



Report on Change of Administrative Authority
of the Upper Great Plains Transportation Institute
from North Dakota State University
to the Department of Transportation
pursuant to Section 17, 2015 House Bill No. 1020

Presented to the Transportation Committee, 64th Legislative Assembly of North Dakota
Roughrider Room, State Capitol, Bismarck, ND

August 20, 2015

Representative Dan Ruby
Chairman, Transportation Committee
64th Legislative Assembly of North Dakota

Chairman Ruby and Members of the Transportation Committee:

I am Denver Tolliver, Director of NDSU's Upper Great Plains Transportation Institute. Thank you for the opportunity to speak with you today regarding the study called for in Section 17 of 2015 House Bill 1020.

As requested by the Legislative Council, I will describe the administrative services provided by North Dakota State University (NDSU) to the Upper Great Plains Transportation Institute (UGPTI), as well as issues or perspectives which I think the committee should consider in the study.

Administrative Services and Benefits Provided to UGPTI by NDSU

NDSU provides UGPTI with approximately 11,392 square feet of space at no cost to the Institute: 8,375 square feet in the Quentin Burdick Building and 3,017 square feet in the basement of Hastings Hall. This is prime space in the heart of the campus that offers easy access to other departments and NDSU's administrative services. In addition, NDSU covers all of the facilities, maintenance, and operational costs for UGPTI. Additionally, NDSU provides UGPTI with the following services at no cost to UGPTI: accounting, purchasing, and auditing services; budgeting; payroll; personnel; IT and telecommunication services; and grant and contract management.

In terms of IT services, NDSU provides support for all computer hardware and software licenses, network connections, and telephone maintenance at UGPTI. In addition, NDSU provides critical knowledge and expertise in grant management—especially in terms of contract language and the submission requirements of federal, state, and private sponsors. NDSU reviews and submits all grant proposals for UGPTI, serves as the authorized representative for all UGPTI contract negotiations, and provides continuing support for grant and contract funds as they are received and expended. NDSU tracks and maintains records on cost sharing, maintenance of effort, and processes grant sub-awards.

Because most of UGPTI's funding comes from federal grants, NDSU's grant management services are vital. Federal grants to institutions of higher learning require specialized expertise and knowledge of detailed and overlapping federal requirements. For example, the university transportation centers grant (which funds much of UGPTI's research program) requires frequent and extensive financial reporting—which NDSU readily provides. Moreover, NDSU helps UGPTI compete for federal grants by returning a significant portion of the facilities and administrative costs collected from the grants to UGPTI.

Other Important Perspectives and Issues for the Committee to Consider

There are many additional benefits to the State from having UGPTI administered by NDSU. The current administrative arrangement is optimal in light of UGPTI's mission, as set forth in the North Dakota Century Code. The purpose of the institute (as described in N.D.C.C. § 54-53-03) is

"to conduct and supervise research in the field of transportation and logistics in order to facilitate acquisition of a wider knowledge and understanding of marketing factors associated with the geographical location of the state of North Dakota and the upper great plains in the field of transportation and their influence on the socioeconomic systems of the state, region, and country. Research areas must include the study of commodity and other freight movements into and out of the state in order to better know and understand the various factors affecting the marketing of area products and services."

UGPTI's Mission is Broad, Unique, and Includes Logistics as well as Transportation

UGPTI's mission extends far beyond highway transportation, encompassing logistics and freight transportation management.

In addition to conducting transportation infrastructure research for the Legislature, UGPTI engages in a wide variety of private sector research, including freight logistics and supply chain studies requested by agricultural and industrial groups. Much of the information used in these studies is confidential. NDSU has a well-established system of protocols for protecting the confidential data of private companies, while allowing the publication of general results that are important to policy makers and citizens.

UGPTI is Responsive to a Diverse Group of Clients

As detailed in N.D.C.C. § 54-53-03, the Institute shall "consult and coordinate with various governmental and non-governmental agencies, shipper and producer groups, and carriers, in this state and in other states, interested in the field of transportation." A 19-member Advisory Council is defined in § 54-53-02. The North Dakota Department of Transportation is a statutory member of that Council. However, it also includes the Associated General Contractors of ND, ND Corn Council, Grand Forks Area Transit, ND League of Cities, ND Department of Agriculture, ND Association of Counties, ND Department of Commerce, ND Grain Growers Association, Lignite Energy Council, ND Grain Dealers Association, ND Farmers Union, ND Motor Carriers Association, ND Aeronautics Commission, Phoenix International, Inc., and Red River Valley & Western Railroad.

As the list of members suggest, the Advisory Council encompasses many state agencies and sectors of the economy. UGPTI's constituents have broad and varied interests that extend far beyond highway transportation. The Advisory Council is deeply involved in providing strategic direction for policy makers and those in the private sector.

UGPTI Provides an Important Third-Party Perspective

As part of NDSU, UGPTI is not directly involved in highway construction programs and brings an external perspective to the analysis of highway infrastructure needs. There is value to the State in having a third-party perspective on transportation issues and an independent research voice located at NDSU.

UGPTI's Presence at NDSU Brings Millions of Dollars of Federal Funding to North Dakota

Moving UGPTI from NDSU could jeopardize millions of dollars in federal grants. There are many dimensions to this issue, which may not be readily apparent to people unfamiliar with sponsored research.

Many Federal Grants are reserved for Institutions of Higher Learning. Most grants that UGPTI receives are reserved for universities and institutions of higher learning. If UGPTI becomes part of the North Dakota Department of Transportation, UGPTI will no longer qualify for these grants and millions of dollars in federal research funds could be lost to the state. In addition to providing jobs and economic development opportunities, these federal funds are critical in allowing UGPTI to analyze national and regional issues that impact the state.

UGPTI's Presence at NDSU is Vital to NDSU's Educational Programs

Over the last two decades, NDSU has developed one of the top Transportation and Logistics education programs in the United States. This unique interdisciplinary program offers a doctoral and two master degrees. NDSU's Master of Managerial Logistics (MML) is highly valued by the Army Logistics University, which views it as one of the premier online programs in the United States. The MML allows active duty military personnel to complete their programs of study regardless of where they are located. Transportation and Logistics is a growing program, with 47 doctoral and 45 master's students, including 17 in the MML program.

Interdisciplinary programs such as Transportation and Logistics do not fit neatly in any college. Rather, they require the synthesis of many disciplines. UGPTI is critically important to the Transportation and Logistics program, coordinating it via an intercollege committee and providing teaching expertise, research stipends for students, and administrative and marketing support. The Transportation and Logistics program (which is the only one in the state) would be heavily impacted by the potential move.

UGPTI's Presence at NDSU Creates Synergies and Efficiencies

UGPTI's research is multidisciplinary and multimodal in nature. The Institute's location at NDSU allows it to collaborate with other academic units, resulting in research synergies. In addition, UGPTI's location at NDSU allows students to participate in transportation research and experiential learning programs—to the benefit of the students and the State.

In the current arrangement, graduate students participate in UGPTI research projects, learning valuable skills and gaining applied knowledge which they can use throughout their careers. In turn, UGPTI benefits from graduate student involvement. A continual stream of students provides cost-effective opportunities for research. Students contribute new ideas and perspectives and can often perform data collection and other routine tasks at a lower cost than if permanent staff had to be added to accomplish the same tasks.

By virtue of its presence at NDSU, UGPTI can involve undergraduate students in work study and experiential learning programs. The North Dakota Department of Transportation Support Center at UGPTI is an excellent example. Students there work on projects for the North Dakota Department of Transportation while pursuing undergraduate degrees. The program has received praise from U.S. Department of Transportation as a model work-study program. In a typical year, UGPTI employs more than 40 undergraduate students, including those employed at the DOT Support Center.

NDSU is the Optimal Location for Recruiting and Retaining Researchers

Much of UGPTI's work is accomplished by researchers with doctoral degrees. It is difficult to recruit and retain these people outside of universities. Some of UGPTI's employees are foreign nationals. In addition to its academic environment, NDSU's support for these people is a critical factor in their decisions to work in North Dakota. NDSU's International Office assists them in maintaining work visas and applying for Green Card status. Without this support, it would be difficult to retain the doctoral level research capabilities in transportation and logistics which currently exists in the state.

UGPTI and the North Dakota Department of Transportation Already Have Great Communication and Coordination Mechanisms in Place

One of the perceived benefits of the move might be better coordination between UGPTI and the North Dakota Department of Transportation. However, an extensive system of communication and coordination already exists. UGPTI has an office in Bismarck and staff are in almost daily contact with the North Dakota Department of Transportation. Moreover, the North Dakota Department of Transportation and UGPTI are connected by a dedicated interactive video network, which allows virtual meetings between the two agencies.

Thank you, Mr. Chairman and members of the Transportation Committee for the opportunity to present my perspectives. I would be pleased to provide you with any additional information that you may require for this study—now or in the future.



Dr. Denver Tolliver
Director, UGPTI

Upper Great Plains Transportation Institute

Presentation to
the Interim Transportation Committee
of the
64th North Dakota Legislative Assembly

Administrative Services Provided by NDSU to UGPTI

- Space: 11,392 sq. ft. at no cost
 - Prime space in the heart of campus
 - Incl. facilities, maintenance, operational costs
- Admin. support: accounting, purchasing, auditing services; budgeting; payroll; personnel; IT and telecommunication services
- Library/research services
- Other campus facilities: classrooms; multimedia rooms; conference room space

Administrative Services Provided by NDSU to UGPTI (cont.)

Grant and Contract Management

- Contract language and submission requirements for federal, state, and private grants
- Federal grants require specialized expertise and extensive financial reporting
- NDSU helps UGPTI compete for federal grants by returning a significant portion of facilities & administrative costs to UGPTI

UGPTI's Missions are Different from NDDOT's

- UGPTI's purpose: “conduct and supervise research in the field of transportation and logistics in order to facilitate acquisition of a wider knowledge and understanding of marketing factors associated with the geographical location of the state of North Dakota”
- Must include studies of “commodity and other freight movements into and out of the state in order to better know and understand the various factors affecting the marketing of area products and services”
- “The institute shall consult and coordinate with various governmental and nongovernmental agencies, shipper and producer groups, and carriers, in this state”

Benefits to the State from UGPTI being at NDSU

- UGPTI is responsive to diverse group of clients
 - 19-member Advisory Council
 - NDDOT is a member of the Council
- UGPTI conducts research for private industries
 - Freight logistics/supply chain studies requested by agricultural and industrial groups
 - Information is often confidential
- UGPTI provides important third-party perspective

Benefits of UGPTI Being at NDSU (Cont.)

- UGPTI's presence at NDSU brings millions of dollars of federal funding to North Dakota
- Many federal grants are reserved for Institutions of Higher Learning
- NDSU has accumulated expertise in grant procurement and management.
- NDSU's institutional commitment to UGPTI is important in procuring federal grants

Benefits of UGPTI Being at NDSU (Cont.)

- UGPTI's presence at NDSU is critically important to higher education
 - Essential to the interdisciplinary Transportation and Logistics program
- The Master of Managerial Logistics is highly valued by Department of Army
 - MOU with Army Logistics University
 - Viewed it as premier online program
 - NDSU's online and teaching support are essential

Benefits of UGPTI Being at NDSU (Cont.)

- Student participation in UGPTI programs
 - Research projects
 - Work study—e.g., NDDOT Support Center
- Ph.D. researchers
 - Difficult to recruit/retain outside of universities
- UGPTI's research is multidisciplinary and multimodal
- Research synergies from collaboration with other academic units at NDSU