

DEPARTMENT 801 - DEPARTMENT OF TRANSPORTATION 2027-29 BASE-LEVEL BUDGET

Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$235,990,591
New and vacant FTE pool	13,576,477
Operating expenses	383,995,122
Capital assets	1,660,005,405
Grants	<u>116,140,458</u>
Total all funds	\$2,409,708,053
Less other funds	<u>2,409,708,053</u>
Total General Fund	\$0
FTE positions	1,005.00

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes \$249,567,068 for 1,005 FTE positions, including \$13,576,477 for the new and vacant FTE pool, \$7,827,830 for overtime, and \$3,707,531 for temporary salaries	\$0	\$249,567,068	\$249,567,068
2. Includes funding for operating expenses, including travel (\$46,028,058), data processing (\$33,400,330), and professional fees (\$171,284,731)	\$0	\$383,995,122	\$383,995,122
3. Includes funding for capital assets, including contractor payments and funding for equipment over \$5,000	\$0	\$1,660,005,405	\$1,660,005,405
4. Includes funding for grants, including estimated grants to be distributed from the Flexible Transportation Fund	\$0	\$116,140,458	\$116,140,458

Continuing Appropriations

Public Transportation Fund - North Dakota Century Code Section 39-04.2-04 - Consists of a 1.6 percent allocation from the Highway Tax Distribution Fund. The funds received by the Public Transportation Fund are allocated to each county. Each county receives 0.4 percent base amount plus \$1.50 per capita of population in the county, based upon the latest regular or special official federal census. A total of \$9,616,214 was distributed from the fund during the 2023-25 biennium.

Highway Tax Distribution Fund

The majority of funds received from motor fuels taxes and motor vehicle registration fees are deposited in the Highway Tax Distribution Fund. Section 54-27-19 provides the Highway Tax Distribution Fund consists of the "moneys available by law from collections of motor vehicle registration and related fees, fuels taxes, special fuels taxes, use taxes, and special fuels excise taxes." A total of 25 percent of motor vehicle excise tax collections is also deposited in the fund. Section 54-27-19 provides after the first \$5.5 million per biennium is transferred to the State Highway Fund for the purpose of providing administrative assistance to other transferees, the money in the fund must be distributed by the State Treasurer as follows:

- 60 percent to the State Highway Fund;
- 35 percent to counties and cities;
- 3.4 percent to the Township Highway Aid Fund; and
- 1.6 percent to the Public Transportation Fund.

Flexible Transportation Fund

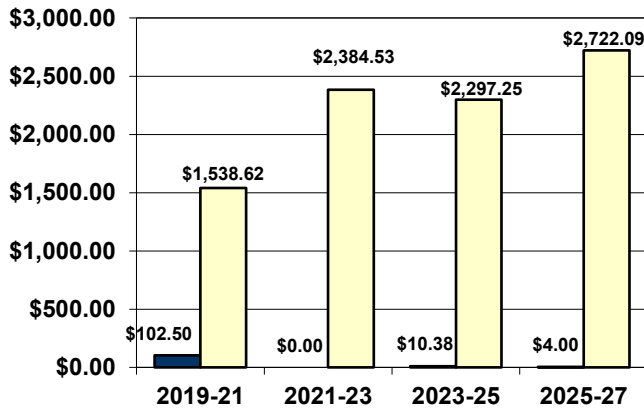
Section 24-02-37.3 established the Flexible Transportation Fund to match federal funds for road and bridge projects both on and off the state highway system. The fund receives an allocation of 25 percent of motor vehicle excise taxes and may receive other one-time funds from transfers and other sources. A portion of money in the fund is designated for grants from the Department of Transportation or allocations by the State Treasurer as follows:

- 19.5 percent for non-oil-producing county and city grants
- 19.5 percent for non-oil-producing county and city formula distributions
- 13.5 percent for grants to townships in non-oil-producing counties
- 9 percent for allocations to townships in non-oil-producing counties
- 17.5 percent for bridge grants to all political subdivisions
- 21 percent for state roadway projects or additional grants to political subdivisions

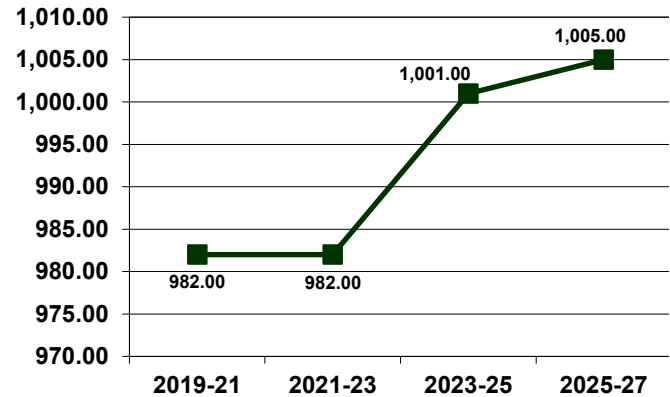
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



■ General Fund □ Other Funds

NOTE: One-time General Fund appropriations were provided to the Department of Transportation for the following items:

Biennium	Purpose	Amount
2019-21	Transfer to Short Line Railroad Program	\$2,500,000
2019-21	Transfer to State Highway Fund to match federal funds	\$100,000,000
2023-25	Roadway information management system project	\$6,250,000
2023-25	Door security project	\$865,000
2023-25	Automated vehicle location system project	\$2,010,000
2023-25	Rural Transit Program grants	\$1,250,000
2025-27	Nonfixed transit provider grants	\$2,000,000
2025-27	Fixed route city paratransit grants	\$2,000,000

Other Funds

Major sources of special funds include:

- **State Highway Fund** - Receives allocations from the Highway Tax Distribution Fund, federal funds reimbursements, and various fees and permits and is used to fund the operations of the department
- **Flexible Transportation Fund** - Provides funding for state and local road and bridge projects, including projects not eligible to receive federal funding
- **Motor Vehicle Fund** - Receives funding from registration fees and is used to pay salaries and operating expenses of the Motor Vehicle Division. Any funds in excess of what is needed to operate the division are deposited in the Highway Tax Distribution Fund.
- **Fleet Services Fund** - Receives funds from user charges for state fleet vehicles and is used to operate the State Fleet Services Division

Major sources of federal funds include:

- **Federal Highway Administration** - Provides funding to assist states in the construction, preservation, and improvements of highways and bridges on eligible roads
- **Federal Transit Administration** - Provides funding to states for planning, developing, and improving public transportation systems.
- **National Highway Traffic Safety Administration** - Provides funding for highway safety programs to reduce traffic crashes and property damage

Ongoing Other Funds Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
Ongoing other funds appropriations	\$1,269,489,868	\$1,388,445,404	\$1,495,514,727	\$1,749,752,645	\$2,409,708,053
Increase (decrease) from previous biennium	\$2,949,407	\$118,955,536	\$107,069,323	\$254,237,918	\$659,955,408
Percentage increase (decrease) from previous biennium	N/A	9.4%	7.7%	17.0%	37.7%
Cumulative percentage increase (decrease) from 2017-19 biennium	N/A	9.4%	17.8%	37.8%	89.8%

Major Increases (Decreases) in Ongoing Other Funds Appropriations

2019-21 Biennium

1. Removed 42 unspecified FTE positions and related funding (\$7,979,595)
2. Restored 16 FTE positions for research and development, enterprise management, and to transform the department's artificial intelligence and design, drones, robotics, smart license plates, and digital driver's licenses (\$3 million), and added 2 FTE positions related to Fargo driver's license operations (\$334,000) \$3,334,000
3. Transferred 41 FTE information technology (IT) positions and related funding to the Information Technology Department (\$8,224,012) and added funding of \$8,284,451 for payments to the Information Technology Department for the IT unification initiative \$60,439
4. Increased funding for capital assets to provide a total ongoing capital asset funding of \$859,725,944 \$87,874,093
5. Increased funding for grants to provide a total of \$95,854,637 \$17,226,607

2021-23 Biennium

1. Increased funding for capital payments to provide a total of \$837,191,709 \$19,416,426
2. Increased funding for building, grounds, and maintenance to provide a total of \$80,402,361 \$11,874,907
3. Increased funding for professional services to provide a total of \$79,008,372 \$10,213,695
4. Increased funding for data processing to provide a total of \$26,176,352 \$6,143,124
5. Increased funding for operating fees and services to provide a total of \$7,840,256 \$4,365,500

2023-25 Biennium

1. 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 \$3,697,636
2. Added spending authority for estimated Legacy Fund earnings deposited in the State Highway Fund \$60,000,000
3. Added ongoing funding from motor vehicle excise tax collections to establish a Flexible Transportation Fund \$171,500,000

2025-27 Biennium

1. Increased federal funds authority for estimated formula and discretionary federal funds \$406,821,876
2. Increased grant and spending authority for additional funds deposited in the Flexible Transportation Fund \$225,600,000
3. Added funding for IT rate increases \$4,022,016
4. Increased State Fleet Services budget authorization for inflationary increases \$12,500,000

One-Time Other Funds Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
One-time other funds appropriations	\$1,015,000	\$150,170,166	\$889,019,357	\$547,500,000	\$312,384,212

Major One-Time Other Funds Appropriations

2019-21 Biennium

1. Added one-time funding from the State Highway Fund to replace the driver's license system \$22,500,000
2. Added contingent one-time funding from a Bank of North Dakota loan to match federal grants \$50,000,000
3. Added one-time funding from federal COVID-19 funding \$76,370,166

2021-23 Biennium

1. Added one-time funding from federal funds as matching funds for road and bridge projects, of which \$35 million is to match funding provided through bonding and \$20 million is to match funding allocated to townships \$55,000,000

2. Added one-time funding from federal funds received under the federal American Rescue Plan Act and other federal funding	\$318,609,357
3. Added one-time funding from bond proceeds deposited in the State Highway Fund for state highway bridge projects and for matching federal funds for US Highway 85	\$70,000,000
4. Added contingent one-time funding from a Bank of North Dakota loan to match federal grants for US Highway 85	\$50,000,000
5. Added one-time funding from federal funds for infrastructure improvements to US Highway 85	\$45,000,000
2023-25 Biennium	
1. Added one-time funding from the Strategic Investment and Improvements Fund (SIIF) to match federal funds	\$114,000,000
2. Added one-time funding from SIIF to enhance short line railroad loan programs	\$6,500,000
3. Added one-time funding from contingent loan proceeds for a US Highway 85 project	\$50,000,000
4. Added one-time funding from contingent loan proceeds for northern Red River Valley infrastructure projects	\$28,500,000
5. Added one-time funding from SIIF for an environmental study for a US Highway 52 project	\$5,000,000
6. Added one-time funding from SIIF for the Flexible Transportation Fund	\$51,000,000
2025-27 Biennium	
1. Added one-time funding from SIIF for road projects	\$287,100,000
2. Added one-time funding for equipment purchases	\$5,872,000
3. Added one-time funding for facility improvements	\$5,970,000
4. Added one-time funding for an appointment system upgrade project	\$3,000,000
5. Added one-time funding for road maintenance costs	\$9,842,212