

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

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriations	1,001.00	\$10,375,000	\$2,295,719,393	\$2,306,094,393
2023-25 base budget	982.00	0	1,495,514,727	1,495,514,727
Legislative increase (decrease) to base budget	19.00	\$10,375,000	\$800,204,666	\$810,579,666

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2023-25 legislative appropriations	\$0	\$10,375,000	\$10,375,000
2021-23 legislative appropriations	0	0	0
2023-25 legislative increase (decrease) to 2021-23 appropriations	\$0	\$10,375,000	\$10,375,000
Percentage increase (decrease) to 2021-23 appropriations	N/A	N/A	N/A

**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 including costs to continue 2021-23 biennium equity adjustments			\$9,903,727	\$9,903,727
Added funding to provide employee salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024			13,565,540	13,565,540
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,643 per month			5,030,586	5,030,586
Transferred funding for new FTE positions and estimated savings from vacant FTE positions to a new and vacant FTE funding pool in the Office of Management and Budget			(18,408,702)	(18,408,702)
Adjusted funding for anticipated federal and other funds			7,415,879	7,415,879
Added funding for 19 new FTE positions, including 4 FTE auditors, 8 FTE equipment operators, 2 FTE driver's license examiners, 3 FTE accountants, and 2 FTE township road project coordinators	19.00		3,697,636	3,697,636

Added ongoing funding from motor vehicle excise tax collections (\$171.5 million) and one-time funding from the strategic investment and improvements fund (SIIF) (\$51 million) to establish a flexible transportation fund			222,500,000	222,500,000
Added spending authority for estimated legacy fund earnings deposited in the highway fund			60,000,000	60,000,000
Added one-time funding from SIIF (\$114 million) to match federal highway funds (\$290 million)			404,000,000	404,000,000
Added one-time funding for the roadway information management system project	\$6,250,000			6,250,000
Added one-time funding for a door security project	865,000			865,000
Added one-time funding for an automated vehicle location system project	2,010,000			2,010,000
Added one-time funding from contingent loan proceeds for a US Highway 85 project			50,000,000	50,000,000
Added one-time funding from SIIF to enhance short line railroad loan programs			6,500,000	6,500,000
Added one-time funding from SIIF for a study of projects to alleviate northern Red River Valley flooding			2,500,000	2,500,000
Added one-time funding from contingent loan proceeds for northern Red River Valley infrastructure projects			28,500,000	28,500,000
Added one-time funding for rural transit program grants	1,250,000			1,250,000
Added one-time funding from SIIF for an environmental study for a US Highway 52 project			5,000,000	5,000,000
Total	<u>19.00</u>	<u>\$10,375,000</u>	<u>\$800,204,666</u>	<u>\$810,579,666</u>

FTE Changes

The Legislative Assembly approved 1,001 FTE positions for the Department of Transportation (DOT) for the 2023-25 biennium, an increase of 19 FTE positions from the 2021-23 biennium. The Legislative Assembly added funding for 4 FTE auditors, 8 FTE equipment operators, 2 FTE driver's license examiners, 3 FTE accountants, and 2 FTE township road project coordinators.

One-Time Funding

The following is a summary of one-time funding items for DOT for the 2023-25 biennium:

	General Fund	Other Funds	Total
Flexible transportation fund (SIIF)		\$51,000,000	\$51,000,000
Funding from SIIF (\$114 million) to match federal highway funds (\$290 million)		404,000,000	404,000,000
Roadway information management system project	\$6,250,000		6,250,000
Door security project	865,000		865,000
Automated vehicle location system project	2,010,000		2,010,000
Contingent loan proceeds for a US Highway 85 project		50,000,000	50,000,000
Short line railroad loan programs enhancement (SIIF)		6,500,000	6,500,000
Study of projects to alleviate northern Red River Valley flooding (SIIF)		2,500,000	2,500,000
Contingent loan proceeds for northern Red River Valley infrastructure projects		28,500,000	28,500,000
Rural transit program grants	1,250,000		1,250,000
Environmental study for a US Highway 52 project (SIIF)		5,000,000	5,000,000
Total	\$10,375,000	\$547,500,000	\$557,875,000

Other Sections in House Bill No. 1012

Line item transfers - Section 3 authorizes 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 must report transfers to the Legislative Council.

Contingent loan authorization for US Highway 85 - Section 4 allows DOT to borrow up to \$50 million from the Bank of North Dakota to match federal grant funds received for US Highway 85 projects.

Contingent loan authority for flood projects - Section 5 allows DOT to borrow up to \$28.5 million from the Bank of North Dakota for northern Red River Valley infrastructure projects to alleviate flooding.

Strategic investment and improvements fund - Section 6 identifies \$179 million from SIIF to match federal highway funding (\$114 million), for a state flexible transportation fund (\$51 million), for short line railroad loan programs (\$6.5 million), for a flood projects study (\$2.5 million), and for a US Highway 52 study (\$5 million).

Rural transit funding - Section 7 provides guidelines for the distribution of \$1.25 million of additional rural transit funding.

Rest area and visitor center construction - Section 8 authorizes DOT to construct a rest area and visitor center in western North Dakota utilizing appropriations from the state highway fund.

State Highway 13 designation - Section 9 designates a portion of State Highway 13 as the Trooper Beryl McLane Memorial Highway.

Flexible transportation fund - Section 10 provides for 25 percent of motor vehicle excise taxes deposited in the flexible transportation fund to be used for county and township road and bridge projects and requires Budget Section approval and reports for certain projects. This section was amended in Section 31 of Senate Bill No. 2015 (2023).

Legacy earnings highway distribution fund - Section 11 creates a legacy earnings highway distribution fund to distribute legacy fund earnings to the highway fund and political subdivisions.

Legacy township highway aid fund - Section 12 creates a legacy township highway aid fund to distribute legacy fund earnings to non-oil-producing townships.

Motor vehicle excise tax allocations - Section 13 amends North Dakota Century Code Section 57-40.3-10 to deposit 50 percent of motor vehicle excise tax collections in the general fund and the remaining 50 percent of collections in the flexible transportation fund. Section 19 provides an effective date for the deposit of collections.

Amendment - 2021-23 biennium township funding allocation - Section 14 amends an appropriation section from the 2021 legislative session to allow townships to access road and bridge project funding. Section 20 includes an emergency clause related to the amendment.

Amendment - 2021-23 biennium appropriation authority - Section 15 amends an appropriation section from the 2021 legislative session to remove the requirements provided for the use of funding received from bond proceeds. Section 20 includes an emergency clause related to the amendment.

Electric vehicle study - Section 16 provides for a Legislative Management study of the effect of electric vehicles in the state.

US Highway 85 project - Section 17 provides for DOT to develop a plan to finish the US Highway 85 four-lane project.

Exemptions - Section 18 provides exemptions for various road and infrastructure projects to allow project funding to continue into the 2023-25 biennium.

Related Legislation

House Bill No. 1080 (2023) - Electronic proof of motor vehicle registration - Allows drivers to provide electronic proof of motor vehicle registration.

House Bill No. 1081 (2023) - Electronic vehicle charging tax study - Requires DOT to conduct a study of options to implement an electronic charging tax.

House Bill No. 1102 (2023) - Federal funds - Provides for the Director of DOT to seek federal grants and discretionary funding.

House Bill Nos. 1117, 1351, 1352, 1354, and 1355 (2023) and Senate Bill No. 2146 (2023) - Designated names for roads and bridges - Designates names for certain roads and bridges and provides DOT with a continuing appropriation to spend any funds donated for the placement of signs designating the names of the roads and bridges.

Senate Bill No. 2015 (2023) - Funding pools - Includes funding pools from which the agency may receive allocations, including the:

- Employer retirement contribution pool from which the agency is to receive \$1,050,871 from other funds in accordance with provisions of Section 23 of Senate Bill No. 2015 for the 1 percent employer retirement contribution increase provided for in House Bill No. 1040 (2023);
- New and vacant FTE funding pool from which the agency may request funding when hiring new FTE positions or if the agency does not realize sufficient savings from vacant FTE positions in accordance with provisions of Section 22 of Senate Bill No. 2015; and
- Targeted market equity pool from which the agency may receive an allocation as determined by the Office of Management and Budget in accordance with provisions of Section 20 of Senate Bill No. 2015.

Senate Bill No. 2063 (2023) - Federal electric vehicle infrastructure grants - Authorizes DOT to enter agreements for electric vehicle charging infrastructure.

Senate Bill No. 2110 (2023) - National park maintenance agreement - Allows DOT to enter an agreement for the joint maintenance of the road network in Theodore Roosevelt National Park.

Senate Bill No. 2113 (2023) - Flexible transportation fund - Creates a flexible transportation fund for the construction and maintenance of state and local roads. These provisions were amended in Section 10 of House Bill No. 1012 and further amended in Section 31 of Senate Bill No. 2015.