

Department of Transportation
Budget No. 801
Senate Bill Nos. 2012 and 2018; House Bill Nos. 1015, 1395, 1431, and 1505

	FTE Positions	General Fund	Other Funds	Total
2021-23 legislative appropriation	982.00	\$0	\$2,384,534,084 ¹	\$2,384,534,084
2019-21 legislative appropriation	982.00	102,500,000 ²	1,538,615,570 ³	1,641,115,570
2021-23 appropriation increase (decrease) to 2019-21 appropriation	0.00	(\$102,500,000)	\$845,918,514	\$743,418,514

¹This amount includes \$889,019,357 of one-time funding. Excluding this amount, the agency's ongoing other funds appropriation is \$1,495,514,727.

²This amount includes \$102.5 million of one-time funding of which the 2021 Legislative Assembly appropriated one-time funding of \$100 million from the general fund for the 2019-21 biennium. Excluding this amount, the agency's ongoing general fund appropriation was \$0.

³This amount includes \$150,170,166 of one-time funding of which \$76,370,166 is from federal coronavirus relief funding received during the 2019-21 biennium. Excluding this amount, the agency's ongoing other funds appropriation was \$1,388,445,404.

Item Description

Highway tax distribution fund - During the 2021 legislative session, the Department of Transportation (DOT) estimated highway tax distribution fund revenues of \$573 million would be available for the 2021-23 biennium for distribution to the state highway fund, counties, cities, the township highway aid fund, and the public transportation fund.

Infrastructure Investment and Jobs Act funding - On November 15, 2021, President Joe Biden signed the \$1.2 trillion federal Infrastructure Investment and Jobs Act (IIJA) bill. State and local governments will receive federal funding from programs authorized in the Act during federal fiscal years 2022 through 2026.

Transportation management center - The Legislative Assembly provided \$5 million from federal funds for a transportation management center.

Bank of North Dakota contingent loan - The Legislative Assembly, in Section 6 of Senate Bill No. 2012, provided contingent one-time funding of \$50 million from a Bank of North Dakota loan to match federal grants for US Highway 85.

One-time funding - The Legislative Assembly provided \$839,019,357 of one-time funding to DOT as follows:

Status/Result

Through March 2022, \$201.7 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. The department anticipates 2021-23 revenues will be less than estimated at the end of the 2021 legislative session.

The department anticipates IIJA will apportion an additional \$544.9 million in federal transportation infrastructure funding for North Dakota during federal fiscal years 2022 through 2026 as follows:

- National highway performance - \$158.4 million
- Surface transportation block grant - \$54.9 million
- Bridge investment program - \$225 million
- Carbon reduction - \$40.9 million
- National electric vehicle formula - \$19.2 million
- Promoting resilient operations for transformative, efficient, and cost-saving transportation (PROTECT) program - \$46.5 million

As of March 2022, DOT has received a federal grant for \$550,000 and is in the process of obtaining a consultant to assist in the initial development phase.

As of March 2022, DOT has not utilized the Bank of North Dakota loan as it has not been awarded any qualifying grants for the US Highway 85 project, nor has it met the contingency that other state funds from bond proceeds are not available for this purpose.

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

	Federal Funds	Other Funds	Total
Construction and materials management system (highway fund)		\$9,660,000	\$9,660,000
Infrastructure improvements to US Highway 85 (federal funds)	\$45,000,000		45,000,000
Township emergency road repair grants (state disaster relief fund)		750,000	750,000
Federal funds as matching funds for road and bridge projects, of which \$35 million is for matching bonding proceeds and \$20 million is to match funding allocated to townships	55,000,000		55,000,000
Additional funding of \$200 million, of which \$100 million is from general fund money deposited in the highway fund and \$100 million is from federal funds for road and bridge projects. \$10 million of the highway funds must be used to match federal funds for township road and bridge projects.	100,000,000	100,000,000	200,000,000
Federal funds of \$318,609,357 for road and bridge projects of which, \$317,000,000 is from the federal State Fiscal Recovery Fund and \$1,609,357 is from other federal funds	318,609,357		318,609,357
Bond proceeds of \$70 million deposited in the highway fund for state highway bridge projects		70,000,000	70,000,000

Construction and materials management system (highway fund)	As of March 2022, the department has hired Public Knowledge as a consultant for the improvements to the systems.
Infrastructure improvements to US Highway 85 (federal funds)	As of March 2022, right-of-way acquisition and utility relocation contracts are in process, the department plans to relocate utilities during 2022 and to begin roadway construction in 2023 for the segment from the Long X Bridge to Watford City. Preliminary engineering is commencing for the segment from US Highway 200 to the Long X Bridge which is anticipated to cost \$150 million.
Township emergency road repair grants (state disaster relief fund)	As of March 2022, the department has awarded all \$750,000 available. The department received \$13 million in requests.
Federal funds as matching funds for road and bridge projects, of which \$35 million is for matching bonding proceeds and \$20 million is to match funding allocated to townships	As of March 2022, the department developed a website for townships to submit project applications, The applications initial due date is May 31, 2022; however, the department will continue to accept applications after that date. The department does not expect to expend all these funds by the end of the 2021-23 biennium and may request carryover authority to continue these funds into the 2023-25 biennium.
Additional funding of \$200 million, of which \$100 million is from general fund money deposited in the highway fund and \$100 million is from federal funds for road and bridge projects. \$10 million of the highway funds must be used to match federal funds for township road and bridge projects.	As of March 2022, the department has been awarded \$85.5 million in federal grants that qualify for these matching funds and has committed \$61.8 million of the states matching funds. The department is awaiting notification on \$312.4 million of additional federal grant applications, which would require \$244 million in matching funds. Grant applications are being prepared to utilize the \$10 million for township road and bridge projects. The department does not expect to expend all these funds by the end of the 2021-23 biennium and may request carryover authority to continue these funds into the 2023-25 biennium.
Federal funds of \$318,609,357 for road and bridge projects of which, \$317,000,000 is from the State Fiscal Recovery Fund and \$1,609,357 is from other federal funds	The department identified and is in the process of awarding contracts for road and bridge projects for the 2022 construction season. The department does not expect to expend all these funds by the end of the 2021-23 biennium and may request carryover authority to continue these funds into the 2023-25 biennium.
Bond proceeds of \$70 million deposited in the highway fund for state highway bridge projects	As of March 2022, bridge projects are underway or in design that will utilize the \$35 million provided; however, the department does not

((\$35 million) and matching federal funds for US Highway 85 (\$35 million)			
Department of Commerce (DOC) grant for infrastructure construction expenses of beyond visual line of sight unmanned aircraft systems program		5,000,000	5,000,000
Additional federal funding for road and bridge construction projects	135,000,000		135,000,000
Total	\$653,609,357	\$185,410,000	\$839,019,357

((\$35 million) and matching federal funds for US Highway 85 (\$35 million)	anticipate receiving sufficient federal funding to access the \$35 million provided to match federal funds for the US Highway 85 project.
DOC grant for infrastructure construction expenses of beyond visual line of sight unmanned aircraft systems program	The department indicated it will not receive this grant from DOC because DOC chose to use infrastructure not owned by DOT.
Additional federal funding for road and bridge construction projects	The department identified and is in the process of awarding contracts for road and bridge projects for the 2022 construction season. The department does not expect to expend all these funds by the end of the 2021-23 biennium and may request carryover authority to continue these funds into the 2023-25 biennium.