

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

	FTE Positions	General Fund	Other Funds	Total
2023-25 legislative appropriation	1,001.00	\$10,375,000	\$2,295,719,393 ¹	\$2,306,094,393 ²
2021-23 legislative appropriation	982.00	0	2,384,534,084	2,384,534,084
2023-25 appropriation increase (decrease) to 2021-23 appropriation	19.00	\$10,375,000	(\$88,814,691)	(\$78,439,691)

¹This amount includes \$547,500,000 of one-time funding. Excluding this amount, the agency's ongoing other funds appropriation is \$1,748,219,393.

²This amount does not include any transfers of appropriation authority from the Office of Management and Budget funding pools for targeted market equity adjustments, retirement contribution increases, or new and vacant FTE positions.

Item Description

Full-time equivalent 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 4 FTE auditors, 8 FTE equipment operators, 2 FTE driver's license examiners, 3 FTE accountants, and 2 FTE township road project coordinators.

Targeted market equity - The Legislative Assembly appropriated \$82.5 million, of which \$45.1 million is from the general fund, to the Office of Management and Budget for a targeted market equity pool to be distributed to state agencies.

New and vacant FTE funding pool - The Legislative Assembly reduced \$18,408,702 of 2023-25 biennium other funds appropriation authority for DOT positions (\$3,545,684) and vacant positions (\$14,863,018) for the new and vacant FTE funding pool. In addition to regular allocations from the pool, the Legislative Assembly authorized DOT to receive \$7,400,000 of other funds authority from the pool for salaries and wages funding needs.

One-time funding - The Legislative Assembly provided \$557,875,000 of one-time funding to DOT as follows:

	General Fund	Other Funds	Total
Flexible transportation fund (strategic investment and improvements fund (SIIF))	\$0	\$51,000,000	\$51,000,000

Status/Result

The status of the new FTE positions is shown below.

- The 4 FTE auditor positions were filled in July, August, and September 2023.
- 6 of the 8 FTE equipment operator positions were filled in July, August, and October 2023.
- The 2 FTE driver's license examiner positions were filled in August 2023.
- 2 of the 3 FTE accounting positions were filled in August and September 2023.
- The 2 FTE township road project coordinator positions were filled in September and October 2023.

The department received \$498,096 of other funds for targeted market equity increases. Equity increases were provided to 93 employees in hard-to-fill positions and to retain job categories, including engineering technicians and auditors.

The department has received \$2,810,304 from the new and vacant FTE funding pool to fill 16 new FTE positions. The department was also allocated \$7,400,000 of other funds authority for department salaries and wages needs.

Through January 2024, DOT had estimated vacant FTE position savings of \$1,572,433. The department used \$509,255 of the savings for other purposes, including accrued leave payouts and location incentive pay. The number of vacancies in the department has ranged from 42 to 62 with an average monthly vacancy rate of 52.29 FTE positions.

The following is a summary of the department's use of the one-time funding:

Flexible transportation fund (SIIF)	See Flexible transportation fund section below
Funding from SIIF (\$114 million) to match federal highway funds (\$290 million)	The department anticipates utilizing the funding throughout the biennium.

Funding from SIIF (\$114 million) to match federal highway funds (\$290 million)	0	404,000,000	404,000,000
Roadway information management system project	6,250,000	0	6,250,000
Door security project	865,000	0	865,000
Automated vehicle location system project	2,010,000	0	2,010,000
Contingent loan proceeds for a US Highway 85 project	0	50,000,000	50,000,000
Short line railroad loan programs enhancement (SIIF)	0	6,500,000	6,500,000
Study of projects to alleviate northern Red River Valley flooding (SIIF)	0	2,500,000	2,500,000
Contingent loan proceeds for northern Red River Valley infrastructure projects	0	28,500,000	28,500,000
Rural transit program grants	1,250,000	0	1,250,000
Environmental study for a US Highway 52 project (SIIF)	0	5,000,000	5,000,000
Total	\$10,375,000	\$547,500,000	\$557,875,000

Roadway information management system project	The project has been divided into four phases. The first phase is in progress and is anticipated to be completed by November 2024.
Door security project	No funding has been spent on the project but a vendor has been selected and the project will begin.
Automated vehicle location system project	A request for proposal has been issued for the project and a total of \$88,071 has been spent through March 2024.
Contingent loan proceeds for a US Highway 85 project	See US Highway 85 project section below.
Short line railroad loan programs enhancement (SIIF)	The department has committed \$5.9 million of loans for short line railroads and additional applications are anticipated.
Study of projects to alleviate northern Red River Valley flooding (SIIF)	A request for proposal was issued and DOT is negotiating with an engineering firm for a project contract. An agreement was entered with the Minnesota Department of Transportation which obligates \$750,000 from each state for the study. An additional agreement provides for an additional \$250,000 to be provided from the state for hydraulics studies to be conducted by the Army Corps of Engineers.
Contingent loan proceeds for northern Red River Valley infrastructure projects	The department does not anticipate utilizing the loan authorization.
Rural transit program grants	A total of \$625,000 of grants has been awarded and the remaining \$625,000 of funds are anticipated to be awarded in state fiscal year 2025.
Environmental study for a US Highway 52 project (SIIF)	An engineering firm was selected to complete the project and all funds are anticipated to be spent as part of the overall study. The department anticipates additional funding will be needed to complete the National Environmental Policy Act documentation.

Flexible transportation fund - The Legislative Assembly, in Senate Bill No. 2113 (2023), created a flexible transportation fund for the construction and maintenance of state and local roads. The Legislative Assembly provided for 50 percent of ongoing motor vehicle excise tax collections to be deposited in the fund estimated to be \$171.5 million for the 2023-25 biennium and provided a one-time appropriation of \$51 million from SIIF for the fund.

US Highway 85 project - The Legislative Assembly authorized DOT to borrow up to \$50 million from the Bank of North Dakota to match federal funds for a US Highway 85 project.

Through March 2024, a total of \$65.8 million of motor vehicle excise tax revenues have been deposited in the fund. The \$51 million SIIF appropriation has also been deposited in the fund.

Through March 2024, DOT received 264 applications for more than \$674 million in project costs. In April 2024 DOT announced a total of \$84 million has been allocated from the fund for 66 projects.

In December 2023, the federal Department of Transportation awarded a \$55 million grant for a US Highway 85 project. The funding will be used to expand 13 miles of roadway in McKenzie County from two to four lanes. The loan has not

been obtained but DOT anticipates obtaining the loan when the project commences. Because the project will occur over more than one biennium, DOT anticipates requesting authority to continue loan and appropriation authority into future bienniums.

US Park maintenance - The Legislative Assembly, in Senate Bill No. 2110 (2023), authorized DOT to enter an agreement with the National Park Service for the joint maintenance of roads in Theodore Roosevelt National Park.

The department has not entered an agreement with the National Park Service and does not anticipate entering an agreement during the biennium.