
AGENCY OVERVIEW

801 DEPT OF TRANSPORTATION

Date: 12/13/2006

Time: 05:10:44

STATUTORY AUTHORITY

North Dakota Century Code Sections 24-01 through 24-15, 39-02, and 49-17.1-2.

AGENCY DESCRIPTION

The North Dakota State Highway Department was created in March 1917. On January 1, 1990, the name was changed to the North Dakota Department of Transportation (NDDOT). NDDOT oversees the development of surface transportation, including highways, rail service, and transit services in North Dakota. NDDOT also serves as a liaison organization to the North Dakota Aeronautics Commission, which is responsible for all aspects of state air transportation. NDDOT's central office is in Bismarck, with eight district offices located strategically across the state.

NDDOT is headed by a director appointed by the Governor. The director is assisted by a deputy director, a deputy director for engineering, and a deputy director of vehicle services. In addition the central office staff provides planning, programming, design, construction, maintenance, and general administrative support services.

AGENCY MISSION

The North Dakota Department of Transportation's mission is to provide a transportation system that safely moves people and goods.

PERFORMANCE MEASURES

An externally focused Performance Measure "Outcomes" summary was developed and published. It is called the NDDOT Performance Measures Report Card.

Outcome performance measures include:

- Overall Customer Satisfaction
- Overall Safety - Highway and Worker Elements
- The Highway Performance Classification System Status
- Product and Service Delivery - Resource Management Elements
- Organizational Excellence - Overall Employee Satisfaction

Departmental/Program Goals

- Enhance customer satisfaction
- Increase safety on North Dakota's transportation system and within the Department of Transportation
- Improve the quality and efficiency of North Dakota's transportation system and services
- Enhance employee satisfaction
- Strengthen stakeholder relationships

Program Objectives

Each Objective has an action plan that outlines specific activities and timelines which can be found in the NDDOT Strategic Plan.

MAJOR ACCOMPLISHMENTS

Undertook more than \$467 million worth of projects. In 2005, the department had about 240 projects, which was a record number.

Completed: the Four Bears Bridge, which was the largest project ever undertaken by the NDDOT; construction of 45 miles of the four-laning of US 2 from Minot to Williston; \$50 million worth of projects to reconstruct the roadway and replace structures on I-94 through Fargo and west of Fargo; the reconstruction of Main Avenue in Fargo from 45th street to 25th street including the I-29 interchange structure; and the relocation of US 281 and extension of ND 19 to tie into US 281.

FUTURE CRITICAL ISSUES

AGENCY COSTS TO CONTINUE:

The Department of Transportation's "costs to continue" are limited to salary costs.

REQUEST SUMMARY

Date: 12/13/2006

801 DEPT OF TRANSPORTATION

Bill#: HB 1012

Time: 05:10:44

Biennium: 2007-2009

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
BY MAJOR PROGRAM					
ADMINISTRATION	20,395,510	27,258,829	-624,109	26,634,720	9,868,588
DRIVERS AND VEHICLE SERVICES	19,049,058	20,102,818	1,280,385	21,383,203	797,590
HIGHWAYS	653,107,116	873,593,399	-88,326,595	785,266,804	38,734,399
FLEET SERVICES	39,673,310	45,383,450	8,580,044	53,963,494	60,000
TOTAL MAJOR PROGRAMS	732,224,994	966,338,496	-79,090,275	887,248,221	49,460,577
BY LINE ITEM					
SALARIES AND WAGES	104,163,062	112,320,573	6,708,050	119,028,623	5,710,946
OPERATING EXPENSES	121,941,041	143,537,016	6,709,904	150,246,920	42,338,711
CAPITAL ASSETS	456,529,958	656,868,519	-90,308,341	566,560,178	1,410,920
CAPITAL IMPROVEMENTS-CARRYOVER	6,928,997	11,253,888	-11,253,888	0	0
GRANTS	42,661,936	42,358,500	9,054,000	51,412,500	0
TOTAL LINE ITEMS	732,224,994	966,338,496	-79,090,275	887,248,221	49,460,577
BY FUNDING SOURCE					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	436,545,334	540,251,853	-60,140,015	480,111,838	110,946
SPECIAL FUNDS	295,679,660	426,086,643	-18,950,260	407,136,383	49,349,631
TOTAL FUNDING SOURCE	732,224,994	966,338,496	-79,090,275	887,248,221	49,460,577
TOTAL FTE	1,044.50	1,044.50	7.00	1,051.50	1.00

REQUEST DETAIL

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801 DEPT OF TRANSPORTATION

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Biennium: 2007-2009

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
SALARIES AND WAGES					
SALARIES - PERMANENT	70,107,369	74,537,082	4,007,682	78,544,764	83,160
SALARIES - OTHER	159,893	210,601	-210,601	0	5,600,000
TEMPORARY SALARIES	3,233,246	3,733,361	100,921	3,834,282	0
OVERTIME	5,221,053	5,463,575	1,594,215	7,057,790	0
FRINGE BENEFITS	25,441,501	28,375,954	1,215,833	29,591,787	27,786
SALARY INCREASE	0	0	0	0	0
BENEFIT INCREASE	0	0	0	0	0
OPERATING FEES AND SERVICES	0	0	0	0	0
TOTAL	104,163,062	112,320,573	6,708,050	119,028,623	5,710,946
SALARIES AND WAGES					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	19,403,015	23,364,688	-1,056,666	22,308,022	110,946
SPECIAL FUNDS	84,760,047	88,955,885	7,764,716	96,720,601	5,600,000
TOTAL	104,163,062	112,320,573	6,708,050	119,028,623	5,710,946
OPERATING EXPENSES					
TRAVEL	21,105,337	18,207,087	484,788	18,691,875	10,566,283
SUPPLIES - IT SOFTWARE	585,790	831,494	81,940	913,434	296,325
SUPPLY/MATERIAL-PROFESSIONAL	139,022	163,561	-55,498	108,063	0
BLDG, GROUND, MAINTENANCE	35,284,959	42,526,885	8,253,660	50,780,545	22,600,000
MISCELLANEOUS SUPPLIES	3,374,000	3,012,057	344,822	3,356,879	0
OFFICE SUPPLIES	472,903	510,370	47,329	557,699	0
POSTAGE	1,354,449	1,365,771	181,166	1,546,937	0
PRINTING	784,375	1,063,730	0	1,063,730	0
IT EQUIP UNDER \$5,000	941,026	916,910	75,212	992,122	0
OTHER EQUIP UNDER \$5,000	1,337,998	1,429,597	79,700	1,509,297	810,940
UTILITIES	3,458,456	3,078,234	36,058	3,114,292	0
INSURANCE	1,733,265	1,542,327	71,405	1,613,732	0
RENTALS/LEASES-EQUIP & OTHER	963,617	639,662	3,500	643,162	0
RENTALS/LEASES - BLDG/LAND	2,124,328	2,923,699	45,948	2,969,647	0
REPAIRS	11,719,529	11,732,128	592,931	12,325,059	189,133
IT - DATA PROCESSING	4,965,670	7,049,962	-1,303,511	5,746,451	6,892,628
IT-COMMUNICATIONS	1,053,470	1,129,430	661	1,130,091	0
IT CONTRACTUAL SERVICES AND RE	1,693,787	1,665,738	-328,672	1,337,066	374,600
PROFESSIONAL DEVELOPMENT	795,876	808,354	40,419	848,773	243,500

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Biennium: 2007-2009

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
OPERATING FEES AND SERVICES	1,110,015	1,160,383	34,918	1,195,301	0
FEES - PROFESSIONAL SERVICES	26,943,169	41,779,637	-1,976,872	39,802,765	365,302
TOTAL	121,941,041	143,537,016	6,709,904	150,246,920	42,338,711
OPERATING EXPENSES					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	26,530,584	35,570,401	-1,145,964	34,424,437	0
SPECIAL FUNDS	95,410,457	107,966,615	7,855,868	115,822,483	42,338,711
TOTAL	121,941,041	143,537,016	6,709,904	150,246,920	42,338,711
CAPITAL ASSETS					
FEES - PROFESSIONAL SERVICES	0	0	0	0	0
LAND AND BUILDINGS	3,521	1,260,000	350,000	1,610,000	0
OTHER CAPITAL PAYMENTS	429,125,831	622,410,861	-91,096,385	531,314,476	0
EXTRAORDINARY REPAIRS	1,534,843	3,705,423	-1,050,000	2,655,423	0
EQUIPMENT OVER \$5000	638,316	803,382	9,100	812,482	1,210,920
MOTOR VEHICLES	25,007,352	28,498,956	1,468,944	29,967,900	0
IT EQUIPMENT OVER \$5000	220,095	189,897	10,000	199,897	200,000
TOTAL	456,529,958	656,868,519	-90,308,341	566,560,178	1,410,920
CAPITAL ASSETS					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	354,239,278	445,225,685	-66,996,385	378,229,300	0
SPECIAL FUNDS	102,290,680	211,642,834	-23,311,956	188,330,878	1,410,920
TOTAL	456,529,958	656,868,519	-90,308,341	566,560,178	1,410,920
CAPITAL IMPROVEMENTS-CARRYOVER					
BLDG, GROUND, MAINTENANCE	0	6,300,000	-6,300,000	0	0
OTHER EQUIP UNDER \$5,000	0	103,000	-103,000	0	0
REPAIRS	132	1,200	-1,200	0	0
OTHER CAPITAL PAYMENTS	6,190,235	1,973,374	-1,973,374	0	0
EXTRAORDINARY REPAIRS	738,630	550,000	-550,000	0	0
MOTOR VEHICLES	0	2,326,314	-2,326,314	0	0
TOTAL	6,928,997	11,253,888	-11,253,888	0	0

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Biennium: 2007-2009

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
CAPITAL IMPROVEMENTS-CARRYOVER					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	6,928,997	11,253,888	-11,253,888	0	0
TOTAL	6,928,997	11,253,888	-11,253,888	0	0
GRANTS					
GRANTS, BENEFITS & CLAIMS	40,829,337	39,802,500	9,054,000	48,856,500	0
TRANSFERS OUT	1,832,599	2,556,000	0	2,556,000	0
TOTAL	42,661,936	42,358,500	9,054,000	51,412,500	0
GRANTS					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	36,372,457	36,091,079	9,059,000	45,150,079	0
SPECIAL FUNDS	6,289,479	6,267,421	-5,000	6,262,421	0
TOTAL	42,661,936	42,358,500	9,054,000	51,412,500	0
FUNDING SOURCES					
GENERAL FUND	0	0	0	0	0
FEDERAL FUNDS	436,545,334	540,251,853	-60,140,015	480,111,838	110,946
SPECIAL FUNDS	295,679,660	426,086,643	-18,950,260	407,136,383	49,349,631
TOTAL FUNDING SOURCES	732,224,994	966,338,496	-79,090,275	887,248,221	49,460,577

CHANGE PACKAGE SUMMARY

801 DEPT OF TRANSPORTATION

Biennium: 2007-2009

Bill#: HB 1012

Date: 12/13/2006

Time: 05:10:44

Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
AGENCY BUDGET CHANGES					
Cost To Continue	7.00	0	-446,282,351	-215,132,006	-661,414,357
1 Base Budget Request	.00	0	386,142,336	196,181,746	582,324,082
Agency Total	7.00	0	-60,140,015	-18,950,260	-79,090,275
OPTIONAL REQUEST					
2 Emergency Commission Position	1.00	0	110,946	0	110,946
3 Market Based Salary Adjustment	.00	0	0	5,600,000	5,600,000
4 DOT Fleet Usage	.00	0	0	10,566,283	10,566,283
5 Road Materials & Contract Patching	.00	0	0	12,600,000	12,600,000
6 State Funded System Preservation	.00	0	0	10,000,000	10,000,000
7 Equipment	.00	0	0	2,021,860	2,021,860
8 IT Inflationary Increases	.00	0	0	1,388,018	1,388,018
9 Professionals Not Classified	.00	0	0	365,302	365,302
10 IT Projects	.00	0	0	1,788,558	1,788,558
11 Drivers License Rewrite	.00	0	0	5,019,610	5,019,610
Optional Total	1.00	0	110,946	49,349,631	49,460,577

BUDGET CHANGES NARRATIVE

801 DEPT OF TRANSPORTATION

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Change Group: A	Change Type: A	Change No: 1	Priority: 1
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Base Budget Request - Reallocation of budget based on analysis and needs.

CHANGE PACKAGE: BASE BUDGET REQUEST:

The base budget request consists of our 2005-2007 appropriated state budget. This amount was adjusted for the payroll "cost to continue" and a decrease in regular federal formula funds. The decrease in federal funds is primarily due to a decrease in emergency relief funds.

Change Group: A	Change Type: A	Change No: 100	Priority:
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OMB - Include optional position -

This adjustment includes a federally funded position requested as an optional adjustment. The position was authorized by the Emergency Commission for the 2005-07 biennium.

Change Group: A	Change Type: A	Change No: 105	Priority:
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OMB - Recalculation of required match -

After the submission of the agency budget request, new information resulted in the recalculation of the required state match for anticipated federal highway funding. This recalculation resulted in a \$19.25 million reduction in the required state match. This adjustment reduces state highway fund moneys for other capital payments by that amount.

Change Group: A	Change Type: A	Change No: 110	Priority:
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OMB - Reduce available funding -

Anticipated Highway Patrol appropriations from the highway tax distribution fund will be slightly more than the amounts anticipated by the DOT in determining their available revenue. This adjustment reduces highway fund appropriation authority and operating expenses by \$694,640 to reflect highway fund moneys available for expenditure by the DOT.

Change Group: A	Change Type: A	Change No: 115	Priority:
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OMB - Fleet usage -

State fleet costs incurred by the various divisions of the DOT, but primarily the Highways Program, have increased significantly, as they have for all state agencies. This adjustment of \$10.6 million reflects anticipated increases in state fleet costs.

Change Group: A	Change Type: A	Change No: 120	Priority:
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OMB - Materials and patching -

This adjustment provides \$12.2 million, \$1.0 from the highway fund and \$11.2 million from the general fund, for road patching, maintenance, and materials. High petroleum costs during the 2005-07 biennium have resulting in road materials inflation rates of over 40%. This has resulted in a reduction of the number of road miles completed for various projects and has temporarily resulted in an increased need for patching and maintenance work to avoid roadway deterioration as major road projects are postponed.

Change Group: A	Change Type: A	Change No: 125	Priority:
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OMB - Equipment -

This adjustment provides a one-time general fund appropriation of \$2.0 million for equipment purchases.

Change Group: A	Change Type: A	Change No: 130	Priority:
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OMB - IT projects -

This adjustment provides a one-time general fund appropriation of \$1.8 million for IT projects.

Change Group: A	Change Type: A	Change No: 135	Priority:
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OMB - Drivers license rewrite -

This adjustment provides a one-time general fund appropriation of \$5.0 million for the rewrite of the current mainframe drivers license application.

Change Group: O	Change Type: A	Change No: 2	Priority: 2
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Emergency Commission Position - Safe Routes to Schools position identified in new Highway Bill.

CHANGE PACKAGE: EMERGENCY COMMISSION POSITION

An additional FTE was approved by the emergency commission. The new federal highway program legislation (SAFETEA-LU) established a new program called Safe Routes to Schools (SR2S). As a key attribute of the program, the law requires each State Department of Transportation to use program funds to establish a full-time coordinator to implement the program. This initiative is included in the base budget request.

Change Group: O	Change Type: A	Change No: 3	Priority: 3
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Market Based Salary Adjustment - Recruit and retain qualified employees.

CHANGE PACKAGE: MARKET BASED SALARY ADJUSTMENT

The DOT is requesting \$5,600,000 for an additional salary increase. The department is facing extreme challenges in recruiting and retaining qualified employees. Our agency has become a revolving door with many key employees leaving for better paying jobs in the energy and private consulting sectors. Because of this, we are requesting an additional \$5.6 million for salary adjustments in selected areas so that our pay structure is not lagging so significantly behind the market. A review of this situation was conducted by Human Resource Management Services. That review showed that the DOT needs to spend about \$5.8 million to bring our salary structure more in line with the market. This increase is primarily state funded.

Change Group: O	Change Type: A	Change No: 4	Priority: 4
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DOT Fleet Usage - Fuel cost and inflationary increases.

CHANGE PACKAGE: DOT FLEET USAGE

The DOT is requesting an additional \$10,566,283 for State Fleet usage. The increase is a result of two factors. First, the department has operated for several years without increasing our budget in this area. We can no longer offset these increasing costs against our roadway and operating budgets; our service and safety levels will soon begin to suffer if we continue to do so. Secondly, the dramatic increase in fuel cost has driven fleet rates significantly higher. This initiative would be totally state funded.

Change Group: O	Change Type: A	Change No: 5	Priority: 5
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Road Materials & Contract Patching - Inflationary increases.

CHANGE PACKAGE: ROAD MATERIALS & CONTRACT PATCHING

We must increase our budgets for maintenance road materials and contract patching services by \$12,600,000. This is another area that has been under budgeted for several bienniums. And, most significantly, the road construction/maintenance area continues to experience a rate of inflation that far exceeds other inflationary areas - in some instances as high as 45 percent. This initiative would be totally state funded.

Change Group: O	Change Type: A	Change No: 6	Priority: 6
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State Funded System Preservation - Highway system preservation program.

CHANGE PACKAGE: STATE FUNDED SYSTEM PRESERVATION

The DOT is requesting \$10,000,000 to enable us to provide a modest state-funded highway system preservation program. This is necessary because we have many crucial needs that must be addressed. This initiative would be totally state funded.

Change Group: O	Change Type: A	Change No: 7	Priority: 7
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Equipment - Part of Strategic Business Plan objective.

CHANGE PACKAGE: EQUIPMENT

The department is heavily dependent on modern, quality equipment to carry out its mission. Pursuant to this the DOT is requesting an additional \$2,021,860. This equipment is primarily engineering, technology, and digital radio equipment. This initiative would be totally state funded.

Change Group: O	Change Type: A	Change No: 8	Priority: 8
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IT Inflationary Increases - ITD Rates and inflationary increases.

CHANGE PACKAGE: IT INFLATIONARY INCREASES

Information Technology is an area that has been heavily impacted by inflation. The rates charged by ITD have risen substantially. In order to keep pace with this inflation and maintain a base level of operations, the DOT is requesting \$1,388,018 in our IT areas. This initiative would be totally state funded.

Change Group: O	Change Type: A	Change No: 9	Priority: 9
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Professionals Not Classified - Internal Audits and DOT Wellness Program.

CHANGE PACKAGE: PROFESSIONALS NOT CLASSIFIED

The department makes extensive use of outsourced services to supplement our workforce. To keep pace with increased demands and requirements for these services, we need an additional \$365,000 in our professional services budget. These services are primarily for internal audit and department wellness programs. The funding for these costs will require all state funds.

Change Group: O	Change Type: A	Change No: 10	Priority: 10
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IT Projects - Maintain level of service.

CHANGE PACKAGE: IT PROJECTS

To enable the DOT to continue providing a reasonable level of service without substantial increases in staff, we are heavily dependent on information technology. Accordingly, we are requesting an additional \$1,788,558 for information technology projects. These projects are prioritized in our IT plan. This initiative would be totally state funded.

Change Group: O	Change Type: A	Change No: 11	Priority: 11
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Drivers License Rewrite - Replace obsolete system.

CHANGE PACKAGE: DRIVERS LICENSE SYSTEM REWRITE

The Department is currently operating and extremely obsolete driver's license system known as DL3. This system is no longer reliable and very difficult to maintain. It is in dire need of a major rewrite or replacement. Accordingly, we have included \$5,019,610 for this. This initiative would be totally state funded.