 2019-21 biennium budgeted amounts.

House Bill No. 1012 - Department of Transportation - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$201,478,341	\$201,938,923	(\$4,111,885)	\$197,827,038	\$198,161,038	(\$334,000)
Operating expenses	229,381,646	249,253,334	8,284,451	257,537,785	257,537,785	
Capital assets	771,101,851	861,025,944		861,025,944	861,025,944	
Grants	67,528,030	95,854,637		95,854,637	95,854,637	
Short line railroad program		2,500,000		2,500,000	2,500,000	
Contingent Bank of North Dakota Loan			50,000,000	50,000,000		50,000,000
Total all funds	\$1,269,489,868	\$1,410,572,838	\$54,172,566	\$1,464,745,404	\$1,415,079,404	\$49,666,000
Less estimated income	1,269,489,868	1,408,072,838	54,172,566	1,462,245,404	1,412,579,404	49,666,000
General fund	\$0	\$2,500,000	\$0	\$2,500,000	\$2,500,000	\$0
FTE	1,047.00	1,005.00	(23.00)	982.00	984.00	(2.00)

Department 801 - Department of Transportation - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases ¹	Restores and Adds FTE Positions ²	Transfers 41 FTE for IT Unification ³	Adds Contingent Bank of North Dakota Loan ⁴	Total Conference Committee Changes
Salaries and wages	\$778,127	\$3,334,000	(\$8,224,012)		(\$4,111,885)
Operating expenses			8,284,451		8,284,451
Capital assets					
Grants					
Short line railroad program					
Contingent Bank of North Dakota Loan				\$50,000,000	50,000,000
Total all funds	\$778,127	\$3,334,000	\$60,439	\$50,000,000	\$54,172,566
Less estimated income	778,127	3,334,000	60,439	50,000,000	54,172,566
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	18.00	(41.00)	0.00	(23.00)

¹ Funding is added to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020, the same as the Senate version. The House provided funding for salary increases of 2 percent per year.

² The Conference Committee restored 16 FTE positions (\$3,000,000) of the 42 FTE positions removed by the House and added 2 FTE positions which relate to Fargo driver's license operations (\$334,000). The Senate restored the 16 FTE positions (\$3,000,000) and added 4 FTE positions (\$668,000) of which 2 relate to Fargo driver's license operations.

³ Forty-one FTE positions are transferred to the Information Technology Department for the IT unification project, resulting in reduced salaries and wages of \$8,224,012 and increased operating expenses of \$8,284,451, the same as the Senate version. The House version did not include the IT unification project.

⁴ A \$50 million contingent appropriation from proceeds received from a contingent loan from the Bank of North Dakota is added for providing one-time funding for matching federal grants the department applied for after February 1, 2019, similar to the Senate version. The House did not include this section.

This amendment also:

- Provides 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 provisions of North Dakota Century Code Section 54-44.1-11 and may be continued into the 2021-23 biennium, the same as the Senate version. The House

authorized these funds to be continued into the 2019-21 biennium only.

- Changes the purpose of the \$13 million from the general fund provided by the House for the 2017-19 biennium from enhanced state highway funding to road maintenance funding, the same as the Senate version.
- Adds a section authorizing the Department of Transportation to obtain a contingent loan from the Bank of North Dakota and appropriates those funds to the Department of Transportation for the purpose of matching federal grants that the department applies for after February 1, 2019, similar to the Senate version. The House did not include this section.
- Removes a section added by the House directing the department to establish the Mayville section site as a satellite site of the Hillsboro section and set requirements for seasonal winter services in the Courtenay, Gackle, New England, and Finley sections, the same as the Senate version.
- Adds a section of legislative intent that the Department of Transportation provide seasonal winter services at the Mayville, Courtenay, Gackle, New England, Litchville, and Finley sections, neither the Senate nor the House included this section.
- Creates a new subsection to Section 57-40.3-04 to provide an exemption from the motor vehicle excise tax for vehicles purchased by public transportation providers that receive state funding through the highway tax distribution formula and provide public transportation services and provides an effective date, same as the Senate version. The House version did not include these sections.
- Removes a section added by the House requiring the Department of Transportation to report to the 2021 Legislative Assembly regarding the department's state fleet expenditures compared to its 2019-21 biennium budgeted amounts, same as the Senate version.