



Department of Transportation  
Department No. 801  
2025 Senate Bill No. 2012

**REVISED EXECUTIVE BUDGET RECOMMENDATION  
2025-27 BIENNIUM**

**Budget Summary**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Burgum budget recommendation	1,013.00	\$0	\$2,602,488,365	\$2,602,488,365
Revisions - Increase (decrease)	(8.00)	0	(124,228,977)	(124,228,977)
<b>Armstrong budget recommendation</b>	<b>1,005.00</b>	<b>\$0</b>	<b>\$2,478,259,388</b>	<b>\$2,478,259,388</b>
Base level	1,001.00	0	1,749,752,645	1,749,752,645
Increase (decrease)	4.00	\$0	\$728,506,743	\$728,506,743
Percentage increase (decrease)	0.4%	N/A	41.6%	41.6%

**NOTE:**

More detailed information on the revised executive budget recommendation is attached as an appendix.

**Selected Highlights**

- **Salary increases of up to 3 percent effective July 1, 2025, and 3 percent effective July 1, 2026**
- Health insurance increase of \$250 per month (15.23 percent), from \$1,643 to \$1,893, per employee
- Restores the new and vacant FTE funding pool into the department's budget
- Adds \$451,898 of other funds for a data management program
- Adds \$1,006,006 of other funds and 2 FTE positions for additional maintenance costs on US Highway 85
- Adds 1 FTE position and \$249,997 of other funds for a bridge load rating coordinator
- Adds 1 FTE position and \$249,997 of other funds for a local government assistance position
- Increases State Fleet Services spending authority by \$17.5 million for increased operating and purchase costs
- Provides \$4 million of other funds for rotary snowblower replacements
- Provides \$171.3 million of one-time funding from the strategic investment and improvements fund (SIIF) to match federal formula funds
- **Provides \$85 million of one-time funding from SIIF to match federal discretionary funds**
- Provides \$3 million of one-time funding from other funds for a motor vehicle and drivers' license appointment system upgrade

**Estimated Highway Tax Distribution Fund Allocations**

The following is the estimated amount of allocations from the highway tax distribution fund for the 2023-25 and 2025-27 biennium included in the 2025-27 biennium executive budget:

	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
State highway fund	\$312,900,000	\$317,800,000
Counties	112,300,000	114,000,000
Cities	63,800,000	64,700,000
Townships	13,800,000	14,000,000
Public transit	7,700,000	7,800,000
<b>Total</b>	<b>\$510,500,000</b>	<b>\$518,300,000</b>

**Estimated Federal Transportation Funding**

The following is the amount of federal transportation funding appropriated in the 2023-25 biennium and the estimated federal transportation funding included in the 2025-27 executive budget.

	<b>2023-25 Biennium Appropriations</b>	<b>2025-27 Biennium Executive Budget</b>
Federal Highway Administration formula funds	\$884,700,000	\$963,800,000
Federal Highway Administration discretionary funds	290,000,000	320,000,000
Federal Transit Administration funds	32,400,000	40,600,000
National Highway Traffic Safety Administration funds	12,100,000	13,600,000
<b>Total</b>	<b>\$1,219,200,000</b>	<b>\$1,338,000,000</b>

**Deficiency Appropriations**

There are no deficiency appropriations for this agency.

**Significant Audit Findings**

There are no significant audit findings for this agency.

**Agency Fees**

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 125 fees. The agency did not recommend any changes to the fees.

**Major Related Legislation**

**House Bill No. 1037 - Uncrewed aircraft grant appropriation** - Provides the Department of Transportation with a \$750,000 general fund appropriation to provide grants to entities to assist law enforcement agencies by monitoring US Highway 2.

**House Bill No. 1050 - License plate readers** - Authorizes the Department of Transportation to enter agreements with law enforcement agencies to place license plate readers on department-owned or operated equipment.

**House Bill No. 1051 - Special road fund** - Allows tribal governments to request funds from the special road fund.

**House Bill No. 1053 - Length of state highway system** - Repeals Section 24-01-01.2 which limits the length of the state highway system to 7,700 miles.

**House Bill No. 1056 - Oahe Reservoir bridge** - Authorizes the Department of Transportation to accept ownership of any bridge constructed over the Oahe Reservoir.

**NOTE:**

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



**Department of Transportation - Budget No. 801**  
**Agency Worksheet - Senate Bill No. 2012**

	Armstrong Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
<b>2025-27 Biennium Base Level</b>	1,001.00	\$0	\$1,749,752,645	\$1,749,752,645
<b>2025-27 Ongoing Funding Changes</b>				
Base budget adjustments and reductions			(\$21,621,679)	(\$21,621,679)
Salary increase			8,694,284	8,694,284
Health insurance increase			5,889,434	5,889,434
Restores new FTE funding pool			3,545,684	3,545,684
Restores vacant FTE funding pool			14,863,018	14,863,018
Estimated federal funds increase			406,821,876	406,821,876
Data management program			451,898	451,898
Bridge load rating coordinator	1.00		249,997	249,997
US Highway 85 staffing and equipment	2.00		1,006,006	1,006,006
Local government assistance position	1.00		249,997	249,997
Local funds match authority			3,800,000	3,800,000
Increased roadway maintenance costs			3,000,000	3,000,000
Major equipment funding			2,000,000	2,000,000
Increased district contractor payments			6,842,212	6,842,212
Increased information technology operating funds			4,022,016	4,022,016
Rotary snowblower replacements			4,000,000	4,000,000
Engineering equipment replacement			472,000	472,000
Increased state fleet operating costs			17,500,000	17,500,000
<b>Total ongoing funding changes</b>	<b>4.00</b>	<b>\$0</b>	<b>\$461,786,743</b>	<b>\$461,786,743</b>
<b>One-Time Funding Items</b>				
Facility improvements			\$5,970,000	\$5,970,000
Appointment system upgrade			3,000,000	3,000,000
Inventory tracking system			350,000	350,000
Federal formula funds match (SIIF)			171,300,000	171,300,000
Federal discretionary funds match (SIIF)			85,000,000	85,000,000
Pavement management van (SIIF)			1,100,000	1,100,000
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$0</b>	<b>\$266,720,000</b>	<b>\$266,720,000</b>
<b>Total Changes to Base Level Funding</b>	<b>4.00</b>	<b>\$0</b>	<b>\$728,506,743</b>	<b>\$728,506,743</b>
<b>2025-27 Total Funding</b>	<b>1,005.00</b>	<b>\$0</b>	<b>\$2,478,259,388</b>	<b>\$2,478,259,388</b>

*Federal funds included in other funds*

\$1,327,784,911

*Total ongoing changes - Percentage of base level*

0.4%

N/A

26.4%

26.4%

*Total changes - Percentage of base level*

0.4%

N/A

41.6%

41.6%