

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

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriation	982.00	\$2,500,000 ¹	\$1,462,245,404 ²	\$1,464,745,404
2017-19 legislative appropriation	<u>1,047.00</u>	<u>13,000,000³</u>	<u>1,270,504,868</u>	<u>1,283,504,868</u>
2019-21 appropriation increase (decrease) to 2017-19 appropriation	(65.00)	(\$10,500,000)	\$191,740,536	\$181,240,536

¹This amount includes \$2.5 million of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$0.

²This amount includes \$23.8 million of one-time funding. Excluding this amount, the agency's ongoing other funds appropriation is \$1,438,445,404.

³The 2017-19 legislative appropriation includes a supplemental appropriation of \$13 million from the general fund approved by the Legislative Assembly in House Bill No. 1012.

Item Description

FTE positions - The 2019 Legislative Assembly authorized 982 FTE positions, a decrease of 65 FTE positions from the 2017-19 biennium authorized level of 1,047 FTE positions. The Legislative Assembly removed 42 unspecified FTE positions; restored 16 FTE positions for research and development, enterprise management, and to transform the DOT's artificial intelligence and design, drones, robotics, smart license plates, and digital driver's licenses; added 2 FTE positions related to Fargo driver's license operations; and transferred 41 FTE IT positions to ITD.

Highway tax distribution fund - During the 2019 legislative session, DOT estimated highway tax distribution fund revenues of \$550.3 million would be available for the 2019-21 biennium for distribution to the state highway fund, counties, cities, the township highway aid fund, and the public transportation fund.

Maintenance section sites - Seasonal winter services - Section 9 of House Bill No. 1012 included legislative intent that DOT provide seasonal winter services at the Mayville, Courtenay, Gackle, New England, Litchville, and Finley maintenance section sites during the 2019-21 biennium.

Driver's license system replacement - The 2019 Legislative Assembly provided one-time funding of \$22.5 million from the highway fund to replace the current driver's license system.

Status/Result

On July 1, 2019, the 41 FTE IT positions were transferred to ITD. Due to changing needs, some of the 16 FTE positions restored by the Legislative Assembly for research and development, enterprise management, and to transform DOT's artificial intelligence and design, drones, robotics, smart license plates, and digital driver's licenses have been utilized for other purposes. The Fargo driver's license office was fully staffed on October 18, 2019. Governor Burgum appointed William T. Panos as the new Director of DOT and he began work on October 21, 2019.

Through March 2020, \$210 million was available to be distributed from the highway tax distribution fund to the state highway fund, counties, cities, the township highway aid fund, and the public transportation fund and DOT currently estimates an additional \$315.4 million will be available for the remainder of the 2019-21 biennium for a total of \$525.4 million. This represents a decrease of \$25 million, or 4.5 percent, from the original estimates for revenue available for distribution during the same time period.

All sites identified have been reopened and staff are operating from each location.

The business process implementation plan is complete and a request for proposal will be sent out at the end of May 2020. Of the \$22.5 million, DOT has spent \$202,770 as of May 21, 2020. Completion of the project is anticipated to be by November 2022 or by November 2023 depending on the vendor selected and whether the motor vehicle system is consolidated with the driver's license system as part of the project.

Driver's license facility improvements - The 2019 Legislative Assembly provided one-time funding of \$1.3 million from the highway fund for improvements to the Minot and Williston driver's license facilities.

Short line railroad program - The 2019 Legislative Assembly provided one-time funding of \$2.5 million from the general fund for the DOT short line railroad program.

Bank of North Dakota contingent loan - The Legislative Assembly, in Section 7 of House Bill No. 1012, provided contingent one-time funding of \$50 million from a Bank of North Dakota loan to match federal grants DOT had applied for after February 1, 2019.

REAL ID Act - The federal REAL ID Act and related rules establish minimum standards for state-issued driver's licenses and personal identification cards to be accepted for official federal purposes. REAL ID became effective on May 11, 2008, but states may request waivers until October 1, 2020, to comply with the Act.

The Williston driver's license facility is under construction and should be completed in the summer of 2020. The Minot driver's license facility project has been put out to bid and DOT anticipates accepting a bid in May 2020. The department has concerns that bid amounts may exceed the funding available for the Minot facility project. The department anticipated spending \$650,000 per building during the 2019 legislative session.

The short line railroad program has \$10,647,534 in outstanding loans, \$4,451,702 in pending loans needing to be finalized, and \$7,690,178 available for new loans as of March 31, 2020.

As of March 31, 2020, DOT has not been awarded any additional grants for highway construction. The department has submitted a subsequent grant application for highway construction funding and will borrow the matching funds if awarded the grant.

Due to the COVID-19 pandemic, the deadline for the REAL ID Act has been extended for 12 months to September 30, 2021; however, North Dakota is already fully compliant.