

Interim Transportation Committee

September 28, 2016



Topics to cover today

- The effect of 6.55% general fund budget allotment.
- A comparison of highway fund revenues.
- Status of road construction projects.
- The Department's study of funding for public transportation providers.
- Update on the North Dakota state rail plan.

NDDOT Revenue Sources

- **State Funds** – an allocation of state funds are distributed to be spent on road projects, as well as allocations to county and transit programs. These funds consist of one-time General Funds and Strategic Investment and Improvement Funds.
- **Federal Funds** – this federal funding is utilized for federal road projects, transit and safety initiatives.
- **State Transportation User Revenues** – include a portion of the state's fuel taxes and motor vehicle registrations as well as state truck regulatory fees. This is primarily used for Department operations including motor vehicle, driver's license, maintenance work, salaries and state match for federal projects.

Transportation General Fund Appropriation

2015-17 Biennium General Fund Appropriation

PROGRAM	General Fund Appropriation	Allotment Amount 4.05%	Remaining Appropriation	Allotment Amount 2.50%	Remaining Appropriation
Enhanced State HWY Investments	\$503,115,558	\$20,376,180	\$482,739,378	\$12,577,889	\$470,161,489
Enhanced State HWY Investments	\$18,000,000	\$729,000	\$17,271,000	\$450,000	\$16,821,000
Contingent General Fund Enhanced State HWY	\$20,000,000	\$810,000	\$19,190,000	\$500,000	\$18,690,000
Special Road Fund-Recreational Areas	\$2,000,000	\$81,000	\$1,919,000	\$50,000	\$1,869,000
Non-Oil Producing Counties	\$112,000,000	\$4,536,000	\$107,464,000	\$2,800,000	\$104,664,000
Contingent General Fund Public Transportation	\$200,000	\$8,100	\$191,900	\$5,000	\$186,900
Reimburse State Fleet Motor Coaches	\$1,000,000	\$40,500	\$959,500	\$25,000	\$934,500
Truck Size & Weight Harmonization	\$60,000	\$2,430	\$57,570	\$1,500	\$56,070
TOTAL	\$656,375,558	\$26,583,210	\$629,792,348	\$16,409,389	\$613,382,959

Transportation Roadway and Bridge Funding

NDDOT			
Funding	Original	6.55% Allotment	Revised
SIIF	\$450 M	\$ 0	\$450 M
SB 2015 -Trigger	\$18 M	- \$1.17 M	\$16.82 M
SB 2015 -Trigger	\$20 M	- \$1.31 M	\$18.69 M
HB 1012	\$503.1 M	- \$32.95 M	\$470.16 M
TOTAL	\$991.1 M	- \$35.43 M	\$955.67 M

County			
Funding	Original	6.55% Allotment	Revised
Oil Producing Counties – SB 2103 / SIIF	\$240 M	\$ 0	\$240 M
Non-Oil Producing Counties - SB 2103 / SIIF	\$112 M	\$ 0	\$112 M
Non-Oil Producing Counties – HB 1176	\$112 M	- \$7.3 M	\$104.7 M
TOTAL	\$464 M	- \$7.3 M	\$456.7 M

Biennium Road Project One-Time State Funding

Original State Highway Proposed Projects Total	\$1,354 M
<u>Bid Savings (due to project adjustments & lower prices)</u>	<u>\$328 M</u>
<i>Proposed Project Costs</i>	<i>\$1,026 M</i>
<u>Projects on hold due to lack of Budget Authority</u>	<u>\$80 M</u>
<i>Balance needed for Projects</i>	<i>\$946 M</i>
<u>Budget Authority given to DOT after 6.55% allotment</u>	<u>\$956 M</u>
<i>Funds Remaining</i>	<i>\$10 M</i>

County Funding

The 2015-2017 transportation funding distributions for county roadways included:

SB 2103 County State Aid Road Program

Allocation	Total Available	Total Requested	Remaining	% Remaining
Oil Producing	\$240,000,000	\$217,340,235	\$22,659,765	9.4%
Non-Oil Producing	\$112,000,000	\$86,811,589	\$25,188,411	22.5%
Total	\$352,000,000	\$304,151,825	\$47,848,175	13.6%

HB 1176 County State Aid Road Program*

Allocation	Total Available	Total Requested	Remaining	% Remaining
Non-Oil Producing	\$104,664,000**	\$47,752,132	\$56,911,868	54.4%
Total	\$104,664,000**	\$47,752,132	\$56,911,868	54.4%

* HB 1176 funding was not available until February 2016.

** Amount revised after allotments.

State Transportation User Revenues

NDDOT Transportation User Revenue Changes for 2015-2017 Biennium			
Revenue Source	2015-17 Enrolled	2015-17 Revised	Difference
NDDOT Share of State Highway Tax Distribution Fund	\$ 382.4 M	\$ 332.8 M	\$ 49.6 M
Other State Highway Fund Revenues	\$ 154.8 M	\$ 135.2 M	\$ 19.6 M
TOTAL	\$ 537.2 M	\$ 468.0 M	\$ 69.2 M

State Highway Tax Distribution Fund Non-State Agency

State Highway Tax Distribution Fund Non-State Agency Comparison			
	Enrolled 15-17	Revised 15-17	Difference
County	\$137.2 M	\$119.4 M	\$17.8 M
City	\$78 M	\$67.9 M	\$10.1 M
Township	\$16.8 M	\$14.7 M	\$2.1 M
Transit	\$9.4 M	\$8.1 M	\$1.3 M

Distribution Of Highway Revenue By State Treasurer To NDDOT

Total Fees and Taxes Distributed			Revenue Projection	
FY 2015	FY 2016	MONTH	FY 2015	FY 2016 *
\$195,893,385.90	\$167,135,878.85	TOTAL	\$186,937,646.90	\$165,314,171.67

Total Fees and Taxes Distributed			Revenue Projection	
FY 2016	FY 2017	MONTH	FY 2016	FY 2017 *
\$16,085,223.18	\$14,848,759.35	JULY 2016	\$16,085,223.18	\$15,010,204.73
\$9,881,392.19	\$11,889,762.88	AUGUST 2016	\$9,881,392.19	\$11,671,264.51
\$14,627,521.12	\$12,702,061.05	SEPT. 2016	\$14,627,521.12	\$13,165,020.14

* Reflects projections revised in 2016

Federal Funding Update

- The NDDOT has just been informed that it will receive approximately \$20.89 million in the August redistribution of federal funding for transportation projects.

Apportionment Funding	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
North Dakota	\$251.83 M	\$257.03 M	\$262.59 M	\$268.51 M	\$274.94 M

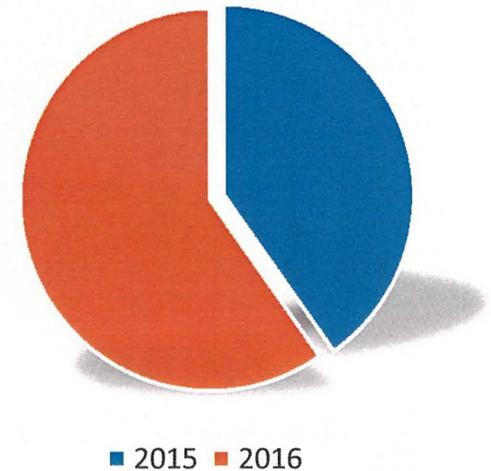
Obligational Authority	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
North Dakota	\$261.7* M	\$?	\$?	\$?	\$?

**As of September 19, 2016. Subject to change prior to end of federal fiscal year.*

2016 Construction Season

- Construction season is progressing well with a majority of the projects bid. As of August 31st, approximately 52 % of this year's construction work has been completed and paid, compared to 35% completed at the same time last year.
- Several projects are nearing completion and some ribbon cutting events will take place in October. The projects that may have ribbon cutting events include: West Fargo Main Avenue, Killdeer Bypass, Dickinson State Avenue, and Carrington Roundabout.
- The four-lane Lewis and Clark Bridge construction project near Williston is behind schedule.

Completed Projects
August 31, 2016

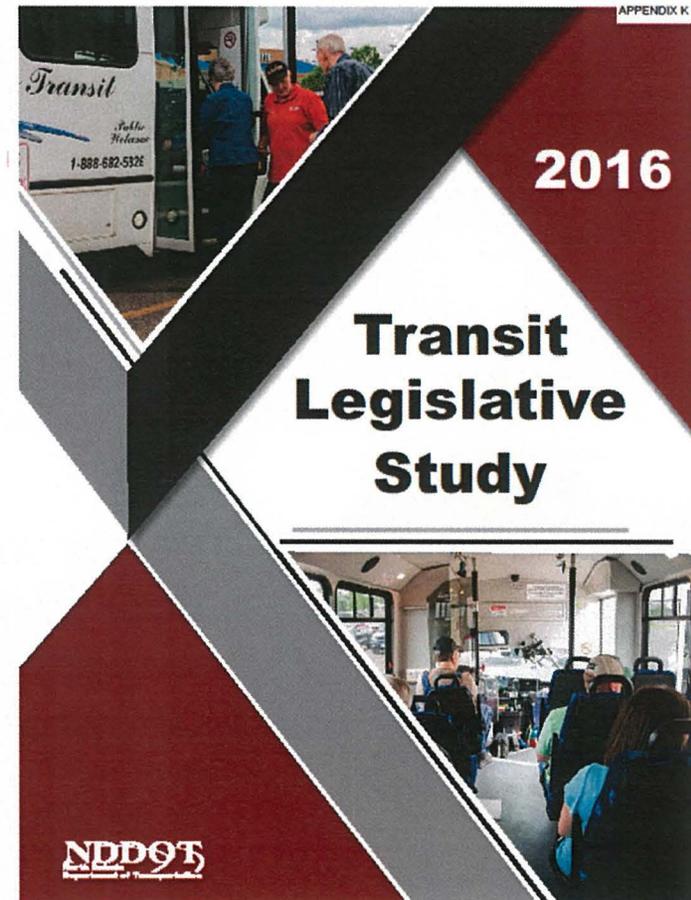


2016 Transit Legislative Study

The 2016 Transit Legislative Study can be viewed online at

http://www.legis.nd.gov/files/committees/64-2014%20appendices/17_5109_03000appendixk.pdf

House Bill No. 1012, as enacted by the 2015 North Dakota Legislature, directed that the North Dakota Department of Transportation (NDDOT) shall study state funding distributions and locations to public transportation providers. The study must include a review of distributions and allocations, including contingent funding provided, a review of distributions and allocation formulas, and the public transportation providers use of the funds received from the distributions, allocations, and contingent funding, including uses for operating costs and capital asset purchases. The NDDOT shall report to legislative management regarding the results of its study by June 30, 2016.



Public Transportation - Transit

- There are currently 34 public transportation providers statewide, including rural, urban, tribal, and intercity services.
- NDDOT currently supports transit agencies that provide service to the general public, elderly, and individuals with a disability in all 53 counties within North Dakota.



Public Transportation - Transit

- Public transportation providers use the federal and state funds they receive for operating costs, (Examples: salary, fuel, insurance, maintenance, and training), and capital costs (Examples: vans, cutaway buses, and large urban buses).
- Over the last two bienniums (FY 2011-2013 and FY 2013-2015) approximately \$40,304,369 was reimbursed to transit providers (\$19,499,415 State Aid and \$20,804,954 Federal Funding).
- A total of \$34,666,368 or 86% of the funding received is used for costs associated with operating expenses (\$18,328,113 State Aid and \$16,338,255 Federal Funding).
- The remaining \$5,638,001 or 14% of funding received is used for costs associated with capital purchases (\$1,171,302 State Aid and \$4,466,699 Federal Funding).
- The NDDOT reimburses transportation providers on a quarterly basis for operating and capital expenses incurred.

Public Transportation - Transit

Additional funding has been provided to Transit by applying for grants through a Congressional Discretionary Funding Program.

2016 = NDDOT received \$844,000 grant for Bus & Bus Facilities Competitive Program - Statewide. The funding is for replacement of transit vehicles and buses for rural providers in ND. The NDDOT applied for funds to replace Transit Vehicles Statewide as well as applied on behalf of 2 rural transit agencies, 1 intercity bus provider for vehicles and 1 rural transit agency for a bus facility.

2013-2015 = No Discretionary Grants received.

2012 = NDDOT received \$945,000 to purchase and implement Transit Asset Management TAM software statewide and purchase 1 bus for City of Minot's fixed route service.

2012 = ND Statewide Transit Intelligent Transportation System (ITS0) Workforce Training Program. Received \$269,423 to provide intelligent transportation systems (ITS) training for transit workers statewide, including computer-aided dispatch (CAD) and wireless mobile data computer retraining services for operations staff. Funds also help provide initial ITS and CAD training for 31 rural transit systems across the state.

2011 = Transit Vehicle Replacement - The NDDOT received \$1,000,000 to replace vehicles at rural transit agencies throughout the state that have met their useful life.

Public Transportation - Transit

- Metro Area Transit in Fargo ridership has doubled in five years, with fixed route riders exceeding 1.75 million each of the last three years.
- Metro Area Transit is concerned with capital and operating needs.
- They are requesting a transfer of \$1 million in Fargo Metropolitan Council of Governments allocated urban road funds - every other year to Metro Area transit programs.

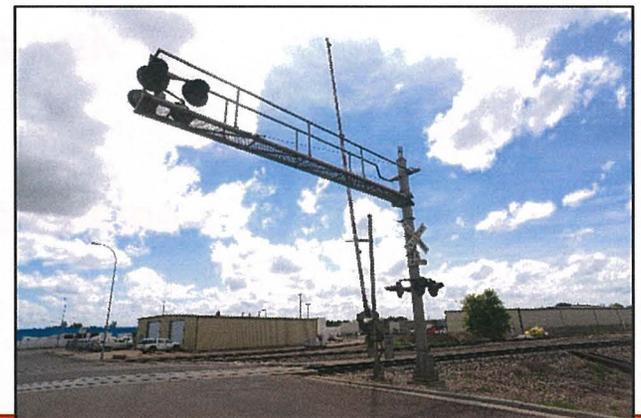
State Rail Plan

Work on the North Dakota State Rail Plan is underway to update the current rail plan from 2007 and enhance statewide rail safety to meet growing transportation needs in the state.

State Rail Plan Objectives:

- Shared vision for North Dakota's rail system
- Recommended policies, programs, processes and projects to improve rail related safety and service
- Understanding of current and future issues and trends
- Guidance to enhance and optimize rail system and service
- Ensure PRIIA Compliance

*View information, current status, and provide input online:
<http://railplan.dot.nd.gov/>*



State Rail Plan

The State Rail Plan is conducted in Three Phases:

Phase I – *Establish* the current rail System baseline. *Completed*

Phase II – *Inform* the plan with continued input from stakeholders and the public, as well as identify state's rail needs and opportunities. *Underway*

Extensive public outreach is being conducted.

Regional public meetings included:

- Minot (Municipal Auditorium) May 17, 2016 – 6 members of the public attended
- Fargo (Public Library) May 18, 2016 – 2 members of the public attended
- Bismarck (Public Library) May 19, 2016 – 3 members of the public attended

Regional stakeholder* meetings included:

- Minot (Municipal Auditorium) May 17, 2016 – 12 stakeholders attended
- Fargo (Public Library) May 18, 2016 – 6 stakeholders attended
- Bismarck (Public Library) May 19, 2016 – 22 stakeholders attended

* *Stakeholders include: Railroads, Freight shippers/passenger advocates, State agencies, Local agencies, MPOs, economic development groups, Tribal nations and Multi-state organizations.*

State Rail Plan

Phase II continued...

Other public involvement efforts include:

- The development of a ND State Rail Plan webpage:
<http://www.dot.nd.gov/divisions/planning/railplan/>
- An online survey regarding safety and community impact issues, as well as freight and passenger rail concerns and interests which can be found at the following website:
<http://www.dot.nd.gov/divisions/planning/railplan/>
- Individual rail stakeholder interviews
- Press releases
- Meetings with key industry sectors of agriculture, energy, and manufacturing regarding rail issues and opportunities
- Meetings with transportation officials from adjoining states and provinces are currently ongoing
- Meetings with various rail shippers within the state are currently ongoing

State Rail Plan

Concerns expressed at meetings

Safety and Community Concerns

1. Condition of rail lines
2. Shipment of hazardous materials
3. Blocked crossings
4. Grade crossing safety
5. Adequately trained first responders

General Concerns

1. Rail capacity bottlenecks
2. Condition of rail lines
3. Allocation of capacity to customers (and service to customers)
4. Availability of rail served industrial locations
5. Availability of truck/rail transfer facilities

Additional concerns (in no specific order):

- Communication between the rail industry and government and private rail dependent industry is critical and can be improved.
- Reliability of rail service for various rail dependent industries can be a concern.
- Many North Dakota Industries are dependent on rail to ship goods often without another viable option.
- Speed of trains through communities is a concern.
- Advantage of shipping by rail is that it reduces demand on public roadway infrastructure.
- Some industries concerned about being captive or dependent on one railroad.
- Future demand on rail service is uncertain at this time especially in regard to energy products.

State Rail Plan

Phase III – *Provide* recommendations for the state rail system to address the identified needs and opportunities in alignment with the established vision, goals, and objectives. *To be completed*

A Draft of the ND State Rail Plan update is anticipated in the fall of 2016.

Once a draft is available a variety of public engagement efforts will be pursued to gauge comments from the public including:

- In-person public meetings.
- Web based meetings that can be viewed and participated from individuals' computers.
- Accepting written comments on the document which will be posted on our website.

When the State Rail Plan is completed it will be posted on the Legislative Council's website.



Short Line Rail Program

NDDOT's rail loan program has three sources of funding:

- Local Rail Freight Assistance (LRFA)
- Freight Rail Improvement Program (FRIP)
- State funds.

North Dakota's rail loan program has been highly successful. To date, NDDOT has provided \$41.3 million on 49 projects and rehabilitated over 680 miles of branch line track.

- Funds are managed as a revolving loan program.

Short Line Rail Program

Current Balances:

LRFA:	\$275,983.71
(State) FRIP:	<u>\$ 39,858.94</u>
Available to lend:	\$315,842.65

State funds total \$7 million.

Short Line Rail Program

Projects in the 2015-17 biennium

Potential projects for remaining funds:

- Spiritwood
- Dakota Specialty Milling in Fargo

Strategic Plan

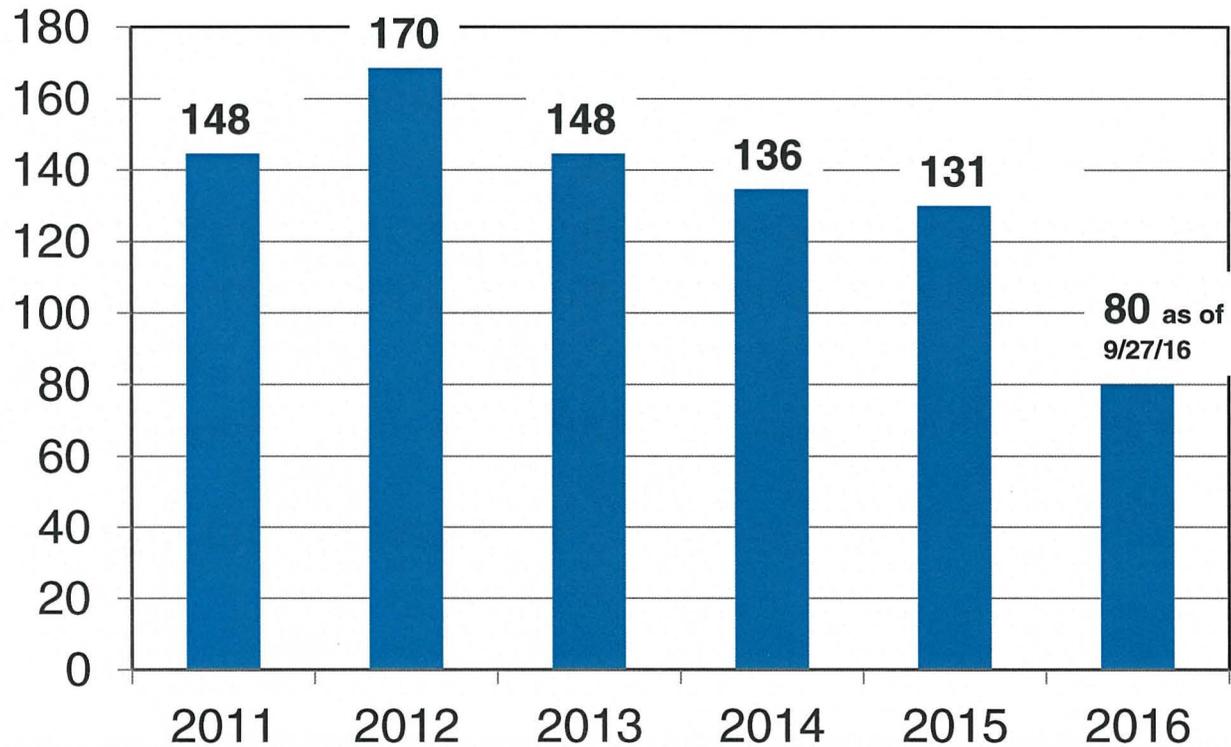
Strategic Plan Focus Areas:

- **Safety** - Provide a safe and secure transportation system and workforce.
- **Service** - Be proactive and adaptive to provide superior external and internal services, products, and programs.
- **Team** - Recruit, develop, and retain a high performing workforce that results in everyone working together to achieve our mission and vision.
- **Assets** - Preserve and enhance assets managed by the DOT.
- **Innovation** - Promote a culture of innovation to enhance external and internal services, products, and programs.

Safety

Primary contributing factors to fatal crashes:

- Alcohol
- Not using seatbelts
- Speed



Innovation

Meeting today's challenges with new ideas using innovation and technology.

- Drivers License and Motor Vehicle wait times are now available online at select locations across the state. Customers can now access customer wait times for the Bismarck Motor Vehicle office as well as the Drivers License offices in Bismarck, Fargo, Grand Forks, Minot, Williston, and Dickinson.
- Currently seeking locations in Bismarck to place a motor vehicle registration Self-Service Terminal (SST) machine. As part of a year-long pilot project, one terminal will be located within the customer service area of the Central Office building and two more will be placed in select locations in Bismarck. The 24-hour terminal is a fully automated motor vehicle registration renewal station that will dispense license plate renewal registration cards and motor vehicle tabs on the spot.
- E-Construction – using Ipads and more technology in the field.
- Developing Transportation Innovation Program (TRIP)
 - Texas Underseal on road projects
 - Using fiber optics to provide real time traffic status for a roadway corridor.



Questions?

**THANK
YOU**

ND DOT