#### 2015 HOUSE APPROPRIATIONS

HB 1012

## 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division

Medora Room, State Capitol

HB1012 January 13, 2015 Recording Job# 21869

SubcommitteeConference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

See attachments A, B, Handouts C + D

Chairman Thoreson: Opened the hearing on HB1012.

Grant Levi, Director, ND Department of Transportation: See testimony attachment A.

**Chairman Thoreson**: I'm fairly certain that probably will come up so we'll ask either now or when we get more into the detail on the budget.

Grant Levi: Thank you mister chairman.

Grant Levi continued with his testimony.

**Vice Chairman Brandenburg**: The question I have is with the federal money. Are you looking at a hard number with that or just a percentage? Can you give a ball park figure; where you could use the federal funding until the state money would reimburse that federal money?

**Chairman Thoreson**: I think this is on section 7. I think we're going to have quite a bit of questioning about.

**Grant Levi**: We have had the practice within a biennium making that occur; where we've started a project with federal funds and turning around and paying back the federal government. It makes it very clear and gives us the authority to do that. We can get you some examples.



**Representative Glassheim**: Where is the source of the \$1.35 billion? Is that SURGE money or is SURGE separate from this?

**Grant Levi**: The \$1.35 billion is a transfer of general fund resources to the highway fund. A portion of the \$1.35 billion we're asking for early which is the \$450 million. That's addressed in SB2126. In the end it all gets combined in our budget; much like last legislative session.

Representative Glassheim: Is it directly from the general fund?

Grant Levi: General fund.

**Representative Hogan**: I've heard from local political subdivisions the timing of accessing money is sometimes a huge barrier on local, city and county projects. Will section 7 address any of those issues?

**Grant Levi**: The section 7 is intended to address activities that occur within the Department of Transportation. Sometimes we may exercise that portion of section 7 to start project develop in local communities on roadways such as highway 23 in Watford City, as an example. Yes it would have some impact on communities because it's our way to leverage and get projects started earlier; therefore, delivering them earlier.

**Representative Hogan**: But it doesn't have any impact on the county and city projects; which timing of funding sometimes is a major barrier.

**Grant Levi**: That section would not have an impact on projects that are developed the local units of government using federal funds. That was not our intent to use that. I would imagine if they wanted to they could leverage and pay back federal dollars as well. I would like to say local communities have those challenges and that's why in SB2126 \$100 million is included for non-oil producing counties, cities and townships. See attachment B.

**Representative Hogan**: So you don't think we need any special language for that funding.

**Grant Levi**: That is contained in SB2126 and there's a section which makes expenditures eligible early.

Grant Levi continued with his testimony.

**Representative Skarphol**: When you say \$1.378 billion for your base budget, does that include any monies that were approved by the emergency commission during the biennium? Is this the budget as approved coming out of the last legislative session without any increases from federal monies becoming available?

**Grant Levi**: I don't believe we approached the emergency commission for any adjustments at all this biennium. The only adjustments that would have been made to our budget were adjustments that you approved last legislative session; which was energy impact funds which was contained in a separate bill but was appropriated to us every 6 months by a review of the budget section.



Representative Skarphol: So that's included in this number that's reflected here?



**Grant Levi**: The \$1.35 billion would not include that; so, our actual appropriation would be slightly higher.

Shannon Sauer, Chief Financial Officer, ND Department of Transportation: See testimony attachment A.

**Representative Vigesaa**: I was just wondering under licensing fees and permits where it says motor vehicle off the top. I was wondering what "off the top" refers to.

**Shannon Sauer**: The way our motor vehicle division is funded is rather than flowing through the formula their funding is taken right off the top of the motor vehicle collections.

Representative Skarphol: Who determines the amount and by what qualifications?

Shannon Sauer: We include that in our budget request.

Shannon Sauer continued with his testimony.

**Representative Vigesaa**: Can you explain why the split between gasoline tax and gasohol is so different for this upcoming biennium; as in the past?

**Shannon Sauer**: Every few biennium's they flip flop. Some biennium's the gasoline tax is higher; other bienniums the gasohol is higher.

**Vice Chairman Brandenburg**: Comparing the 2013-2015 and 2015-2017. There's about \$110 million difference. I see that \$65 million is in the emergency relief fund comparison from the two bienniums and the TIGER fund is gone. I see a difference in the state revenue sources of \$177 million to \$122 million. I'm not quite following that. I see there's a \$40 million unencumbered cash balance. That's probably where the other number is; does that balance that out?

**Shannon Sauer**: In the current biennium we identified using some cash resources. Once those cash resources are used, you can't use them again; so they are not available for this biennium.

Vice Chairman Brandenburg: Can you explain what the cash resources were?

**Shannon Sauer**: One of the major things was the growth in the state revenues. It also depends on the timing of our expenditures.

**Vice Chairman Brandenburg**: Until the project was finished you had some extra money to make the last payments?

Shannon Sauer: As well as the growth in our revenues and then you carry those over.



**Representative Skarphol**: The reimbursement from counties and cities is declining. Can you give us some idea what that translates into for the counties and cities? What does it mean to them?



**Grant Levi**: Each biennium we develop a list of projects that we agree to proceed with with the local communities. As part of those projects, there are occasions when the local communities indicate to us that in addition to the resources we're providing, they would also like to bid other work with us. This is work that isn't eligible for highway funding; so based on that we put together our budget. We included in the charts that we presented at the full house appropriations committee a comparison between this biennium and the upcoming biennium on resources being made available to communities. We have not changed our percentages of federal funds going to them.

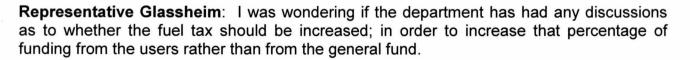
**Representative Skarphol**: If you're going to get less revenue from them, they must be going to do less work in conjunction with you. Can you identify for us what areas of the state will be doing less work?

Grant Levi: We can go through those details and bring that back to you.

Representative Skarphol: I just want to know why they're backing away.

**Grant Levi**: I wouldn't say they are backing away. I would say in our partnership in the type of work we're doing they're not tying as much of their local work to us.

Shannon Sauer continued with his testimony.



**Grant Levi**: We testified before you last Friday where the fuel distribution fund is at. The federal highway tax distribution fund is declining; because fuel efficiency has increased and there are vehicles out there today that don't use the traditional fuels that would contribute to the highway tax distribution fund.

**Representative Glassheim**: My question is the same impact on the state level. The same things that are affecting federal collections are affecting state collections. Are we going to do something to tax electric cars? How do we increase that percentage over time?

**Grant Levi**: We respect the fact that that discussion about revenue and making adjustments to user fees is really a policy decision. We've been following very closely what's occurring in western states as it relates to pilot projects to finding new means to collect revenue. Our highway tax distribution fund is still continuing to grow. Between 2010 and 2012 we saw a 22% increase in traffic statewide and then a 53% increase in the 17 oil producing counties.

**Representative Glassheim**: So how much would you have to contribute to be part of that coalition?

Grant Levi: Off the top of my head it's between \$20,000 and \$30,000 amount.



**Representative Glassheim**: Out of \$2.8 billion it doesn't seem too much to me to get the future.

Grant Levi: Thank you.

**Representative Skarphol**: Natural gas is a motor fuel. Is it subject to the special fuels tax? Are there revenue streams that are going to be collected on natural gas?

Grant Levi: C & G is subject to motor vehicle taxes. We can get the information to you.

**Representative Skarphol**: I don't need the specifics. Is it going to bear the same kind of revenue for the department that diesel does today?

Grant Levi: We're doing some research on that. I'll have to check on that.

**Representative Skarphol**: Looking at your previous chart on revenue. When I look at the motor vehicle and fuels tax category, it doesn't at up to the \$641 million. I'm wondering where the additional dollars come into the picture. If you add up the highway tax distribution fund figures that you have, that equals \$456.6 million; and you're saying \$641 million in the box. I'm wondering where the \$85 million comes from.

Grant Levi: I haven't added those figures. I'm looking at this and we could have a typo.

Shannon Sauer continued with his testimony.

**Representative Skarphol**: I would like to know what the department's view is of the distribution of dollars between the 43 non-oil counties and the oil area. How are you going to split it?

Grant Levi: We'll come back and give you that breakdown.

Ron Henke, Deputy Director of Engineering, ND Department of Transportation: See testimony attachment A.

Chairman Thoreson: Have you been able to keep them in shop a little more this winter?

**Ron Henke**: We have 18 and we're purchasing another 7. Those 7 are called bidirectional; it will swing to the left or right so we can cover the right side lane or the shoulder on the right side.

Ron Henke continued with his testimony.

Chairman Thoreson: Where would the permanent one be in relation to this one?

**Ron Henke**: The permanent one will follow the same connection; which is highway 22 and 33<sup>rd</sup> avenue.

Ron Henke continued with his testimony.



**Chairman Thoreson**: When a project like Cenex Harvest States is in the planning stages, do they reach out to you or are you in contact with them to discuss this? Is there any discussion with the organization itself as to what they plan on doing when they're building their site?

**Ron Henke**: On this specific one, Cenex Harvest States reached out to us. They reached out to North Dakota and Minnesota; we have identified corridors with Minnesota that we are going to try to keep their loads on.

**Vice Chairman Brandenburg**: There's an out of service track going from Jamestown to LaMoure. When you have a discussion with them, that's where that rail issue comes up. We need to find a way to move this fertilizer on rail; otherwise it's all going to be truck.

**Ron Henke**: We have reached out to the two counties in that area and we are working on a transportation plan with them.

Ron Henke continued with his testimony.

**Representative Skarphol**: Is this chart designed for an asphalt roadway? If so, how does a concrete roadway change that picture?

Ron Henke: The type of roadway doesn't make a difference. It's really the structure.

**Representative Skarphol**: What does it do to the lifespan when you lay concrete on top of the existing asphalt?

Ron Henke: I can check into details; but, most of those are still 20 year designs.

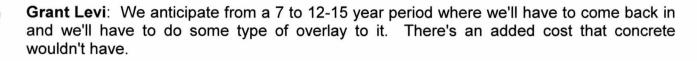
**Representative Skarphol**: So you're telling me that concrete doesn't add to the lifespan of that highway vs asphalt?

**Ron Henke**: It can if the thickness is great enough; it will reduce rutting impact. You still will see it breakup if the loads get too high.

**Representative Skarphol**: So it's been suggested to me that the cost of the concrete vs the asphalt is twice as high; \$3 million a mile vs \$1.5 million. I'm talking about the road going across northern McKenzie county. If the lifespan is no longer with concrete vs asphalt, why would you spend twice as much money to build a concrete roadway?

**Grant Levi**: When a roadway is constructed it's designed for a service life based on how much traffic we anticipate occurring. When you design a concrete pavement, the easels are calculated differently for concrete than asphalt. There are also environment issues that affect roadways. Sometimes asphalt is subject to greater environmental influences than concrete.

**Representative Kempenich**: We got into this a few years ago with these thin overlays. How often do you have to go over the layers? What is the schedule?



Ron Henke continued with his testimony.

Chairman Thoreson: If we would like to look at the STIP is that available online?

Ron Henke: We have a link that we can send to you.

Ron Henke continued with his testimony

**Chairman Thoreson**: Can we go back to the previous. I think that will be something that we'll want to discuss a little more.

Ron Henke: Yes.

Ron Henke continued with his testimony.

Vice Chairman Brandenburg: I know you have issues with wetlands and species.

**Ron Henke**: I'm assuming you're talking about wetland mitigation. The \$23,000.00 your referring to per acre; that's a credit acre. It's not an acre of land.

Chairman Thoreson: When you look at the rules and regulations there's others coming.

Ron Henke continued with his testimony.

**Chairman Thoreson**: Who do you work with now in those circumstances when you have this many sites in one area? Is it historical organizations or other groups?

Ron Henke: We work with consulting groups, tribal organizations, etc.

**Chairman Thoreson**: This position you're requesting would be somebody who would work to coordinate this?

**Ron Henke**: That's correct. It would be to oversee many of these things that still require oversight. We go out with many of our tribal partners when they're doing the evaluations and looking at these things.

**Chairman Thoreson**: We'll need some more information on that including what kind of federal rules, regulations and oversight is involved with that.

**Representative Skarphol**: Can the city of Williston depend on this bypass getting done this construction season?

Ron Henke: Yes. It was planned to be completed this next construction season.



Vice Chairman Brandenburg: When are we going to get the Long X bridge done?

**Ron Henke**: We are working on the environmental process right now. The environmental process is the 4-laning from Watford City to I-94. We have tagged the Long X bridge as our first area that we want to make an improvement once we get through the environmental process.

Chairman Thoreson: Recessed the hearing.

Handouts C+D not discussed.

### 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division Medora Room, State Capitol

> HB1012 1/13/2015 Recording Job# 21907

□ Subcommittee □ Conference Committee

**Committee Clerk Signature** 

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

See Attachment A

Chairman Thoreson: Reopened the hearing on HB1012.

Mark Nelson, Deputy Director for Driver and Vehicle Services, ND Department of Transportation: See testimony attachment A.

**Chairman Thoreson**: When we say local government, is it the city government or specific law enforcement? Where do the dollars go to specifically? If you could get that information to you us we'd like to look at that.

**Mark Nelson**: When we held workshops in each of the county areas, we had city personnel, city engineers, county engineers, representation from city councils, county commissions, etc.

**Chairman Thoreson**: Is there any involvement with law enforcement in this like highway patrol or any of the county sheriff's departments?

Mark Nelson: Yes. We had EMS, law enforcement, highway patrol, city and county.

Representative Hogan: Can you get us a copy or link to this plan?

Mark Nelson: Yes we could.

Mark Nelson continued with his testimony.

Chairman Thoreson: Who provides the training for that?

**Mark Nelson**: That is provided through funding from us and is taught by other law enforcement in the state.

**Chairman Thoreson**: So it's law enforcement teaching others how to make the identifications?

Mark Nelson: That's correct.

Mark Nelson continued with his testimony.

Chairman Thoreson: They're fully integrated with the same system that we use?

Mark Nelson: That's correct.

**Chairman Thoreson**: Walk us through as to how this works. Is it onboard with the law enforcement or do they have to take information back and feed it in? How do you get the information?

**Mark Nelson**: The law enforcement community has the laptop computers in their vehicles. They complete the crash report in the car by laptop. They can download it to the server at their local office and then that gets downloaded to us at DOT.

**Chairman Thoreson**: So it's not exactly real time but it does get it to you in a quicker manner than if you had to wait for something to be mailed in.

Mark Nelson: That's correct. I'd say the turnaround time is two to 3 days.

**Chairman Thoreson**: Once you receive the data, what's on it and how's it stored? What happens with it when you get the data?

**Mark Nelson**: The safety division within the department of transportation is the keeper of the records. It's kept and maintained within the department of transportation.

Mark Nelson continued with his testimony.

Representative Hogan: Is that open records? If I wanted to look at those could I?

Mark Nelson: The crash reports are open records and you do have access.

**Representative Skarphol**: When you say 77 agencies are utilizing the traffic citation mode, is that out of the 92? So there's 15 law enforcement agencies that are utilizing the old paper method. Is that what that means?

**Mark Nelson**: The 92 law enforcement agencies do not represent all the law enforcement agencies in North Dakota. I believe we have 110 law enforcement agencies in the state. We have 18 that are roughly not on the TRACKS program.

**Representative Skarphol**: I'm still not clear. Are the 77 agencies referred to on this letter are different than the 92?



Mark Nelson: They are a portion of that 92.

Mark Nelson continued with his testimony.

Chairman Thoreson: The other 15 are still using the paper ticket to do citations?

Mark Nelson: That's correct.

**Chairman Thoreson**: Is that information somehow captured and fed to the system to you or is that just left out of the records that you receive?

Mark Nelson: They would come in to us in the form of mail instead of other means.

**Chairman Thoreson**: Are they scanned in electronically so it can be integrated with the other parts of the records?

Mark Nelson: That's correct. It would be scanned into the court system.

Representative Skarphol: Is this all linked to CGIS?

**Mark Nelson**: We have partnered with CGIS on some of this information; not all of it is currently on CGIS. We have agreements with CGIS for some of the data information that we have with DOT to include our crash reporting system for law enforcement.

Representative Skarphol: I think we better understand the linkage.

**Chairman Thoreson**: There will probably be more questions on this that when we come back for some more work on this budget we'll have some additional questions.

**Representative Skarphol**: I think it would be appropriate to have CGIS personnel here also.

Chairman Thoreson: We'll try to get all the entities here.

Mark Nelson continued with his testimony.

**Chairman Thoreson**: When you say you supply it, do you maintain ownership of it? Once you give it to them do they become owners of the software?

**Mark Nelson**: It's purchased through NETSA funds. Its ownership is DOT. The training and the maintenance are contracts that we have with the vendor that goes out and does the maintenance agreements.

Chairman Thoreson: So you have the maintenance contracts?

Mark Nelson: We contract that service out.



**Representative Skarphol**: Are there user fees associated with this? Are there a growing number of agencies utilizing the various aspects of it? In other words, are the numbers 77 and 44 going to grow?

**Mark Nelson**: I hope so. There are no user fees we cover the cost of this program through NETSA. We provide the service to them and they have to supply the hardware.

Mark Nelson continued with his testimony.

**Chairman Thoreson**: Which locations are those that are doing them so far? Is it the larger cities or is it kind of a mix?

Mark Nelson: I will get that information to you.

Mark Nelson continued with his testimony.

**Chairman Thoreson**: You say it increased 25.74%; do know the overall percentage that are online vs the traditional way of renewing?

Mark Nelson: I'm going to double check that figure.

Mark Nelson continued with his testimony.

Chairman Thoreson: Who was the vendor that ended up getting the contract?

**Mark Nelson**: We had 2 vendors that responded to the RFP; it was 3M and G R Wald. G R Wald was the company that was selected.

**Chairman Thoreson**: Are they working with Roughrider to get this implemented? Does Roughrider do the plates for the motor cycles? Those are still going to be the raised plates for the time being, correct?

Mark Nelson: That's correct.

**Representative Kempenich**: There's been a debate on those plates. Can you change the plates for different organizations without a lot of major work?

**Mark Nelson**: We currently have in our state about 60 different varieties of license plates. We're not looking to expand the license plates.

**Representative Kempenich**: It is fairly similar. What I was getting to was that Montana uses a designation of county.

Grant Levi: The digital plate design does give you greater opportunity to make changes.

**Chairman Thoreson**: We do have the plates where you can put the medallion off to the side. That does give groups the opportunity to have a specialty plate.



**Representative Skarphol**: It's been suggested to me that the state name be visible regardless of the design it wraps around the plate. Are you familiar with how many states require that the state name be visible?

Mark Nelson: We have the same law in North Dakota.

Chairman Thoreson: Law enforcement could enforce that is what you're saying.

Mark Nelson: Yes.

Representative Skarphol: What's the penalty?

Mark Nelson: I believe it's \$20.00.

Representative Skarphol: In stopping a vehicle, why would you not write them up for it?

Mark Nelson: I'm not an officer.

**Vice Chairman Brandenburg**: So the plates are going to come out this fall. They'll be out sometime in September or October?

Mark Nelson: My best guess is that it would be a September timeframe.

Mark Nelson continued with his testimony.

**Representative Vigesaa**: You just contract with the branch offices? Do you have any input with them as to how employees they should have or is it totally up to them to staff appropriately in each brach?

**Mark Nelson**: That would be up to the branch. They are provided through the legislature the fees that they can charge and those fees cover their costs. There are a couple of exceptions to that within the state. The design of that program is that they pay for their services through the fees they collect. The number of staff that they have is determined by the branch.

**Representative Vigesaa**: It was understaffed the time I was there. I was wondering how you monitor the efficiency and the number of employees that they have.

**Mark Nelson**: I am not aware that we do any recommendations on the amount of staff that is incurred at the local level by the branch offices.

**Representative Hogan**: Do you have performance standards or expectations that are defined for your contracts? Do you have any way of measuring their outcomes?

**Mark Nelson**: We do through our contract with the branches we have the duties and responsibilities. The expectations are laid out within the contract.



**Representative Hogan**: And you have some performance measures in those expectations and a way of monitoring their performance?

**Mark Nelson**: I don't know if we have specific numbers; but, I know we address the expectations that we have.

Representative Hogan: That maybe something we want to look at.

Mark Nelson continued with his testimony.

**Chairman Thoreson**: The ID cards are not a driver's license. They are just a legal identification issued by the state; but you handle that. Is that correct?

Mark Nelson: That's correct.

Representative Skarphol: Are we issuing driver's licenses to illegal aliens?

**Mark Nelson**: No. If they are in the country legally and have a status with department of homeland security, then we are issuing temporary restricted licenses. We do have some numbers if you would like to see them. They are actually people who are in the United States legally.

**Representative Skarphol**: Do we have a law prohibiting us from issuing licenses to illegal aliens?

Mark Nelson: I believe that's law and we are following that.

Representative Skarphol: I think we need to know what the law says.

**Chairman Thoreson**: I'll make a request that have that checked; if council can make a note to check the legal status of that. Even though it is legal residence of the United States, who are not citizens, it would be interesting to see how many of those we are issuing at this time.

Mark Nelson: We can get those numbers for you.

**Representative Skarphol**: Would that license provided to a legal non-citizen give them the opportunity to vote if they were to present it. Is there enough of a difference that the judges at an election can see the difference in the license?

**Mark Nelson**: I'll have to get that answer for you as well. I'm not certain if they can use that document for voting.



**Representative Boehning**: I met with Glen Jackson with the Secretary of State's office. They do under temporary visa or temporary status they have a deadline on the date which would give it a restricted license. It expires; it's not used for voting. When they're here on a visa for 20 years, the restriction goes away. They are possibly able to go back and track



who these people are and pull their names out of the vote ID list. There's roughly about 1,300 that are out there.

**Representative Skarphol**: I think we need to follow up on that to understand that the voting judges understand this.

Chairman Thoreson: I can understand that.

Vice Chairman Brandenburg: I hire people from South Africa but they're on a temporary basis.

Mark Nelson continued with his testimony.

**Chairman Thoreson**: Do either of those bills, HB1122 or HB1123, have any fiscal issues with them that you're aware of?

Mark Nelson: I don't believe so.

Darcy Rosendahl, Deputy Director for Business Support, ND Department of Transportation: See testimony attachment A.

Chairman Thoreson: How long did that project take?

Darcy Rosendahl: We started about 5 or 6 years ago.

Darcy Rosendahl continued with his testimony.

Chairman Thoreson: When we get into detail we're probably going to look at that.

Darcy Rosendahl: Yes, mister chairman.

Darcy Rosendahl continued with his testimony.

**Representative Skarphol**: Last session we passed a pool of money that agencies were able to access for that particular reason. Was your agency one of those that eligible to utilize it? If so, to what extent did you utilize it and was it useful?

**Darcy Rosendahl**: Yes we did use it. We used it out in western North Dakota. It helped retain a number of employees.

**Representative Skarphol**: Can you bring us a dollar amount of utilization that you used? That maybe something we'd want to consider as part of our discussion about your salary package.

Darcy Rosendahl: We have those numbers and we can bring them to you.

Darcy Rosendahl continued with his testimony.



Chairman Thoreson: So you said it would be complete in 2016?

Darcy Rosendahl: That's correct.

**Representative Skarphol**: I would like to go back to the employees in western North Dakota and your ability to keep the balance of your employees satisfied with having to pay more out there. Is that a major issue that you're dealing with?

**Darcy Rosendahl**: It definitely helped us. Some of the rents we're in the Williston, Watford City area are more than what we pay our people. If we didn't have the rental assistance, those people would definitely get onboard.

**Representative Skarphol**: Are you getting new employees out there or are you getting existing employees to transfer out there?

**Darcy Rosendahl**: Existing employees who have rent can apply for the program. Any new employee that comes on is eligible for the program.

**Representative Vigesaa**: Is the construction project website communicated to the public in any way?

**Grant Levi**: When we unveiled it we put out a news release. Whenever we put out a news release on a construction project, we also indicate that you can get information from our website.

**Representative Vigesaa**: There are numbers of ways that the department communicates with the general public; such as license renewal, driver's license renewal. Notification of that type of map that's available to them might be published once a year.

Chairman Thoreson: The maps and the apps would be a good way of putting it.

**Representative Vigesaa**: With regard to the VRTS; is that going to be just process enhancements or will the appearance of titles and registration cards change with the new system?

**Darcy Rosendahl**: The process itself will change and the computer program will change. I'm not sure that it will change the look titles.

Grant Levi continued with his testimony.

**Chairman Thoreson**: Now that you mentioned it. With the new license plate coming out and these private offices; if there are a lot of people that are going to want to get that right away, are they going to be staffed to be able to do that? Will they have those on hand ready to go?

**Grant Levi**: What we'll do when we do the unveiling, we'll make sure that they have a supply of plates.



Chairman Thoreson: But the supply of people.

**Grant Levi**: The supply of people is a private sector business and we'll encourage them. We do need to talk about that whole process.

**Representative Skarphol**: I have a question about SB2126 and the \$550 million. In other instances people bid projects that say "subject to legislative appropriation". As a department, can't you do that? Do you have to have the money committed before you can bid projects?

**Grant Levi**: We shared with the committee and we can bring it back again. There are 3 sections of law that our legal council is advising us that requires us to proceed in a manner that we have appropriations in order before we execute contracts with the contracting industry.

#### Representative Skarphol: Before you execute?

**Grant Levi**: Our relationship with the contracting industry is such that we have in our specifications that once we bid, we'll typically give it a termination of award within 30 days. Shortly after we award, we're signing contracts just to put everything in place.

**Representative Skarphol**: Does the same policy apply at the local political subdivision level? Do the counties follow the same format and do they need to have that commitment of dollars in their budgets before they can sign and execute the contracts?

**Grant Levi**: That in each of our contracts we put language in place if resources are not available to get out of that contract. In county relationships, they need to know the resources are coming to them in order for them to make a commitment and go forward. Last session you through SB2176 you gave us \$620 million. We didn't spend all of that in the biennium. The counties are similar in that nature; they won't spend all the money, they just need to know it will be there for them to fulfill their commitments.

**Representative Skarphol**: With your statement that you made earlier that you use state dollars to pay back federal dollars; that gives you the opportunity to use those federal dollars in a different fashion. Is it a correct assessment that it's a bookkeeping thing for you?

**Grant Levi**: If we start the project development in west North Dakota using federal dollars, we're paying back the federal government for that particular project. We're reusing those federal dollars for work out in the eastern and central part of the state.

**Representative Skarphol**: When you say you pay back federal dollars, it's only within your department. You don't actually pay the federal government back.



**Grant Levi**: There's a fiscal transaction that occurs if we receive any federal money from them, we're basically doing a transaction that says we're negating those resources. We're constantly interchanging money with the federal government.



**Representative Skarphol**: My concern is if the federal government could put some of those dollars in jeopardy.

Grant Levi: No because it's an obligation type issue.

Representative Kempenich: I think a breakdown of the \$450 million.

**Grant Levi**: We recognize the fact that there are many needs for resources early. When SB2126 was prepared, we already prioritized. We have more than \$450 million worth of work ready in our organization to bid.

**Representative Skarphol**: You developed a freight plan for the state of North Dakota. Can you enlighten us little about the status of that?

**Grant Levi**: We went out to the public and businesses and had conversations. We presented a draft map that showed breaking our system down into 3 levels for freight corridors in this state. We're in the process of taking that planning information and translating that into a document that would guide how we do the engineering and development for those corridors. We have not formally adopted the freight plan yet.

**Representative Skarphol**: How does it link with the work that Upper Great Plains did for the legislature with regard to county and township roads? When do you anticipate completion of this?

**Grant Levi**: Our freight plan is centered on the state highway system. We'll integrate that in our future needs studies with Upper Great Plains; and we'll tie all of that together.

**Representative Skarphol**: If I wanted to sit down with someone in your department and have them educate me with regard to the GIS; who is it I would need to talk to?

**Grant Levi**: We have a number of people who can handle GIS; we'll put you in touch with an individual.

Chairman Thoreson: Is there a way of doing a demonstration for that?

Grant Levi: We could probably arrange a demonstration for this committee.

**Representative Hogan**: I know you didn't talk about transit at all; but I know it's a huge challenge in Fargo. Can you get us some background information on your transit plan?

Grant Levi: We can get you some information on transit.

**Representative Hogan**: There are no state funds in the transit plan right now. Is that true?

**Grant Levi**: There are state funds that are appropriated to us on a continuing basis; that we use in our partnership with the transit community.



**Chairman Thoreson**: We will have a discussion. There will be some people coming in to talk about that.

**Representative Kempenich**: Could you bring the breakdown of the \$1.3 billion when you come back? I think we want to keep with what we started with Great Plains.

**Grant Levi**: It' on page 38. In HB1358 that you passed last legislative session, you charged us with overseeing the funds that went out to the locals there and we did report to you how that occurred. We also have a map that available on a website to be able to look and see where those projects occurred and where those expenditures happen.

Chairman Thoreson: Recessed the hearing.





# 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division

Medora Room, State Capitol

HB1012 1/13/2015 Recording Job# 21918

□ Subcommittee □ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an ACT to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

See attachments E through L

Chairman Thoreson: Reopened the hearing on HB1012.

Pat Hansen, Executive Director, South Central Adult Services: See testimony attachment E.

**Chairman Thoreson**: The thing we didn't get into this morning is the whole issue with federal funding and map 21. There hasn't been any federal highway funding approved as of yet has there?

**Grant Levi**: The federal funding is still very uncertain. I just received a note this morning that we have received an allocation of highway funds and some transit funds will follow that will take us through the end of May.

Chairman Thoreson: Of this year?

Grant Levi: Of this year. This is only a portion of the resources.

**Representative Kempenich**: Are they going to visit this during the year? We won't know anything until October with that?

**Grant Levi**: The bill that passed Congress that provided appropriations through this federal fiscal year; which would be through September, with the exception on the highway programs, which includes transit, they only provided resources for what funding was available. Congress has only funded map 21 through May. If they straighten everything out the federal funding for transit would increase slightly. I think that figure was about \$500,000.00.



Representative Skarphol: Can you share how you increased your local contribution?

**Pat Hansen**: Barnes county has endowment fund. We try to get private grants where we can. We stretch the senior mill levies as far as we can. We had one county that passed  $\frac{1}{2}$  mill in order to support the transit part of the program.

**Representative Skarphol**: Is this graft you've given us of your revenues and expenses fairly characteristic of all of the rest of the regions as well?

**Pat Hansen**: I think that it is. I think Williston is on their 5<sup>th</sup> or 6<sup>th</sup> director.

Representative Kempenich: Do you get into the state auctions? Are most of yours ADA?

**Pat Hansen**: They have to be ADA. The state bids don't meet FTA requirements; so, if we have any federal money involved in them we can't buy off the state bid.

Representative Kempenich: Why is that?

Pat Hansen: There's a book for everything you buy that you need to send in.

Representative Kempenich: Some of the vehicles that the state gets aren't really used.

**Pat Hansen**: We'd be better off with a used vehicle with 50,000 miles on it than running something with 300,000.

**Grant Levi**: There are a lot of federal rules that come with federal money. Over the years there have been a number of laws passed by the state that require steps to be taken for all procurements. In addition to the federal laws, there are also state laws that may need to be visited.

**Representative Vigessa**: In your testimony you say that \$9.3 million is down from the \$10 million? On the chart they provided was \$8.9 million for transit; so, is there another \$1 million?

**Pat Hansen**: There was a special allocation that came out of here last session that if the distribution fund didn't give us \$10 million; that the general fund would make up the difference. So we received \$10 million this biennium.

Vice Chairman Brandenburg: I see you're looking for \$12.5 million?

Pat Hansen: That's about what we're going to be short.

Vice Chairman Brandenburg: And \$20 million for capital improvements and upgrades.

Pat Hansen: Yes. Of the \$20 million, I think \$17 million is urban.

**Vice Chairman Brandenburg**: The \$15.3 million federal transit; does that tie in with that at all?



Pat Hansen: Yes. Part of that \$2.3 million has been allocated for capital.

**Vice Chairman Brandenburg**: So the \$15.3 million is spread amongst the whole state and the \$2.3 million just goes to this district for capital?

Pat Hansen: It goes to everyone for capital across the whole state.

**Michael Gunsch, Vice Chairman, Friends of Lake Sakakawea**: See testimony attachments F and G.

Chairman Thoreson: Do you have a breakdown with you?

**Michael Gunsch**: We have a breakdown as far as the \$84 million around Lake Sakakawea and we can provide that to the committee.

Chairman Thoreson: I see that Tourism is here also.

Sarah Audie Coleman, Director of Tourism, ND Department of Commerce: See testimony attachment J.

Vice Chairman Brandenburg: Is there going to be some movement toward the outdoor heritage fund?

Sarah Audie Coleman: I am not aware that they do qualify.

**Vice Chairman Brandenburg**: I know they don't qualify now; but, there may be some qualification. Have you pursued checking that out?

Sarah Audie Coleman: No. We have not pursued that.

Kelly Sorge, Owner, Indian Hills Resort: See testimony attachment H, I and J.

Chairman Thoreson: Which page is that on?

Kelly Sorge: On page 8 and 9.

Kelly Sorge continued with her testimony.

Representative Kempenich: Who does any maintenance? Is it the county?

Kelly Sorge: McClean county. We are a county road.

Chairman Thoreson: How many miles of road is it?

Kelly Sorge: It's 3 miles.

**Vice Chairman Brandenburg**: Do you have access to the water in Lake Sakakawea; where you have Corp issue problems?

**Kelly Sorge**: We have a public boat ramp that's on the Corp property and part of our campground is private. We're also within the boundaries of the reservation as well.

Ken Tupa, Lobbyist, Friends of Lake Sakakawea: See testimony attachments K and L.

Chairman Thoreson: Closed the hearing on HB1012.

attachments E through L were handouts only.

# 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division Medora Room, State Capitol

> HB1012 1/26/2015 Recording Job# 22482

□ Subcommittee □ Conference Committee

Committee Clerk Signature

#### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

See Attachment A

Vice Chairman Brandenburg: Opened the discussion on HB1012.

Grant Levi, Director, ND Department of Transportation: See attachment A.

Brian Bieber, Programmer/Analyst, ND Department of Transportation: Gave a presentation on the GIS system.

Representative Hogan: What's symboligy?

Brian Bieber: What the lines mean.

Brian Bieber continued with his presentation.

**Vice Chairman Brandenburg**: So you're talking about the traffic that's on that road right now? Do you have the number of accidents on highway 85?

Brian Bieber: That will be the last application I show.

Brian Bieber continued with his presentation.

Representative Skarphol: How many cameras are there across the state?

Brian Bieber: Sixty-three.

Brian Bieber continued with his presentation.

**Representative Boehning**: Is this an image of someone flying over on a plane for this picture of Watford City.

Brian Bieber: We get the picture on the left from agriculture every 2 years.

Brian Bieber continued with his presentation.

Vice Chairman Brandenburg: How often do you update them?

**Brian Bieber**: They start at 4:30 and go to 9:30. During a storm condition it's updated every 2 minutes.

**Representative Skarphol**: So you have people that call in and give you this information. How frequently do they call? Is that their judgment call or yours? What kind of training do these folks have?

**Grant Levi**: He showed you a template earlier and we walk them a process so that we get some consistency in the state. Whenever they're out and they see a change in the condition, they report in.

**Representative Skarphol**: The department was overly cautious; how do you gauge that?

**Grant Levi**: We have that conversation continuously with the highway patrol to see if we're putting out no travel advised cautions too early. Each storm is different and that's our challenge.

**Representative Skarphol**: I'm assuming that you get information from your plow operators on the road and the highway patrol. Is that correct?

**Grant Levi**: Yes. We also have relationships where we will have conversations with sheriff officials as well.

**Representative Skarphol**: As far as the travel advisories; do you depend on all of them equally or do you give more weight to the highway patrol? How do you make that judgment?

**Grant Levi**: We probably place more weight in our conversations with the highway patrol. It's a state system and we look to the highway patrol and our team to work through that process.

Representative Kempenich: I have a bill to close schools when roads are bad.

**Grant Levi**: Conditions can change rapidly in this state. One of our other partners is the national weather service.

**Representative Boehning**: How do you prepare for something like that; the radar showed it was doing something but there was nothing on the roads.

Grant Levi: We've seen that phenomenon that the precipitation never hits the road.

Brian Bieber continued with his presentation.



**Representative Skarphol**: Do you have data on all state highways with regard to the thump testing and radar detection of the thickness of the overlay? Are all state highways gauged in the same way that Upper Great Plains was ask to evaluate the county roads?

**Grant Levi**: We gather information on our pavements on all state highways. The pavements are all scored so we can look at the stress, condition and rating. We have an entire pavement management system that's been in development for over 20 years.

Representative Skarphol: Can you walk us through how you do that?

Grant Levi: We have some information in testimony.

Representative Skarphol: If you want to wait that's fine.

**Vice Chairman Brandenburg**: Is that the van that has that machine where you do the thump test? Does that show that in film?

**Grant Levi**: As we walk through that conversation, hopefully we'll answer your question. We have a machine that we use for designing pavements and when to put load restrictions on/off.

Brian Bieber continued with his presentation.

**Representative Boehning**: On that spreadsheet you have alcohol involvement; is that a DUI? At what point is that alcohol reported on that spreadsheet?

**Grant Levi**: With fatalities if there's alcohol involved it gets reported and it's noted. I can get you more information on that process.

**Representative Boehning**: On fatalities, can we get the number of crashes that were .08 and above?

**Grant Levi**: I figured that was where you were going with this conversation and we did gather that information awhile back. The thought process is that it's getting reported with just one drink; that's not the case. I can bring a breakdown of crashes and what the alcohol content was in those fatal crashes.

Representative Boehning: Do you have any numbers on drug related accidents?

Grant Levi: I'll check and see how good our data is in respect to drug related as well.

**Representative Vigesaa**: What's the timeliness of the information that goes into the system?

**Brian Bieber**: It has to be reported to the DOT within 10 days and then for this system to pick it up probably another 5 or 6 days.



**Vice Chairman Brandenburg**: How is highway 85? Where's that at as far as deaths and accidents?

**Grant Levi**: Representative Kempenich just prior to this meeting asked us to compile some information on highway 85.

Vice Chairman Brandenburg: I'd like to get that information because two sessions ago we gave you money to get that road done and now we're back and the road still isn't completed. It's time to start talking about it.

**Grant Levi**: With the money that we were given last session we've built bypasses around Watford City, Alexander, we're still working on a bypass around Williston, we started the 4-lane between Watford City and Williston.

**Vice Chairman Brandenburg**: Also with the access coming up and down into the Little Missouri River; you have to widen the access. It's time to get moving on it also.

**Grant Levi**: We agree with you and as part of the budget proposal that we're presenting to you one of the projects that we want to undertake and have started; is an environmental document to look at the possibility of 4-laning between Watford City and Interstate 94.

**Vice Chairman Brandenburg**: I do see on your 2 FTE's you're looking for an environmental scientist and one is an archaeologist.

**Representative Boehning**: Is Brian an employee of your department or is he an employee of ITD?

Grant Levi: Brian is one of our team members.

**Representative Boehning**: He's an IT person you have in your department; it's not special funds. He's your employee.

Grant Levi: Yes. He is one of our employees.

Grant Levi continued with attachment A.

**Representative Kempenich**: The federal government requires more information than we do. Are we gaining by using federal dollars on some of these projects?

**Grant Levi**: Sometimes we don't have state resources to start; also we may not know what state funds will be available in the future. If we're spending state dollars, if we're touching anything that has a federal nexus or tie; we need to go through an environmental process. Once we do bring state resources to the project, then we follow only the state laws.

**Representative Kempenich**: Are we jumping through more hoops than we have to as a state?

**Grant Levi**: Those hoops that we jump through continue to grow. We look for the most advantageous way to get a project developed.

Representative Kempenich: Have you ever done an analysis of the federal regulations?

Grant Levi: We haven't tied it down to a fiscal cost.

**Vice Chairman Brandenburg**: When you have to mitigate a wetland; what kind of cost is it acre per acre? I've heard it's \$15,000.00 to \$20,000.00/acre. Is that true?

**Grant Levi**: When we encounter a wetland on a project; we mitigate acre per acre. In the last 5 or 6 years the Corp of Engineers has established regions and has said each region is different. We have to mitigate within that region. We're not paying \$15,000.00/acre for land but at times we're paying \$15,000.00/acre per credit; because we have to buy buffer land around the outside.

Vice Chairman Brandenburg: Which means it's going to a wetlands bank?

**Grant Levi**: We have never entered into agreements with other entities. We work with the natural resource group and have developed our own wetland banks through purchasing them. We have banks that have some credits to them. Our challenge is that we don't have a bank in the southwest corner of the state. We're starting to mitigate within the highway right of way; because we have to do it within that region.

**Representative Kempenich**: The Bowman airport has a wetland on the west side of the airport.

**Grant Levi**: If we can't mitigate, we can't build. We have the wetlands know where they're going and have it before we can build.

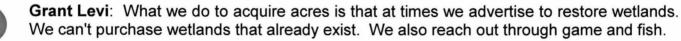
**Vice Chairman Brandenburg**: Is that same thing happening in DOT where the roads are being built and environmental groups have taken the DOT's nationwide to court?

**Grant Levi**: I would say it's similar to the agriculture industry as there have been a considerable amount of rules that are being established.

**Representative Skarphol**: I'm assuming you make the projection every year about how much wetland you're going to have to mitigate. I'm curious about that typically amounts to on the average. How much is in your bank compared to what you need?

**Grant Levi**: We do follow that. We do take a look at the types of projects we have planned. We can get that information to you. We're struggling as an agency to establish banks in each of the quadrants that have been established.

**Representative Skarphol**: How do you acquire the acreage in your bank? How do you make the decision as to what to do when and where?



**Representative Skarphol**: If I had an area of property that I was willing to negotiate with you on; I would contact your department and then you would give a bid? Is that how it works?

**Grant Levi**: We'd reach out to that property owner, take a look at the type of property, and in order for that land to become eligible for a wetland bank, we'd enter into an agreement with the natural resource agencies. They'd look at that property and make sure it meets the criteria that's established for wetland banking. Then we'd have a conversation with the owner to purchase that property.

Representative Skarphol: In a typical year, how much do you need?

**Grant Levi**: We will. So much of that depends on project types. I'll give that information to you.

**Representative Kempenich**: You need to have something that was in development, take it out of development and then bring it back.

**Grant Levi**: That's correct. It's an area that over a period of time is no longer serving as a wetland; but it has characteristics that can be restored to make it a wetland.

**Representative Vigesaa**: Did you mention why you have 4 quadrants? Was that federally mandated?

**Grant Levi**: We didn't want the quadrants; and there are actually 6 quadrants. We would have never developed those quadrants.

Grant Levi continued with attachment A.

**Representative Kempenich**: Do you run into that a lot? Are you finding many in existing road structures?

**Grant Levi**: Yes. On highway 200 there are segments that go through flint resources. Those flint resources are buried well beneath anything we do; we're tied into that whole process and it's going to create some challenges to get that project developed.

Vice Chairman Brandenburg: Where you use just state funding wasn't that bypass one of them?

**Grant Levi**: That project had a federal nexus going through it. We ended up following the federal highway administration process. We wouldn't have gotten it done if we hadn't been using state dollars.

Vice Chairman Brandenburg: Is that going back to the Long X Bridge?

**Grant Levi**: On the highway 85 corridor south of Watford City it's going to take a while. The first thing we're going to have to prove to those federal agencies is that we have a need. Once we've demonstrated the need then we can talk about practical alternatives to meet that need.

Vice Chairman Brandenburg: If we have an oil plain a little farther south; then it's needed.

**Grant Levi**: We were finally able to convince the federal government that 4-laning was needed on highway 2.

**Representative Skarphol**: Would you provide the committee with the estimated time to pay off highway 2's bond and let us know the interest rates as well? Also can you provide the perspective bonded capabilities and interest rates that would be available if we would utilize it on highway 85?

Representative Kempenich: Do they still have Garvey bond?

**Grant Levi**: We used a Garvey bond and we provided some assurance on that bond based on the state rating, financial capability, as well as the assurance of federal funds. We should be finished paying it off in 2020. We'll get you the interest rate and payment.

**Representative Vigesaa**: How do you mitigate a cultural site? How does that process work?

**Grant Levi**: We work with the state historical office and the tribal historic preservation offices. Sometimes the mitigation consists of historical recording of the site.

**Vice Chairman Brandenburg**: Representative Kempenich is showing me on his IPad all the trucks going through the Long X bridge right now.

**Grant Levi**: The Long X bridge is a truss bridge. We were very concerned with how many more hits could occur. We put devices out to advise the public that when they have a high load there's message boards that tell them everything. The bridge is at 16 feet in height.

**Vice Chairman Brandenburg**: There's going to be a terrible accident and that bridge will fall into the river.

**Representative Skarphol**: You've put all the warning devices and there's flashers that go off. Can't you put arms that go down across the bridge?

**Grant Levi**: We've talked about different options and we've noticed what's happening lately is that things that are tied down are coming loose and hitting the bridge.

**Representative Kempenich**: The Mobridge bridge has heavy chains before you get on the bridge.

Grant Levi: We know it's a concern and we will continue to discuss options.



Vice Chairman Brandenburg: Recessed the discussion.





# 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division

Medora Room, State Capitol

HB1012 1/26/2015 Recording Job# 22516

□ Subcommittee □ Conference Committee

Committee Clerk Signature

#### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

See attachment A.

Vice Chairman Brandenburg: Reopened the discussion on HB1012.

Grant Levi: Continued with attachment A.

**Representative Skarphol**: Looking at your chart that orange line with the projected 100 rigs is probably in that 1,375 number. I'm wondering if you had any thoughts after the newspaper article about 50 rigs as to what that means to this chart. What would that do to your priority list as to the importance of projects across the entire state?

**Grant Levi**: We have thought about what 50 rigs would mean to the state. The change in traffic is dramatic once you get into those lower numbers of rigs. The resources we're asking for now is for the damage that's already done.

**Representative Skarphol**: Could you do three charts; one for the big 4 oil counties and what your projections would be in those 4 counties? What it would be for oil counties in general and what would it be for the balance of the state in nonoil counties; what that projection would look like for those 3 areas.

**Grant Levi**: On state roadways only we could give you some indication by region of how our pavements are performing.

Representative Skarphol: That's exactly what I'm asking for is state roads only.

Grant Levi: We'll take a look and see how we can break our data into regions.

**Representative Kempenich**: How long would these last with the traffic we have if we didn't keep moving forward?

**Grant Levi**: One of the messages we try to convey is that we have roadways that we're very concerned about. Highways 2 and 23 have exceeded their pavement life and we're going to start to see impacts to the traveling public. Senate appropriations took the \$450 million that was in SB2126; they moved \$300 million into SB2103. If SB2126 survives, it will only contain components that they didn't transfer over.

Representative Kempenich: I don't think we can miss a year.

Representative Vigesaa: The STIP program is a four year plan?

Grant Levi: Yes.

**Representative Vigesaa**: There may be some adjustments in the priority levels of the different projects that are on STIP. How is that process evaluated as to which projects move forward?

**Grant Levi**: We made some assumptions that we would have state resources available to us. We listed those projects as other funds other than federal. If there aren't sufficient state resources available we have projects that we had planned on doing that we're going to have to reprioritize against what's out east. We moved the federal dollars central and east.

**Vice Chairman Brandenburg**: There are people that represent oil and people who represent non-oil; and we're trying to find that balance of what's fair across the state.

Representative Kempenich: The big issue is that we can reassess but we can't just quit.

**Grant Levi**: We believe what we presented in HB1012 represents the balance for the state highway system.

Grant Levi referenced attachment A from testimony given on January 13, 2015.

**Representative Skarphol**: Highway 2 east of Stanley, what would be your fix for this road? Would it be similar to what you did to highway 2 west of Ray; would you overlay it with concrete?

Grant Levi: I believe there we are doing a concrete inlay; it would be a similar fix.

Vice Chairman Brandenburg: I appreciate your comments.

**Grant Levi**: What I shared with the Senate Appropriations committee is that most people measure a pavements performance by how it rides. That's not the way we look at it.

Grant Levi continued with attachment A.

Representative Glassheim: Is this all in the oil producing counties or is this statewide?

**Grant Levi**: That's the \$1.35 billion which is in our western regions; this includes the Minot, Dickinson and Williston areas. The federal dollars we would have spent here will be moved to other parts of the state.

**Representative Glassheim**: Roughly how much are the federal dollars that you're anticipating?

Grant Levi: Page 34 shows how we would break it out.

**Representative Glassheim**: Should it be less than the \$1.3 billion; you would need to consider redistributing the federal funds.

Grant Levi: That's correct.

Vice Chairman Brandenburg:

Grant Levi: You're correct

**Vice Chairman Brandenburg**: We're looking at \$1.136 billion; that's a SURGE funding bill and that would be the total at this point.

**Grant Levi**: You're correct. SB2103 would total that \$300 million; which would be for state highway work. If that change were to occur the \$1.3 billion drops \$150 million.

**Vice Chairman Brandenburg**: What happened in the SURGE funding is that they took \$150 million out of the state road funding and reduced it from \$450 million to \$300 million.

**Grant Levi**: SB2103 never had any state resources in it for state highway work. It was in SB2126; that's where the \$450 million was contained. My understanding with SB2126 is that they will take all roadway funding out of it; and they put \$300 million into SB2103. That would be the state resources of that entire package.

Vice Chairman Brandenburg: The \$300 million is statewide; or is that just oil?

**Grant Levi**: That would be for roadway work for the enhanced state highway investments which we had considered spending out in the west region.

**Vice Chairman Brandenburg**: Out of the \$1.136 billion; there's \$160 million going to nonoil and then the rest is going to the hub cities and counties.

**Representative Skarphol**: On page 38 of your previous testimony you give us how you're going to spend the money in western North Dakota; and on page 34 you give us a dollar amount of what you're going to do in the central and eastern regions. You don't give us a comparable delineation. You give us a delineation of all the various projects on page 37; but you don't break it out the same way on page 38. Can you do that for us?

Grant Levi: Yes.



Representative Skarphol: Give me a number of your anticipated federal dollars may be.

**Grant Levi**: We anticipate \$240 million for this year in federal highway funds; and there's also some carry over of federal funds. To date we've received about \$147 million.

**Representative Skarphol**: So what are you anticipating the total federal dollars you're going to have available to carry forward?

Grant Levi: Referenced charts from previous testimony.

Representative Skarphol: So the carry forward amounts to roughly \$300 million?

Grant Levi: I was speaking in terms of annual when I said \$240 million.

**Vice Chairman Brandenburg**: We're at \$65 million less in federal dollars; I think this is emergency money.

Grant Levi: On the second page of the green sheet is the change in federal funds.

**Representative Skarphol**: If you would go to page 38 on your previous testimony; the last item \$465 million for enhanced load carrying and road capacity. That's to do highway 85; correct?

**Grant Levi**: No. That also includes some widening work that we have to do on highway 23; we have a little bit of an overlap. That also includes pavement restoration to it.

Grant Levi continued with his testimony.

**Representative Skarphol**: You're saying 61.5% of the money that needs to be spent should go into the nonoil producing counties. Is your budget and your work anticipated to be close to that distribution?

**Grant Levi**: I'll share with you what we had budgeted in a minute. This is Upper Great Plains work.

**Representative Skarphol**: This distribution from Upper Grant Plains; is it based on what you perceive to be the right priorities? How do we balance this? Is this a balanced number as far as traffic counts and all of those indicators you talked about?

**Grant Levi**: When Upper Great Plains Traffic Institute did this study they took the traffic model that they had built for the state highway system and local county roadways. What they attempted to do is come up with the dollar amounts needed in each of these counties based on maintain the level of service that the public in those areas would expect.

**Representative Skarphol**: I would like to have legislative council do an analysis to see whether or not the way the money is being distributed approaches this.

Chris Kadrmas, Fiscal Analyst, ND Legislative Council: Yes.

**Representative Skarphol**: I don't think as a western legislature that our needs are any more important than anyone elses.

**Vice Chairman Brandenburg**: You're looking at the state roads and this is a study about the county roads.

**Representative Kempenich**: One of the bad things on our side of the state is time.

**Representative Skarphol**: If we were to appropriate the dollars being discussed; could the workload be handled in a fashion that's appropriate?

**Grant Levi**: When the DOT put together its budget, we took into consideration not only the need; but also the ability to deliver. The states need study was over \$3.5 billion; we requested through this budget for state roadways \$1.87 billion. We're not asking for the entire need.

**Representative Skarphol**: We've had some conversations about inadequate contractors. Have they gotten cleaned out of the process?

**Grant Levi**: When we have a contractor that doesn't perform, we take them off our bidding list.

**Representative Boehning:** The more work you have the more you have to spend; the more the price goes up. If we had less dollars would we have more competition for those dollars?

**Grant Levi**: I agree that huge expenditures could create an environment where there's less competition, we have not seen that. We think the prices will level off.

**Representative Boehning**: It seems that everyone in the country knows that we have a surplus and they raise the prices up. Are you seeing a lot of cost overruns?

**Grant Levi**: There are two parts to that and I would agree with you if the competition isn't there it will drive the prices up. I believe we still have good competition. With respect to cost overruns; I can't see any difference between the east and west part of the state.

**Representative Glassheim**: This chart on page 3 of your current testimony; that's needs in counties. How does that show up in any of the budgets? Where do these county needs get funded from? How does this relate to what we're appropriating?

Grant Levi: I'll be getting to that.

**Representative Skarphol**: If legislative council in that document; for the numbers for the oil producing counties, I would assume a substantial amount of that will come out of the dollars that they receive from their oil formula distribution. Are the bids higher themselves in the west than they are in the east by comparison?

**Grant Levi**: Yes, there has been a difference. We can bring a chart to show what the differences have been.

**Representative Skarphol**: After the 2011 session I was concerned with the same thing that Representative Boehning is.

**Grant Levi**: To reconstruct a piece of concrete pavement; we estimate in the east and central part of the state about \$1.8 million dollars/mile. In the western part of the state; we're estimating about \$2.1 million/mile. It is possible that looking to the future that these numbers may change. We're estimating \$136.6 million that will come in and that goes to all of the counties; \$45.5 million would be in the western region and \$29.1 million in the central and east regions for county work.

**Vice Chairman Brandenburg**: In SB2126 there's \$100 million going to the nonoil; I believe \$20 million was going to the townships. That was on a direct payment per township. There's 1,,404 nonoil townships so each one was going to get a base of that \$20 million.

**Grant Levi**: The distribution that was contained in SB2126 was a direct allocation to townships in the nonoil producing counties. In that bill it was defined that there were 17 oil producing counties.

**Vice Chairman Brandenburg**: That brings up another point about the Bakken boundary in the SURGE bill. Those people are really going to be getting a portion of the nonoil distribution as well as the Bakken boundary distribution; that's about \$21 million.

**Grant Levi**: It's important to note that there was a significant impact in the oil producing counties.

Vice Chairman Brandenburg: The roads are falling apart in the non-oil counties also.

Representative Boehning: What is the definition of an oil county?

**Representative Kempenich**: What the definition is this session is one producing over \$5 million of oil. There are 17 counties that are producing revenue generating oil; but they're falling under the \$5 million.

Representative Boehning: The \$5 million; is that tax revenue or is that the product?

Representative Kempenich: That's product.

**Representative Boehning**: Can council get us some information on that? We may have to put that in the bill somewhere. I think we're going to have to set up the number we're going to use as a committee.

Grant Levi continued with his testimony.

Representative Kempenich: What type of experience are you finding?

**Grant Levi**: It's been a challenge as we're not finding the same experience we used to find.

**Representative Vigesaa**: We're hearing about potential layoffs in the oil patch. Have you had any indication that it might be the case?

Grant Levi: I can't say we've seen any indication of that occurring.

Grant Levi continued with his testimony.

Representative Hogan: Do you have retention problems in other parts of the state?

**Grant Levi**: We've had some challenges in driver's license and motor vehicle in Bismarck and on occasion we have challenges in other parts of the state as well.

Representative Hogan: It's not as severe.

Grant Levi: Yes.

Representative Hogan: In all areas?

Grant Levi: While we bring people on board; we're having trouble retaining them.

**Representative Boehning**: On the rent assistance; at what level would the rent assistance go off?

**Grant Levi**: We do the rental survey that OMB uses. We get an average of rental costs on a statewide basis.

Representative Boehning: There's a lot of difference in rent; how do you differentiate?

**Grant Levi**: We understand that; so we approve each one on an individual basis. We ask the individual for a list of rents they have found for that type of facility. We're watching that very closely.

**Representative Boehning**: There are a lot of apartments advertising in Minot because they're not able to fill everything. How often do you take a look at those numbers to see if the rent is coming down?

**Grant Levi**: There's two parts to it; we do the survey every year. The other part is the way the legislature set up this program for rental assistance; it goes through your emergency commission every 6 months and your budget section every 6 months and then we're given an allocation.

**Representative Glassheim**: Are these salaries general across the state? Can they not reprogram what a salary would be for these items?

**Grant Levi**: The human resource services in OMB set those salary ranges based on the information they receive from salary surveys which are discussed with the legislative body. We have made some adjustments; but another thing that limits us is our salary budget and what our appropriation is.

Grant Levi continued with his testimony.

**Vice Chairman Brandenburg**: I noticed that some sections of road are noisy and some sections are smooth. What happens there?

**Grant Levi**: We've put "tiny" in roads and it's called longitudinal "tiny" so that you don't get that harmonic motion.

**Representative Boehning**: Do we have any test spots in the state? There's a test spot in St. Cloud Minnesota; do you work with them to get any information on different products?

**Grant Levi**: Yes; but not to that extent. We are part of an association called AASHTRO American Association of State Highway Transportation Officials and we also work very closely with federal government and provide a portion of our federal resources for research. There were some sections put into place on Interstate 94 just outside of Casselton and it's monitored nationally.

**Representative Boehning**: Have you noticed with the newer products that we're getting better roadways?

**Grant Levi**: I've had the opportunity for the last 6 years to chair the national committee on materials. Through AASHTRO they establish the material standards and are constantly looking for different products to use. Yes, we've seen changes.

Vice Chairman Brandenburg: Recessed the hearing.

## 2015 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Government Operations Division

Medora Room, State Capitol

HB1012 January 26, 2015 Recording Job# 22562

□ Subcommittee □ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

See attachment A & B.

Vice Chairman Brandenburg: Reopened the discussion on HB1012.

Grant Levi: Continued with attachment A.

**Vice Chairman Brandenburg**: Are there different amounts going to different ones. Is there an application they submit? How does it work.

**Grant Levi**: That's correct. There are certain programs we administer through NETSA safety funds. An entity can apply and ask for those funds and we can grant them to them.

**Representative Hogan**: Is NETSA a stable funding source? Do you get about the same amount every year? What's the anticipated future of this funding?

Grant Levi: Historically, it has been a stable funding source.

Representative Hogan: So it is stable?

**Grant Levi**: It has been. NETSA faces some of the same challenges we face with the rest of our federal funding. We're anticipating \$9.5 million in safety funds vs \$9.3 million that we received in the present biennium.

Representative Skarphol: Are they grants that typically require a match?

Grant Levi: It's basically a grant through them.

Representative Skarphol: Do they require a match?

Grant Levi: No.

**Representative Skarphol**: Do you turn down grants or do you typically have a timeframe in which the grants need to be in and then you can decide how you're going to disburse the funds?

**Grant Levi**: We receive a source of money from NETSA that's available for safety behavioral programs. We make those resources available to other entities through a contract period of time.

**Representative Skarphol**: There are 54 or 55 entities on here; how do you decide who gets what? Do some entities not apply?

**Grant Levi**: Some entities just don't express an interest in that particular program and some entities their past performance hasn't been such that we feel it's the best investment.

Grant Levi continued with attachment A.

**Representative Hogan**: So I have an accident that doesn't result in a citation. Will my information end up in CGIS also?

**Grant Levi**: If it's a crash and doesn't result in any need for it to go back to law enforcement; it goes into the crash side of things. It drops down into the database where we have safety and crashes. Ultimately, it will get into CGIS as well.

Representative Hogan: It will get into CGIS?

Grant Levi: It will get CGIS as well.

Representative Skarphol: Does the insurance industry have access to this information?

**Grant Levi**: The insurance industry does inquiries of us of driver's license records and gets information. They can also get access to crash reports. Last session there were some changes made in law to limit what's put on those crash reports as they go out.

**Representative Skarphol**: The whole "black box" issue in automobiles; does that in any way enter into any of the records that you have within DOT or the criminal justice system?

**Grant Levi**: The DOT doesn't have access to the "black box" in vehicles. I don't know if law enforcement has access to that.

Grant Levi continued with attachment A.

**Representative Skarphol**: With regard to driver's license testing. Where are you at for the individual who wants to get a license? What's the status of that particular issue?



**Grant Levi**: That discussion occurred two sessions ago where we discussed closing branch offices, reducing services; the outcome of that conversation was that there's very little change. We do occasionally reallocate resources based on the amount of transactions. We haven't made any modifications with respect to closing any branches.



**Representative Skarphol**: With regard to out of state people coming in and getting a North Dakota license. What's the trend been on that?

**Grant Levi**: We shared earlier in our testimony that our transactions in driver's license have risen considerably. Our motor vehicle transactions have also gone up considerably.

**Representative Hogan**: I'm surprised that the offices issuing titles; the Jamestown, Williston and Minot offices aren't on that list.

**Grant Levi**: Bismarck is the location that's staffed by DOT. Our branch offices are private businesses. Based on the staffing they're able to hire; we make some decisions on the level of transactions we would like them to. Their fees are based on collections.

**Representative Hogan**: In Williston, Minot and Jamestown you just don't have anyone interested in doing this work?

Grant Levi: It's not an interest or where we're not quite comfortable.

**Vice Chairman Brandenburg**: In 20 years, I've seen probably 20 different people at the podium in Jamestown.

**Grant Levi**: There are people that have been there and understand the process in the system. These are the ones that will physically get you a document that day that are on this list.

**Representative Kempenich**: In Bowman do they do it electronically? How does that process work? Do they have to physically mail up the paper or can they do it electronically?

**Grant Levi**: They're on the same system that we are; but, there is mail sent in to us where we deal with some of those transactions.

Grant Levi continued with attachment A.

**Vice Chairman Brandenburg**: Do you have to fill out the history of your whole life so you can get an online renewal?

**Grant Levi**: The online renewal system is pretty simple to use. I'm surprised at times that it isn't used more often.

Grant Levi continued with attachment A.

**Vice Chairman Brandenburg**: They come here for 8 months; and I don't know if I need a CDL. If we could go to 8 months instead of 6 months, it would cover them.

Levi Grant: The North Dakota state statute that I referenced is consistent with the requirements that exist in federal law.

**Vice Chairman Brandenburg**: So all they really need is a regular driver's license if they're doing farm work and they stay within 150 miles of the farm; then they can get up to a year.

Levi Grant: They can get for the extent of their visa.

**Vice Chairman Brandenburg**: So they take up their visa and get a regular driver's license and don't worry about the CDL; because farm workers are exempt from that? They should be covered?

**Levi Grant**: There's another bill we introduced because of federal requirements. That if you're a farmer that also runs a commercial operation, it's still true what you said; but there may be some additional documentation needed. That's basically because of changes in federal laws. That documentation you may need is a letter indicating that they're driving for farming purposes.

**Representative Kempenich**: You need a medical over 150; but the way our law reads if you're in the state boundaries doing agriculture work, really it's treated like another vehicle. You're insurance company is going limit you more than what the DOT is going to.

**Representative Hogan**: Do you know how many temporary licenses were issued last year to people who are foreign?

Grant Levi: No.

**Representative Hogan**: It would be interesting to see if those numbers have changed over the years.

Grant Levi: We'll gather that information.

Grant Levi continued with attachment A.

**Representative Skarphol**: As long as you're getting numbers on the temporary licenses, why don't you see if you can get a number for this category as well as the permanent.

Grant Levi: Ok.

Grant Levi continued with attachment A.

**Representative Skarphol**: How about electric vehicles? How do they pay for wear and tear on the roads?

**Grant Levi**: That's a nationwide problem, there is no taxation associated with that for user fees for highway.

Representative Skarphol: Is there any discussion about what the best practice to it?

**Grant Levi**: Yes. There are some studies occurring looking at vehicle miles traveled as a basis for collecting user fees. There's some work occurring out in the western part of the



state led by Oregon and Washington. We probably will join that coalition just to gather data on how it's done. There have been pilot projects that have been completed.

Representative Skarphol: Is there any legislation pending with regard to it?

**Grant Levi**: There is a bill that was introduced to charge flat fees to electric vehicles and that would go into the highway tax distribution fund.

**Representative Skarphol**: Jack Olson claimed that one 18-wheeler did the same amount of damage to a highway as 25,000 cars. Is that still considered a valid statistic.

Grant Levi: That relationship seems appropriate. We can verify that for you.

**Representative Skarphol**: I asked Brady Larson to do a comparison based on taxes on diesel trucks vs cars. Could you see if you could find that and bring it down to the committee?

Grant Levi continued with attachment A.

Vice Chairman Brandenburg: Is this an additional \$75 million for highway 85?



**Grant Levi**: This is a bill that's introduced this session. It's a bill that came out of an interim committee; and it would take out of the oil/gas production fund, place it into the highway fund and it would be available for us to spend on energy corridors impacted by energy development. It places a priority on highway 85; but doesn't tell our agency we'd have to spend it on highway 85.

Vice Chairman Brandenburg: It could relate to the Bakken boundary and the Bakken.

**Grant Levi**: The bill itself doesn't describe what energy impact it would be. How we would do that would have to be a decision based on some type of logic. The bill doesn't give us appropriation authority. It would place the money there and we'd have to seek the appropriations authority if it were to pass.

**Chris Kadrmas, Fiscal Analyst, ND Legislative Council**: HB1334 applies \$200 for every electric vehicle that's registered.

Grant Levi continued with attachment A.

Vice Chairman Brandenburg: So it adds another \$6.3 million to the \$6.10 million?

Grant Levi: In this instance it would be \$620.7 million.

Representative Hogan: Where are the non-criminal traffic fees going currently?

Grant Levi: Common schools trust fund.

Grant Levi continued with attachment A.



**Vice Chairman Brandenburg**: Where are we going to be at with the way the production is going? Are we going to be 9 or 10 counties? You also listed it based on needs; which is good for the oil people. But when you get to the nonoil, not all the people are fully engaged in the study. On the needs study for oil counties, they're going to end up with \$531,000.00; and if you go with mileage based it's \$2.3 million. Last session the counties were paid on mileage based. That's a discussion we have to have for the nonoil part of this decision.

**Grant Levi**: The bill itself indicates the distributions among eligible counties and must be based on the miles of roads defined by the department of transportation as county major collectors.

**Vice Chairman Brandenburg**: LaMoure and Dickey county did fairly well but over in McIntosh and Logan they didn't.

**Representative Skarphol**: Didn't Upper Great Plains press all the counties to provide them with credible information? Did they not go out and test the roads? They tested the roads only in oil counties?

**Grant Levi**: That's how my memory serves me as well. They didn't cover the entire state. They did press the counties for information.

**Representative Skarphol**: What would it take to have the same type of information statewide that we've done just in the oil counties so far?

**Grant Levi**: We could go back and figure an estimate out for you on how to spread that across the state. As the legislative body continues to use the needs study in its decision making process, it's getting easier to make sure everyone is engaged.

Representative Skarphol: How many counties do not have a county engineer?

**Grant Levi**: I will say we have many counties that do not have a county engineer that's on their staff. We will get that information for you.

**Representative Skarphol**: The contract people that they're utilizing are professional engineers that you would respect that they do but not all of them even do that.

**Grant Levi**: That's correct. There are some that don't even do that. They use consultant engineers to do their projects; but not their planning.

Grant Levi discussed HB1324.

Representative Kempenich: Has that been heard?

**Grant Levi**: Yes. It was held before the House transportation committee and I don't believe their voting has been officially recorded yet.

Grant Levi discussed SB2148.

Grant Levi discussed SB2175.

Vice Chairman Brandenburg: It would be just another box then?

Grant Levi: On our revenue charts we would show that resources would come out.

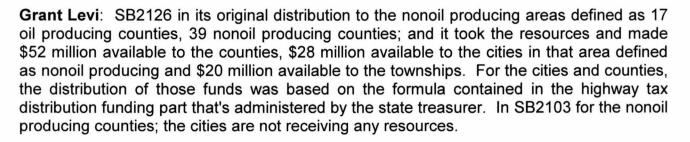
Vice Chairman Brandenburg: Like the highway patrol?

Grant Levi: Yes.

Grant Levi discussed SB2263 and SB2293.

Grant Levi discussed SB2103 and SB2126 and attachment A.

**Vice Chairman Brandenburg**: There was \$20 million for the townships and that went out in a direct appropriation in the executive recommendation; and the \$19.2 million in SB2103 goes out on a percentage basis or needs basis?



**Representative Kempenich**: It's my understanding that SB2126 has components left also?

Grant Levi: There was conversation at the committee to do that.

**Representative Kempenich**: They took the \$450 million and reduced it to \$300 million; and on the city's part did they leave that?

**Vice Chairman Brandenburg**: There's no money for oil producing townships and for the nonoil cities there's no money for that. Those are the 2 components that I see are going to need some discussion.

Grant Levi: We believe we're going to need \$450 million rather than \$300 million.

Representative Skarphol: Are the counties bidding?

Grant Levi: I mean work is not going out anywhere.

Grant Levi continued with attachment A.

Grant Levi discussed attachment B.

**Representative Hogan**: Do you think in this law you should identify current private branch offices so it's clearer in law?

**Grant Levi**: That's a good point if it's unclear, then we need to look at making some adjustments to it.

**Representative Skarphol**: What's the deal with the county treasurer? How are they treated differently than the private vendor? Do they bid or are you able to just contract with them?

**Grant Levi**: The state procurement laws allow us to enter into agreements with other public entities without going through a formal process. So we establish those other branch offices by sitting down with another governmental entity.

**Representative Skarphol**: Does the compensation that they receive compare with what the private sector receives? Is it consistent between all public sector entities and all private sector entities; or are there varying deals made based on location?

**Grant Levi**: The compensation that a branch office receives is based on the ranges that we've established and follow the state law which states the maximum fee is \$10.00. We've established through administrative rules a schedule for the type of transaction with the range. Not even all private sector branch offices charge the same. We are also providing supplemental assistance above the fees collected to the Williston branch office and to the Dickinson branch office in a smaller way. That's based on changes we made last legislative session to this law.

**Representative Skarphol**: Have you had a couple of people interested in doing it; wouldn't there be an advantage to having one located in the southern part of town and one in the northern part of town?

**Grant Levi**: If two private entities are willing to do it, we would visit with them to talk about what their service plan would be, how they would provide service, what their qualifications may be.

**Representative Boehning**: With the Wahpeton office that changed ownership from the previous vendor and how did you go about getting the new person.

**Grant Levi**: You're correct. We had some challenges with the vendor in Wahpeton; we severed our agreement with them. We reached out to the community to see if there was anyone interested in supplying these serves.

**Representative Boehning**: How many employees are in the private sector that are doing this?

**Grant Levi**: Mark is sharing with me 80. We have no interest to have state employees go into these areas.

**Representative Glassheim**: I understand in some cases people aren't competing for this service. It does bother me to not have some sort of RFP; because there's always the danger of political favoritism.

**Grant Levi**: I appreciate those concerns. I will state that since I have been involved in this process, it's usually been the situation where we've just gone out and tried to find someone to do it.

**Representative Boehning**: One of the concerns I would have is that this would be setting a precedence with this.

**Grant Levi**: I understand that concern. I would suggest to you that there are already other sections of law that don't require the following of the procurement process.

**Representative Kempenich**: For the most part you have it fairly narrow with what you're trying to do. I think it's fairly focused.

**Grant Levi**: We would have those conversations. We would need about 5 years and let us work through that whole process.

Representative Kempenich: It also gives you control if someone isn't working out.

Grant Levi: That's correct.

**Representative Skarphol**: Understanding the discomfort that people have with a noncompetitive bid process, but may be 5 years from some attempt should be made to see whether there has been interest generated by other people doing this in these communities.

**Grant Levi**: If we were to add something that states one year prior to the end of that current branch office, we would reach out and see if there is some interest.

**Representative Skarphol**: Yes. I think that would give them a better level of comfort to everyone involved in this discussion.

Grant Levi: That was our intent; but, I understand your concerns.

**Representative Vigesaa**: Do the counties know that this is something they can do at that level?

**Grant Levi**: We on occasion have counties come to us and where it's practical we do work with them.

**Representative Vigesaa**: We've had the conversation of dealerships issuing plates and tabs. Is there anymore conversation about that with the dealerships?

**Grant Levi**: There were some conversations earlier; but recently we have not had that discussion. There may be dealerships that are willing to do this.

**Representative Vigesaa**: As a franchise auto dealer; all franchise dealers would do it or not.

Grant Levi: It becomes one of those discussions that I've been involved in.

**Representative Kempenich**: The cost would be more the training of the people or do they have to license software through the DOT?

**Grant Levi**: I would say it's the people that are there. It's also the time it takes to make corrections when something occurs.

**Representative Kempenich**: Can you put together sources of funding and how this is going to play out with next biennium's funding?

Grant Levi referenced page 34 of his original testimony.

Representative Hogan: Can you tell us the source of those funds also?

Grant Levi: By the end of this week we should know where SB2126 sits also.

**Representative Boehning**: On that graph you showed us is that all state money or is that state and federal money in that graph?

**Grant Levi**: That includes all sources that come through the department of transportation. We'll also include other resources that wouldn't come the department of transportation just to show transportation investments. It includes state and federal.

**Representative Skarphol**: When you say wouldn't come through the DOT. Can you give us an example?

Grant Levi: SB2103 is a direct allocation to counties.

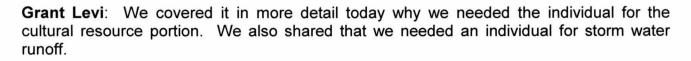
Representative Skarphol: Can you put that on a separate line?

Grant Levi: That will be our intent.

Vice Chairman Brandenburg: HB1176 will be in that discussion also.

Grant Levi: Yes.

**Vice Chairman Brandenburg**: I understand that you're asking for 2 FTE's; one is for an archaeologist and one is for endangered species. If you could bring some information on how this is impacted in situations in the state so we can understand why you really have a problem.



Vice Chairman Brandenburg: If you could bring some of the stories that have happened that would help.

Grant Levi: I will bring that as well.

**Representative Glassheim**: Maybe a bunch of it could be a letter to all of us and then you could come back.

**Representative Hogan**: I'd really like you to walk through the finance sheet as it's finalized.

**Representative Skarphol**: I think for purposes of making some decisions we need to know the cost of 4-laning highway 85 and the cost of the bypasses. We need to have this segregated so if there were some portion of it that we thought we might be willing to bond we would know the cost.

**Grant Levi**: I will share with you at that time the information that we can gather on our bonding capability.

**Representative Skarphol**: We also asked Karlene Fine to put together some numbers on bonding costs, etc. We'll get an opinion from her also about her capabilities as far as bonding.

**Vice Chairman Brandenburg**: Can you bring some information about what the cost was going to be last session for highway 85 and what you anticipate it costing now and what the impact is doing to the increased costs of that road.

**Grant Levi**: Your budgets have never been tied specifically to projects unless it's been bonded. The bonding did occur for US2 and Memorial Bridge; and they were combined in a bond so we're still paying for that through 2020. Last time we estimated the 4-laning work we're doing between Watford City and Williston would cost about \$300 million. Those resources get committed. That project will not be done in its entirety until sometime in 2016. We have a number of things that are occurring with the \$1.16 billion; we figure by the end of this biennium there would be about \$185 million left to spend out of that \$1.16 billion; but that's committed. We also need to hold back some resources to cover things. We had 44 cases that we're going to court on right-away acquisition. If we lost all those cases it would cost us another \$20 million.

**Representative Skarphol**: It's a little disturbing when we're talking about bonding when we haven't paid off the bond already and we're talking about having to repair and redo that road that we bonded.

Vice Chairman Brandenburg: Closed the discussion on HB1012.

## 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division

Medora Room, State Capitol

HB1012 2/2/2015 Recording Job# 22968

SubcommitteeConference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an ACT to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

See attachments A, B, C, D, H, I, J, K

Chairman Thoreson: Opened the discussion on HB1012.

Chris Kadrmas, Fiscal Analyst, ND Legislative Council: Explained attachment A.

Chairman Thoreson: Everything to the left of this line?

Chris Kadrmas: Right.

Chris Kadrmas continued with his presentation.

**Chairman Thoreson**: This is what we'll be using to work with on all of those going forward. Correct?

Chris Kadrmas: Correct.

**Chairman Thoreson**: Is the Senate using the same thing also for their amendment process?

Chris Kadrmas: That's correct.

Chris Kadrmas continued with his presentation.

**Chairman Thoreson**: The third page of the DOT green sheet looks the same as what we see on the left side here?

Chris Kadrmas: That's correct.

Grant Levi, Director, ND Department of Transportation: See attachment B and C.



**Vice Chairman Brandenburg**: In some of these communities there's only one person and they don't want to go through the procurement process; and at some point you won't have anyone that applies. Is that a fair statement?

Grant Levi: That's our concern.

Grant Levi continued with his presentation.

**Chairman Thoreson**: Why the removal at the top "subject to the approval of the governor"; what change does that make to the process?

**Grant Levi**: The governor has very little involvement in this process. We took it out to make it very clear that this is something the DOT works through.

**Vice Chairman Brandenburg**: You mentioned it could impact your budget. What does it take to do the procurement process?

**Grant Levi**: We do a request for proposal and that takes about 2 months to put it together. Then it will take another 2 to 3 months to select a vendor. Our concern is if the existing ones don't want to put an RFP in; there will be new businesses that will come forward and tell us what it's going to cost.

Grant Levi continued with his presentation.

**Representative Boehning**: In a situation where you have a county do it, if someone from that county wanted to do it would they have a chance to do it?

**Grant Levi**: Yes. If their offices would like to provide the services, we work with them to train their staff and put it into place.

**Representative Boehning**: Once the county has the contract, what are the chances that a private sector person would have the opportunity to bid on it?

Grant Levi: Once it's in a community and set up with a government entity; it would be slim.

Grant Levi continued with his presentation. See attachment C.

Vice Chairman Brandenburg: If you could explain the \$128 million on the base budget adjustment.

**Grant Levi**: Our base budget is built based on the revenue that we have available to us from the highway tax distribution fund and everything that comes into the highway fund including federal funding. The revenue coming in to us was \$128 million less.

**Vice Chairman Brandenburg**: I see \$76 million is federal money and special funds are \$51 million.

**Representative Kempenich**: Where does the one-time funding set at?



**Grant Levi**: Some of the one-time funding is a continuing appropriation into this upcoming biennium.

Representative Kempenich: Is that the \$128 million?

**Grant Levi**: That's the \$57 million. The other part is federal dollars. The highway tax distribution fund will continue to grow but its growth is at about 5.3%.

Grant Levi continued with his presentation.

**Representative Kempenich**: What have you spent this biennium out west as far as salaries and how does that relate to your whole organization?

**Grant Levi**: We're following state statute and it's administered through OMB; it's an add-on to their salary. It doesn't count towards their retirement and it doesn't become part of their base salary. The rent is a compensation for rent above what the statewide average is.

Representative Kempenich: Are you starting to see more interest in those areas?

**Grant Levi**: We're starting to see more interest. Part of the challenge is that people don't always come with the qualifications we're looking for.

**Representative Vigesaa**: The additional you're requesting for the impact; would that be for additional people to receive assistance or are there any people currently receiving assistance that you feel you need to pay some additional money to?

**Grant Levi**: The later. We believe out in Williston, unless things change drastically, we would need to pay more in order to bring people in and have them work for us.

**Representative Skarphol**: Is the \$7.5 million what you received out of the pool this biennium? Is it an increased number; and if it is an increased number, tell us how much?

**Grant Levi**: This biennium we're about \$3.8 million; so we're requesting \$7.5 million. We put our budget together when oil prices were still high and everything was in place.

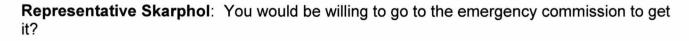
**Representative Skarphol**: You're anticipating that you're going to have add to what you people gave last time to retain them; as well as pay higher salaries in order to get people? Is that what you're suggesting?

**Grant Levi**: Yes. At the time we submitted our budget, that's where we anticipated being at. At this point, I don't know that there's anything that's changed.

**Representative Skarphol**: If a pool is created again like it was last time, you would like to have a dedicated amount of money within that pool that you would be eligible to receive?



Grant Levi: Yes. That's the way to OMB as they put it in their bill.



Grant Levi: Yes. If that's the only way the resources are going to be available.

Grant Levi continued with his presentation.

Vice Chairman Brandenburg: Where is that at?

**Grant Levi**: Highway 2 south of Crosby. Upper Great Plains indicated that we had about a \$3.5 billion need; our original budget would have covered about \$1.8 billion of that.

Representative Skarphol: Is it possible to get a map like this that shows truck counts?

Grant Levi: Yes.

Grant Levi continued with his presentation.

Vice Chairman Brandenburg: So it looks like about 40% for the east and 60% for the west?

**Grant Levi**: Yes. In the central and eastern part of the state, over the years we have made a greater investment; because most of our investments were geared around agriculture. That's why you see the difference today.

**Representative Skarphol**: The load carrying capacity in the east has been historically higher than in the west. Now you're doing make up?

Grant Levi: I agree with you.

**Representative Skarphol**: Next biennium do you expect that distribution between east and west to be more equal than it is in this biennium?

**Grant Levi**: A lot of that depends on the resources that become available to us. Over time, if we make the investments we're requesting, that will occur. There are some major projects that the public wants like 4-laning Highway 85.

**Representative Kempenich**: The \$572 million has traditionally been our highway money. Some of this is probably going to have to be on some type of trigger.

Grant Levi: You have some difficult challenges ahead of you.

**Representative Glassheim**: The \$150 million that the Senate took out of your budget, does that correspond to anything on these two pages that you can say you're going to have less to do because of that \$150 million?

**Grant Levi**: Yes. It would mean that somewhere in these two pages we'd have to take \$150 million out.



Representative Glassheim: It's not in one specific place? Is it up to your discretion?

**Grant Levi**: Up to this time you've allowed us to make that decision based on where we saw the greatest needs. Depending on what resources we end up with, we'll have to make a decision on how to balance.

**Representative Glassheim**: The Senate bill itself didn't say where that money would be lost from?

Grant Levi: That's correct.

Grant Levi continued with his presentation

Vice Chairman Brandenburg: How many years do we have left on the bond?

Grant Levi: The bond will go until 2020.

Grant Levi continued with his testimony.

Representative Skarphol: Why are you not supposed to call it "alligator cracking"?

Grant Levi: Most people don't connect with that term.

Grant Levi continued with his presentation.

**Representative Kempenich**: How long do those overlays last? I suppose it depends on the traffic?

Grant Levi: It depends on the traffic.

**Representative Kempenich**: If we repair it fast enough is it still a better way of doing things?

**Grant Levi**: Each roadway has its performance curve. If you look at where a roadway is in its performance and you can catch it early; depending on the damage, you can spend less and get better life out of it.

**Representative Kempenich**: Years ago \$10 million went a long way and we might have to get back to that kind of thinking.

Grant Levi: One of our biggest challenges is that there is uncertainty at every level.

Grant Levi continued with his presentation.



**Representative Skarphol**: Chris, can you check on whether or not the bonding limitations that Karlene Fine talked about with regard to the constitutional limitations we have apply if we use GARVEE Bonds; or if GARVEE Bonds go over and above those limitations?

Chris Kadrmas: Nodded his head.

Grant Levi continued with his presentation.

**Representative Boehning**: Is there a difference with the soil types and load restrictions?

**Grant Levi**: Soil types affect the load carrying capacity. Each area has its unique soils and sometimes one isn't any better than the other.

Grant Levi continued with his presentation.

Representative Kempenich: Has this been a recent development with EPA?

**Grant Levi**: I've had the chance to work on national committees for years and I would say it's been an emphasis area for some time.

Vice Chairman Brandenburg: What are you trying to do with these 2 positions?

**Grant Levi**: This individual would be focused on the field part so that these rules and regulations get implemented.

**Vice Chairman Brandenburg**: So what you trying to do is provide sound science to show that you are doing the right thing and present your case in a manner to show you've done the proper things?

**Grant Levi**: That's a fair assessment. We're developing guidelines that are part of developing certain types of projects; and this position will help develop them. In addition to that this position will help out in the field to make sure they're implemented appropriately.

Grant Levi continued with his presentation.

**Vice Chairman Brandenburg**: I understand that there's \$1 million left. What budget is it in?

Grant Levi: We're asking for it here.

**Representative Kempenich**: That's basically the grey hound type of bus? Did we have to put their university logo on them also?

Grant Levi: Yes.

Representative Kempenich: They didn't use them?

**Grant Levi**: Not at the rate that was necessary in order to pay for the cost associated with them.

Vice Chairman Brandenburg: Are these buses just sitting right now? Are they running?

**Grant Levi**: We sold the buses. After we decided the relationship was no longer working, we sold the buses and after the sale this is what was left.

**Representative Skarphol**: Who did you sell the buses to with the UND logo? Did the institutions buy the buses?

**Grant Levi**: In some instances that occurred. For example, Williston State College purchased their bus.

Representative Skarphol: Can you provide us a list of who purchased the buses?

Grant Levi: We'll get that list to you.

**Representative Skarphol**: Sold at auction or not we'd like to know who purchased them. If UND purchased it at auction, that's interesting as well.

Grant Levi: I don't believe UND purchased it at auction.

**Representative Glassheim**: What were the terms of the contract? There must have been some terms by which they owed so much per month; and if they didn't pay it, they should. That should appear as a line item in their current budget.

**Grant Levi**: The relationships that we establish with all fleet users are basically outlined in law. If they approach us and they want to have a group established, we'll work with them. Our view of state is that they are supposed to use that vehicle and they'll be charged the rate of whatever it costs for its use.

**Representative Skarphol**: What did they utilize in lieu of utilizing the buses? Did they buy some buses? Did the foundation buy them a bus to use?

**Grant Levi**: In some instances they probably went to a private vendor for some. In some instances, the way they operated changed. These motor coaches were used to transport their sports teams.

Representative Skarphol: I'm going to make assumptions that they moved to planes.

Grant Levi: We'll get you more detail.

Representative Kempenich: Where are you at with state fuel contracts?

Grant Levi: We'll get that for you.

Representative Kempenich: Can you bring a breakdown of your fleet services?

Grant Levi: If we break it out by group that would be ok?

Representative Kempenich: And your fuel contract.



Grant Levi: We'll bring that back.

Grant Levi continued with his presentation.

**Chris Kadrmas**: I have an answer to GARVEE Bonds and if they fall under the constitutional limit. They do not fall under the constitutional limit; they're considered an appropriations bond and the limit applies to general obligation bonds.

**Representative Skarphol**: Mr. Levi said he did have a comment he'd like to make about GARVEE Bonds.

Grant Levi continued with his presentation. See attachment H.

**Representative Skarphol**: Who would be the person to negotiate the GARVEE Bond? Would that still be Karlene Fine with the industrial commission or would it be someone within your department?

**Grant Levi**: The last time these were issued the DOT took the lead with Karlene Fine holding our hand.

**Representative Skarphol**: I would ask that you approach that entity to see what the status would be from their perspective and the potential interest rates.

**Representative Kempenich**: It brings up a broader issue of bonding in general; or bonding against cash. We were advised not to invest in ourselves with the legacy money and it's invested elsewhere now.

Grant Levi: We will try to gather some information.

**Representative Skarphol**: Can you give us an estimate of what it would have cost last year to do highway 2 in comparison to what was invested with the bonding?

Grant Levi: We can figure out what those projects would have cost us in today's costs.

Grant Levi continued with his presentation. See attachment B.

Representative Kempenich: What kind of a time frame are you looking at?

**Grant Levi**: Everything on this list, other than the Grant Marsh bridge replacement, others have an interest to have these done quickly.

Representative Skarphol: I'm having a little difficulty with the smaller numbers in the column. Can you help me understand them? Do you pay that interest semi-annually?



**Shannon Sauer, Financial Management Director, ND Department of Transportation**: We pay interest twice a year and principle once a year. That annual debt service figure is a combination of one principle payment and two interest payments.

**Representative Skarphol**: So the \$5,186,500.00 includes another payment of \$126,500.00. Is that a correct way of looking at it?

Shannon Sauer: That's correct.

**Representative Skarphol**: So the actual principle payment on 06/2020 would be \$5,060,000.00?

Shannon Sauer: That's correct.

Grant Levi continued with his presentation. See attachment B.

Vice Chairman Brandenburg: How do you get \$1.6 billion?

Grant Levi: I'll back up.

**Representative Skarphol**: Am I correct in assuming that the state west region is pretty much all state funds; and the state central and east regions are all federal funds?

Grant Levi: Yes. The only thing I would add to that is it's federal plus state match.

Representative Skarphol: The \$449,000.00?

Grant Levi: Yes.

Representative Skarphol: What's the percentage of match required?

Grant Levi: The percentage is 20% for a federal aid project.

Grant Levi continued with his presentation.

**Representative Skarphol**: The \$853 million was the number that would have been in the governor's budget typically?

Grant Levi: Yes.

Vice Chairman Brandenburg: We're you figuring \$72.00/barrel?

Grant Levi: The governor's budget had a range that they were depicting throughout.

Grant Levi continued with his presentation.

**Vice Chairman Brandenburg**: The \$344 million is what Representative Kempenich came up with on that.

**Grant Levi**: The \$344 million is what the counties would make available to transportation if HB1176 passed.



Grant Levi continued with his presentation.

**Vice Chairman Brandenburg**: If I'm looking at this right we have \$17 million for the nonoil townships in HB1176 and \$17 million for the oil townships. Is that correct?

Grant Levi: Yes.

Grant Levi continued with his presentation.

**Representative Skarphol**: There was no way you could come up with a number for cities as to how they would potentially utilize that \$376 million?

**Grant Levi**: We do have some information from 3 of the cities; we don't have anything from the rest that we've gathered. That information showed that a lot of it would be used for water and sewer type projects.

**Representative Skarphol**: Aren't the cities eligible for some federal funding that they utilize for the main routes?

**Grant Levi**: Yes. That's what is depicted in HB1012. The 12 major cities receive a portion of the federal resources that DOT gets; it's a little over 16% of the federal dollars. It's used on their federal aid eligible routes; the match for that is 20%.

Representative Skarphol: There's another term used for referencing those routes.

**Grant Levi**: There's two terms that we use. One of them is urban regional system and local roads urban routes.

**Representative Skarphol**: So if we wish to give the cities some dollars and we wanted to ensure that they didn't use them on the federally eligible routes, how would we state that? Would we just state that the money is not to be used on those routes that have federal eligibility?

Grant Levi: Yes.

**Representative Skarphol**: So any city that has a population of 5,000 or more according to the last census is eligible for some federal funding potentially?

Grant Levi: That's correct.

Grant Levi continued with his presentation.

**Vice Chairman Brandenburg**: What we have looking at the counties is \$140 million in SB2103 for nonoil and \$376 million for the cities and for oil producing counties it is \$300 million and townships is \$19.2 million. In HB1176 we have a total of \$34.5 million for the townships but half goes to oil and half goes to nonoil, cities are \$125 million and \$344 million for the counties. There's \$125 million to the counties also.

**Grant Levi**: That would be how we would view those expenditures based on the assumptions that we made on the bottom right hand corner.

Grant Levi continued with his presentation.

Vice Chairman Brandenburg: You're missing \$150 million.

Grant Levi: That's correct.

**Representative Glassheim**: When I total HB1012 I get \$1.58 billion. When I total HB2103 I get \$1.13 billion. I get a deficit of \$450 million between those two; not the \$150 million.

**Grant Levi**: The reference I was making was the references on the state highway system in those totals. If you look at SB2126 it also had \$300 million in it for oil cities. There are other differences between the bills that are there as well.

Representative Glassheim: I was looking at what's available for transportation needs.

**Representative Skarphol**: It's not an either/or between HB1012 and SB2103. We're going to do both; not one or the other. There's not a difference between the two it's a combination of the two to get the total that's under the total proposed funding.

Representative Glassheim: So you have \$2.6 billion to spend on transportation?

**Representative Skarphol**: The \$376 million for cities is the money we're talking about for Williston for \$80 million, Dickinson for \$50 million, Minot for \$40 million and Watford City for \$50 million; and then all the other smaller cities in the oil country that have money in the budget. Until we have an idea of what they spend on transportation costs, that number can be very deceptive being included in a transportation figure.

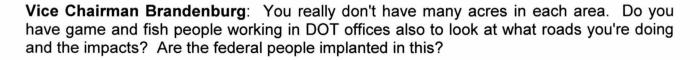
Grant Levi: We wanted to depict the fact that it was out there for discussion.

Grant Levi continued with his presentation. See attachments H and I.

Chairman Thoreson: What's a wetland bank site?

**Grant Levi**: We work with the outdoor resource agencies and we establish a site location. That site location cannot be an existing wetland. It has to be an area that we can restore and make it a wetland. Once we have that wetland established, we can start to get credit for it. A wetland site can have 33 credits associated with it. If we have a project that impacts a wetland within that area we jump into that bank and use one of those credits.

Grant Levi continued with his presentation.





**Grant Levi**: We have within our team people who are experts in identifying wetlands. We partner with North Dakota Game and Fish when wetlands are established and to help identify possible locations. In some instances, game and fish takes over the management.

Chairman Thoreson: Do you manage wetlands yourself?

Grant Levi: Through our relationship, game and fish handles the management.

**Representative Skarphol**: The acreages that you reference; is that acreages that exist already that you've reclaimed or is that potential acreage that you will restore in the event you need to?

**Grant Levi**: What we have and what we show is what we've restored. If you look at each of the areas there's a box that shows the available acres.

**Representative Skarphol**: So in the southwest where you show zero; are you negotiating with people? What's happening?

**Grant Levi**: A couple of years ago we had a site that we thought we could obtain. We made some offers on the site; but we never got it.

Representative Skarphol: What can we do to help you?

**Grant Levi**: We appreciate that offer. We have the tools to available to negotiate with land owners. The legislative body has already given that authority.

**Representative Skarphol**: How do you try to accomplish this? Do you advertise in papers that you're looking for acreage?

**Grant Levi**: We advertise in the papers that we're requesting and seeking to restore wetlands. We work with game and fish to see if they can identify any locations for us. We talk to our county partners who have the same needs, through the Corp and US fish and wildlife service.

**Representative Skarphol**: I understand that setting aside land isn't something we want to do. We can't donate from western ND and they can't donate it from eastern ND; as I'm understanding what you're telling us.

Grant Levi: That's correct. Another thing we're doing is mitigating on site.

Representative Boehning: Can rent or lease these wetland acreages?

**Grant Levi**: We were approached by our natural resource federal agencies indicating that they would be willing to allow us to mitigate if we were willing to give money to associations like Ducks Unlimited. We told our team we're not going there yet.

**Representative Boehning**: Are we able to buy wetlands and then lease them to the counties or the townships?

**Grant Levi**: We do that. The counties do take a portion of the bank. In the last 5 years the DOT has mitigating about 52 wetland credits per year.

**Vice Chairman Brandenburg**: Is it fair to say that since there are no wetland credits; highway 85 probably will never be built until there are some wetland credits?

**Grant Lev**: We can overcome that challenge. There are other things that are a challenge and will make it difficult on highway 85. It's things like wildlife crossings and working it out and proving it's needed to the park.

Vice Chairman Brandenburg: What kind of cost per acre were you looking at?

**Grant Levi**: All of purchases are public that we do. Some of your peers are expressing concerns that sometimes we're paying as much as \$15,000.00 to \$17,000.00 per credit. With every acre we buy, only a certain portion of them become actual credits.

Grant Levi continued with his presentation.

**Chairman Thoreson**: One area can't be used to help another area on this map. Is that correct?

Grant Levi: That's correct.

**Vice Chairman Brandenburg**: Are you suggesting that we take some state land and try to find some wetlands bank with that state land?

**Grant Levi**: I suggested that maybe the state as a whole should look at whether or not it can purchase wetland acres so agriculture, DOT, other entities, airports could credit against it. This was just a conversation, no one has taken the lead on that.

Chairman Thoreson: It's not misleading; but I think it's something to look at.

**Vice Chairman Brandenburg**: I have HB1432 which deals with this mitigation, litigation, and reclamation issue. What you're saying is exactly what we're trying to do with agriculture.

Grant Levi continued with his presentation. See attachments J and K.

**Representative Skarphol**: Does the highway patrol use this in deciding where they should be patrolling more heavily?

**Grant Levi**: We're in the process of a pilot project with the highway patrol to give them more live data that they can look at.



**Chairman Thoreson**: When you say live data, would that be provided directly to the patrol officer who's out patrolling or is it to the agency and they would have to disseminate it to the people there?

**Grant Levi**: We would make it available to the agency and how they use it would be up to them. I believe the person who makes assignments would use it.

Chairman Thoreson: So it wouldn't be you transmitting real time data to the patrol cars?

Grant Levi: It's a little more up to date information.

Mark Nelson, ND Department of Transportation: Typically we have the majority of crashes within a few days. The ones that take longer are the serious injury and fatality crashes.

**Chairman Thoreson**: So more current data and then it would be provided to highway patrol. Did you say some other law enforcement agencies might get this?

**Grant Levi**: We were having those conversations about how to make it available to other law enforcement agencies.

Chairman Thoreson: Is the pilot project in one specific part of the state?

Grant Levi: It's with the agency.

**Representative Kempenich**: Do you list DUI's or operator error? Have the DUI's dropped?

Grant Levi: The trend with DUI's and alcohol related has been about the same.

Grant Levi continued with his presentation. See attachment K.

**Representative Skarphol**: It seems that the 4-lane roads are the most dangerous roads to drive on. How do traffic counts compare to fatalities?

Grant Levi: There's a rate comparison that's available.

**Representative Skarphol**: It looks to me that the interstate is just as dangerous as the other 4-lanes. How do you explain that?

Grant Levi: We should have shown a traffic comparison.

**Representative Kempenich**: The problem is that sometimes people get on these roads and they just disengage.

**Grant Levi**: Every time you introduce an access to a roadway you introduce more conflicts.

Grant Levi continued with his presentation. See attachment B.

Chairman Thoreson: Two times the amount.

Grant Levi: Two times the amount.

**Chairman Thoreson**: Is that of the victim or the blood alcohol level of somebody who caused the accident.

**Grant Levi**: It's the fatality or if there's a person involved; it's the person operating the vehicle.

**Chairman Thoreson**: So if someone is .162 and causes the accident, that's not considered in here?

Grant Levi: If they passed away, yes.

Chairman Thoreson: Let's say they caused an accident, is that data collected anywhere?

Grant Levi: That would count as alcohol related as well.

Grant Levi continued with his presentation.

**Representative Kempenich**: Is that people that lost their license or does that include temporary as far as new drivers?

**Grant Levi**: We presented to you that some of the aliens that are in this country have a temporary license and it would include individuals that have temporary restricted driving privileges.

**Representative Kempenich**: So we'd have to go back to that earlier testimony to get that information broken out.

**Grant Levi**: As we understood that conversation it really came down to voting. We believe at any time there's between 800 and 1,200 temporary residents that have permanent status in the state. Their licenses aren't marked as temporary.

Chairman Thoreson: Recessed the discussion.

## 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division Medora Room, State Capitol

> HB1012 2/2/2015 Recording Job# 23031

□ Subcommittee □ Conference Committee

**Committee Clerk Signature** 

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

See attachments E, F, G, L, M, N, O, P

Chairman Thoreson: Reopened the discussion on HB1012.

Grant Levi: Continued with his presentation. See attachments M and N.

Chairman Thoreson: These were sold at auction. Correct?

**Grant Levi**: The ones to the colleges were sold through negotiations with the colleges to recoup what the appraised value of the buses at that time.

Representative Kempenich: What was the value of these?

Grant Levi: We'll look that up.

**Chairman Thoreson**: So the 2 were negotiated with the higher education institutions; the others were sold at a state fleet auction?

**Grant Levi**: We went out through an auction process. The first time we tried to sell them we weren't successful in getting offers anywhere close. We had a company put them online for us and tried to maximize the return.

**Chairman Thoreson**: You went through a provider to sell them. Did the provider get a commission also?

Grant Levi: The buyers paid the commission.



**Chairman Thoreson**: There is a gap of what you were looking to get and you don't have another way to recoup that. Is that correct?

Grant Levi: That's correct.

Vice Chairman Brandenburg: You're about \$1 million short?

Grant Levi: It's not only on the sale that we're short but also in fleet costs.

**Representative Kempenich**: I see you had 8 total buses. You weren't looking at the big 2 universities?

**Grant Levi**: The institutions that had an interest in the motor coach pool, we worked with them.

**Representative Boehning**: Along with the buses, did you provide a driver or was the driver provided by the school?

Grant Levi: We did not get into providing drivers.

Grant Levi continued with his presentation. See attachment O.

Chairman Thoreson: I see this is from 2014; is this something you do on annual basis?

Grant Levi: That's correct. We count different parts of the state. We didn't do a complete traffic count in the eastern part of the state this year.

**Representative Skarphol**: Could you tell us what the numbers represent? The total traffic count is on top and the truck number is below?

Grant Levi: Yes.

**Chairman Thoreson**: What's the methodology in doing this? Do you have somebody actually doing counts or is it by device of some type?

**Grant Levi**: We have automatic traffic recorders that are built into the roadway at certain locations that we can track trends. We can in some instances track traffic count information from signal lights. The rural traffic counts are still done by laying tubes out on the roadway.

**Representative Skarphol**: It would be unusual to have counts that exceeded one 18-wheeler if there were no trucks listed below.

**Grant Levi**: That relationship that's shared is a relationship for equivalent pavement unit impacts.

**Representative Skarphol**: If that count were 100 rather than 120, you'd have to add \$1 million.

Grant Levi: Yes.



**Representative Skarphol**: Does the federal government have any stipulations as to what traffic counts have to be to warrant 4-laning?

**Grant Levi**: The federal government does require us to adhere to the manual and uniform traffic control for devices; also for warranteed signal lights. There is no stipulation there for 4-laning; that tells us we have to do that at a certain number. There is guidance given with respect to when you start to experience traffic delays.

Grant Levi continued with his presentation. See attachment P.

**Representative Kempenich**: The temporary restricted is aimed more at the alcohol. Do you have that number?

**Grant Levi**: It could be as high as 30,000 at any given time that are in some type of restricted licensing.

**Representative Kempenich**: These would be the ones we talked about before; the alien type licenses?

Grant Levi: Yes.

Representative Kempenich: What is the number of driver's licenses in the state?

Grant Levi: Just over 500,000.

Grant Levi continued with his presentation. See attachment E

**Representative Kempenich**: Do the local districts do the contracting? How does that work?

**Grant Levi**: We give our districts some freedom to do some local contract; but most of the construction contracting we run through our bidding process to maximize competition.

**Vice Chairman Brandenburg**: You shifted the \$45 million over to the \$295 million for 2013-2015. Is that the correct way?

Grant Levi: Yes.

Vice Chairman Brandenburg: Are you just using that money in other areas for other projects?

**Grant Levi**: What we're sharing here are the adjustments we made in appropriation line items with moving some of our budget authority around.

Representative Skarphol: Is that the \$51 million that are special funds?

Grant Levi: Yes; the highway tax distribution funds and the highway funds.



**Vice Chairman Brandenburg**: If you're short \$128 million; you made up the \$45 million. Aren't you going to need to make up some more to fill that gap?

**Grant Levi**: We didn't make up the \$45 million; we reallocated some of our resources around to show that we placed it operating line item rather than capital assets.

Grant Levi continued with his presentation.

Representative Kempenich: Is most of that up-front money?

**Grant Levi**: Most of that are the resources we need to handle the consulting industry to handle the up-front money; in addition to construction and inspection. We're outsourcing 70% of our work.

**Representative Kempenich**: Do you have a further breakdown of the \$177 million? This is going to get to a priority situation and we'll need to have that.

**Grant Levi**: I can appreciate what you're saying to us; but, can I offer if you need to make changes to our budget, we would ask that we could be engaged in that conversation. That \$177 million also has some federal dollars in it.

**Representative Skarphol**: Under the 2015-2017 proposed base budget you show \$694 million under capital assets; add that to the \$1.284 million do I come up with \$1.978 billion? Is that how that comes together?

Grant Levi: Yes.

**Representative Skarphol**: Further down you have item 55 enhanced state highway investment and you show zero. Is part of that \$694 million something you're putting in that position as opposed to under the enhanced state highway? Help me understand why there are different categories equaling the same amount of money as we did last time.

**Grant Levi**: What was proposed in HB1012 is that general fund transfer and programs go into the DOT's highway fund and get budgeted under capital assets. This is different than what occurred from the legislative body last legislative session where enhanced state highway investment 55 was created.

Representative Skarphol: That disappeared because you put it in the capital assets line.

Grant Levi: Yes.

**Representative Skarphol**: You said general fund went there. The general fund is further down on item 78; that's \$542 million. If I add the \$542 million and the \$741 million, I get twice as much as what you added into capital assets.

**Grant Levi**: What also occurred was that a portion of the resources was a general fund transfer into the DOT's highway fund. The early money also stayed in the general fund that we accessed from capital assets line item. Last session you gave us resources that we



had budget authority to access from the general fund; that was the early money. You also transferred some of the resources to us and placed them in the highway fund.

**Representative Kempenich**: You have the highway fund and the highway trust fund; local political subdivisions play different roles in those two funds.

**Grant Levi**: Yes. There's the highway tax distribution state fund which comes into the highway fund; we operate out of the highway fund. There were occasions where you had some of the money from the general fund get transferred into the highway fund; and we had to access the general fund to receive some of it. This biennium, working with OMB, we asked that it all be transferred into the highway fund.

Grant Levi continued with his presentation.

**Representative Kempenich**: That would be the \$694 million that flows through the highway distribution fund?

Grant Levi: Yes. It comes into the highway fund.

Representative Kempenich: It's the breakout of counties, cities, etc.

Grant Levi: The conversation we're having also refers to our revenue chart.

Vice Chairman Brandenburg: Are they going to be used up before the end of the biennium?

**Grant Levi**: We believe they'll be used up. The funds went out to the locals; we gave them those resources as soon as they awarded contracts. With the DOT, our expenditures are when we make contractor payments.

**Representative Skarphol**: With the county money you said it's paid out when they award the contract. You pay as you get billed by the contractor?

**Grant Levi**: Yes. The concept is correct; but we don't pay them based on bills but on measured quantity of work.

Grant Levi continued with his presentation.

**Representative Glassheim**: It looks like you're \$600 million less than last time. The appropriation was \$3.3 billion; and now you're going to have \$2.7 billion. I see the \$128 million where you're short; but, it looks to me that you're total compared to last time is \$600 million less. Where am I mistaken?

**Grant Levi**: We're not actually short that money. There's some double accounting of funds to get to that \$3.3 billion. That has to deal with the way the resources came to us. We didn't actually have \$3.3 billion; we had \$2.8 billion available to us.

Grant Levi referenced the green sheet.



Vice Chairman Brandenburg: I do remember carrying it on the floor and it was \$2.8 billion.

**Grant Levi**: There is a doubling up of funds dealing with the way the resources were brought to the department.

Adam Mathiak, Fiscal Analyst, ND Legislative Council: There would be some doubling up on the accounting of it. It does explain it in the footnote on the green sheet. The \$541.6 million that was transferred from the general fund to the highway fund would be the doubling up that you're seeing. In the green sheet it shows up in the \$1.46 billion as well as in the \$1.92 billion.

**Grant Levi**: The same thing is going to happen in the 2015-2017 biennium. The figure that's going to show up then is \$4.1 billion because we asked for the entire general fund appropriation to be transferred into the highway fund.

Grant Levi continued with his presentation. See attachment F.

Chairman Thoreson: Somewhere in the \$5.5 million to \$6.5 million range.

Grant Levi: That's because of the vacancies we've been having.

Grant Levi continued with his presentation.

Chairman Thoreson: How does flooding impact you?

**Grant Levi**: Flooding has a major impact on us if we have to utilize resources to close roads and repair roadways.

**Representative Vigesaa**: To date, how much less have we spent on snow removal than what was budgeted?

**Grant Levi**: We have a balance of \$4 million. We can exhaust that very quickly depending upon what happens.

Representative Skarphol: What do you do if you need \$20 million?

**Grant Levi**: Under capital improvements we have about \$62.4 million. Under capitol construction carry over state funds we hold a reserve back from our total budget in case something occurs.

Vice Chairman Brandenburg: You have \$62 million that you could put into some road fixing.

**Grant Levi**: The \$62.4 million is the federal. That wouldn't go into roads. We already shared that we will bring into this biennium. The \$10 million to \$15 million is that figure.

**Vice Chairman Brandenburg**: If we have snow and you have to spend \$1 million a day you could lose that. The \$62.4 million is for the next budget? Where did that come in at?

**Grant Levi**: We build that into our budget and we re-request appropriation authority for that.

Grant Levi continued with his testimony.

Vice Chairman Brandenburg: Is that the Graham's Island project?

**Grant Levi**: That's the Devil's Lake roadway dam project. Part of our roadway is protecting the city of Devil's Lake.

Vice Chairman Brandenburg: Going into town by Camp Grafton?

Grant Levi: Yes.

**Representative Vigesaa**: Where are we at with that whole region? Are we about done with that up there?

**Grant Levi**: No we're not. If the lake would rise to a certain level we have a very significant investment remaining in US2. We had some federal resources that were made available to us and we decided not to precede with it as the lake elevation didn't come up as quickly. The cost could be \$150 million to \$200 million.

Chairman Thoreson: Are those federal resources still available or are they gone now?

**Grant Levi**: We were capped out in federal resources. It was in the state's best interest to not use those resources on US2; but to use them on other projects. Since then those caps have been lifted for the ER; and we believe we'll be in a better position if US2 were to need it.

Representative Vigesaa: Is that the stretch of Highway 2 west of Devil's Lake?

Grant Levi: It's on both sides of Devil's Lake. The biggest part is to the west.

Representative Skarphol: Are the pumps running on Devil's Lake?

Grant Levi: They ran them as often as they could; based on the requirements that existed.

**Representative Hogan**: I'm trying to understand the enhanced state highway investment fund. Was that general funded dollars? It was in last biennium's budget; but it's not in this biennium's budget.

**Grant Levi**: The advanced state highway investment were general funds that were made available to the DOT and they came to use in two ways. A portion of it was a general fund transfer into the highway fund and a portion was left as general funds that we accessed.



Those resources came with a stipulation that we could spend them in the upcoming biennium.

Representative Hogan: Is that an award that we're just not going to use in this biennium?

**Grant Levi**: We're still calling it enhanced investments for the state highway system. It's not one we're suggesting be used in the appropriation lines.

Grant Levi continued with his presentation.

Chairman Thoreson: The first one is highway traffic safety. Is that correct?

Grant Levi: Yes.

Chairman Thoreson: The next one is?

**Grant Levi**: Federal highway funds that come to us as grants and then federal transit funds.

Chairman Thoreson: The total of the three is between \$7 million and \$10 million?

Grant Levi: Yes. Some of those resources get carried over to help budget.

Grant Levi continued with his presentation.

Chairman Thoreson: You haven't bought any equipment for that yet. Correct?

Grant Levi: Correct.

**Representative Vigesaa**: Going back up to the grant line, were there just not projects that qualified for that grant money to be expended during this biennium?

**Grant Levi**: They were projects that took longer to develop that you agreed to provide match for. The reason they took longer to develop is it took the counties some time to work through the environmental process. It's not new projects that have been added; it's projects that we all agreed we would provide match for when the \$6 million was provided.

**Representative Vigesaa**: Those funds along with the enhanced state highway, that \$150 million to \$180 million, would you say that all those funds are obligated?

**Grant Levi**: They're committed to projects with the exception of the enhanced state highway investment fund. We're holding back out of that \$1.16 billion approximately \$70 million; but we still have one project that we'll bid. We need to hold back part of the resources in case there's any contract overruns that occur. We are presently in court cases and there are 42 left for right of way; and if we lose all of those they could cost us another \$20 million.

Chairman Thoreson: Closed the discussion.

attachment L was not discussed.

# 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division Medora Room, State Capitol

> HB1012 2/23/2015 Recording Job# 24233

SubcommitteeConference Committee

Committee Clerk Signature

# Explanation or reason for introduction of bill/resolution:

A BILL for an ACT to provide an appropriation for defraying the expenses of the information technology department; and to provide for transfers.

Minutes:

See attachments A through D

Chairman Thoreson: Opened the discussion on HB1012.

**Vice Chairman Brandenburg**: The house versions and changes that are there; but I think there's a couple of things we need to add and discuss.

Chairman Thoreson: You're working off the marked up version?

**Vice Chairman Brandenburg**: In section 7 we need to make a change. We were talking about the contingency funding for building major IT projects.

**Grant Levi, Director, ND Department of Transportation**: If you look at section 7 as it's written today, we had concerns that we would not be able to continue with the motor vehicle software replacement project that you had authorized last legislative session. That project totaled \$9.6 million last session. We requested an additional \$2.5 million. We suggested if you added after the word buildings and any new information technology projects.

Chairman Thoreson: This is which lines on section 7?

**Grant Levi**: Line 9 on page 4; if you said any new major information technology projects. The \$2.5 million is part of our base budget and comes off the top of the motor vehicle collections.

**Chairman Thoreson**: It would read "of this act for construction or improvements to buildings and any new information technology products." Correct?

Grant Levi: I believe that would take care of the concerns with that project.



Vice Chairman Brandenburg: I would move that language to deal with the issue with the vehicle registration.

Chairman Thoreson: We'll add that.

**Vice Chairman Brandenburg**: There was supposed to be \$8 million for townships and I would also move that. It's supposed to go out the second year. It's \$5,000.00 per township payment.

Representative Skarphol: I'm wondering if that isn't in HB1176?

**Vice Chairman Brandenburg**: We put the \$112 million in the counties in HB1176 for the second year. We're going to put the \$8 million for the townships in the DOT budget.

**Chris Kadrmas, Fiscal Analyst, ND Legislative Council**: I would need to check with Allan and Adam to make sure they didn't add it in there.

**Representative Skarphol**: I would offer in the event that it's not in HB1176 that it be put in here.

Representative Vigesaa: It would be for the 43 nonoil producing counties?

**Vice Chairman Brandenburg**: It should be stated that it's for the oil production as today that it's 43 counties. Also the language for the amendment dealing with the procurement process for vehicle registration offices; see attachment D.

Grant Levi: Explained attachment D.

Chairman Thoreson: How many branch offices are we talking about?

Grant Levi: Thirteen branch offices.

Grant Levi continued with his explanation.

**Vice Chairman Brandenburg**: I would move that amendment that was just explained. I would move the base payroll, health insurance, salaries, operating expense, contract patching; we've taken grants adjustment out, IT is out, capital assets are out. We're lowering down the \$904,115,558 to the \$504,000.000.00.

**Chris Kadrmas**: When I make the adjustment to bring back in motor vehicle registration and titling system you will see an increase to the remove capital assets; because we took their 61.3%. That negative number will increase.

**Vice Chairman Brandenburg**: We're going to put that \$2.5 million back in for vehicle registration; so the negative number is going to change by \$2.5 million. Is that what you're saying?

Chris Kadrmas: It won't be the full \$2.5 million; it will change by \$1,532,500.00.



**Vice Chairman Brandenburg**: Do we need to make any entry that higher education would reimburse DOT by \$750,000.00?

Vice Chairman Brandenburg continued to explain the changes. See worksheet.

**Vice Chairman Brandenburg**: In section 11 is that money that's left over from the projects that needs to be sent back?

**Grant Levi**: That section is the section we requested that allows us to pay back federal expenditures that had been made on projects and then we get that money back from the federal government to use again in different projects. It takes the federal government out of that particular project we're working on.

Vice Chairman Brandenburg continued with the explanation of the worksheet.

Vice Chairman Brandenburg: I would move the house version changes.

**Chairman Thoreson**: You would move amendment 01001 with the other changes which we have discussed. Is that correct?

Vice Chairman Brandenburg: Yes.

Chris Kadrmas: We will have to include the \$8 million in the DOT's budget for townships.

**Chairman Thoreson**: There was some question on a study with the high efficiency vehicles.

**Vice Chairman Brandenburg**: Where would that \$8 million for townships be put at? Is that going to come before the studies?

Chris Kadrmas: It will be section 7.

Vice Chairman Brandenburg: The \$8 million for the townships will be section 7.

**Chris Kadrmas**: Section 7 will become 8; then section 9 will be the amendment that DOT provides.

Vice Chairman Brandenburg: Made a motion to adopt the amendments.

Representative Skarphol: Seconded the motion.

**Representative Glassheim**: Do we need to put anything in here showing receipt of the \$750,000.00?

Chris Kadrmas: We will. I will have to verify if it's going to be special funds.

**Vice Chairman Brandenburg**: In some of the discussions that happened this morning; I think we need to figure out some more what to do.

**Chairman Thoreson**: Between this and the higher education budget to get language so we know what the intent is; so when this bill goes to the Senate side it will be in the best shape.

Representative Glassheim: You don't want to put in anything now?

**Chris Kadrmas**: In order for the agency to spend that money we would have to include some type appropriation for it.

Vice Chairman Brandenburg: Just so there's some language we can work off of.

**Representative Glassheim**: Is it our intention that they eat the \$250,000.00 or are we going to put any money in here to hold them harmless on the buses?

**Vice Chairman Brandenburg**: We're still working on it. The issue from higher education was depreciation.

**Chris Kadrmas**: If you look at the amendment we will just enter that back into one time funding and we may add language to include from higher education. It would be at 75% of the total amount.

Vice Chairman Brandenburg: \$750,000.00 is what we came up with.

Chris Kadrmas: We'll have to determine if it's general or special funds.

**Representative Hogan**: I want to confirm that we're doing nothing for public transit in this budget. Is that right?

Vice Chairman Brandenburg: There's \$12 million for public transit.

**Grant Levi**: As Representative Brandenburg said, there are federal funds in our base budget for transit. In addition to that the state resources come to us in a continuing appropriation.

Representative Hogan: There's no expansion but existing funding streams are there?

Grant Levi: Yes,

Representative Hogan: About how much?

**Grant Levi**: There's about \$15.3 million of federal funds and \$9.3 million estimated that's state highway tax distribution for transit.

Representative Skarphol: Is that an increase or is that relatively stable?



**Grant Levi**: The state funds would be a slight decrease because last legislative session you had a trigger in place that provided an additional \$1.1 million above what the highway tax distribution funds collections were. We are anticipating some growth on the federal

side; last legislative session we had \$14.8 million federal and we're anticipating \$15.3 million.

Vice Chairman Brandenburg: We do have an increase.

Grant Levi: It appears to be pretty flat.

**Representative Skarphol**: Is that the money that regions get to operate the buses. If that's the case; the old vehicles that are being replaced, what happens to them? Do they get to sell them and utilize that money?

Chairman Thoreson: The existing buses that will be replaced?

**Grant Levi**: To come to the resources we were requesting for the motor coaches; we sold the buses.

**Representative Skarphol**: The federal government gave \$380,000.00 to buy new transit vehicles for the regions in the state. What happens to the revenue that the old vehicles would generate when they're sold; does that go into the operating line for those same entities?

**Grant Levi**: That depends on far the buses had depreciated. If the federal government felt it still had an interest in that bus, when it was sold the federal government would recoup some of that as well. If it's depreciated to a point where they don't view it as having any value, whatever the individual outfit does with that would be their decision.

**Representative Hogan**: Are you aware of the \$380,000.00 for rural transit that we're talking about? It was my understanding that it was available for only the rural transit providers and there was no funding for urban at all.

Grant Levi: Yes that's my understanding as well.

**Representative Boehning**: With our fuel prices going down, how much of a decrease are we going to see in the fuel prices?

**Grant Levi**: With lower fuel prices, their operating expenses decrease. In the transit community their challenge is that their operating cost may be decreasing because of fuel, they're increasing because of the additional wages they have to pay.

**Representative Boehning**: Do you contract out for the fuel for the trucks that are on the road?

**Grant Levi**: We do have a contract with a vendor that purchases the fuel and we pay a wholesale price. That's taken into consideration as the fleet rates are put into place.

Voice vote made.

Motion carried.

Vice Chairman Brandenburg: Made a motion for a "Do Pass as Amended?

Representative Vigesaa: Seconded the motion.

Chris Kadrmas: Recapped the changes to the amendments.

Vice Chairman Brandenburg: That payment doesn't go out until the second year; so you'll want to specify that the township money won't happen until 2016.

Roll call vote: 8 Yeas 0 Nays 0 Absent

Vice Chairman Brandenburg carried the bill.

Chairman Thoreson: Closed the discussion.

# 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee

Roughrider Room, State Capitol

HB 1012 2/23/2015 Job # 24259

□ Subcommittee □ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

Provide an appropriation for defraying expenses of the Department of Transportation.

# Minutes:

Attachments 3

**Chris Kadrmas, Legislative Council:** Spoke on proposed amendment .01001 Handout #1 HB 1012 marked up version Handout #2 NDDOT attachment and Handout #3 amendment 15.8120.01001

Representative Brandenburg: Started explanation with Handout #3.

**Chairman Jeff Delzer:** We have to recognize that last time all money went out in 1358 and it didn't show up in this budget. That's why there is an increase compared to last time.

Representative Brandenburg: Continued explanation on Handout #3 and Handout #1.

**Chairman Jeff Delzer:** Does it go back to the DOT (Department of Transportation) or go back to the Treasurer?

**Representative Brandenburg:** I think it's going to have to go back to the Treasurer's office to be distributed out to the townships.

**Chairman Jeff Delzer:** I think we've always appropriated it right to the treasurer. We want to have the issue out there.

Representative Brandenburg: Continued explanation.

**Chairman Jeff Delzer:** What's in section 7 of the marked up bill; is it meant to say that as long as the DOT gets all the federal money that they are expecting, they have the authority to do some maintenance, but if they're short money we would rather have the money go into roads and not buildings?

Representative Brandenburg: That is correct.

House Appropriations Committee HB1012 2/23/2015 Page 2

**Chris Kadrmas:** In Section 7; there are two adjustments made on page 2 of the markup bill. There is a one time coming from vehicle registration.

Chairman Jeff Delzer: I think Representative Brandenburg covered that.

Kadrmas: That amount is being added back into the bill because it was removed.

**Chairman Jeff Delzer:** Why would you add that back into the bill because it was just highway money anyway. The authority should have stayed there for that amount of money.

Kadrmas: That is correct, we are just putting back that authority.

Chairman Jeff Delzer: You shouldn't have removed it

**Representative Nelson:** I'm trying to understand the Special Road Fund. There is a onetime infusion into the Special Road Fund and there is also a transfer from the General Fund to the Special Road Fund. Have we done that before and what's the existing revenue source for the Special Road Fund what's the interest on the dollars? Is that dropping off, is that what has created the need for this? What's the idea behind these General Fund transfers?

**Chairman Jeff Delzer:** The amount of money coming in there has been pretty steady. It's really not dropping off. It's a limited amount, the governor had put 5 million in his request for the budget and we decided to leave 1 million dollars in there. The committee is made up of several people and they decide where the money should go. Mostly it goes to boat ramps.

Representative Nelson: Have we transferred from the General Fund before?

**Chairman Jeff Delze:** No, this is the first time. Also the 2 million to the short line; the governor was trying to set up another revolving loan project and that was 10 million. We took it down to 2 million and put it back into this fund.

**Chairman Jeff Delzer:** I thought the bill was passed that already did this management study.

Vice Chairman Keith Kempenich: It is, but it's over in the Senate now; it was brought to my attention that we should probably look at in here.

**Representative Pollert:** I'd like more detail on recreational road access; is that what you are talking about? Also is the short line railroad fund to help with short line repairs?

**Representative Brandenburg:** On the short line railroads there is a revolving loan fund of about 12 million dollars, it's tapped out. There might be half a million in there. There are a number of projects that are being requested on the short lines. There was a 10 million dollar appropriation out of SIIF (Strategic Investment and Improvements Fund) to go through the Industrial Commission and through the Bank of ND. Ten million is going to be awfully hard to find, so we took 2 million and added to the fund that's there right now.

House Appropriations Committee HB1012 2/23/2015 Page 3

**Chairman Jeff Delzer:** The essence of it is that it's for upgrading track to be able to move more grain.

**Representative Brandenburg:** I move the amendments 1001, with the changes that we described by Council's working.

Representative Skarphol: Second.

Voice vote: Motion Carries.

Representative Brandenburg: I move HB1012 as amended with a do pass.

Representative Thoreson: Second.

Representative Brandenburg: Did we clarify the procurement amendment?

Chairman Jeff Delzer: Yes we did.

Representative Nelson: What precipitated the need for that amendment?

**Chairman Jeff Delzer:** DOT and the Governor's office there were some issues with the procurement process, this clarifies that process and makes it a little quicker.

Vote: Yes 22, No 0, Absent 0.

Representative Brandenburg: Carrier.

15.8120.01001 Title.

Fiscal No. 1

# PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 1, replace "an appropriation" with "appropriations"

Page 1, line 2, replace "a transfer" with "transfers; to provide legislative intent; to provide for legislative management studies"

Page 1, replace lines 12 through 20 with:

"Salaries and wages Accrued leave payments Operating expenses Capital assets Grants Total special funds Full-time equivalent positions	\$187,477,585 7,280,897 376,721,715 727,911,207 <u>79,788,030</u> \$1,379,179,434 1,079.50	\$20,909,550 (7,280,897) 15,952,036 376,307,253 <u>(16,870,000)</u> \$389,017,942 0.00	\$208,387,135 0 392,673,751 1,104,218,460 <u>62,918,030</u> \$1,768,197,376 1,079.50"
Page 2, replace lines 2 through 16 v	vith:		
"General fund transfer to highway fu Enhanced state highway investmen TIGER III federal railroad program General license plate issue Contingent general fund transfer to public transportation fund		\$541,600,000 1,161,600,000 10,000,000 6,820,000 1,100,000	\$0 504,115,558 0 0 0
Airplane replacement Transportation distribution to oil-pro Transportation distribution to non-oi Recreational road access Total all funds Total special fund Total general fund	•	4,500,000 160,000,000 120,000,000 <u>0</u> \$2,005,620,000 <u>541,600,000</u> \$1,464,020,000	0 0 <u>1,000,000</u> \$505,115,558 <u>505,115,558</u> \$0"

Page 2, after line 25, insert:

# **"SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO**

**HIGHWAY FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$504,115,558, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the state highway fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

SECTION 5. APPROPRIATION - TRANSFER - GENERAL FUND TO SPECIAL ROAD FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the special road fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the special road fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

**SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of one-time funding for the department of transportation's short line railroad program, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 7. LEGISLATIVE INTENT - CONTINGENT FUNDING FOR BUILDING AND MAJOR INFORMATION TECHNOLOGY PROJECTS. It is the intent of the legislative assembly that the department of transportation refrain from using funds appropriated to the department of transportation in section 1 of this Act for construction or improvements to buildings and major information technology projects during the biennium beginning July 1, 2015, and ending June 30, 2017, unless the department receives at least the amount of federal highway construction funds that was anticipated by the sixty-fourth legislative assembly."

Page 3, line 2, replace "\$904,115,558" with "\$504,115,558"

Page 3, after line 17, insert:

"SECTION 12. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD INFRASTRUCTURE. During the 2015-16 interim, the legislative management shall consider studying short line railroad expansion, spurs, switches, or other infrastructure enhancements and the effect of short line railroads on reducing commercial traffic on the state highway system. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 13. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES.** During the 2015-16 interim, the legislative management shall consider studying the potential effect high-efficiency vehicles may have on the revenue generated from motor vehicle registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol taxes. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - AUTOMATED MOTOR **VEHICLE.** During the 2015-16 interim, the legislative management shall consider studying potential statutory changes that may be necessary to accommodate the introduction or testing of automated motor vehicles in North Dakota and any automated corridors affecting North Dakota. "Automated motor vehicle" means a vehicle capable of operating in a full automation mode where full automation is defined by the Society of Automotive Engineers Standard, J3016, section 5.6 issued January 2014, as the unconditional, full-time performance by an automated driving system of all aspects of the dynamic driving task. The study may include research into the degree that automated motor vehicles could reduce traffic fatalities and crashes by reducing or eliminating driver error and the degree that automated motor vehicles could reduce congestion and improve fuel economy through better utilization of existing highway capacity and more efficient operation of the vehicles' acceleration and braking controls. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

15.8120.01001

## STATEMENT OF PURPOSE OF AMENDMENT:

# House Bill No. 1012 - Department of Transportation - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
Operating expenses	376,721,715	15,952,036	392,673,751
Capital assets	727,911,207	376,307,253	1,104,218,460
Grants	79,788,030	(16,870,000)	62,918,030
Accrued leave payments	7,280,897	(7,280,897)	
General fund transfer to highway fund		504,115,558	504,115,558
General fund transfer to special road		1,000,000	1,000,000
Short line railroad program		2,000,000	2,000,000
Total all funds	\$1,379,179,434	\$896,133,500	\$2,275,312,934
Less estimated income	1,379,179,434	391,017,942	1,770,197,376
General fund	\$0	\$505,115,558	\$505,115,558
FTE	1079.50	0.00	1079.50

# Department No. 801 - Department of Transportation - Detail of House Changes

	Adds Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Adjusts Base Level Funding <sup>3</sup>	Adds One-Time Funding for Enhanced State Infrastructure Investments <sup>4</sup>	Adds One-Time Funding for Recreational Road Access Improvements⁵	Adds One-Time Funding for Short Line Railroad Program <sup>6</sup>
Salaries and wages Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund General fund transfer to special road	\$9,190,542 (7,280,897)	\$11,719,008	(81,547,964) (31,308,305) (16,870,000)	97,500,000 406,615,558	1,000,000	
Short line railroad program						2,000,000
Total all funds Less estimated income	\$1,909,645 1,909,645	\$11,719,008 11,719,008	(\$129,726,269) (129,726,269)	\$504,115,558 504,115,558	\$1,000,000 1,000,000	\$2,000,000 2,000,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Salaries and wages	Transfers General Fund to Highway Fund <sup>7</sup>	Transfers General Fund to Special Road Fund <sup>8</sup>	Total House Changes \$20,909,550			
Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund	504,115,558		15,952,036 376,307,253 (16,870,000) (7,280,897) 504,115,558			
General fund transfer to special road Short line railroad program		1,000,000	1,000,000			
Total all funds Less estimated income	\$504,115,558 0	\$1,000,000 0	\$896,133,500 391,017,942			
General fund	\$504,115,558 0.00	\$1,000,000 0.00	\$505,115,558 0.00			



15.8120.01001

<sup>1</sup> Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance Health insurance increase		\$7,042,812 4,676,196	\$7,042,812 4,676,196
Total	\$0	\$11,719,008	\$11,719,008

<sup>3</sup> Base level funding is adjusted as follows:

	General Fund		Other Funds	Total
Increase funding for operating expenses			\$8,748,743	\$8,748,743
Increase funding for contract patching from \$82,935,780 to			35,713,309	35,713,309
\$118,649,089				
Adjust funding for grants			(16,870,000)	(16,870,000)
Remove 2013-15 biennium capital assets funding			(157,318,321)	(157,318,321)
Total		\$0	(\$129,726,269)	(\$129,726,269)

<sup>4</sup> One-time funding is added from the highway fund for enhanced state infrastructure investments.

<sup>5</sup> One-time funding is added from the special road fund for improvements to roads that lead to recreational areas.

<sup>6</sup> A section is added providing a one-time strategic investment and improvements fund appropriation for the Department of Transportation's short line railroad program.

<sup>7</sup> A section is added providing a one-time general fund transfer to the highway fund to be used for enhanced state infrastructure investments.

<sup>8</sup> A section is added providing a one-time general fund transfer to the special road fund for improvements to roads that lead to recreational areas.

This amendment also:

- Provides legislative intent that the Department of Transportation refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly.
- Provides for a Legislative Management study regarding short line railroad infrastructure.
- Provides for a Legislative Management study regarding high-efficiency vehicles.
- · Provides for a Legislative Management study regarding automated motor vehicles.

FTE

15.8120.01002 Title.02000

Fiscal No. 2

Prepared by the Legislative Council staff for House Appropriations - Government Operations Division Committee February 23, 2015

3/24/15 1/4

## PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 1, replace "an appropriation" with "appropriations"

- Page 1, line 2, after the semicolon insert "to provide an appropriation to the state treasurer for allocations to townships in non-oil-producing counties;"
- Page 1, line 2, replace "a transfer" with "transfers; to amend and reenact section 39-02-03 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices; to provide legislative intent; to provide for legislative management studies"

Page 1, replace lines 12 through 20 with:

"Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
Accrued leave payments	7,280,897	(7,280,897)	0
Operating expenses	376,721,715	18,452,036	395,173,751
Capital assets	727,911,207	374,774,753	1,102,685,960
Grants	<u>79,788,030</u>	(14,120,000)	65,668,030
Total special funds	\$1,379,179,434	\$392,735,442	\$1,771,914,876
Full-time equivalent positions	1,079.50	0.00	1,079.50"

Page 2, replace lines 2 through 16 with:

"General fund transfer to highway fund	\$541,600,000	\$0
Enhanced state highway investments	1,161,600,000	504,115,558
TIGER III federal railroad program	10,000,000	0
General license plate issue	6,820,000	0
Contingent general fund transfer to	1,100,000	0
public transportation fund Airplane replacement Transportation distribution to oil-producing counties Transportation distribution to non-oil-producing counties Recreational road access Vehicle registration and titling system replacement Motor coach reimbursement from colleges Total all funds	0 0 <u>0</u> \$2,005,620,000	0 0 1,000,000 2,500,000 <u>750,000</u> \$508,365,558
Total special fund	<u>541,600,000</u>	<u>508,365,558</u>
Total general fund	\$1,464,020,000	\$0"

Page 2, after line 25, insert:

"SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$504,115,558, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the state highway fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.





SECTION 5. APPROPRIATION - TRANSFER - GENERAL FUND TO

**SPECIAL ROAD FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the special road fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the special road fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

**SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of one-time funding for the department of transportation's short line railroad program, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 7. APPROPRIATION - STATE TREASURER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$8,000,000, or so much of the sum as may be necessary, to the state treasurer for allocation to counties for allocation to or for the benefit of organized and unorganized townships in non-oil-producing counties, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section must be distributed in February 2016. The state treasurer shall distribute the funds provided under this section to counties and the county treasurer shall allocate the funds to or for the benefit of townships in non-oil-producing counties through a one-time distribution of \$5,000 to each organized township and a one-time distribution of \$5,000 for each unorganized township to the county in which the unorganized township is located. For unorganized townships within the county, the board of county commissioners may expend an appropriate portion of revenues under this section for township roads or other infrastructure needs in those townships. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, a "non-oil-producing county" means a county that has received an allocation of funding under section 57-51-15 of less than \$5,000,000 in the state fiscal year ending June 30, 2014.

SECTION 8. LEGISLATIVE INTENT - CONTINGENT FUNDING FOR BUILDING AND NEW MAJOR INFORMATION TECHNOLOGY PROJECTS. It is the intent of the legislative assembly that the department of transportation refrain from using funds appropriated to the department of transportation in section 1 of this Act for construction or improvements to buildings and any new major information technology projects during the biennium beginning July 1, 2015, and ending June 30, 2017, unless the department receives at least the amount of federal highway construction funds that was anticipated by the sixty-fourth legislative assembly."

Page 3, line 2, replace "\$904,115,558" with "\$504,115,558"

## Page 3, after line 17, insert:

"SECTION 13. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

## 39-02-03. Powers and duties of director and department.

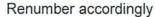
The director<del>, subject to the approval of the governor,</del> may adopt and enforce such administrative rules and designate such agencies and establish such branch

offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Branch office contracts entered into under this section may extend five years and may be renewed in accordance with this section. At the end of each current branch office contract term, the department shall consider entering into contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter into direct negotiations and contract with qualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD INFRASTRUCTURE. During the 2015-16 interim, the legislative management shall consider studying short line railroad expansion, spurs, switches, or other infrastructure enhancements and the effect of short line railroads on reducing commercial traffic on the state highway system. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 15. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES. During the 2015-16 interim, the legislative management shall consider studying the potential effect high-efficiency vehicles may have on the revenue generated from motor vehicle registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol taxes. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 16. LEGISLATIVE MANAGEMENT STUDY - AUTOMATED MOTOR **VEHICLE.** During the 2015-16 interim, the legislative management shall consider studying potential statutory changes that may be necessary to accommodate the introduction or testing of automated motor vehicles in North Dakota and any automated corridors affecting North Dakota. "Automated motor vehicle" means a vehicle capable of operating in a full automation mode where full automation is defined by the Society of Automotive Engineers Standard, J3016, section 5.6 issued January 2014, as the unconditional, full-time performance by an automated driving system of all aspects of the dynamic driving task. The study may include research into the degree that automated motor vehicles could reduce traffic fatalities and crashes by reducing or eliminating driver error and the degree that automated motor vehicles could reduce congestion and improve fuel economy through better utilization of existing highway capacity and more efficient operation of the vehicles' acceleration and braking controls. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."





15.8120.01002

### STATEMENT OF PURPOSE OF AMENDMENT:

## House Bill No. 1012 - Summary of House Action

	Base Budget	House Changes	House Version
State Treasurer Total all funds	\$0	\$8,000,000	\$8,000,000
Less estimated income	0	\$0,000,000	\$0,000,000
General fund	\$0	\$8,000,000	\$8,000,000
Department of Transportation			
Total all funds	\$1,379,179,434	\$897,851,000	\$2,277,030,434
Less estimated income	1,379,179,434	392,735,442	1,771,914,876
General fund	\$0	\$505,115,558	\$505,115,558
Bill total			
Total all funds	\$1,379,179,434	\$905,851,000	\$2,285,030,434
Less estimated income	1,379,179,434	392,735,442	1,771,914,876
General fund	\$0	\$513,115,558	\$513,115,558

### House Bill No. 1012 - State Treasurer - House Action

	Base Budget	House Changes	House Version
Transportation distribution to townships		\$8,000,000	\$8,000,000
Total all funds Less estimated income	\$0 0	\$8,000,000 0	\$8,000,000 0
General fund	\$0	\$8,000,000	\$8,000,000
FTE	0.00	0.00	0.00

## Department No. 120 - State Treasurer - Detail of House Changes

	Adds Funding for Distribution to Townships in Non-Oil- Producing Counties <sup>1</sup>	Total House Changes
Transportation distribution to townships	\$8,000,000	\$8,000,000
Total all funds Less estimated income	\$8,000,000 0	\$8,000,000 0
General fund	\$8,000,000	\$8,000,000
FTE	0.00	0.00

<sup>1</sup> One-time funding is added for a transportation distribution to organized and unorganized townships in non-oil-producing counties.

# House Bill No. 1012 - Department of Transportation - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
Operating expenses	376,721,715	18,452,036	395,173,751
Capital assets	727,911,207	374,774,753	1,102,685,960
Grants	79,788,030	(16,120,000)	63,668,030
Accrued leave payments	7,280,897	(7,280,897)	
General fund transfer to highway fund		504,115,558	504,115,558
General fund trans. to special		1,000,000	1,000,000



410

FTE

#### Department No. 801 - Department of Transportation - Detail of House Changes

Salaries and wages Operating expenses Capital assets	Adds Funding for Base Payroll Changes <sup>1</sup> \$9,190,542	Adds Funding for Salary and Benefit Increases <sup>2</sup> \$11,719,008	Adjusts Base Level Funding <sup>3</sup> (81,547,964) (32,840,805)	Adds One-Time Funding for Enhanced State Infrastructure Investments <sup>4</sup> 97,500,000 406,615,558	Adds One-Time Funding for Recreational Road Access Improvements <sup>5</sup>	Adds One-Time Funding for Motor Coach Reimbursement from Colleges <sup>6</sup>
Grants Accrued leave payments General fund transfer to highway fund General fund trans. to special road fund Short line railroad program	(7,280,897)		(16,870,000)			750,000
Total all funds Less estimated income	\$1,909,645 1,909,645	\$11,719,008 11,719,008	(\$131,258,769) (131,258,769)	\$504,115,558 504,115,558	\$1,000,000 1,000,000	\$750,000 750,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
Salaries and wages Operating expenses Capital assets	Adds One-Time Funding for Motor Vehicle Registration and Titling System <sup>7</sup> 2,500,000	Adds One-Time Funding for Short Line Railroad Program <sup>6</sup>	Transfers General Fund to Highway Fund <sup>9</sup>	Transfers General Fund to Special Road Fund <sup>10</sup>	Total House Changes \$20,909,550 18,452,036 374,774,753	
Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund General fund trans. to special	Funding for Motor Vehicle Registration and Titling System <sup>7</sup>	Funding for Short Line Railroad	General Fund to	General Fund to Special Road	Changes \$20,909,550 18,452,036	
Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund	Funding for Motor Vehicle Registration and Titling System <sup>7</sup>	Funding for Short Line Railroad	General Fund to Highway Fund <sup>®</sup>	General Fund to Special Road Fund <sup>10</sup>	Changes \$20,909,550 18,452,036 374,774,753 (16,120,000) (7,280,897) 504,115,558	
Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund General fund trans. to special road fund	Funding for Motor Vehicle Registration and Titling System <sup>7</sup>	Funding for Short Line Railroad Program <sup>8</sup>	General Fund to Highway Fund <sup>®</sup>	General Fund to Special Road Fund <sup>10</sup>	Changes \$20,909,550 18,452,036 374,774,753 (16,120,000) (7,280,897) 504,115,558 1,000,000	
Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund General fund trans. to special road fund Short line railroad program Total all funds	Funding for Motor Vehicle Registration and Titling System <sup>7</sup> 2,500,000 \$2,500,000	Funding for Short Line Railroad Program <sup>6</sup> 2,000,000 \$2,000,000	General Fund to Highway Fund <sup>9</sup> 504,115,558 \$504,115,558	General Fund to Special Road Fund <sup>10</sup> 1,000,000 \$1,000,000	Changes \$20,909,550 18,452,036 374,774,753 (16,120,000) (7,280,897) 504,115,558 1,000,000 2,000,000 \$897,851,000	

<sup>1</sup> Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance		\$7,042,812	\$7,042,812
Health insurance increase		4,676,196	4,676,196
Total	\$0	\$11,719,008	\$11,719,008

50

<sup>3</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Increase funding for operating expenses		\$8,748,743	\$8,748,743
Increase funding for contract patching from \$82,935,780 to		35,713,309	35,713,309
\$118,649,089			(10.070.000)
Adjust funding for grants		(16,870,000)	(16,870,000)
Remove 2013-15 biennium capital assets funding		(158,850,821)	(158,850,821)
Total	\$	0 (\$131,258,769)	(\$131,258,769)

<sup>4</sup> One-time funding is added from the highway fund for enhanced state infrastructure investments.

<sup>5</sup> One-time funding is added from the special road fund for improvements to roads that lead to recreational areas.

<sup>6</sup> Funding is provided from special funds transferred to the Department of Transportation from various state colleges related to a loss incurred on motor coaches used by those colleges.

<sup>7</sup> One-time funding is provided to continue the motor vehicle registration and titling system project.

<sup>8</sup> A section is added providing a one-time strategic investment and improvements fund appropriation for the Department of Transportation's short line railroad program.

<sup>9</sup> A section is added providing a one-time general fund transfer to the highway fund to be used for enhanced state infrastructure investments.

<sup>10</sup> A section is added providing a one-time general fund transfer to the special road fund for improvements to roads that lead to recreational areas.

This amendment also:

- Provides legislative intent that the Department of Transportation refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly.
- Amends North Dakota Century Code Section 39-02-03 regarding contracts between the Department of Transportation and branch offices.
- Provides for a Legislative Management study regarding short line railroad infrastructure.
- Provides for a Legislative Management study regarding high-efficiency vehicles.
- Provides for a Legislative Management study regarding automated motor vehicles.



Date: february 23,2015 Roll Call Vote #: 1

## 2015 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO.4/13/012

House	House Appropriations - Government Operations Divison						
		🗆 Subcommi	ttee				
Amendme	ent LC# or	Description: 15.8120.0	1001				
Recomme	endation:	Adopt Amendment <ul> <li>Do Pass</li> <li>Do Not Pass</li> <li>As Amended</li> <li>Place on Consent Calendar</li> </ul>	<ul> <li>Without Committee Recon</li> <li>Rerefer to Appropriations</li> </ul>	nmendation			
Other Act	ions:	□ Reconsider	□				
Motion Made By Rep Brandenburg Seconded By Rep Skarphol							

Yes	No	Representatives	Yes	No
	-			
AF	-			
CL		0		
	Yes	Yes No	Yes No Representatives	Yes No Representatives Yes

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

motion carried

Date: 2/23/2015 Roll Call Vote #: 3

2015 HOUSE STANDING COMMITTEE ROLL CALL VOTES BILL/RESOLUTION NO. HB1012							
House Appropriations - Governme	ent Oper	ations [	Divison	Comr	nittee		
	🗆 Sı	ubcomn	nittee				
Amendment LC# or Description:							
Recommendation: □ Adopt Amendr ⊠ Do Pass □ ⊠ As Amended □ Place on Cons	Do Not		<ul> <li>Without Committee Reco</li> <li>Rerefer to Appropriations</li> </ul>		lation		
Other Actions:			LJ				
Representative Motion Made By <u>Brandenburg</u>		Se	conded By <u>Representative</u>	√iggess	a		
Representatives	Yes	No	Representatives	Yes	No		
Chairman Thoreson	x		Representative Hogan	x			
Vice Chairman Brandenburg	X		Representative Glassheim	X			
Representative Kempenich	X						
Representative Vigesaa	X						
Representative Boehning	X						
Representative Skarphol	X						
Total (Yes) <u>8</u>		No	0				
Absent 0							
Floor Assignment Representative	Brande	nburg					
If the vote is on an amendment, briefly indicate intent:							

								Date:	23	1,5	
		ROL	CALI	ANDING COMMITTEE - VOTES DN NO/0/2							
House	Арр	ropria	ations	Committee							
		🗆 Su	bcomm	ittee							
Amendment LC# or Description:	5,81	20.0	100	1			-				
Recommendation:	Recommendation: Adopt Amendment Do Pass Do Not Pass Without Committee Recommendation As Amended Rerefer to Appropriations Place on Consent Calendar										
Other Actions:		onsider		□							
Motion Made By:	Yes	sde No	Absent	0	Secon Yes	ded By: INo	Sk	Representatives	Yes	No	Absent
Chairman Jeff Delzer	res	NO	Absent		165	NO	Absent	Representative Boe	165		Absent
Vice Chairman Keith Kempenich				Representative Nelson Representative Pollert				Representative Glassheim			<u> </u>
Representative Bellew				Representative Sanford				Representative Guggisberg			
Representative Brandenburg				Representative Schmidt				Representative Hogan			
Representative Boehning				Representative Silbernagel				Representative Holman			
Representative Dosch				Representative Skarphol							
Representative Kreidt				Representative Streyle							
Representative Martinson				Representative Thoreson							
Representative Monson				Representative Vigesaa						<u> </u>	ļ
Totals											
(Yes)											
No		1	V	oice Vote							

Absent Grand Total Motion Carries

#### Floor Assignment:

Totals (Yes) No

If the vote is on an amendment, briefly indicate intent: \_

Handout #3 with changes described Legist. Convil is working on (Handout #2)

								Date:	23/1	5	
				ANDING COMMITTEE L VOTES DN NO 0		/					
House	Арр	ropri	ations	Committee	-						
Amendment LC# or Description:			1bcomm	ittee 20.0/00	2		_				
Recommendation: Other Actions:	Do Pass       Do Not Pass       Without Committee Recommendation         As Amended       Rerefer to Appropriations         Place on Consent Calendar										
Motion Made By:	an	nd	ent	burg	Secon	ded By	: T	horeson			]
Representatives	Yes	No	Absent	Representatives	Yes	No	Absent		Yes	No	Absent
Chairman Jeff Delzer		~		Representative Nelson	K			Representative Boe	V		
Vice Chairman Keith Kempenich Representative Bellew	V	r		Representative Pollert Representative Sanford	1			Representative Glassheim Representative Guggisberg	1		
Representative Brandenburg	V			Representative Schmidt	V			Representative Hogan	V		<u> </u>
Representative Boehning	V	r		Representative Silbernagel	V	1		Representative Holman	V		
Representative Dosch	V	-		Representative Skarphol	V	÷					
Representative Kreidt	V	-		Representative Streyle	~						
Representative Martinson	V			Representative Thoreson	~						
Representative Monson	$\vee$			Representative Vigesaa	V					<u> </u>	<u> </u>
Totals (Yes) No	23 0		<u> </u>			L	L				<u> </u>
Absent Grand Total	0 23										
Floor Assignment:		Br	ano	lenter rg							-

If the vote is on an amendment, briefly indicate intent:

#### **REPORT OF STANDING COMMITTEE**

HB 1012: Appropriations Committee (Rep. Delzer. Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (23 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1012 was placed on the Sixth order on the calendar.

- Page 1, line 1, replace "an appropriation" with "appropriations"
- Page 1, line 2, after the semicolon insert "to provide an appropriation to the state treasurer for allocations to townships in non-oil-producing counties;"
- Page 1, line 2, replace "a transfer" with "transfers; to amend and reenact section 39-02-03 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices; to provide legislative intent; to provide for legislative management studies"

Page 1, replace lines 12 through 20 with:

"Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135					
Accrued leave payments	7,280,897	(7,280,897)	0					
Operating expenses	376,721,715	18,452,036	395,173,751					
Capital assets	727,911,207	374,774,753	1,102,685,960					
Grants	79,788,030	(14, 120, 000)	65,668,030					
Total special funds	\$1,379,179,434	\$392,735,442	\$1,771,914,876					
Full-time equivalent positions	1,079.50	0.00	1,079.50"					
Page 2, replace lines 2 through 16 with:								
"General fund transfer to highway	\$541,600,000	\$0						
Enhanced state highway investme	1,161,600,000	504,115,558						
TIGER III federal railroad program		10,000,000	0					

6.820.000

1,100,000

4,500,000

	4,000,000	0
Transportation distribution to oil-producing counties	160,000,000	0
Transportation distribution to non-oil-producing cour	nties 120,000,000	0
Recreational road access	0	1,000,000
Vehicle registration and titling system replacement	0	2,500,000
Motor coach reimbursement from colleges	<u>0</u>	750,000
Total all funds	\$2,005,620,000	\$508,365,558
Total special fund	541,600,000	<u>508,365,558</u>
Total general fund	\$1,464,020,000	\$0"

Page 2, after line 25, insert:

General license plate issue

Airplane replacement

public transportation fund

Contingent general fund transfer to

**"SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO** HIGHWAY FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$504,115,558, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the state highway fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

SECTION 5. APPROPRIATION - TRANSFER - GENERAL FUND TO SPECIAL ROAD FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the special road fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the

0

0

0

funds provided under this section to the special road fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

**SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of one-time funding for the department of transportation's short line railroad program, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 7. APPROPRIATION - STATE TREASURER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$8,000,000, or so much of the sum as may be necessary, to the state treasurer for allocation to counties for allocation to or for the benefit of organized and unorganized townships in non-oil-producing counties, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section must be distributed in February 2016. The state treasurer shall distribute the funds provided under this section to counties and the county treasurer shall allocate the funds to or for the benefit of townships in non-oilproducing counties through a one-time distribution of \$5,000 to each organized township and a one-time distribution of \$5,000 for each unorganized township to the county in which the unorganized township is located. For unorganized townships within the county, the board of county commissioners may expend an appropriate portion of revenues under this section for township roads or other infrastructure needs in those townships. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, a "non-oil-producing county" means a county that has received an allocation of funding under section 57-51-15 of less than \$5,000,000 in the state fiscal year ending June 30, 2014.

**SECTION 8. LEGISLATIVE INTENT - CONTINGENT FUNDING FOR BUILDING AND NEW MAJOR INFORMATION TECHNOLOGY PROJECTS.** It is the intent of the legislative assembly that the department of transportation refrain from using funds appropriated to the department of transportation in section 1 of this Act for construction or improvements to buildings and any new major information technology projects during the biennium beginning July 1, 2015, and ending June 30, 2017, unless the department receives at least the amount of federal highway construction funds that was anticipated by the sixty-fourth legislative assembly."

Page 3, line 2, replace "\$904,115,558" with "\$504,115,558"

Page 3, after line 17, insert:

"SECTION 13. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

#### 39-02-03. Powers and duties of director and department.

The director<del>, subject to the approval of the governor</del>, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Branch office contracts entered into under this section may extend five years and may be renewed in accordance with this section. At the end of each current branch office contract term, the department shall consider entering into contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter into direct negotiations and contract with qualified vendors to provide branch office services. The director may provide for a maximum fee

schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD INFRASTRUCTURE. During the 2015-16 interim, the legislative management shall consider studying short line railroad expansion, spurs, switches, or other infrastructure enhancements and the effect of short line railroads on reducing commercial traffic on the state highway system. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 15. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES.** During the 2015-16 interim, the legislative management shall consider studying the potential effect high-efficiency vehicles may have on the revenue generated from motor vehicle registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol taxes. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 16. LEGISLATIVE MANAGEMENT STUDY - AUTOMATED MOTOR VEHICLE. During the 2015-16 interim, the legislative management shall consider studying potential statutory changes that may be necessary to accommodate the introduction or testing of automated motor vehicles in North Dakota and any automated corridors affecting North Dakota. "Automated motor vehicle" means a vehicle capable of operating in a full automation mode where full automation is defined by the Society of Automotive Engineers Standard, J3016, section 5.6 issued January 2014, as the unconditional, full-time performance by an automated driving system of all aspects of the dynamic driving task. The study may include research into the degree that automated motor vehicles could reduce traffic fatalities and crashes by reducing or eliminating driver error and the degree that automated motor vehicles could reduce congestion and improve fuel economy through better utilization of existing highway capacity and more efficient operation of the vehicles' acceleration and braking controls. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1012 - Summary of House Action

	Base Budget	House Changes	House Version
State Treasurer			
Total all funds	\$0	\$8,000,000	\$8,000,000
Less estimated income	0	0	0
General fund	\$0	\$8,000,000	\$8,000,000
Department of Transportation			
Total all funds	\$1,379,179,434	\$897,851,000	\$2,277,030,434
Less estimated income	1,379,179,434	392,735,442	1,771,914,876
General fund	\$0	\$505,115,558	\$505,115,558
Bill total			
Total all funds	\$1,379,179,434	\$905,851,000	\$2,285,030,434

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Less estimated income	1,379,179,434	392,735,442	1,771,914,876
General fund	\$0	\$513,115,558	\$513,115,558

### House Bill No. 1012 - State Treasurer - House Action

	Base Budget	House Changes	House Version
Transportation distribution to townships		\$8,000,000	\$8,000,000
Total all funds Less estimated income	\$0 0	\$8,000,000 0	\$8,000,000 0
General fund	\$0	\$8,000,000	\$8,000,000
FTE	0.00	0.00	0.00

#### Department No. 120 - State Treasurer - Detail of House Changes

	Adds Funding for Distribution to Townships in Non-Oil- Producing Counties <sup>1</sup>	Total House Changes
Transportation distribution to townships	\$8,000,000	\$8,000,000
Total all funds Less estimated income	\$8,000,000 0	\$8,000,000 0
General fund	\$8,000,000	\$8,000,000
FTE	0.00	0.00

<sup>1</sup> One-time funding is added for a transportation distribution to organized and unorganized townships in non-oil-producing counties.

### House Bill No. 1012 - Department of Transportation - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
Operating expenses	376,721,715	18,452,036	395,173,751
Capital assets	727,911,207	374,774,753	1,102,685,960
Grants	79,788,030	(16,120,000)	63,668,030
Accrued leave payments	7,280,897	(7,280,897)	
General fund transfer to highway fund		504,115,558	504,115,558
General fund trans. to special road fund		1,000,000	1,000,000
Short line railroad program		2,000,000	2,000,000
Total all funds	\$1,379,179,434	\$897,851,000	\$2,277,030,434
Less estimated income	1,379,179,434	392,735,442	1,771,914,876
General fund	\$0	\$505,115,558	\$505,115,558
FTE	1079.50	0.00	1079.50

#### Department No. 801 - Department of Transportation - Detail of House Changes

	Adds Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Adjusts Base Level Funding <sup>3</sup>	Adds One-Time Funding for Enhanced State Infrastructure Investments <sup>4</sup>	Adds One-Time Funding for Recreational Road Access Improvements⁵	Adds One-Time Funding for Motor Coach Reimbursement from Colleges <sup>6</sup>
Salaries and wages	\$9,190,542	\$11,719,008				
Operating expenses			(81,547,964)	97,500,000		
Capital assets			(32,840,805)	406,615,558	1,000,000	
Grants			(16,870,000)			750,000
Accrued leave payments General fund transfer to highway	(7,280,897)					

fund General fund trans. to special road fund

Short line railroad program						
Total all funds Less estimated income	\$1,909,645 1,909,645	\$11,719,008 11,719,008	(\$131,258,769) (131,258,769)	\$504,115,558 504,115,558	\$1,000,000 1,000,000	\$750,000 750,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Motor Vehicle Registration and Titling System <sup>7</sup>	Adds One-Time Funding for Short Line Railroad Program <sup>8</sup>	Transfers General Fund to Highway Fund <sup>®</sup>	Transfers General Fund to Special Road Fund <sup>10</sup>	Total House Changes
Salaries and wages Operating expenses Capital assets Grants Accrued leave payments General fund transfer to	2,500,000		504,115,558		\$20,909,550 18,452,036 374,774,753 (16,120,000) (7,280,897) 504,115,558
highway fund General fund trans. to special road fund Short line railroad program		2.000.000		1,000,000	1,000,000
Short line raiload program		2,000,000			2,000,000
Total all funds Less estimated income	\$2,500,000 2,500,000	\$2,000,000 2,000,000	\$504,115,558 0	\$1,000,000 0	\$897,851,000 392,735,442
General fund	\$0	\$0	\$504,115,558	\$1,000,000	\$505,115,558
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total		
Salary increase - Performance		\$7,042,812	\$7,042,812		
Health insurance increase		4,676,196	4,676,196		
Total	\$0	\$11,719,008	\$11,719,008		
<sup>3</sup> Base level funding is adjusted as follows:					

	General Fund	Other Funds	Total
Increase funding for operating expenses		\$8,748,743	\$8,748,743
Increase funding for contract patching from \$82,935,780 to \$118,649,089		35,713,309	35,713,309
Adjust funding for grants		(16,870,000)	(16,870,000)
Remove 2013-15 biennium capital assets funding		(158,850,821)	(158,850,821)
Total	\$0	(\$131,258,769)	(\$131,258,769)

<sup>4</sup> One-time funding is added from the highway fund for enhanced state infrastructure investments.

<sup>5</sup> One-time funding is added from the special road fund for improvements to roads that lead to recreational areas.

<sup>6</sup> Funding is provided from special funds transferred to the Department of Transportation from various state colleges related to a loss incurred on motor coaches used by those colleges.

<sup>7</sup> One-time funding is provided to continue the motor vehicle registration and titling system

project.

<sup>8</sup> A section is added providing a one-time strategic investment and improvements fund appropriation for the Department of Transportation's short line railroad program.

<sup>9</sup> A section is added providing a one-time general fund transfer to the highway fund to be used for enhanced state infrastructure investments.

<sup>10</sup> A section is added providing a one-time general fund transfer to the special road fund for improvements to roads that lead to recreational areas.

This amendment also:

- Provides legislative intent that the Department of Transportation refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly.
- Amends North Dakota Century Code Section 39-02-03 regarding contracts between the Department of Transportation and branch offices.
- Provides for a Legislative Management study regarding short line railroad infrastructure.
- · Provides for a Legislative Management study regarding high-efficiency vehicles.
- Provides for a Legislative Management study regarding automated motor vehicles.

# **2015 SENATE APPROPRIATIONS**

HB 1012

# 2015 SENATE STANDING COMMITTEE MINUTES

# **Appropriations Committee**

Harvest Room, State Capitol

HB 1012 3/12/2015 Job # 24746

□ Subcommittee □ Conference Committee

Committee Clerk Signature 11

# Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide appropriations for defraying the expenses of the department of transportation; to provide an appropriation to the state treasurer for allocations to townships in non-oil-producing counties; to provide for transfers; to amend and reenact NDCC relating to DOT motor vehicle branch offices; to provide legislative intent; to provide for a legislative management studies; and to provide exemptions.

# Minutes:

Attachments # 1-9

**Chairman Holmberg** called the committee to order on Thursday, March 12, 2015, at 8:30 am in regards to HB 1012. Roll Call was taken. All committee members were present except Senator Erbele, who arrived during the hearing. Chris Kadrmas, Legislative Council and Becky Keller, OMB were also present. A subcommittee has been selected: Senator Gary Lee, Chairman; Senator Holmberg and Senator O'Connell.

**Grant Levi, Director of DOT**: Testified in favor of HB 1012. First I will share with you what our department has done, and then we would like to outline for you what the Executive Budget Proposal was and talk a little bit about the House modifications to the Executive Budget Proposal and hopefully make it very clear to you that it is essential that restore the Executive Budget and put it back intact in order to provide this necessary services to the traveling public. In addition to myself Mr. Ron Henke, will be testifying, Darcy Rosendahl, and Mark Nelson, Shanna Sauer will also be testifying. We are here to answer your questions. He presented a power point presentation and stated thank-you for all the legislature has done for the Department. On page 9 when you see increases in traffic you have to make adjustments and changes. The major corridors are the largest move of commerce. The map displays what has been accomplished-in blue.

The expenditure reported here is the expenditure that the DOT made, at the time of the contract so they have the money to do their road work. Written Testimony Attached (1). (1:34-12:02)

Senator O'Connell: Are you using a different class of material then?

**Mr. Levi:** The actual pavement design is based on the amount of traffic that travels over it and the pavement design criteria are based on what is a term called ESALS, Equivalent

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Single Axel Load. If properly loaded 105,500 pound truck places less ESALs on a roadway then the traditional eighty thousand pound truck. Therefore if you are moving the same amount of commodity you have fewer trips with that 105,500 pound load. I am not here to make a point that there should be changes in the way roadways are posted. There are other reasons to put roadways at 80,000 pounds on occasion. We do that for example on certain roadways where we are trying to discourage through traffic from using that corridor. Most of the time when we do it we are also reducing the axel rates. You have to have the appropriate axel distribution. He continued with his testimony on page 11@13:55. We at the DOT know that you need a good county system. You need good city roadways and streets and you need a good township system and a good township system. We picked the 4 largest oil producing counties to establish a system of integrated energy corridors. We intend to work through these 4 counties, and do a tiered integrated system and work across the state. (12:20-20:47)

**Senator Heckaman:** In looking at your county systems and the upper Great Plains transportation report, was that a factor in consolidating some of the state shops in the rural area? Was that due to that report, and there are concerns when you talk about the AG Industry about the availability of a good transportation line for the AG community in the rural districts but also for the fire and emergency people in the winter time.

**Mr. Levi:** We didn't intend to get into any detail on that but if I may I will take a few minutes to walk through what we have done. Over the years the type of equipment, the capability of our equipment has changed. We are now at a point where we have much larger trucks covering more area. We can add what is called a tow plow truck and provide service. In addition to those changes the cost of maintaining a section building has gone up considerably. The House took away are ability to do that with a section they added to this bill. What we have done as an organization is we have taken a look at our state and a look at the resources that have been made available to us and yes we have done some limited consolidations where we were down to a point where we had 1 person operating in a section and that person ended up working with neighboring section for many of its activities. We are still keeping a satellite section there for snow and ice purposes but not in all. We have not taken any of equipment operator resources and reallocated them to the western part of the state. You have been good to us and provided resources to help with the growth that is occurring out there. You provided 4 equipment operators last session to deal with that change. I can't say the same isn't true for our engineering resources. We are reallocating that as changes are occurring.

**Senator Heckaman:** You mentioned a section that the House put in could you just reference that by page number?

**Mr. Levi:** If I could we will cover that later. He continued with moving of communities - page 1.18 - ND State Rail Study. (24:03-27:08)

**Senator Robinson**: I know surveys are a big issue across the state. Will the upper Great Plains Transportation Institute be completing that work on behalf of cities or not or are we going to be dependent on the surveys that were conducted?

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**Mr. Levi:** That need study was started by the DOT and we are having conversations right now with the cities to talk about how to go about that. We haven't made any final decisions on whether or not we are able to fund a very comprehensive needs study that is at the same level of detail of what you are funding for the county and townships. I think you are providing in a piece of legislation 1.2 million. We are talking to the cities, and I can share with you I had the opportunity to sit across from people from Grand Forks and Williston just within the last four days just to talk about their concerns but we'll take a hard look at that.

**Chairman Holmberg:** One of the issues that came up and it does touch on upper Great Plains as you recall in the various bills that went out regarding surge or jump start, the Senate's position was that we utilize the unmet needs under the upper Great Plains study. At the end of the day it went out on the CMC and I received word from our county engineer that says if that is a path the state goes down he fears that there will be counties that will have an opportunity to enhance the their opportunities and that they will play some games? Do you think that engineer was accurate?

**Mr. Levi:** The process for placing miles on the county major collector system requires a review by DOT and by federal highway administration. There are some criteria in place as to what gets assigned to each county. There is room for additional miles to be added. How the counties will react to a pattern we need to ask them but we will play a role in looking at the corridor that they are requesting meets the criteria that is in place. There is some room to add more miles. We are actually in the process of doing that right now in the western North Dakota. We are adding additional county collector miles, because so much has changed. (29:45-30:59)

**Senator Carlisle:** We had the PSC budget but the numbers they had 7 incidents in eleven years. If you are saying eighteen months on the study if the statistics prove out there would be a possibility, couldn't that particular area be fast tracked? We got both budgets and the opportunity would there be some way for that. They have a train every 20 minutes.

**Mr. Levi:** By indicating that we were working on the study and the study would take 18 months, I didn't mean to imply that are activities with respect to railroad crossing safety wouldn't continue to move forward. We have an existing program in the Department of Transportation where we solicit from local entities their needs that they view for railroad crossing improvements. We do work with them and given the increase in rail traffic and vehicle traffic we are seeing more requests come from local communities. We have some funding available to us which is part of our overall budget to address those issues as they come forward. If the federal government comes through we will have enough resources. He continued with testimony on page 20. (31:47- 44:38)

**Senator O'Connell:** There has always been an argument on speed on these roads, has there been a study and are you looking at more concrete roads rather than asphalt?

**Mr. Levi:** There has been a lot of conversation in our industry about whether or not you slow heavier trucks down what kind of damage would occur. In reducing the speed some believe that the damage to the roadway would be less. The reality is that the engineering study shows that is not true. Actually it can cause more damage. South Dakota was the last state that did a comprehensive study of that and we mirror them for the most part as far as

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weather and conditions and roadway infrastructure. So we don't advocate slowing them down. There has also been conversation about speed on the roadway and having a different speed for trucks and other vehicles traveling. The studies there are somewhat inconclusive. There is no clear right or wrong. We haven't advocated that in our state because we are concerned with having differential speed and the way our system is designed having more passing occur than already is. So we think it is in the state's best interest to maintain that speed. Yes, we are using concrete and we do use it based on what we are attempting to accomplish with that roadway in addition to how that fits into the management of our overall system. If we were to every road way to our ultimate design, it we would have much of our system fall apart and it would cost the taxpayers a lot of money. It is very important that you timely compact the roads and put some asphalt overlays on them or do concrete overlays at the right time because it cost less. We take all of that into consideration as we make decisions on the investment strategy we are going to use as we make decisions on the investment strategy we are going to use. I would like to move into sharing with you based on all the information the needs studies based on this and what the existing resources could supply to the DOT and what was done with the executive budget recommendation, page 31. (46:00-50:18)

Senator Carlisle: Asked what the House used the other \$4M for.

**Chris Kadrmas, Legislative Council:** The \$4M didn't get shifted anyplace else because the entire budget was decreased.

Mr. Levi: The next slide begins on page 33. (51:09-52:50)

**Vice Chairman Bowman:** We don't know what the federal government will do. Are you still going to hold true that all the federal money will go to the eastern part of North Dakota or will that free up more money for the whole state?

**Mr. Levi:** Right now our agency is operating with more uncertainty than ever before. As we have looked at what has occurred we have 143 million dollars that were made available federally. We are bidding that out this spring and you made available to us 450 million after that we are a little concerned in both respects. We don't know what the federal government is going to do and how we are going to come through this legislative session. What we are talking about here is a plan that was put in place based on all of that happening. If all of that doesn't happen we are going to have to make some tough decisions and I am not going to assure anyone that we are going to continue with the basis of the plan that we put together. We are going to go to where the greatest needs are and take care of things with the resources we have available and that is all that we can do. He continues with slide 34. (53:16-1:10:59)

**Chairman Holmberg:** Everyone who lives east of here drives by the Crystal springs area, there is the rest stop to the north where the lights are on all the time but it is still blocked off, what is the status there?

**Mr. Levi:** The reason it is closed is the lagoon system has been taken over by the growth of the lake that is beside it and a result we need to put in a new lagoon system. It is part of overall budget. I don't believe it is impacted by this section. We estimated the cost about

\$200,000 to do that and to comply with the new rules and regulations it is now \$1.2M. In the last conversation we had, we are not sure that is an appropriate investment at that location. Those buildings need work as well and we have had conversations about consolidating both the east and west bound and right now we don't have those resources in our budget. We have been taking more complaints about the rest areas and the lack of in the last few years than we ever have. I have made a decision that with everything we need on the roadway system it is difficult for us to address those issues. (1:11:35-1:13:39)

Vice Chairman Bowman: When you talked about the rules and regulations changing the cost of some of these projects when does it ever come to the point and time when the people that are pushing these rules and regulations have to come up with the money to fund them?

**Mr. Levi:** It's only getting worse, at the federal level, there hasn't been an increase in federal funds, but that hasn't been a lack of federal rules. We have been working very closely with our congressional delegation and they are on board but it is tough. There is a very strong environmental regulation community that exists nationally that is pushing hard. I don't have an answer. The only way we can deliver the project is if we comply and if we don't comply we either don't get the project or we get fined. He continues with his testimony on page 47-short line railroad program. (1:14:20-1:

Chairman Holmberg: Asked about the new license plates and how we are doing on that.

**Mr. Levi:** We'll walk through that in a few minutes and we will cover where we are at with the plate as well. (1:19:11-1:19:24)

**Senator Wanzek**: About the short line railroad you said you have a 193,000 in loan out, if the \$2M came you would have 2,193,000?

Mr. Levi: That's correct and there are people lining up already for those resources.

**Senator Wanzek:** It seems like \$2M is not going to accomplish a lot of what we were presented with and as far as addressing the short line rail needs.

**Mr. Levi:** That is part of the reason the governor proposed 10M as part of the executive budget in the industrial commission. You are correct the 2M won't go very far in covering what is needed.

**Senator Gary Lee:** In terms of the \$10M that was in the industrial commission budget, that other 8 was that part of the reduction over all in terms of general fund dollars?

**Chris Kadrmas, Legislative Council:** The funding for that came from the sift fund. It is just part of the global reduction. The \$2M will be out of the sift fund.

**Ron Henke, Deputy for Engineering**: In support of HB 1012. He continued with the testimony # 1 on beginning on page 53 - State Highway Performance Classification System (HPCS) and then continued with traffic growth - Agriculture Industry, Energy growth. (1:21:55-1:35:58)

**Senator Wanzek:** Asked if he had a trailer with a triple axel instead of a double axel if that is all it would take and also distributing the weight throughout the trailer as well as the length of the trailer.

**Mr. Henke:** Yes if you add a triple axel on that trailer you are going to get to those six axels and that same amount of weight is going to be spread over more axels so the impact to the pavement is less. The length of trailer and that truck needs to be loaded properly. He continued on with his testimony with proposed construction page 72 - 74. (1:36:34-1:39:19)

**Senator Robinson:** Asked if this list was listed in priority and what would happen if we only took half of the money requested.

**Mr. Henke**: That is correct these lists are not in priority order. If we don't get the 1.354 billion we will have to shuffle and we will have to make some tough decisions. The federal funds might get shifted to the west instead all of it staying in the east. (1:39:35-1:40:09)

Senator O'Connell: Asked if they have enough engineers on staff.

**Mr. Henke:** We are doing the same practice that we have done over several years. We keep in house those projects that we can handle with the staff we have. What we cannot do, we outsource to our partners in the consulting industry and give them the work. We are providing oversight to those consultants. We have shifted people from the eastern part of the state to the west, some of our more senior level engineers and technicians that have a lot of experience to help with the oversight of those larger projects. (1:40:28-1:41:20)

**Senator Robinson:** We appreciate all you do and we know the solution is finances. With the federal tax being what it is year after year for such a long time I think everyone knows that is the key to resolving this issue nationally. Are there discussions in the Transportation Directors Association at a national level the Governor's Association, urging Congress to bite the bullet and address the issue and fund the infrastructure?

**Mr. Levi:** Yes, we belong to two national associations. We have proposed a number of things to Congress as a group and as an organization. We have national staff that works the Congressional halls constantly to make it very clear about the needs. We have done national needs study, as well as a proposed funding paper that was put together by that association given to Congress to give them options. We also belong to the western, association which consists of 18 states which are more similar to us and the same things are occurring there. I sit on the board similar to that and it is being advocated. There was a governor's conference and they also urged for investment in transportation.

**Senator Robinson:** In your opinion are the odds pretty slim, the state can't do it all. The costs are increasing and federal funds decreasing.

**Mr. Levi:** It is concerning and this conversation has been going on for some time. You said it well they are having challenges on how to bring that revenue in. The other key point we need to stay focused on as they change the transportation program it continues to reflect

the fact that states like the state of North Dakota who supplies this country with so many resources continue to get the resources we need from the federal government.

**Senator Heckaman:** I attended the NCSL a legislative group and we met in Washington D.C. and one of our focuses was studying the history of the highway trust fund and what the future looks like. We met with our congressional delegation and urged them to fully fund the highway trust fund.

**Mr. Henke:** Over the last three to four years we have outsourced about 60% to 70% of our work to consultants. There is a lot of work being pushed out. We thank you for the 450 million dollars we are putting that money to work. The department had to cancel some bid openings because of all the uncertainty of funding but we have moved forward. This is a list of projects utilizing \$450M proved by SB 2103. He continues with his testimony page 76. (1:45:35-1:47:17)

Senator Mathern: Asked if he had other bid openings.

**Mr. Henke:** We have bid openings in March, April, May, June, and July to get all the money out. Move into the FTE's on page 78. (1:47:33-1:49:16)

Senator Heckaman: How many people do we have working in that division right now?

**Mr. Henke:** If you just look at storm water runoff we have two people. We also ask our district personnel to make sure the devices get put in as the plans get designed and laid out and they will assist the counties as well. We are also looking for an archeologist. He continues with Cultural Sites on page 79 (1:49:28-1:51:30)

**Senator Gary Lee:** In terms of the archeologist looking to preserve and make sure we don't disturb the native interest, do they share in the costs at all?

**Mr. Henke**: No we cover those costs. We do have them come out to the field because they have the background information we need. It is part of getting the environmental clearance. He continued with testimony (1:52:50) Federal Rules & Regulation Changes. (1:51:53-1:57:17)

Senator Robinson: What is the cost of a new truck?

Mr. Henke: I would guess it's about \$180,000 per truck.

Senator Robinson: Asked what a tow plow is.

**Mr. Henke:** It is like a blade we hook behind the trucks, and we are able to swing that out to the side, we can cover up to 24 feet. We put a wing on these trucks to help clear the shoulders and we can now cover the width of the interstate. (1:57:37-1:58:20)

**Senator Robinson**: You are building a new shop or storage shed at Valley City, what is the cost of that project?

**Mr. Henke:** The cost was just over a million dollars but it will get all our trucks inside so we have them deiced and ready to go for the events that come. We also have used those in the summer months. They added a pump so we can wash off bridge decks. (1:58:33-1:59:32)

Senator Robinson: How many do we have state wide? He was told 350.

Senator O'Connell: Asked for an update on Fargo building.

**Mr. Henke:** That building is built. We have all our trucks inside and our tow plows. We were able to put in a break room for our employees and a couple office locations. We have also doubled it for storage. He continues with his testimony (2:00-2:01:51)

Mark Nelson, Deputy Director for Driver and Vehicle Services: Goes over his testimony beginning on page 92. He started with the license plate issue.

**Chairman Holmberg**: The legislature said they would have the budget section put their fingerprints on the final design, so that's what happened.

**Mr. Nelson:** I served on the committee that developed the design and Roughrider Industry, Highway Patrol and Tourism. The one word we kept hearing form Tourism was the public liked what we captured on our current buffalo plate. We didn't change a lot of that on the current plate. Roughrider should get their equipment as early as April and then they get trained in. We plan production starting sometime in June and the delivery date to the public will be sometime in the fall. It will be on a regular renewal cycle. (2:03:39-2:4:44)

Chairman Holmberg: What did we decided on the Lewis and Clark?

**Mr. Nelson:** The Senate passed it out to eliminate and the House concurred. That plate will disappear. He continued with testimony. (2:06:24-2:20:29)

**Darcy Rosendahl, Deputy Director for Business Support:** He began his testimony on page 103. (2:20:55-2:26:37)

**Senator Robinson**: Asked if the add on to the salary was the only supplemental provision you are providing to employees out there or do you also have a housing allowance.

**Mr. Rosendahl:** We do have a housing allowance. He continued with his testimony. (2:26:58-2:30:17)

**Vice Chairman Bowman:** The upgrade you are doing with these towers is that working with the new proposal of emergency services?

Mr. Rosendahl: This started before the proposal came forward. (2:30:53-2:31:02)

Vice Chairman Bowman: We just discussed that this year about what they are going to do and we have been through this before at a county level where our equipment gets outdated

and we have to replace it. If we are redoing our towers, everyone needs to get on the same page.

**Mr. Rosendahl:** We do have a DOT working with that, if he ever saw an opportunity to coordinate that he would bring it forward. He continued with the state fleet motor coaches. (2:31:40-2:32:53)

**Chairman Holmberg**: Did they not in the Higher Education Budget, assess some campuses some money to repay for those buses?

Mr. Rosendahl: The 750,000 got divided evenly between UND and NDSU.

Chairman Holmberg: They were the ones that ordered the buses?

**Mr. Rosendahl:** They were two of the ones that didn't. There were a number of universities and colleges that had the buses.

**Chairman Holmberg**: You just signed off of them without knowing if they would cash flow? Did you not purchase them for the university system for their usage?

**Mr. Rosendahl:** Some of those came in when the university system was absorbed into the state fleet. They weren't being used.

**Mr. Levi:** If I can take a step back to a couple of issues that were discussed. When you discussed the housing allowance, the department does not have an allowance program for those who own a home it is only a rental assistance program. The motor coaches and the reimbursement for \$1M, state law requires when entity approaches us to purchase a vehicle and put it in a fleet that hey use that vehicle. What occurred in those conversations, we can't afford that rate to cover all the cost but we'll have more use which will offset it. We finally reached a point where we said we can't afford to continue those costs. Therein lays the request from the general fund for one million dollars. We have no way of covering the two hundred and fifty thousand dollars that is short. That is why we are here. We have information that outlines each section of the bill. He addresses page 116 and said they will not walk through them but they are a nice way of summarizing what occurred in our budget. Closing comments; the projects that we have proposed in executive budget will need to be delayed if funding is not restored with the Executive Budget. We will approach that by taking care of what we deem as greatest needs. See the summary - page 121. The people that are leaving are the general legal counsel and our civil rights director is leaving, because they are concerned with health care coverage in the future. It is important to us that we can take care of our buildings. We would respectfully ask that you remove section 8 of the bill. Then we can go back to doing business the way we asked. The House respected our wishes regarding and granted the amendment for the procurement of motor vehicle. We thank you for the 450M in surge funding. I know the traveling public appreciates that as well. (2:34:27-2:43:11)

**Mr. Levi:** Patty and Pauline are part of our financial team and he wanted to thank them publicly.

**Michael Gunsch, Vice Chairman of the Friends of Lake Sakakawea (FOLS)**: Submitted written Testimony Attached # 2. He is requesting funds to improve roads to recreational tourist and historical sites in ND (2:44:21-2:48:55)

**Senator Heckaman:** As I look at your managing agency on the back of your testimony do you partner with them at all?

**Mr. Gunsch:** There are no dollars involved between our organization and the ones that are listed.

**Cal Klewin, Executive Director of the Theodore Roosevelt Expressway Association (TREA):** Testified in support of HB 1012 and provided Testimony Attached # 3, regarding the immediate transportation infrastructure needs in our state. (2:49:50-2:52)

Pat Hanson, Executive Director of South Central Adult Services in Valley City also a member of ND Senior Service Providers and Dakota transit Association: Presented Testimony Attached # 4, in support of HB 1012 and asking for support for public transit in ND.(2:53:17-3:01:37)

Senator O'Connell: How do you acquire your vehicles?

**Ms. Hanson:** The state does the bid, the state DOT does the procurement for the seven passenger walk-in vans and they are doing the fifteen passenger buses. We use some conversion vans and we are allowed to bid them ourselves.

**Senator Carlisle**: Vice Chairman Bowman carrying a bill tomorrow for veterans, we were going to buy some vans for rural areas, could you use the same van?

**Ms. Hanson:** My agency will be a recipient of two of those vans. We've been doing the veterans services forever and but allowing a couple of newer vehicles is good.

Scott Rising, Soybean Growers Association: Thanks for keeping Grant and his crew here so we can thank them. The work they do is phenomenal. A guick soybean commercial, this transportation system is essential for our successes. Our competitors around the world have an advantage for cost of production to us in Asian markets they do not have the efficient effective transportation system we have in this country. We are able to be price competitive with them, the other piece of that is that soybeans are harvested twice a year in the world. We compete with other states for that same market, both rail and roads are critical for North Dakota to get to an Asian market where they are mostly bought today. We are the number 2 exporter in the country. In the Asian economy where we usually sell their growth rate is declining, we need to find better ways to export more effectively. We just don't spend time in Bismarck. We have a transportation coalition that is made up of 13 states that grow soybeans that deal with nationwide studies to provide education for the soybean association that makes a pitch in Washington DC. Most recently they are supporting a highway funding bill that would add 180 billion dollars to the funding bill. It is a bipartisan effort and we would like to believe that is going to succeed. There are challenges there that we don't have in North Dakota. The only thing I would add we need

to add is we need to develop a conversation in our state on how we can fund the infrastructure in our state. We are going to fall short in future years. (3:04-3:09:02)

**Vice Chairman Krebsbach**: I just want to inform you that I have a request from Gene Griffin who was with Upper Great Plains. Just to let you know there is a request for \$60,000 for this study with conjunction with DOT. Testimony **#** 5 - Email message from Gene Griffin regarding an amendment to the bill (attached in Testimony and a copy of Engrossed House concurrent Resolution No. 3034.)

Chairman Holmberg: Closed the hearing on HB 1012.

#### Testimony submitted after the hearing are as follows:

Testimony Attached #6 from Fred Helbling, ND Ag Coalition: Stating the Ag Coalition unanimously support the appropriations in HB 1012, specifically the funding for rural roads and bridges as identified in the UGPTI.

Testimony Attached # 7 from Leon Dietrich: In support of HB 1012, as it includes transportation services for people with disabilities.

Testimony Attached # 8 from Kelly Sorge, Owner of Indian Hills Resort: Asking for support in funding for roads for improved recreational opportunities in ND in HB 1012.

Testimony Attached # 9 from Bobby Koepplin, Chairperson for the Sheyenne River Valley National Scenic Byway Association: Asking for funds to improve access to our statewide amenities.

# 2015 SENATE STANDING COMMITTEE MINUTES

### **Appropriations Committee**

Harvest Room, State Capitol

HB 1012 3/26/2015 Job # 25513

☑ Subcommittee□ Conference Committee

Committee Clerk Signature

## Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for DOT.

Minutes:

Testimony # 1 - a form giving additional information regarding budget requests. Testimony # 2 - Base Level Funding Changes

Chairman Lee: Called the subcommittee meeting to order on Thursday, March 26, 2015 at 3:00 pm in the Harvest Room. All subcommittee members were present: Chairman Lee, Sen. Holmberg and Sen. O'Connell. Chris Kadrmas, Legislative Council and Sheila Peterson, OMB were also present. Roll call was taken. Just for a little direction, everybody likes the executive budget, but everyone has moved from that, we will concentrate on what the House did.

Grant Levi, Director of DOT: We'll do our best to establish our reference points to the House version of the bill; we appreciate the opportunity to share our information. Testimony (attached # 1) regarding 1012 Roadway portion; it's really essential for the Dept. to have sufficient state funding to maintain the transportation infrastructure. The list of projects that we shared with you last time we met, were only a portion of the requests we received. We receive many requests. Right after this meeting we are having a meeting with the major cities in the state talking about some of their concerns. We feel it is essential that the \$400M that was removed in engrossed HB 1012, from the enhanced state highway infrastructure investment funding be restored in order for us to address the transportation needs across the entire state. You had asked us to spend some talking about facilities and staffing, we will walk through that. After we do that, we'd like to take some of your time to just go back to the importance of that investment in the transportation infrastructure. We would like to discuss an amendment to HB 1012 to address motor vehicle procurement; and then talk a little bit in summary of our suggested changes to the bill. That is what we hope to accomplish today. We prioritize the projects needed to be accomplished; even as we build our base budget before we start talking to anyone about enhancements to it. We were short \$128M in our base budget compared to the present biennium. That is a result of a decrease in both federal funding and state revenue. In the state revenue decrease is a result of the fact that we longer had any carryover funds from previous biennium's to bring in to the upcoming biennium. In previous biennium we saw huge growth in the highway tax distribution fund. That's not occurring this biennium; for us

to be able to carry some of that unspent state revenue into the future biennium. We have seen huge growths in oil. We fully recognize the need in order to best serve the public; we need a transportation infrastructure, facilities and staffing to do the job that we have to do. Recognizing those needs we feel the budget we had originally submitted provided an appropriate balance in expenditures and will help us serve the public in the best manner.

Sen. G Lee: About that \$400M reduction. Is that related to the money that went out early, transferred money to the DOT to put into that surge fund? Is that just a trade-off; that the \$400M went out early and now it shows up here as a \$400M loss? I am trying to think about the House. That wasn't in the original SB 2301 bill.

Grant Levi: The executive branch had submitted an early funding surge bill as well; that was SB 2126, which contained \$450M. In addition to that to fund the DOT's entire program there was \$904M additional state funds placed in HB 1012. While you restored through SB 2103, the \$450M that was in the original executive budget proposal in SB 2126, the House took out \$400M from the \$904M that was included in HB 1012. It was the intent to have a state funded program of \$1.354B. That was the executive recommendation. HB 1012 in its original form, contained \$904M in enhanced state highway funding. In addition to that, it was the intent to provide \$450M early. You did that in SB 2103; thank you very much for that. That allowed us to start work. What we are talking here is restoring the \$400M the House took out of HB 1012.

Sen. Holmberg: Did that \$400M go anywhere or was it just put into the general fund.

Grant Levi: I don't know if the reduction in the DOT's budget was a reduction that the House felt was necessary in order to balance out their revenues. I don't know that they put it anywhere. I don't know what was done with it.

Sen. Holmberg: The challenge is, of course, is that right now we are up \$300M to the bad, trying to balance the budget and if we would have put an additional \$400M here, do you have a suggestion of where we can take it from. The two biggest departments are Human Services and Elementary/Secondary education.

Grant Levi: I can appreciate the fact that you have challenges ahead of you as you look at all of the budgets. What we are here to do is to advocate the need to spend resources for transportation. That's why I am standing here.

Sen. G Lee: The money that the governor had in his earlier funding bill that was \$405M state money.

Grant Levi: Yes.

Sen. Lee: That didn't really affect 1012; you still have the \$900M in 1012.

Grant Levi: Yes, that's correct.

Sen. Lee: So essentially we took the money from executive budgets, put it into 2103, so that is where the money came from, as opposed to this bill. This is a reduction as well.

Grant Levi: That is well stated, yes. We need to start developments of projects early. That's why we were able to share with you, like we did last time we talked to you about a list of jobs. When we do that we also create expectations. We, like you, are challenged with making difficult decisions. I'll get into that in a few more minutes as we talk about the projects in a little bit more detail. We'll focus some time talking about facilities. When we started developing our budget, we carefully scrutinized and identified facility needs. In our whole goal, when looking at facilities, is to make sure we can continue to improve the efficient and safe operations in our facilities. As we started our process last summer, we had requests that RT felt was immediate in the amount of \$54M. Many of the buildings that they are talking about repairing are anywhere from 45-75 years old. We took the \$54M list of proposed facility projects from our team, and cut it down to \$10.9M. We placed those building improvements in our base budget. They were not optional requests. We felt so strongly about what we are going to share with you in our building list that it's so important to our operations and service that we put that in our base budget. We didn't ask for any optional funds even though that base budget had decreased by \$128M. You have a list of Per your request, we've listed them for you and we'll talk about each and the projects. every one of them. In the Bismarck District we had \$2.6M; we still have asbestos in that building in our facilities there; portions of those facilities were built back in 1939. We have a situation there where not only are they old, hard to maintain, asbestos is there. We can't fit all of our equipment in. When you can't get your equipment into the building during the winter months, you know what that does. It slows your ability to act and provide service. What we're asking to do is to be able to do some asbestos abatement, get a better work environment for our team and create a facility that can store our equipment. In Williston we had \$2.6M to do similar asbestos work similar to what we have in Bismarck. We also have asbestos there yet. We need to do the same thing with the abatement process and to repair the facility; put equipment inside. We need to do something with driver's license service. I don't know if you have been to our Williston facility. Our driver's license office is not attached to the main office. It is a small building off to the side, we have people standing outside in Williston, because they can't get in to get service, or they do get in and at times we've had to ask them to go out because the building got too full. We're having difficulty in dealing with that in Williston. In Grand Forks, we are experiencing the same challenges. The facility in Grand Forks is newer but we have some of the same challenges there. We have a team in tight guarters to serve the public. When the room is full, people are standing outside. There we are asking for \$400,000 to invest there. We have Section Facilities that need to be upgraded. We have 62 section facilities and we have a constant plan and have come each session. You have allowed us to upgrade those section buildings. We have listed four of them in the testimony on page 2. We have facilities that were built in 1967. They can't house the equipment anymore. To serve the public we had to go to bigger facilities. Not only can't they house the equipment, the buildings are falling apart. They are old; they aren't in the best shape because the equipment that comes in is full of salt. We have buildings rusting and that's what we're dealing with. The other thing that we felt was essential is the radio towers. This week, Monday, we were called over to the House Government Operations division to talk about changing the radio system, to go to a truncated system, new technology. I think you've been approached about that as well. That project would cost \$160M. In order for that project to succeed we have to be in a situation where we have radio towers and facilities to house the equipment. The DOT has 43 radio towers that we maintain and take care of. What we are asking for here is that we

need to upgrade the buildings because when they were built, many of the buildings were built underneath the radio tower. If you think about that, that doesn't work well because those radio towers during an ice storm, they get ice on them, the ice falls and hits the roof and we've got problems. We have had problems where we've had to come out and quickly repair roofs and we have sophisticated electronic equipment in there. Those radio towers and the equipment inside are essential to this state's ability to respond to emergencies. If you can see what we've shared here, we started a process earlier and we are in the third phase of a four phase replacement process for those buildings. We asked for \$1.2M; it costs us about \$155,000 per site upgrade. We would do somewhere between 7 and 9 depending on how the costs come in for replacements. Another concern is the rules and regulations in this state that we need to work through. One of the areas we are concerned about is the fact that we, at times have salt sitting outside. We cover it but can you imagine if we have a rain storm occur at the wrong time. The runoff that would occur with that sale and issues that we would deal with. We've tried hard, as an agency, to get around to all of our facilities and put in salt buildings that are large enough. Fargo district is left, as well as the Williston district will be left this biennium. We asked for resources to get to the Fargo district. In addition to that, in order to serve the public we are in need of making sure we can efficiently produce salt brine. That's what we use to pre-wet and get to our roadways for snow and ice control. If you travel our state right now, that's one of the things that we are doing differently. We are reaching out and you will see us get out not only pre-wet, but it also helps us remove the ice faster. When you see a 71% increase in traffic in the 17 oil producing counties in 4 years, and on a 26% on a statewide basis, we need to do things differently. We need to build some buildings to put in better, upgraded systems in Bismarck, Valley City, Devils Lake, and Minot. That in essence, is what we asked for and requested. We have attachment #A, which shows the pictures of what we're dealing with. That is what happens to our equipment when it sits outside. Today's equipment isn't what I used to work with on the farm, it's all electronic. When you have that kind of ice build-up in equipment, we have problems. We need to get that equipment inside. On the bottom, you can see, that's a water line in the Bismarck district, the very lowest picture on attachment A.

Sen. G Lee: For example, the Bismarck district, are you just looking a storage building with a heated floor. What are you looking at?

Grant Levi: What we are looking to construct, like we have built some other ones, like in Fargo that you allowed us to build a little while back. It is a state of art facility with floor heating so you can get that ice off when you bring them in. In addition to that, we have put in place the doors so you can pull in efficiently. It's a fairly large size building and we have a place in there where we put the equipment operator team to go and change, etc. In addition to that in the Bismarck district, the administrative team has asbestos in the ceiling of the building, we need to start the process to abate that; like was done in the central office.

Sen. Lee: This wouldn't be a building that you take down, you would just add on to it or what.

Grant Levi: We would build a brand new building and we'll take the old facility that exists, we will take our people out of that and we will store some equipment in there as well.

Sen. G Lee: It seems like a lot of money. Sen. Wanzek always talks about his farm. He built a new heated shop with big enough doors for the combines, etc. for \$900,000. It seems like a lot of money for a storage shed; \$2.6M. I suppose you are putting a lot of trucks in there, but it seems like a lot of money for a storage facility with heated floors and a place for the people to go.

Grant Levi: I can appreciate that. We just bid some salt buildings to store salt and they were a decent size. Just a salt building that is open on one end, bid out for \$400,000. Once we get into meeting codes and requirements within the areas we're in. I agree that the cost gets high. We have a facility to store our trucks and our people but in addition to that we need to get into our administrative building, asbestos abatement as well. That's how the \$2.6M comes about at that location.

Sen. Lee: Is that the same with the Williston facility.

Grant Levi: That's correct but in addition to that in Williston; we also need to do the Driver's License facility. One of the concerns, if you look at section 8 of 1012, the way the bill is written we believe it not only prevents us from proceeding with the facility needs we just described, in the engrossed bill HB 1012, 2000 version. We believe that section 8, not only prevents us from proceeding with facilities, because it says we can't proceed until we get all of our federal money. We usually don't know if we get all of our federal money until close to the end of the biennium, so we don't get to the buildings but we're also concerned that the way it currently reads, we wouldn't be able to repair, make improvements to comply with ADA at facilities like rest areas where we have some work; driver's license offices where we have repair work needed and it raises the question if the roof of the building was damaged in the storm, could we repair it, the way it is written. While we can appreciate the fact that you have challenges with the fiscal resources and you need to make decisions, we're suggesting that it is important from a service perspective to get to the facilities we're requesting, but we also have real concerns the way section 8 is written.

Sen. Holmberg: It's kind of weird because you are at the mercy the projections the legislature had and at the same time, the federal money which can be sporadic. It's an interesting way to tie your hands.

Sen. G Lee: This was a House addition, section 8.

Grant Levi: Yes; that was a House addition. That's our concern. We felt our hands are tied in a manner that we couldn't operate. That's how the House intended to limit our ability to work on facilities.

Sen. Holmberg: I think if that's the legislative intent that would be a more direct or cleaner way to do it. It's totally uncontrollable.

Sen. Lee: Do you have suggested language or just drop the section.

Grant Levi: We would suggest you drop the section. That would give us the ability to do what we had originally intended in our base budget. I am on page 3 - we are looking for ways to minimize the need for additional staffing. We're always looking for ways to

approach the other avenues rather than request staffing. We've always tried to do is to look at can we outsource it. Can we do a process change? Or is there a law change, before we come to you and ask for FTE's. One of the things we have done, in our construction program, which has tripled in size, we have outsourced between 60 and 75% of that work. Our team members have made a wonderful adjustment. Where they used to design projects, they are now doing some design, but are also overseeing consultants and working with them in order for us to take on the workload. In addition to that, in motor vehicle, we're outsourcing because the branch offices are separate businesses. We are also outsourcing the processing we have to do with the branch office work and phone calls we get to a consultant. We're also doing that as you can see in the second bullet. This legislative session for driver's license we're still seeing growth. We've shared that with you in driver's license and motor vehicle. We've introduced two bills, HB1121 which allows driving schools that are certified to provide a portion of the skills testing. We saw if they can do that, we could cut some of the waiting times, where we have anywhere from 50-80 days waiting for people here in Bismarck to take their skill testing portion for a class D license. We could cut some of that time with that bill, and we're happy to say that has passed and is with the Governor for signature. We also suggested we allow on line DL for renewal. That bill did not pass. Other states are doing on line renewal. Once you have a license, you could skip coming in and certify that you had your eyes checked, you certify that your vision good, your health is good and do an on-line renewal process. Unfortunately HB 1122 did not pass. Even with all those efforts that we put into play, we need to request two FTE's. We have challenges complying with the Environmental Rules and regulations. When I say "we" it is not only us but it is also our partners. We work very closely with them to help move projects along. For example, we were up in McKenzie County. They weren't able to move with the northern tier bypass project. We stepped in and brought our team in to help to get it approved so they could spend their Surge money. When can't outsource the environmental scientist and archeologist position because a DOT staff member is needed to provide guidance to consultant to county and city officials and how to meet those rules and regulations. I broke down the two positions for you and we can talk about them in a little more detail. The environmental scientist is necessary because of the growth and regulations as it relates to storm water runoff on projects. The State of ND's contractor was fined \$40,000 in 2012. In addition to the fine, you have to make some process changes in your organization. I am happy to report that on attachment B we just got a letter from the EPA; they said that we had fulfilled the requirement to the agreement that you signed in June 2012. They went on and stated that in addition to the fine, you still have continued obligations under the Clean Water Act. The challenging part with all of that is the EPA, if they fine you once and if they come back the fines and sanctions just get larger. If you could see some of our colleagues have been hit hard. Alaska DOT was fined \$118,000; Hawaii DOT was fined \$1.2M; Kansas was fined \$477,000. To ensure that we and our partners work together to develop the requirements within plans, can meet the regulations, we are asking for 1 FTE. We have a couple of people working in that area now; we are struggling to keep up with everything.

Sen. G Lee: Currently, these are like contracted people that do this for you; or does the federal government do it.

Grant Levi: Currently we have 2 people in our organization that are assigned specifically to storm water runoff. It is their duties they are handling. We are trying up with the

workload. In addition to that, all our organization gets involved when we have construction contracts and agreements that are out there overseeing contractors. We put in our plans with the contractors what is required to do to a certain extent. The contractor carries through with that; but we have to inspect that and oversee that. In 2012, with the sanction that we were given in 2012, we were told we didn't adequately oversee that project, because the contractor did not have the paperwork in his office on the field site that was necessary. That was part of the sanction. This person will help develop the guidelines for contractors; help develop the guidelines for people who inspect, to make sure that the work is done appropriately. They will also help the two people we have in place. If you can take a program that has grown 3X in size and you take even what you have left out with the earlier funding to our transportation partners and the DOT, we have a sizeable amount of activity. The more we're tearing up the ditches and the dirt, the more sensitive this issue becomes. We have to build more new infrastructure.

Sen. Lee: If you had one of these and multiple projects going on around the state, how do they cover the ground that they need to get to the different sites? Are they scheduled to be there on certain days?

Grant Levi: With the staff we have in place we do the best we can.

Sen. Lee: I mean if you would add this person.

Grant Levi: We would have another person to help do that and cover more ground. One of the challenges is the federal money isn't going, but the federal rules and regulations continue too.

Sen. Lee: The one person wouldn't be doing all you're talking about, they would just augment what you already have in place.

Grant Levi: Yes. It will help our team that's already doing much of this work.

Sen. O'Connell: Basically how long do these studies hold up a project before you can bid them; on a typical project a 10 mile project.

Grant Levi: That varies based on the complexity of the project. Yesterday morning I was briefed by Ron and his team that we have Lewis and Clark Bridge which is under construction right now, where we had all the environmental clearances for it in order for it to proceed. We were informed by US Fish and Wildlife Service that they are considering pulling back their environmental approval because of the construction methods the contractor is using, in driving piles to bring the bridge. They are basically the support for the bridge. I'm sharing that because it never ends. It doesn't end until the job is done and then even then, until the paperwork is all finished because they check that as well.

Sen. O'Connell: I thought once a project was started, that it was okay. But I guess it's a long ways from being correct.

Grant Levi: That is correct. In essence, a lot of what this person would do is make sure we are compliant with the measures we agreed to in the environmental documents; to go out in the field and make sure that they doing the storm water runoff and help provide guidance.

Sen. G Lee: So this person would be a lead individual in this area that you are talking about the run off.

Grant Levi: The person would work with our supervisor and the other member of the team. He would work with that team to help provide guidance and oversight. The other position is an Archaeologist. If you think about what is occurring in the state, whenever you move dirt, on each project you need clearance, you need oversight, and we have a 3 member team. We do hire consultants to do a lot of that. Those rules and regs are required, even if it takes state money and investing it, but if there is any type of federal requirements, local governments are as well to handle the cultural oversight. All the projects in the state there is a consultation process with all the tribal governments. That is why we are asking for another FTE. We can't outsource that duty. We outsource a lot of it already.

Sen. Lee: Do you have any archaeologists on staff now.

Grant Levi: Yes, we have three. This person will supplement that team much like the other position.

Sen. Lee: Is there turnover in that group of people.

Grant Levi: Yes, there is turnover on occasion. Our team leader in that area is at a point where sometime we're concerned that she may decide to take other opportunities; she's at a point where she could retire. She has done an exceptional job establishing that relationship with the tribal partners and its cultural resource work. I started out talking about that \$400M and I would like to come back to that. I hope that we've made it clear how important that investment is. There is attachment C that highlights the changes that were made to HB 1012. It's a summary. I would like to focus on the changes that were made in here; the reduction in the enhanced state highway infrastructure came in two parts. They made an adjustment in the operating expense for the operating appropriation line item, you can see that \$77M. That's where the engineering occurs for the work. They also made an adjustment in the capitol assets part of \$322.5M in the budget. We don't necessarily agree that's an appropriate adjustment as far as its mixture either. That's how the House handled it. The capitol assets you see Reduction and Enhanced state highway investment infrastructure, \$322.5M. So the adjustments in that \$400M occurred in two parts. That \$400M was a portion of the Executive Budget's recommendation of \$1.875B, which included federal funds to do work on state highways and state highways within the cities; rural and in the cities. I would like to remind you that the Upper Great Plains Needs Study indicated that we should be spending \$3.54B in 2015-2017. I'm jumping back between that table (att. C) and spending some time on page 4. That's highlighted in page 4. In response to your question about how the \$1.875B came about: \$450M goes back to the conversation we had earlier and it was included in an early funding bill. The other portion of it was included in HB 1012, which included federal money at \$940M in a general fund transfer to the DOT. That \$400M cut was from that \$904M. That is shown on attachment c as well, and the areas it was cut in. Going back to attachment C-1, the traffic

volumes are not decreasing. You can see that by looking at what occurred in 2014. If you look over that yellow dot with the blue line, that's 2015; statewide traffic. We are still above where we have ever been statewide in traffic. We had a 71% increase in traffic since 2010 to 2014 in the oil producing counties. It is still growing, 26% on state highways. The next attachment C-2 - truck traffic vehicle miles, the blue line is the historical base growth. We worked with Upper Great Plains, we thought traffic would come down, but it has not. C-3 is a picture of what is happening to our system. C-4 - shows that it is really a statewide issue on pavement management data shows will happen to our infrastructure's ride. Ride is a reflection of what has already happened to the pavement. When the pavement starts to deteriorate the ride starts to drop. You can see that even with what's recommended was recommended at \$1.87B including federal funds that \$1.354B of the state money was part of that. The system still deteriorates. That doesn't surprise us because Upper Great Needs Study was \$3.5B. We thought it would be good to give you an example, our team does an excellent at looking at roadways. If you look at attachment C-5 - you get an example of, in this case, 480,000 ESALS (traffic that was carried) on Highway 200 (which goes from Highway 85 over to the Montana border), put it in place in 2005, exceeded it sometime in 2011. We have to get to that roadway so we don't have to build it up again. Attachment C-6, just to remind you, was our intent that if the resources, if you were able to provide all the resources we requested, to restore that \$400M, we had talked about taking resources that we would have spent federal money in the western part of the state, moving that to central and eastern part of the state because we know we have needs across the entire state and then use the state resources you give us for the western part of the state. That is what Att.C-6 depicts. We made a note that out of the \$1.875B was intended for state highways including state highways in cities and the remaining was local funds. You can see a portion of those resources we had in our budget goes to the urban areas (12 major) and to the counties. UGPT suggested we should be spending about \$3.54B.

Sen. G Lee: So your total on that was \$2.1M if you had everything that you originally had.

Grant Levi: Yes, that's correct. And the \$1.87M would have gone to state highways. The rest goes to local roadways.

Sen. O'Connell: On Attachment C1 under grants - the short line railroad, is that \$2M in TIGER grants or is that for the railroad crossing?

Grant Levi: I didn't touch on these because I wasn't sure if we would have time. The short line rail program funding that is shown there is the governor had requested in the industrial commission budget \$10M to be put into the Bank of ND to help these short line railroads make repairs because investments in them takes traffic off the roadways. Railroads like Red River Valley in western and those railroads. To be able to do that DOT has an existing program that we talked about earlier. The House made the decision just to take a portion of the resources requested, take \$2M of the \$10M and place it into the DOT's budget and it would become part of our loan program. That was the intent. Within this budget as proposed, there are resources available for railroad crossing improvements; there are federal dollars come to us along with state match of around \$3.2M a year. I should also point out some of the other changes that were made, but I'll get to that in a minute when I summarize on that sheet. Any other questions on the Enhanced State Highway Investment.

Grant Levi: (49.31) If you look at Attachment D, we had touched on this when we provided earlier testimony for you. Attachment D is our request to allow us, basically to not follow the state's procurement laws when it relates to Motor Vehicle Branch offices. In the past, we've historically worked and had a relationship with the motor vehicle branch offices, which are a special service; there is no other business that does it. They help us provide titling, registration, outside of our Bismarck location. They are private businesses; their compensation comes from the fees they collect which you control through this piece of law saying that they cannot exceed \$10.00. This amendment is, and the House agreed to it, to allow us to take the current branch offices (the private vendors, 13 of them), we may extend for 5 years our agreements with them and then 1 year prior to the end of the current private vendor, branch office contract term, we shall consider entering into contracts with new branch offices. We wouldn't follow the state's procurement laws because most of those branch offices have never gone through that process. We have challenges to get people to take on these responsibilities in their communities, especially like Williston. We would reach out, 1 year prior to ask if there is any interested and ask them to give us some type of proposal if they are interested. We have challenges at times just getting people to step up and provide these services in communities. This makes changes to what's included in Engrossed HB 1012 that we believe was the intent of the House members. Somewhere in our conversations, we didn't get to them what ended up as being the last conversation with them into the bill when they passed it out.

Sen. G Lee: So you are adding the words in yellow to the section 13 of the bill.

Grant Levi: Yes, correct. My copy is in red, so I believe it may be yellow in what you are looking at. What's in color?

Sen. Lee: Just a comment, it took me 13 minutes to renew my license; from the time that I sat down with my number to the time I was out the door. You did a good job.

Grant Levi: We are proud of our team.

Sen. G Lee: If I can summarize quickly from what I understood here, the two FTEs were taken out and you feel that they are essential to put back in, the \$400M line item for the grant line, the building projects, section 8, is bad and the language in section 13 as well.

Grant Levi: If you look on page 5 is the list. We would like you to remove section 8; provide the 2 FTEs; restore the state fleet request for motor coaches to \$1M. You can read what I have written on page 5, the 3<sup>rd</sup> bullet down. We are in a position where we had a relationship with the University system to provide motor coaches. That relationship goes back to 1995. In that relationship, according to state law, if you enter into the fleet process, you should be using the fleet vehicle unless you get approval from DOT. We went forward in good faith working with university system, and we had motor coaches in place. We received inquiries to add to that fleet and to continue with it, some of those were put in service, at their request in 2010, 2011, and a list of the years that they would use them. We entered into a challenge where they were not using them enough to pay for the fleet rate that we pay for the costs we were incurring. We sat down with them in 2007; we have

to raise the rate. They said to keep the rate the same, we will use them more. We would do that for a period of time. It wasn't any use. We come back the next year; well we've got to raise the rate. This went back and forth until we got to a point where we said we have to cut our losses and walk away from the U system agreement. The University system agreed. Some University members used the motor coaches and they ended up purchasing them, Bismarck and Williston.

Sen. Holmberg: Was that was the campus itself or for an alumni group.

Grant Levi: That was typically the alumni group that purchased it.

Sen. Holmberg: Because when we had our Good Friday demonstration of washing the hands, they said the University couldn't own them because of the state law.

Grant Levi: What we decided in preparing our budget, we decided we would sell the buses. We did and basically what we are requesting is resources to pay the fleet back. It's a little under \$1M because we finished our books. Now the House provided \$750,000. We are short \$150,000. We have no means to pay that amount.

Sen. Holmberg: The assessment that was made to the campuses, where did that money go, or is that the \$750,000.

Grant Levi: That's the \$750,000.

Sen. G Lee: They each had \$325,000 in their budgets.

Sen. Holmberg: And they were squawking.

Sen. Lee: Are there any needs that you have from Grant's team for another meeting. Amendments that you may have and want to be included or considered. Talk to Chris. We have the one on the truck size; the one 129 and 100 ft. ones that Grant has helped with the language of.

Sen. O'Connell: Did Sen. Sinner talk to you about amendments.

Sen. G Lee: Yes, I said I wanted to see what he was talking about. For next time we will try to meet on Monday.

Chairman Holmberg: I think it wouldn't be in the morning; probably afternoon because I believe we go until 2:30 pm on the Floor. We do have an 8:30 am, 9:00 am, 10:00 and 11:00 scheduled for bills.

Sen. G Lee: The other thing from you, Grant, if we look at putting some of these things back, if you have a list you want to prepare, if we can't put all of them in, in order of importance.

Chris Kadrmas, Legislative Council: The funding for the buildings and the technology equipment, is still within the bill itself; it's just the authorization to actually use the funding as

restricted by section 8. So if you were to remove section 8, we'd end up shifting about \$589,000 that was taken out of a technology item and put into capital assets. That would just be reversed. But all the funding is within the bill currently.

Sen. G Lee: We took section 8 out.

Mr. Kadrmas: Correct.

Sen. Lee: They would have the spending authority for all the buildings.

Mr. Kadrmas: Correct.

Grant Levi: We didn't touch on the IT project that we are looking at doing; we will talk about that next time.

Sen. G Lee: If you know about what the federal dollars will be; what you have listed in here yet.

Grant Levi: I couldn't answer that with any certainty. I can give you an update if you would like on where the conversations that are occurring at the national level.

Sen. G Lee: That would be great. If there are projects let's look at the bids that are coming in relation to what you have going on here; if there are projects you don't think you're going to be able to get too or can't bid. If there is going to be excess there. We will meet next week.

# 2015 SENATE STANDING COMMITTEE MINUTES

## **Appropriations Committee**

Harvest Room, State Capitol

HB 1012 3/30/2015 Job # 25622

☑ Subcommittee□ Conference Committee

Committee Clerk Signature lures for Alico Deber

### Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for the Department of Transportation (DOT)

### Minutes:

5 attachments

Chairman Gary Lee called the subcommittee hearing together on Monday, March 30, 2015 at 4:00 pm in the Senate Conference Room in regards to HB 1012. All subcommittee members were present: Chairman Lee, Senator Wanzek and Senator O'Connell. Nick Creamer, OMB and Chris Kadrmas, Legislative Council were also present. Senator Wanzek is replacing Senator Holmberg on this committee.

Grant Levi, Director of DOT, we're here to share a little more information with you. I'll start out with the packet I handed out testimony. See attached # 1. To start off as we put this budget we encountered some challenges that were unique we started out with \$128,000,000 less in revenue when we started out the base budget. That was a result of a decrease of state and federal funding. If you compare the biennium to the upcoming biennium we are discussing if nothing else happened and no one-time funding was added we would be \$128,000,000 less to operate and long term that is a concern. That is an indication of is that the federal program isn't growing, we had no state dollars to carry over, we are still increasing but not at as quick of a rate. When you have a 26% jump in traffic from 2010-2014 statewide over 73% in the oil producing counties that means revenue coming in. If you look at the front sheet of what I handed to you it provides a summary, there are \$616,500,000 included that we would hope to receive in the biennium that we are discussing. See attachment #2. Unfortunately, Congress just passed some legislation that appropriates only a portion of the funding for the federal fiscal year of 2015. They gave us \$143,000,000 out of an anticipated \$240,000,000 plus, that is what we have and it is only extended through May 31, 2015. If you look at the bottom chart on the first page what you will see is that we are in for some real serious challenges on the federal side. The chart shows that we are assuming the fixed 2015 and get us up to that \$40,000,000 but if they do nothing major for revenue collections you can see in 2016 there will not be a federal program. That's concerning to use because we are using federal dollars to pay off the bonding that we did for US 2, somewhere in the neighborhood of \$5,000,000 a year; that the first payment we make and that bond goes through 2020. On the federal funding its \$5,000,000 a year, which will fluctuate until we pay off the bond.

Senator Gary Lee: Hasn't that federal funding been in flux every biennium it's the same thing? Do you have as stronger suspicion it may not be there this time.

Grant Levi: The challenge that makes it different this time is there is just not enough funds coming into the federal highway tax distribution fund. In order to fund for the upcoming fiscal year they would have to come up with about \$18,000,000,000 of transfer; what congress has done today, at the national level, budget guidelines are basically stating that if they add money to the highway program from other sources, there has to be a corresponding offset that is why it's concerning. We can see what they are challenged with at the national level across the nation, we get \$2 for every \$1 we send it, that will likely change because the larger states are contributing more.

Senator Gary Lee: Through 2015 you are expecting \$43,000,000.

Grant Levi: We would have hoped through 2015 to have over \$143,000,000 to date we only have \$143,000,000 that is one of the reasons we could not start bidding until you passed SB 2103.

Senator Gary Lee: For the biennium you are looking at the \$616,500,000.

Grant Levi: If go back to attachment 2 - the revenue the federal revenue, the green one, it includes all federal money. Our budget always includes some carry over funds and why you don't see the \$480,000,000 up there for the federal highway administration you see \$545,300,000 for federal highway because we are always carrying over some federal money from one biennium to the next. We don't budget for the state match again. I know it gets misleading when we talk about annual and the numbers just don't add up. How do you get to the \$616,500,000 we are anticipating some emergency relief work of \$42,400,000, railroad \$4,000,000, safety \$9,500,000 and transit is \$15,300,000 and if you will look we are anticipating an increase in transit program, on yellow sheet (see attachment #2), a slight increase in federal dollars. Transit has been one emphasis by the federal administration.

Senator Gary Lee: Looking at the 2013-2015 for transit, \$8,900,000 I was thinking it was \$9,100,000.

Grant Levi: This is at the time when we put our budget together, transit has a continuing appropriation and so they will get whatever comes into the highway tax distribution fund without us coming back to you. In 2013-2015 biennium you had a trigger in place of \$550,000 and it happened both years so you added \$1,100,000. These tables we'll refer to them a couple of times.

Senator Wanzek: If I remember right, why there is such a big drop off in 2016 and comes back in 2017 with federal dollars.

Grant Levi: That occurs because the federal program is a pay back program; they authorize a considerable amount of work and in essence through their accounting they have to pay back to the commitments and that uses up all the funds in 2016. It is a lagging program,

and is very concerning. And the revenue that is coming in is around \$32,000,000,000 you have to actually add, \$50,000,000 goes out, actually comes in is about \$32,000,000,000 in 2017 that would be the dollar amounts that are actually coming in.

Senator O'Connell: On the transit money any stipulations?

Grant Levi: There are lots of strings. The funding comes to us in different categories in transit and those categories have very little flexibility. Each of those areas has different matching responsibilities and use, the same with federal highway program. We have certain lots we can use the money for. You have a little more money on the federal side than the transit side.

Senator Gary Lee: In 2013-2015 they had \$8,900,000 and then they got another \$1,100,000 giving them \$10,000,000. Is that what you are going to end up with or is this total.

Grant Levi: That's correct if our revenue would have come in as projected, currently it is a little above.

Senator Gary Lee: So looking ahead into 2015-2017 you are anticipating you will get less?

Grant Levi: If the revenue forecast were entirely accurate then we would only get \$9,300,000, they would get a little bit more if the federal comes through, there's lots of things to look at.

Senator Gary Lee: It looks like there is \$500,000 more in the federal dollars.

Grant Levi: You also mentioned we should talk about our compensation package, on page 2 of testimony you can see we supported the governor's entire package. We understand you have to make the decisions you have to make; one of the things that are included in our budget is \$7,500,000 set aside for the energy impact funding pool that is what we use for rental assistance for team members in western part of the state. Look at attachment 2 on expenditure portion; you see that 2<sup>nd</sup> page of attachment 2. The actual budget authority is in OMB's bill SB 2015. It's important to us, if one of those changes, it will change.

Senator Gary Lee: There is a pool of money over there, it's all or none.

Grant Levi: The budget authority is contained there. They are taking the revenue from us as an agency that is why you see us showing expenditure here because we are spending down our revenue. We request funds from OMB every 6 months.

Senator Gary Lee: How is that fund working for you in terms of the dollars that you are allocating to the people working out there?

Grant Levi: We would be in a very difficult position if we were not able to provide those resources in the present biennium, some of our employees had to spend a good share of their salary on rent obviously they wouldn't be working for us. Same holds true from a salary perspective, we have 16 openings in western North Dakota. You can look at the

difference in salaries. We are requesting the ability to enhance our add-on out west so we can fill those positions.

Senator O'Connell: The same pool that the highway patrol is in, the same as OMB. Is that one pool?

Grant Levi: It is. For some agencies, I believe OMB's budget contains both the revenue and the budget authority. For us, the revenue comes from us because we are a special funded agency.

Senator Gary Lee: So you are suggesting that the \$7,500,000 should be increased for you?

Grant Levi: We hope it would stay at \$7,500,000.

Senator Wanzek: The funding is in your budget but the authority to utilize those funds is in the OMB budget, correct?

Grant Levi: Yes.

Senator Wanzek: I struggle sometimes why we do it that way.

Grant Levi: It was done that way the last legislative session the legislative body wanted to have their hands on it, and it has to come to the emergency commission and also the budget section. He continued, move on to requested amendments. See attachment #1.

Senator Gary Lee: You don't have a target equity pool, you have a market equity and other budgets have target equity as well for specific position because there being terrible not competitive. We are looking at targeted equity to improve if there is that need and you don't have that. Are there positions within your departments that are really out of line in terms of recruiting, retention, are there problem areas?

Grant Levi: We did not put in targeted equity; we are an agency that typically has salary dollars that are available because we typically have 30 to 40 positons open at one time. When you have team members that work in the DMV area, they are earning \$16.00 to \$17.00 an hour. But in our agency they have to understand the law.

Senator Gary Lee: You would use that vacant position dollars to augment a different position that you need some better support in financially?

Grant Levi: On occasion we have. We only do that to ensure that we stay within the salary budget authority that we have and we only do it if it is absolutely needed.

Senator Wanzek: The maintenance mechanic in Williston is \$18.46 an hour compared to Williams County at \$29.00-\$32.00 how you get any mechanics. Does the housing assistance bridge that gap?

Grant Levi: We haven't been able to fill the positons in Williston for mechanics and we are hopeful that we can, with the resources we are asking for out of the \$7,500,000, can

increase our add-on for those positions to be able to better compete there. We've have positions for 2 years and in addition to that we have tried to get services private sector to run our shop, Ron and his team have been very creative, they have put in place a roving mechanic that we sent out there in addition to that and haul equipment to other districts to help that \$7,500,000 is very important to us. We are at a point now where we are not quite at a position where we are recommending that a permanent salary increase occur above the rest of our team members in the state.

Senator Gary Lee: You've seen changes in the monthly rent out there.

Grant Levi: I visited with the mayor from Williston, we are not seeing it yet, they are not seeing it either. Some of the apartments have adjusted down slightly usually the older facilities, but that is minimal. We have seen in some cases the rent go up recently. The amendments we would like to see the requested amendments are on page 2 of testimony #1. We have shared this earlier, see attachment # 3.

Senator O'Connell: Was there any reason for this?

Grant Levi: Given the adjustment of overall money available, they made the adjustment. But we are here to advocate transportation. If you look at the rest of the sheet, there was a reduction of recreational roads, of \$4,000,000, there is \$1,000,000 remaining, and then the short line rail program got added in the grants line item. It started at \$10,000,000,000 in the Industrial commission budget and the house moved it here.

Senator Wanzek: The \$10,000,000 was taken out of Industrial Commission. This is \$2,000,000 offered as additional loan funds for the railroad loan program that you run.

Grant Levi: That is correct; they removed the \$10,000,000 from Industrial commission.

Chris Kadermas: Legislative Council that is out of the SIFF Fund.

Senator Wanzek: I understand the \$400,000,000 was taken of the executive budget. It's not what we put in the Surge fund it's an additional \$4,000,000 reduction.

Grant Levi: The \$400,000,000 is a reduction to what was proposed to the legislative body to take care of the transposition needs and the state highway system so it is a reduction. We presented to you a plan that showed a list of projects, if that \$400,000,000 is not restored, some projects will be taken out. Our projects are getting large all the time.

Senator Wanzek: We are talking about all of the bills combined now, SB 2103, DOT budget, the\$450,000,000 was put in SB 2103, and you said \$9,004,000.

Grant Levi: \$9,004,000 was requested above that \$4,500,000 in the DOT budget, they reduced it up to \$504,000,000.

Senator O'Connell: On the short line they took \$10,000,000 out in one hand, in reality you lost \$8,000,000.

Grant Levi: That is true.

Senator Wanzek: That's the way I understand it, too. Personally I don't think it's enough.

Grant Levi: Explained attachment #3, changes made by the House, funds needed to be put back in.

Senator O'Connell: The tandem truck has there ever been a study on that.

Grant Levi: I was part of that conversation years back discussing the add-ons; they are hard to turn with, because damage comes from the axel weight and its exponential increase in damage so that is a challenge. At some point North Dakota has to take a look at its truck sizing weight laws because some of those configurations wouldn't be allowed if your non interstate laws were the same as our interstate laws.

Senator Wanzek: Could you again define ESALS.

Grant Levi: An ESAL or equivalent single axel load, it is an engineering term of taking a truck configuration and translating that into the impacts that has on pavements. The gross weight isn't exactly a translation of impacts to pavements.

Senator Wanzek: The single axel truck is probably doing more damage, depending on the balance.

Grant Levi: In some instances that is correct, I made this statement, it doesn't cost any more if you have properly loaded weight in our trucks.

Grant Levi: The second bullet we had on page 2, the facilities and the IT project. Back to testimony attached # 1.

Senator Gary Lee: If we remove that section you could spend the \$10,900,000.

Grant Levi: I'll continue with the FTE's. See attachment #2.

Senator Gary Lee: Is there temp staff that is doing that work as well?

Grant Levi: In the environmental scientists work we do not have any temps working there we do in the archeologist area have one temp employee that helps us there. This positon would supplement and she helps facilitates some of the paper work, she doesn't have a masters and she needs that to do the archeologist work.

Senator Gary Lee: That is the only temp you have that supports these kinds of job descriptions.

Grant Levi: Yes, that is correct. In both of those areas we provide guidance and leadership, for example the contractors do the work in the field but we have to do the inspection and oversight. The people we are asking for are people help train and make sure it is done

properly. We have an active project under construction right now, the Lewis and Clark Bridge, the environmental work never gets finished. We have US Fish and Wildlife Service's coming into that project and they are concerned with the way we are building it so we have to revisit it. They go out to the districts, they provide oversight, they look at projects, help our field people and the fine we experienced was because, actually it was the contractor who got fined \$40,000, we got sanctioned and we had to do additional work because the contractor didn't have the paperwork out in the field. I will move on to page 3 of attachment #1, we had requested \$1,000,000 for the state fleet resources, and the actual figure is \$983,567.07. The motor coaches have been sold and that figure covers the DOT losses in the motor coach program. The challenge we have is that we have no means to cover that loss. See attachment # 4 provides information regarding this.

Senator Gary Lee: Didn't the house help you out on this. You need \$1,000,000 to pay for this and they're getting \$750,000 of it from the universities.

Grant Levi: The House took \$750,000 from the universities, we didn't recommend that, we were hoping for a general fund appropriation. They it from the universities but they didn't cover the other \$250,000. The rationale was that some said we shouldn't have to pay for depreciations. The way fleet works, state fleet pays for them and then gets paid back by the user.

Senator Gary Lee: You mean Universities?

Grant Levi: Their depreciation is part of the payoff. So that \$250,000 is needed and the House didn't appropriate that to us but they did take some out of the university system.

Senator Gary Lee: Did the universities request those motor coaches.

Grant Levi: See attachment #4.

Senator Garry Lee: The foundations covered that.

Senator Wanzek \$750,000 in your budget comes from the university budget. But you're \$250,000 short. Depreciation is a real expense, it is not phantom expense.

Grant Levi: It is our understanding they took the resources from the university system.

Senator Gary Lee: They are going out and getting some from the private sector.

Grant Levi: I think that some of that might have occurred but I think that their practices have also changed in that where they historically would travel by bus they are taking other means of transportation now. See attachment #5.

Senator O'Connell: Is there a fuel differential on the bid if the price of fuel goes up?

Grant Levi: Yes, at the time they bid at what the costs are and then they get adjusted if need be.

Senator Wanzek: The 18% less in actual bids, is some of that due to the timing?

Grant Levi: Timing is everything in the industry as well. If we would have waited until June or July; I would have been concerned about the contractors will go out seeking work in other places and we do not think the prices would be there.

Senator Wanzek: If more comes that way I am not quite as aggressive.

Grant Levi: Once they reach a point where they are at a certain level of work the bidding usually comes in a little higher. Part of our challenge in New Town and West Fargo, we should have bided them in the fall of the year, but without the federal funding we couldn't.

Senator O'Connell: On the noise factor, what is the difference in material to cut down on the tire noise?

Grant Levi: One of the challenges we had in the past typically is with concreate pavement, with concrete in order to get the friction on them for the surface we put in tining marks in along the surface.

Senator Gary Lee: Looking at the \$90,000,000 to \$74,000,000 can we say we are only looking for the \$384,000,000 instead of \$400,000,000.

Grant Levi: We are still early and if the resources became available to us we would be able to do more projects to meet that need.

Senator Gary Lee: The \$400,000,000 is what we are looking for in getting back to that number, the 2 FTE's, the \$7,100,000 impact fund excess dollars to stay there. The building projects at \$10,900,000, \$8,000,000 change short line railroad, the SIFF fund, the recreation access going from \$5,000,000 to \$1,000,000, the branch office language in the amendment that you brought in, \$1,000,000 reconciliation dollars. Is there anything else we need to take a look at?

Senator Wanzek: The only one thing I want to clear up in my mind is the federal money. The budget has \$616,500,000 and you so far have received about \$140,000,000 of that but you are expecting \$240,000,000 this year but we don't know for sure if those federal dollars are coming in or not.

Grant Levi: The federal dollars are a moving target, what I sited to you out of that \$240,000,000 was our annual appropriation from the federal government.

Senator Wanzek: The carry over plus the new revenue is included in the \$616,500,000. You are not sure you are getting all the new revenue. That number is the correct number if we are assuming we are going to get it all?

Senator Gary Lee: The west Fargo project, we didn't get any bids on it. Will you be able to work that out?

Grant Levi: We discussed it with West Fargo. We would anticipate that it would carry through into next year and that creates challenges for the businesses but West Fargo has needs beyond transportation including some waterline needs.

There was no further discussion and Senator Garry Lee closed the subcommittee hearing on HB 1012.

# 2015 SENATE STANDING COMMITTEE MINUTES

## **Appropriations Committee**

Harvest Room, State Capitol

HB 1012
3/31/2015
Job # 25673

☑ Subcommittee□ Conference Committee

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Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for the Department of Transportation (DOT)

Minutes:

Attachments: # 1 - 7

**Chairman Gary Lee** called the subcommittee hearing to order on Tuesday, March 31, 2015 at 4:00 pm in the Harvest Room. All subcommittee members were present. Chairman Gary Lee, Senator Wanzek, and Senator O'Connell. Becky Keller, OMB, and Chris Kadrmas, Legislative Council were also present.

**Chairman Gary Lee:** Today, we can finish up the review the changes and walk through the bill. We do have 3 or 4 amendments that have been suggested to us. There is a subcommittee hearing on Thursday for the patriotic license plates bill **#** 1360.

**Grant Levi, Director of DOT** presented Testimony Attached # 1 Remaining Legislation with Substantial Fiscal Impacts to NDDOT.

When we ended yesterday we said we would come back with some information on that. You already mentioned HB 1360; I'll mention that as the bill stands today, it does not contain any appropriations authority for the DOT.

He went through the testimony regarding the bills that will impact the DOT.

HB 1011 - a portion of the highway patrol's budget is funded with revenues from the highway tax redistribution fund. The way the bill sits presently, \$2.3M additional revenue would become available to the DOT through the highway tax distribution fund. In addition, SB 2008 and the latest version of that transfers \$1M of a special fuels excise tax before it goes into the highway tax distribution fund to the Public Service Commission to fund positions for the rail safety program which would impact the DOT by \$628,000.

**Senator Wanzek:** You're saying there's a \$2.3M additional revenue? It is that the highway patrol needs \$2.3M less?

**Grant Levi:** There were changes made to the Highway Patrol's bill, there were reductions made to the bill. As a result, there is less highway distribution fund needed for the Highway Patrol's budget. We're not taking positions on any of this bills, just sharing with you that

that is where it sits presently as we understand it as of March 30<sup>th</sup>. Lastly, there is HB 1176 which would provide a general fund appropriation of \$112M to the DOT to provide for distributions to the nonoil producing counties for projects. Those are the major bills that exist that have an impact to the DOT. Yesterday, we had an opportunity to walk through what we thought the changes would be to engrossed HB 1010; you covered everything. We do stand for questions and we are also available to walk through engrossed bill of 1012. (5.57)

**Senator Gary Lee:** If we could take a quick walk through the sections of the bill start on section 4, version 2000, first engrossment.

**Grant Levi:** Orange folder and turn to pages 116 - 118 from his testimony from the hearing held on 03-09-15. Engrossed HB 1012 Bill Sections Overview -Testimony Attached # 2.

Section 3 - provides the DOT with the ability to transfer appropriation between various appropriation lines, it is a section we've had in our bill for many years. For example, we had a winter that was worse than what we had anticipated when we prepared our budget, we may have to move some capital assets into operating where our fleet costs are. That section is very important to us; it allows us the flexibility to move resources.

Section 4 - provides a transfer to the state highway fund from the general fund, that is the \$504M that was included in the gross bill. That is the section we would ask you to amend to make it \$904M. That gets us back our conversation about the need for the additional \$400M that we have been discussing with you which is the transfer from the general fund. Section 5 - provides the transfer to the special road fund from the general fund in the amount of \$1M.

**Senator O'Connell:** Before, the money used to come from the interest earned on the checking account. Is this all general fund now? Where does that money come from?

**Grant Levi:** The original proposal was \$5M, the intent was to supplement the existing program that the DOT has in place. The revenues that we obtained for that existing program, come from the interest. If you were to transfer that \$904M to the DOTs highway fund, we would accumulate interest on that until we spent it. Presently, right now the deposits into the special road fund are about \$20,000 a month. There isn't any interest that occurs. What would occur with this fund, we would make it available and go through a solicitation process where we ask counties and communities if they have projects of interest and then we have a selection committee that consists of members of your legislative body and it is typically the chair of the transportation committees. Section 6 - provides an appropriation from the SIIF (Strategic Investment Improvement Fund) to the public transportation, it's \$2M for the short line railroad program. The original proposal was \$10M to the industrial commission, the house elected to move the funding into our existing program; instead of \$10M they provided \$2M.

**Senator Wanzek:** What are the terms for a short line railroad with the loan program? I am interested in seeing if it's possible to put more funds in there to enhance the opportunity for them to get a loan. Wasn't that a federal program initially?

**Grant Levi:** You're correct in that the initial loan program started with resources that came from the federal government and with those resources rather than establishing a grant program, the people before me had the wisdom to set up a loan program. With that loan program over the years, we've grown until we have a balance in the neighborhood of \$13.5M that exists in the entire program. Much of that is loaned out or committed already and I think we have a small balance available to us like \$100,000 or \$200,000. With that program, we work with the railroad industry and we've set up criteria that they can solicit for projects and we have it set up in three tiers that are essential for the railroad to operate.

Those three tiers are system critical and ones that are essential for the railroads to operate. That tier was the highest tier when we sat with the industry we refined their program and there we offer 0% interest rail cost share of a maximum of 80% and a repayment within 15 years. In other words, they have to come up with 20% of the capital for that. We also changed the loan amount and we indicated we can go up to as high \$5M. Then there is an infrastructure improvement category, there the loan term is half of the prime and interest not to exceed 4 1/2% with a rail cost share with a maximum of 80% and repayment in 15 years. We also have an economic development category and those project include sitings, siting extensions, upgrades, or that type of work. Again, the loan terms were half of the prime with an interest not to exceed 4.5% with a rail cost share with a maximum of 70% and a repayment in ten years.

**Senator O'Connell:** Was that all DOT money for the crossings? I can't remember what the formula was for the crossings.

**Grant Levi:** That is a separate program from this and that is a separate program that we've had for a number of years and it has been quite an effective program. If you go back to the 70s, there was about 100 incidents with rail crossings. Last year, I think we were at about 26 or 27. We receive federal funds for railroad crossing safety and we have a process we go through where we solicit from local governments and then we e, we ask local where they have their concerns, and then we evaluate those railroad crossings and we can make resources available to them to assist with that. Last legislative session, you did provide some state resources that we made available for that program and we are using those state resources as well but because of liability concerns, we've been advised from a legal perspective that when we do railroad crossing safety projects, it is in everybody's best interest to do them with a portion of federal funds. That ties back to court cases that have occurred over the years and there is a process which is used. In addition to soliciting projects, we also do an evaluation working with FRA (Federal Railroad Administration) and the railroad industry to try to pick out where the highest priorities may be.

**Senator Wanzek:** I'm assuming that any moneys that we put in there would be administered in the same manner as you lay out with the three tiers?

**Grant Levi:** That would be the intent; the way the bill is written that is not very clear but that would be our understanding from conversations.

**Senator Wanzek:** That is a revolving fund so as it's getting paid they can utilize it? Can it be reloaned out again?

**Grant Levi:** That's correct. It is a program that started with minimal dollars and over the years it has grown to the extent where it is at today. It has grown because of those interest charges that we've had in place for much of the program. We made a decision a couple of years ago to raise the loan amount just because of the cost of doing business, but we also got rid of the interest rate on those system critical. The short line railroad industry is important to this state's ability to move commodities and it takes trucks off roads so that's why we made the changes in the program we did.

**Senator Gary Lee:** You said there's probably \$13M in the fund but only some of it is available for loan?

**Grant Levi:** If you go to page 49 of your orange folder (his testimony on 03-09-15; Testimony Attached # 3). Short Line Rail Program.

**Senator Gary Lee:** If that went back to \$10M, \$5M is the maximum loan amount so it might benefit a couple. Is \$5M enough to do or get a start on something that they need to get done?

**Grant Levi:** Typically what happens in those relationships is where a portion of their overall project. We set a cap of working with them at \$5M to make sure there is money available as it comes in for some of the bigger projects. We'd have some flexibility, those are policies they are not hard and fast in law. Usually, we're just a portion of the project and they also sometimes obtain financing from others to assist with their work and they have their own capital.

**Senator O'Connell:** In essence, you really should have at least \$5M if no less than \$5M to get a project going.

**Grant Levi:** It depends on the type of work they need to do. There are times where if they are just adding balance and that type of work, the costs aren't as high as if they need to get in and replace the rail. If you recall in our testimony what the need study said about their rail system. They have a significant rail need. To take it from their present standard of 90 pounds to 100 pound rail capacity.

**Senator Wanzek:** I was on the interim committee where we did studying on the issue and the value of the short line railroads; they take trucks off the road. One of the problems they presented to us is that it is difficult to go to the private vendor because it is tough to use rail lines as collateral so that was part of the reason they were looking for some help with their loans as well.

**Grant Levi:** We typically do not require a collateral. To date, we've never had anyone not pay us back.

**Senator Gary Lee:** Do they own the engines and cars or do they lease them out of a pool?

Grant Levi: I'm not sure how the railroads operate in that regard.

Section 7 - (page 116) appropriates \$8M out of the general fund to the state treasurer for non-oil producing counties to allocate for the benefit of the townships.

Section 8 - Restricts the DOT from using funds for construction or improvements to buildings and we would like it removed.

Section 9 - Allows the department to continue to complete highway rail grade crossing safety.

**Senator O'Connell:** Quiet zone; is that a separate program from the crossing? The money is from a different pool and everything?

**Grant Levi:** That was also a part of the program that you made available was the quiet zone funding, we still have not extended all of those resources you made available from a few sections back as well. I think the city of Bismarck and Minot are the last major projects. It takes time to work that out with the railroad because you need special protective devices at that railroad crossing.

Section 10 - We would like to see that \$504M raised to \$904M which allows us to take those funds that are appropriated and allow them to carry into the 2017-2019 biennium. While we can get projects under contract quickly, it takes a long time to close out a project. We're dealing with situations where we have lawsuits occurring because we had to use eminent domain for right-a-way for work we have under construction using the resources from this biennium. If we were to lose each of those lawsuits, ND would be out another \$20M. That is why we are asking to carry resources into future biennium. It also takes time to close out a contract as well; we get the work done and then we reach a settlement with the contractor.

Section 11 - Allows the department to continue with their road grade raising grant program that was appropriated by the 2000 legislative assembly and carried forward in the 2013 session. You made \$6M available in 2011 for the state to provide a match for county projects during the flooding years for emergency projects. The reason that is carried over is that it has taken them that long to get through some of the environmental work.

Senator Gary Lee: Is this tiger grant money?

**Grant Levi:** This is separate from the tiger grant money, this is state funds that were given to offset some of the matching responsibility for the counties that surround Devils Lake. In 2011, those counties around Devils Lake had a challenge keeping up so the legislative body agreed to provide resources. Because of the environmental work that is required, it has taken us a while to get through that process. Section 12 would allow the DOT to repay the US Department of Transportation for previous expenditures from current appropriations. As we start, it is advantageous for us to pay back the federal government, and then once we receive the state dollars, we pay back\ then we can reallocate the federal dollars again. There are advantages for us to do that. We asked for this section, we appreciate it being kept here as it gives us the flexibility to do what we need to do. We didn't ask for it to be in state law; for the next session, we will have come back and revisit it. We are ok with that so we can come back and report how it worked.

(32.26) Section 13 - Is the amendment to allow us to not follow the state's present laws for the procurement of motor vehicle branch offices. We are requesting an amendment to what's written here and we believe the amendment we are requesting reflects what the House had intended.

Section 14 - Legislative management study on short line railroads, it was something that was added by the House.

Section 15 - Added by the House members; it deals with the study of the effect that high efficiency vehicles may have on state revenues. The federal government is expecting challenges with the lack of revenue coming into the federal highway fund. The state will have those same challenges; to date, we haven't experienced that because of rapid growth in traffic. Once we level off and as vehicles become more efficient, there are less resources coming in for the same miles being traveled. That is a challenge that we all in the transportation industry will have to deal with; in the present biennium, we have more resources from the state than the upcoming biennium. Part of that is federal and part is state.

Section 16 - A legislative management study of statutory changes as a result of automated motor vehicles. There was a bill that covered that study as well and we support it.

Chris Kadrmas, Legislative Council: I believe that bill was killed.

**Senator Gary Lee:** I did mention that before on the Senate floor, we passed it but I don't remember what the House did.

Senator O'Connell: The summary for research, it is a good piece of material put together.

Grant Levi: We have a great team.

**Senator Gary Lee:** Passed out the amendments - Testimony Attached # 4, an amendment that has to do with a study regarding truck size and weight distribution along with upper Great Plains. The next one is from Senator Sinner, Testimony Attached # 5, Proposed Amendment # 15.8120.02002, regarding Rail Safety Report to Legislative management.

**Chris Kadrmas, Legislative Council:** It was HB 1065 that dealt with the study for atomized vehicles; the language is similar to what is in the bill and it has been signed by the Governor.

**Senator Wanzek:** I was wondering if they had seen these rail safety amendments; does this fall under their purview to provide that kind of that report?

**Grant Levi:** We did testify to this on SB 2293; there are portions of this that we're included in a comprehensive rail plan. There are portions of this that we have no authority over and we're working with the PSC. Most of this we're including in our rail transportation plan and we're in the process of putting out an RFP to do a comprehensive study of our rail programs.

Senator Gary Lee: Is that a plan you have now?

**Grant Levi:** We report to legislative interim committees as requested and we do that as a means of practice.

**Senator Gary Lee:** Your plan will cover these ideas that are through 1 - 6 and then some you don't have authority for.

**Grant Levi:** This seems to mirror what was done last time. We will report to the interim committee as requested.

**Senator Gary Lee:** Submitted Testimony Attached # 6, Proposed Amendment regarding Appropriation-Contingent transfers - General Fund to Public Transportation Fund.

**Senator Wanzek:** Senator Unruh approached me on her amendments. Testimony Attached # 7 Proposed Amendments # 15.8120.02001 re: Section 7. Appropriation-Strategic Investment and Improvements Fund - Coal Mine Access Grant Program and Section 8- Appropriation -Strategic Investment and Improvements Fund.

**Senator O'Connell:** Sound like they are opening a new mine and this a road that would provide access to the new mine. The \$20,000 is for Center city which got shorted.

**Grant Levi:** If I understand this correctly, it's a roadway that they wanted to fund using resources out of SB 2103, and the conversations we had with them we felt we weren't sure it met the criteria for SB 2103. The reason for that part of the criteria was to establish a roadway system that provided connectivity and continuity and was a corridor. This project was just access to a coal mine and didn't meet the criteria.

Senator Gary Lee: This isn't a state highway, this must be a county or township road?

Grant Levi: This is a county roadway.

Senator Wanzek: What county would this be in?

Grant Levi: Mercer County.

**Senator Wanzek:** If we pass HB 1176, wouldn't there be some funding available if we use the needs based?

**Grant Levi:** HB 1176 as it presently stands has the same criteria as SB 2103. It's distribution process is different now.

**Senator Gary Lee:** They offered amendments to it the other day that distributes the money on a needs based formula that upper great plains put out.

Grant Levi: I don't believe it changed the criteria.

**Senator Gary Lee:** The grant could be used for paved, unpaved, bridges and fit into the counties plan for their needs. It looks to me like Mercer county could get \$3M under HB 1176.

Grant Levi: Did that bill pass as amended? The intent would be to amend it?

**Senator Gary Lee:** It is still here, the hope is to get it on the floor soon. Are we missing anything that you have asked about?

**Grant Levi:** Section 8 - The revenue portion and the FTE's are all required amendments and we need \$400M.

**Senator Wanzek:** Along those lines, I am assuming we are going to look at all these amendments and decide which ones we want and then eventually incorporate it into one amendment that we would present. I'm still interested in looking at seeing if we could get some more dollars into the short line rail loan fund.

Senator O'Connell: How many pieces of equipment are sitting outside in the winter time?

**Grant Levi:** I couldn't tell you how many pieces of equipment but I can tell you that each of the areas that we proposed for facilities and permits, in those areas we have equipment outside. In addition to the facilities we propose, we also have other facility needs.

**Senator O'Connell:** Do you have any idea of how many dollars are lost productivity from equipment standing outside?

**Grant Levi:** That would be one of the reasons why we're proposing what we're proposing because the lawsuit is significant; not only the loss in time but also the safety issue for the public.

**Senator Gary Lee:** I did pass out a list of building projects that I think are outlined in your testimony. There's about \$10.9M including radio towers and buildings in Williston, Grand Forks, and Bismarck. If we remove that section 8, that would allow these to go forward.

**Grant Levi:** That is correct and in addition to that, it would allow us to do the IT project. As you look at those costs, the costs don't only include the building to house vehicles. It also includes housing the abatement for asbestos and a MV building in Williston.

Senator Wanzek: That money is already in section 1?

**Grant Levi:** That is correct; the facility we built in Fargo to store our equipment was between \$900,000 and \$1M. The other money in the Bismarck district is used for asbestos abatement to take our people out of that environment.

**Senator Gary Lee:** We meet at 11:00 on Wed in the Senate Conference Room and then Thursday we have that patriotic license bill.

He asked Chris if he had any recommendations or suggestions.

**Chris Kadrmas, Legislative Council:** The only other thing you'll automatically see in there is the adjustment for health insurance but beyond that there isn't anything that would need to be added.

Senator Gary Lee adjourned the subcommittee meeting on HB 1012.

# 2015 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee** 

Harvest Room, State Capitol

HB 1012 4/1/2015 Job # 25705

☑ Subcommittee□ Conference Committee

**Committee Clerk Signature** Nous Z Rever

Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for DOT

Minutes:

Attachments # 1 - 5

**Chairman Gary Lee** called the subcommittee hearing to order on Wednesday, April 01, 2015 at 10:30 am in the Senate Conference Room. All subcommittee members were present: Chairman Lee, Senator Wanzek and Senator O'Connell. Chris Kadrmas, Legislative Council, and Becky Keller, OMB, were also present. Brady Larson, Legislative Council was here. We did quite a bit: we looked at some amendments; we looked at the bill in terms of sections. You know what the problematic ones are: the real emphasis is the infrastructure money the 400 the house took out but we cannot address this today. Have a motion here to see if we want to include them in the full committee. Attachment # 1 - Proposed Amendments re: Section 8, Appropriation - DOT- Legislative Management Study - Truck size and Weight Harmonization. The first one is study to look at truck size and weights. Be ready if the feds change the rules concerning size and weights. V. Chairman Krebsbach had an interest in this also. This would potentially help do that. What would you like to do with this amendment?

# Senator Wanzek moved this Proposed Amendment. 2nd by Senator O'Connell

Senator Gary Lee: All in favor say aye. It carried.

**Senator O'Connell**: RE: Attachment # 2 - Engrossed HB 1012 Bill Sections Overview, Section 5, which provides for a transfer to the special road fund from the general fund in the amount of \$1M. **Senator O'Connell** moved to add another \$2M, so it would be from \$1M to \$3M,

# 2<sup>nd</sup> by Senator Wanzek

Senator Gary Lee: Any discussion. All in favor say aye, it carried.

**Senator Wanzek:** on section 6 - appropriation of \$2M for the short line railroad program providing funding for a loan program that exists in the dept. I would like to bring that back to

what the executive budget had \$8M for short line railroads. It would raise the 2 to 8 out of the SIIF fund. We will have to balance the SIIF fund. What I learned from the interim it is vitally important to upgrade tracks, increase loads, it helps our roads, takes some pressure off our roads. They work together. Not just for short line railroad but it's for infrastructure.

Senator O'Connell is there any rail red flagged at this time?

**Grant**: I am not aware of any situations that occurred in 2011 that was a result of high water. We did a study on that and we shared with the interim committee.

**Senator Wanzek** made the motion to add an additional \$8 from the SIFF fund to railroad. 2<sup>nd</sup> by **Senator O'Connell** 

Senator Gary Lee: All in favor say aye, motion carried.

**Senator Gary Lee** on Section 16, the automated motor vehicle, is this the same thing as the one in another bill?

Grant: this would serve the same intent as the bill that was signed by the governor.

**Senator Gary Lee** if we took it out, it wouldn't affect anything? (Was told no) Removal of section 16, is there consensus?

Senator Wanzek moved we remove Section 16, 2<sup>nd</sup> by Senator O'Connell.

**Senator Gary Lee**: We have a motion for removing section 16, because it is a duplicate of a bill that already has been passed. All in favor say aye. Motion carried.

**Senator Gary Lee**: The only thing about Section 8, if we remove that language it would allow it this list of projects to go forward, plus the technology piece.

**Grant**: that's correct that is what is contingent upon now, the money is included in our budget, still there. Section 8 provided limitations in contingencies. The contingency was if federal funds are received, we don't know when federal dollars are there. If the funds were not there, most would be carried over to next biennium.

Senator Wanzek these projects are not dependent on federal funds to do these projects.

**Grant**: that is correct. The House indicated if we don't get the federal money, we would use this on roads, rather than buildings. We would be waiting, then the federal money comes, we are tying up the money.

**Senator Wanzek** is the Houses thinking if we don't get the federal money this money can be used somewhere else?

**Chris Kadrmas**, Legislative Council: that was the intent used for road projects; they are not going to spend it because they don't know if the federal funding will be there.

**Grant**: the way it is written right now, we are not even sure we can repair any damaged building with any of the resources we have.

Senator Gary Lee if we take it out it would mean having to adjust the project lid?

**Grant**: I am concerned that we haven't done a very good job supplying that info to you. I don't' know if we are conveying the entire intent of the project and the challenges we are having. EPA is giving us warnings we can't deal with, like wash our vehicles with the systems we have in place. One of the differences between the farm building and ours is the rules and regulations that apply. That is separation of oil, salt water and disposing of it. Our facilities are not equipped to do that in Bismarck or Williston. In Bismarck and Williston, team members they come in from the field to do paperwork, they have little compartments; it is a little bit more than the truck. That is one of the differences in the costs. It is more than just a storage facility; it is used for maintenance, washing vehicles, etc...

Senator Gary Lee do you have any bids and plans so we can see what you are building.

**Grant**: the Fargo facility cost approx. \$1M, the Bismarck one is larger, a larger shop, its \$1.8M to do it. In our 1939 vintage building we would store equipment, a snooper (used for bridge inspections), and other equipment we need. I also get frustrated about the cost of doing business. We don't have any plans, we haven't started that process. We don't want to spend money on an architect without knowing if we have the resources, we are using the square foot cost estimate. It is \$90.00/sq. ft. (100x260)

Senator Gary Lee: that in itself doesn't sound so bad.

**Ron Henke**: it is for 21 trucks, 2 plows, break room, locker room; one bay will be a wash bay. That's all it is.

Grant: in Williston a storage building was about \$480,000, we decided not to go with it.

Senator Gary Lee let's just sit on that. Senator Unruh is here to explain her amendment.

**Senator Unruh**, submitted Proposed Amendment # 15.8120.02001. These amendments are twofold. Section 7 would be \$3m to a coal mine. In 2012 a contract was signed with coyote for a new coal mine. This was big for our district. We haven't had one for 30 years. . We have pushed really hard to be successful. Access to the mine is a concern. The final location chosen was at the end of a county road. To make all the improvements necessary to pave it, the company paid all the costs up front. Mercer County was hoping to pave the top of that road, with county funds and company funds. We looked at where the dollars could come from. It is 4.25 miles, around \$7M to do this. We tried to figure out a way to use the surge money. The counties had restrictions; this road does not qualify, because it is not a connector. We hope Mercer County can get help to pave this road. The road from the coal mine is not the best scenario. Economic development for that area, we have a lot of traffic on that road. Section 8 is a \$20,000 appropriation to the City of Center. Earlier we had changed the way beneficiation taxes apply to coal conversion facilities. A change in the interpretation of that tax policy left the city short this fiscal year of dollars they had already

budgeted for. Center did not get surge funding; they are struggling where they are going to get those dollars from.

Senator Gary Lee Center didn't qualify because they have low population?

Unruh they are out of the Bakken area.

Senator Gary Lee: is the money Mercer County will get for roads money they can use?

**Unruh**: I would have to talk to our county engineer; as far as 1137 there are restriction s I don't know if they would qualify, this is not a corridor roadway.

**Senator Gary Lee:** my interpretation is those rules have been relaxed in terms of the county's plan of unmet needs. If this bill passes, there will be about \$3M9K.

**Unruh**: we are a Bakken boundary county; we have this new investment because of the coal mine. We have a rail facility looking at making some improvements. We want to make sure that all of the dollars that Mercer County gets doesn't get sucked up into one project.

**Senator O'Connell**: what specs is the road built, how it is built? What does it cost/ mile for a 4" top/mile? (Was told she doesn't know)

Senator Gary Lee is this a road you are familiar with?

**Grant**: yes, it is a conversation we have had with the county. We have had difficulty with coming up with the funds, it's a road to a coal mine facility. It does not have the connectivity criteria Under SB 2103. I looked at the amendments that are there, it appears the criteria are the same in 1176 and 2103.

**Senator Wanzek** I was under the assumption that Senator Gary Lee had we need to look at this if we are going to accept the amendment. We are dealing with part of the infrastructure; we need to give them some flexibility.

**Grant**: we are very cautious about giving numbers, 3 in" overlay is around \$850K to \$1M/mile

Senator Gary Lee this \$20,000, both out of the SIIF fund.

**Senator Wanzek**: is it your belief it was an inadvertent omission? There was a thought we were going to cover that?

**Unruh**: on my part, it was an oversight; with the effective date of the bill was June 30, 2015. Political Subdivisions had already budgeted for 2015. There was never a commitment to make them whole. The corridor language in the surge bill, I struggle with the interpretation, since this is a new development in my district. I think those main corridors people use are going to be shifting; this is going to be a road way that will be more fully and frequently utilized.

**Senator Gary Lee** so in section 8 we are just changing the definition of an eligible city by changing the population? (Was told yes) Back to section 7

**Grant** there was a partnership to improve that roadway. Process, one of the things that we attempted to do is not be the sole entity that makes that decision. We had the counties form committees to evaluate projects; they give thumbs up or thumb down. There is some judgment involved. We look at the federal highway administration to see if it's a corridor they would consider as major.

**Senator Gary Lee** so if we could get the language in 1176 more flexible. They could use it on the road or on something else if they want to.

**Grant**: it depends on what the intent of the legislative body is what kind of flexibility you want to provide.

**Unruh**: this is a road that comes off Highway State 49 it connects with a major roadway on one end.

Senator O'Connell asked if Highway 85 is going to be on hold.

**Grant**: we are doing work from Watford City to Williston. We had proposed an environmental study for the Hwy 85 corridor from Watford City to I-94. We have difficult decisions to make depending on what level of funding we end up with.

**Senator Gary Lee** presented Attachment # 4 - Proposed Amendments Re: Section, Appropriation - Contingent Transfers- General Fund to Public Transportation Fund, for public transit to allow it to get additional funds based on triggers as we had in the 13-15 biennium. It would say that if the highway tax distribution funds are less than 560 there would be \$950K/yr. available to them in additions to what they got. We did this last time and they got the funds. Did they get carryover funds?

Grant: Yes, as the fund grows we can make that money available to them.

Senator Gary Lee: What are your wishes?

**Senator O'Connell** moved to accept the Proposed Amendment regarding public Transpiration.

**Senator Wanzek** so if their share of the highway tax distribution money in that year does not equal at least \$5.6M, then we put \$950K from the general fund into their fund. I'll 2nd

**Senator Gary Lee** we have a motion and a second on public transit amendment. All in favor say aye. All in favor, motion carried.

**Senator Gary Lee** The other one was Attachment # - Senator Sinner's Proposed Amendment #15.8120.02002, Section 17. Rail Safety Report to Legislative Management It included those six items. What are your wishes on this? There was discussion some are included in the rail safety program that DOT has already planned. What are your wishes?

**Grant** what you have listed here is what we have included as we have updated our state rail plan. We are in the process of going for RFPs and to solicit a consultant. We are working with PSC and with Great Plains. Our intent was to come to leg council and provide updates on the study. Our study is very comprehensive it will take 16-18 mos. to complete. We will be holding public meetings regarding these issues. There are items we are reporting on that we have no jurisdiction on, we will just gather the information.

Senator Gary Lee you have a plan in place to address the issues of rail safety, this is not here.

**Grant**: it is not only about safety, it's about the state's ability to move commodities. We will do this in partnership with the rail industry.

**Senator Wanzek**: if we were to implement this, it's not going to cost us any extra dollars, sounds like you are already doing it. It is just a matter of reporting to us.

Grant: that is correct. If you ask us to report on it, we do it.

**Senator O'Connell** I would move amendment # 15.8120.02002. 2<sup>nd</sup> by Senator Wanzek

Senator Gary Lee we have a motion for a do pass. All in favor say aye. It carried.

**Senator O'Connell** we have tried to stay out of the business to tell the DOT what roads to build or not. (Was told it was correct)

**Senator Wanzek:** I don't want to appear a bit naïve but if a coal mine is coming in what are some of the pol subs or counties' revenue sources thru that. Are they going to generate additional value because of that? To help Senator Unruh, we need more flexibility with the money we are sending out and I agree with Senator O'Connell, others need roads paved.

**Senator O'Connell** if we change some of the verbiage in some of the other bills it would give more flexibility. Is there anything we want to do with the city?

**Senator Gary Lee** is there something we want to do with this. The statement of purpose is on this one, in terms of the fiscal analysis being done.

Senator O'Connell: I would move that we present this to the full committee

**Senator Gary Lee**: to change the definition of "city" so that Center would be eligible for that surge money.

Senator Wanzek: I'll second it to put section 8 before the whole committee.

Senator O'Connell moved, 2<sup>nd</sup> by Senator Wanzek: It is just a one-time funding.

**Senator Gary Lee:** it is the only city in Oliver County. All in favor, it carried. We did not take action on the infrastructure piece. We are adjourned for the day.

# 2015 SENATE STANDING COMMITTEE MINUTES

# **Appropriations Committee**

Harvest Room, State Capitol

HB 1012 4/2/2015 Job # 25771 *(12:48)* 

☑ Subcommittee□ Conference Committee

alie Deher **Committee Clerk Signature** 

Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for DOT

Minutes:

1 Attachment

**Chairman Gary Lee** called the subcommittee hearing to order on Thursday, April 02, 2015 at 2:00 pm in the Harvest Room. All subcommittee members were present: Chairman G. Lee, Senator Wanzek and Senator O'Connell. Tammy Dolan, OMB and Chris Kadrmas, Legislative Council were also present.

**Senator Gary Lee:** We have done a fair amount of work on this, but we haven't gone over the differences between the Senate and House versions. We will not go over the infrastructure project funds yet; we are not prepared to make the adjustments on what the House did on that at this point.

Section 13 includes the branch offices. We were given some language from Mr. Levi on some suggested language to improve that section in terms of administering it. The language includes the word "current" in front of branch office contracts entering into under this section with private vendors. Branch office contracts entered into under this section "may extend five years and may be renewed in accordance with this section one year prior to the end of each current private vendor or branch office contract term." The department should consider as it goes on in terms of entering into new contracts. That is the language that they are asking to be considered as they deal with these branch office departments in terms of renewing contracts. Some of these have been in place for a long time and some people are turning over. This is a methodology for them to move forward. This amended is there for us to entertain.

## Senator O'Connell moves the amendment. Senator Wanzek seconds the motion. The motion carries with a voice vote.

(4:30) **Senator Gary Lee**: There were two FTEs requested in the original executive budget by the Department of Transportation. One was an Environmental Scientist for \$195,142 and the other was an Archeologist for \$182,280 per biennium. Those two were removed. *(see attachment #1)* 

Senate Appropriations Committee HB 1012 Subcommittee hearing 04-02-2015 Page 2

## Senator Wanzek moves to add the Environmental Scientist FTE back in the budget. Senator O'Connell seconds the motion. The motion carries with a voice vote.

**Senator Gary Lee**: Section 8 has the trigger that requires the department to receive at least the amount of federal highway construction funds that were anticipated by the 64<sup>th</sup> Assembly in order to include those construction or improvement and technology projects that we have gotten a list of. That is about \$10.89M plus the cost of the technology. **Senator Wanzek:** I understand that these monies are in here; we don't have to appropriate more money to do this. Waiting causes a lot of problems. We will be towards the end of the biennium and maybe the federal money comes then we will be two years behind.

# Senator Wanzek moves to remove Section 8. Senator O'Connell seconds the motion.

**Senator Gary Lee:** I was mistaken of the fund source. I thought it was general fund moved to the highway fund, but it is the highway tax distribution in which those dollars are from so it is really special funds rather than general fund dollars.

## The motion to remove section 8 from the bill carries with a voice vote.

(8:20) **Senator Gary Lee:** There was \$1M in the original budget that would cover the cost of the shortfall of selling the buses that were included in the motor pool. There is \$750,000 in the Higher Ed budget, but no money included in the DOT budget. I suggest we wait and see what Higher Ed is going to do.

**Senator Wanzek:** I think we all have an interest in the amount of dollars that we can take from the state coffer's budget to put back into projects, but we don't know where we are at right now.

**Senator O'Connell:** I am reluctant in putting something in and then finding out we're shortening them a few million dollars.

**Senator Wanzek:** I do think the Higher Ed budget should pay that \$250,000. I can draft an amendment.

**Senator Gary Lee:** Let's wait and see what they do, perhaps they will cover the whole thing. I agree with the conversation on the infrastructure dollars. Given the clamant of oil in terms of potential job loss, this would be a good place to put money and secure some jobs for those people who intend to stay until we recover. It includes the technology, the section buildings, the salt facilities and the radio towers.

Senator Gary Lee closed the subcommittee hearing on 1012.

# 2015 SENATE STANDING COMMITTEE MINUTES

# **Appropriations Committee**

Harvest Room, State Capitol

HB 1012 4/7/2015 Job # 25868

☑ Subcommittee□ Conference Committee

So Alean Committee Clerk Signature Explanation or reason for introduction of bill/resolution:

Explanation or reason for introduction of bill/resolution:

A subcommittee hearing for Department of Transportation (DOT)

Minutes:

Attachments 1 - 2

**Chairman Gary Lee** called the subcommittee hearing to order on Tuesday, April 07, 2015 at 11:00 in the Harvest Room in regards to HB 1012. All subcommittee members were present: Chairman Lee, Senator Wanzek and Senator O'Connell. Adam Mathiak, Legislative Council and Becky Deichert, OMB were also present.

Chairman Gary Lee: I would like to review the amendments that we have proposed to us. (See Attachment #1 for proposed amendments.) We also have a legal size sheet which should include all of them on the Base Level Funding Changes (See Attachment #2 for charts.) Senator Sinner brought in a rail transit amendment. We have an amendment with public transit - the formula changes to that. Senator Unruh brought in an amendment in that we took the second part of that amendment which included \$20,000 for the city of Center because of the formula that missed that community. We were going to remove Section 16 of the bill because of a duplicate bill out there that has already been signed by the Governor. Section 6 of the bill we added back \$8 million to the short line railroad fund that would bring that back to the \$10 million that it started at. Section 5 in the bill was the special road fund that we added \$2 million to make it a total of \$3 million. Section 13 was that amendment for the branch offices that the language was corrected to include what DOT had suggested they need for them to work with those branches and contracts. Section 8 we would remove that and that would then give them access to those dollars that were already in their budget for those buildings and technology pieces that they were requesting. We were going to add back the environmental scientist FTE and the costs associated with that. Those were the amendments we discussed and approved. It appears to me that they are included here. Are there any thoughts from the subcommittee and do you see that they are all there?

Senator O'Connell: We got everything.

Chairman Gary Lee: The other two things that we had talked about and that we are not going to include at this point is additional dollars for the infrastructure line that was

decreased by \$400 million in the House version. We are going to leave it where it is in the proposed bill knowing that we are going to go to conference committee and there will be discussion over that. I think there is interest in dollars being added to that. We are just not sure what that should be and we want to get this bill out of here so that we can get to that point. We are going to leave the motor coaches as it is in this budget. Higher Ed has two pieces of that in the UND and NDSU budgets and they are wrangling with that so we are going to leave that as it is in here and see how it comes out in the end. Those are the changes we talked about and wanted to consider. Are there any other pieces of discussion?

**Senator Wanzek:** I guess I would like to add that I feel pretty good about the changes we have done and I just want to assure the folks here that I think there is interest in getting more dollars. Just because we are not doing anything does not mean that there is no interest there. We just need to get the budget out of here and we will address this in conference committee. I want to make sure that folks understand that. I would like to see more in the projects but at this point in time we just don't know what is available and what we are going to do.

**Senator O'Connell:** I appreciate all you have done. If we could get back most of the \$400 million back into it as we possibly can, that would be good.

**Chairman Gary Lee:** Is there anything else for the good of the order? I hope this doesn't delay their budgeting process or their bidding process too much. I know there were some priority projects and priority needs.

Senator O'Connell: Do we need a LC # for this amendment?

Chairman Gary Lee: Will that one will be included?

Adam Mathiak, Legislative Council: That is sample language. It is part of the amendment for this bill.

Senator Gary Lee: Closed the subcommittee on SB 1012.

# 2015 SENATE STANDING COMMITTEE MINUTES

# Appropriations Committee

Harvest Room, State Capitol

HB 1012 4/8/2015 Job # 25934

□ Subcommittee □ Conference Committee

Committee	Clerk	Signature
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# Explanation or reason for introduction of bill/resolution:

A BILL for Act to defray the expenses of the department of transportation (DOT) (Do Pass as Amended)

## Minutes:

Amendment # 15.8120.02003

**Chairman Holmberg** called the committee to order on Wednesday, April 8, 2015 in regards to HB 1012. All committee members were present except V.Chairman Bowman. Alex Cronquist, Legislative Council and Tammy Dolan, OMB were also present.

**Senator Gary Lee** moved the amendment **#** 15.8120.02003 and explained the amendments. **2<sup>nd</sup> by Senator O'Connell**.

**Senator Gary Lee** thanked the committee and DOT staff and stated he appreciated all the work they did for getting this all together.

Chairman Holmberg All in favor of the amendment, say aye. It carried.

# Senator Gary Lee moved a Do Pass as Amended. 2nd Senator Wanzek.

**Chairman Holmberg:** This will go to a conference committee. The point about giving them the authority to utilize the money they get tied to federal funding. It is too restrictive and the committee saw that.

Chairman Holmberg: Call the roll on a Do Pass as Amended on HB 1012.

A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0. Senator Gary Lee will carry the bill. The hearing was closed on HB 1012.

#### **PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012**

Page 1, line 3, after the first semicolon insert "to provide an appropriation to the department of transportation for a truck size and weight harmonization study with the Upper Great Plains Transportation Institute;"

Page 4, after line 2, insert:

"SECTION 8. APPROPRIATION - DEPARTMENT OF TRANSPORTATION -LEGISLATIVE MANAGEMENT STUDY – TRUCK SIZE AND WEIGHT HARMONIZATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$60,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of collaborating with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and the implications thereof.

In order to ensure the state of North Dakota can harmonize its truck size and weight regulations with the regulations of the states in the Western States Transportation Alliance, the legislative management, during the 2015-16 interim, shall study the truck size and weight provisions in NDCC Chapter 39-12 and shall utilize the findings of the collaboration between the department of transportation and the Upper Great Plains Transportation Institute provided for in this section to determine appropriate changes to state law."

Renumber accordingly.

#### **Proposed Amendments to**

House Bill No. 1012

Insert:

#### SECTION \_\_\_. APPROPRIATION – CONTINGENT TRANSFERS – GENERAL FUND TO PUBLIC

**TRANSPORTATION FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  $\frac{5}{3,200,000}$ , or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2015, and ending June 20, 2017. The office of management and budget shall transfer the sum of  $\frac{5}{4,500,000}$  on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are  $\frac{5}{6,250,000}$  or less during the period beginning July 1, 2014, and ending June 30, 2015. The office of management and budget shall transfer the sum of  $\frac{5}{4,000}$  or less during the highway tax distribution fund are  $\frac{5}{6,250,000}$  or less during the period beginning July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are  $\frac{5}{6,250,000}$  or less during the period beginning July 1, 2015, and ending June 30, 2015. The office of management and budget shall transfer the sum of  $\frac{5}{6,250,000}$  or less during the period beginning July 1, 2015, and ending June 30, 2015. The office of management and budget shall transfer the sum of  $\frac{5}{6,250,000}$  or less during the period beginning July 1, 2015, and ending June 30, 2016.

March 30, 2015

## PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 6, after line 19, insert:

## "SECTION 17. RAIL SAFETY REPORT TO LEGISLATIVE MANAGEMENT.

During the 2015-16 interim, the director of the department of transportation shall report to a committee designated by the legislative management regarding rail safety. The report must include:

- 1. Current railroad conditions, including crossings and rail lines;
- 2. A review of train speeds;
- 3. Existing railroad freight and passenger demands and future needs;
- 4. A review of emergency response procedures in the state;
- 5. A review of tank car specifications; and
- 6. A review of economic, safety, and environmental impacts on the state, including correlation with other modes of transportation, such as highways, pipelines, and air."

Renumber accordingly

15.8120.02003 Title.03000 Fiscal No. 1

Prepared by the Legislative Council staff for Senator G. Lee

April 7, 2015

# 1059 TV 4/8/15

#### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 5, remove "and"

Page 1, line 6, after "exemptions" insert "; and to provide for application"

Page 1, replace lines 16 through 22 with:

"Salaries and wages	\$187,477,585	\$20,300,693	\$207,778,278
Accrued leave payments	7,280,897	(7,280,897)	0
Operating expenses	376,721,715	19,101,036	395,822,751
Capital assets	727,911,207	376,185,753	1,104,096,960
Grants	<u>79,788,030</u>	<u>(16,120,000)</u>	6 <u>3,668,030</u>
Total all funds	\$1,379,179,434	\$392,186,585	\$1,771,366,019
Less estimated income	<u>1,379,179,434</u>	392,126,585	1,771,306,019
Total general fund	\$0	\$60,000	\$60,000
Full-time equivalent positions	1,079.50	1.00	1,080.50"

Page 2, replace lines 4 through 18 with:

"General fund transfer to highway fund	\$541,600,000	\$0
Enhanced state highway investments	1,161,600,000	504,115,558
TIGER III federal railroad program	10,000,000	0
General license plate issue	6,820,000	0
Contingent general fund transfer to	1,100,000	0
public transportation fund Airplane replacement Transportation distribution to oil-producing counties Transportation distribution to non-oil-producing counties Recreational road access Vehicle registration and titling system replacement Motor coach reimbursement from colleges Truck size and weight harmonization study	4,500,000 160,000,000 120,000,000 0 0 0 0 0 0	0 0 3,000,000 2,500,000 750,000 <u>60,000</u>
Total all funds	\$2,005,620,000	\$510,425,558
Total special fund	541,600,000	<u>510,365,558</u>
Total general fund	\$1,464,020,000	\$60,000"

Page 3, line 6, replace "\$1,000,000" with "\$3,000,000"

## Page 3, line 12, after "APPROPRIATION" insert "- STRATEGIC INVESTMENT AND **IMPROVEMENTS FUND**"

Page 3, line 14, replace "\$2,000,000" with "\$10,000,000"

Page 4, replace lines 3 through 9 with:

#### **"SECTION 8. APPROPRIATION - STRATEGIC INVESTMENT AND**

**IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$20,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing grants to eligible cities, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item. For purposes of this section, an "eligible city" means a city with a population of more than 563 but fewer than 581 according to the most recent official decennial federal census.

SECTION 9. DEPARTMENT OF TRANSPORTATION - TRUCK SIZE AND WEIGHT HARMONIZATION. The operating expenses line item in section 1 of this Act, includes the sum of \$60,000 from the general fund, for the department of transportation to collaborate with the upper great plains transportation institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the western states transportation alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and potential implications, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT HARMONIZATION. During the 2015-16 interim, the legislative management shall study the truck size and weight provisions under chapter 39-12 of North Dakota century code, related to size, width, and height restrictions, in order to ensure the state of North Dakota can harmonize its truck size and weight regulations with the regulations of the states in the western states transportation alliance, and shall utilize the findings of the collaborative study of the department of transportation and the upper great plains transportation institute to determine appropriate changes to state law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 11. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,900,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the sum of \$950,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5,600,000 or less during the period beginning July 1, 2014 and ending June 30, 2015. The office of management and budget shall transfer the sum of \$950,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5,600,000 or less during the period beginning July 1, 2015 and ending June 30, 2016."

Page 5, line 11, remove "into"

Page 5, line 12, after "At" insert "least one year before"

- Page 5, line 13, remove "current"
- Page 5, line 13, remove "into"
- Page 5, line 15, remove "into"
- Page 5, after line 23, insert:

#### "SECTION 17. RAIL SAFETY REPORT TO LEGISLATIVE MANAGEMENT.

During the 2015-16 interim, the director of the department of transportation shall report to a committee designated by the legislative management regarding rail safety. The report must include:

- 1. Current railroad conditions, including crossings and rail lines;
- 2. A review of train speeds;
- 3. Existing railroad freight and passenger demands and future needs;
- 4. A review of emergency response procedures in the state;
- 5. A review of tank car specifications; and
- 6. A review of economic, safety, and environmental impacts on the state, including correlation with other modes of transportation, such as highways, pipelines, and air."

Page 6, replace lines 6 through 19 with:

"SECTION 20. APPLICATION. Section 16 of this Act applies to applicable contracts, regardless of whether entered before or after the effective date of this Act."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1012 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
State Treasurer				
Total all funds	\$0	\$8,000,000	\$0	\$8,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$8,000,000	\$0	\$8,000,000
Department of Transportation				
Total all funds	\$1,379,179,434	\$2,277,030,434	\$13,371,143	\$2,290,401,577
Less estimated income	1,379,179,434	1,771,914,876	9,411,143	1,781,326,019
General fund	\$0	\$505,115,558	\$3,960,000	\$509,075,558
Bill total				
Total all funds	\$1,379,179,434	\$2,285,030,434	\$13,371,143	\$2,298,401,577
Less estimated income	1,379,179,434	1,771,914,876	9,411,143	1,781,326,019
General fund	\$0	\$513,115,558	\$3,960,000	\$517,075,558

#### House Bill No. 1012 - Department of Transportation - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$187,477,585	\$208,387,135	(\$608,857)	\$207,778,278
Operating expenses	376,721,715	395,173,751	649,000	395,822,751
Capital assets	727,911,207	1,102,685,960	1,411,000	1,104,096,960
Grants	79,788,030	63,668,030		63,668,030
Accrued leave payments	7,280,897			
General fund transfer to highway fund		504,115,558		504,115,558
Short line railroad program		2,000,000	8,000,000	10,000,000
General fund trans. to special road fund		1,000,000	2,000,000	3,000,000
City grants			20,000	20,000
Contingent transfer			1,900,000	1,900,000
Total all funds	\$1,379,179,434	\$2,277,030,434	\$13,371,143	\$2,290,401,577
Less estimated income	1,379,179,434	1,771,914,876	9,411,143	1,781,326,019
General fund	\$0	\$505,115,558	\$3,960,000	\$509,075,558
FTE	1079.50	1079.50	1.00	1080.50

#### Department No. 801 - Department of Transportation - Detail of Senate Changes

Salaries and wages Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund Short line railroad program General fund trans. to special road fund	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup> (\$811,779)	Adds Funding for New Environmental Scientist III <sup>2</sup> \$202,922	Adjusts Funding for Maintenance Management System <sup>3</sup> 589,000 (589,000)	Adds One-Time Funding for Recreational Road Access Improvements <sup>4</sup> 2,000,000	Adds One-Time Funding for Short Line Railroad Program <sup>5</sup> 8,000,000	Adds One-Time Funding for Truck Size and Weight Harmonization Study <sup>6</sup> 60,000
City grants Contingent transfer						
Total all funds Less estimated income	(\$811,779) (811,779)	\$202,922 202,922	\$0 0	\$2,000,000 2,000,000	\$8,000,000 8,000,000	\$60,000 0
General fund	\$0	\$0	\$0	\$0	\$0	\$60,000
FTE	0.00	1.00	0.00	0.00	0.00	0.00
Salaries and wages Operating expenses Capital assets Grants Accrued leave payments	Adds One-Time Funding for Grants to Eligible Cities <sup>7</sup>	Transfers Funding to Special Road Fund <sup>8</sup>	Adds Contingent Transfer to Public Transportation Fund <sup>9</sup>	Total Senate Changes (\$608,857) 649,000 1,411,000		
General fund transfer to highway fund Short line railroad program General fund trans. to special road fund City grants Contingent transfer	20,000	2,000,000	1,900,000	8,000,000 2,000,000 20,000 1,900,000		
Total all funds Less estimated income	\$20,000 20,000	\$2,000,000 0	\$1,900,000 0	\$13,371,143 9,411,143		
General fund	\$0	\$2,000,000	\$1,900,000	\$3,960,000		

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

0.00

1.00

<sup>2</sup> Funding is added from other funds for a new environment scientist III full-time equivalent position (\$195,143) and related salary increase (\$7,779).

0.00

0.00

FTE

<sup>3</sup> Funding is adjusted from the capital assets line item to the operating expenses line item for the maintenance management system.

<sup>4</sup> One-time funding is increased from \$1 million to \$3 million from the special road fund for improvements to roads that lead to recreational areas.

<sup>5</sup> Funding from the strategic investment and improvements fund for the Department of Transportation's

short line railroad program is increased from \$2 million to \$10 million.

<sup>6</sup> Adds a section appropriating one-time funding from the general fund for the Department of Transportation to collaborate with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance.

<sup>7</sup> Adds a section appropriating one-time funding from the strategic investment and improvements fund to provide \$20,000 for grants to eligible cities.

<sup>8</sup> The one-time general fund transfer to the special road fund for improvements to roads that lead to recreational areas is increased from \$1 million to \$3 million.

<sup>9</sup> A section is added providing an appropriation and contingent transfer from the general fund to the public transportation fund for making a \$950,000 transfer on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5.6 million or less during fiscal year 2015 and another transfer of \$950,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution or less during fiscal year 2015 and another distribution fund are \$5.6 million or less during fiscal year 2015.

This amendment also:

- Provides for a Legislative Management study regarding truck size and weight harmonization.
- Adds a section requiring the Department of Transportation to report to the Legislative Management on rail safety.
- Removes a section that provided legislative intent for the Department of Transportation to refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly.

Sofs

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Senator Wanzek					
 Total (Yes) Absent	D	N	o		

If the vote is on an amendment, briefly indicate intent:

#### REPORT OF STANDING COMMITTEE

HB 1012, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1012 was placed on the Sixth order on the calendar.

Page 1, line 5, remove "and"

Page 1, line 6, after "exemptions" insert "; and to provide for application"

Page 1, replace lines 16 through 22 with:

"Salaries and wages	\$187,477,585	\$20,300,693	\$207,778,278
Accrued leave payments	7,280,897	(7,280,897)	0
Operating expenses	376,721,715	19,101,036	395,822,751
Capital assets	727,911,207	376,185,753	1,104,096,960
Grants	<u>79,788,030</u>	<u>(16,120,000)</u>	6 <u>3,668,030</u>
Total all funds	\$1,379,179,434	\$392,186,585	\$1,771,366,019
Less estimated income	<u>1,379,179,434</u>	392,126,585	1,771,306,019
Total general fund	\$0	\$60,000	\$60,000
Full-time equivalent positions	1,079.50	1.00	1,080.50"

Page 2, replace lines 4 through 18 with:

"General fund transfer to highway fund	\$541,600,000	\$0
Enhanced state highway investments	1,161,600,000	504,115,558
TIGER III federal railroad program	10,000,000	0
General license plate issue	6,820,000	0
Contingent general fund transfer to	1,100,000	0
public transportation fund Airplane replacement Transportation distribution to oil-producing counties Transportation distribution to non-oil-producing cour		0
Recreational road access	0	3,000,000
Vehicle registration and titling system replacement	0	2,500,000
Motor coach reimbursement from colleges	0	750,000
Truck size and weight harmonization study	0	<u>60,000</u>
Total all funds	\$2,005,620,000	\$510,425,558
Total special fund	<u>541,600,000</u>	<u>510,365,558</u>
Total general fund	\$1,464,020,000	\$60,000"

Page 3, line 6, replace "\$1,000,000" with "\$3,000,000"

#### Page 3, line 12, after "APPROPRIATION" insert "- STRATEGIC INVESTMENT AND IMPROVEMENTS FUND"

Page 3, line 14, replace "\$2,000,000" with "\$10,000,000"

Page 4, replace lines 3 through 9 with:

#### **"SECTION 8. APPROPRIATION - STRATEGIC INVESTMENT AND**

**IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$20,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing grants to eligible cities, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item. For purposes of this section, an "eligible city" means a city with a population of more than 563 but fewer than 581 according to the most recent official decennial federal census.

**SECTION 9. DEPARTMENT OF TRANSPORTATION - TRUCK SIZE AND WEIGHT HARMONIZATION.** The operating expenses line item in section 1 of this Act, includes the sum of \$60,000 from the general fund, for the department of transportation to collaborate with the upper great plains transportation institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the western states transportation alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and potential implications, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT HARMONIZATION. During the 2015-16 interim, the legislative management shall study the truck size and weight provisions under chapter 39-12 of North Dakota century code, related to size, width, and height restrictions, in order to ensure the state of North Dakota can harmonize its truck size and weight regulations with the regulations of the states in the western states transportation alliance, and shall utilize the findings of the collaborative study of the department of transportation and the upper great plains transportation institute to determine appropriate changes to state law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 11. APPROPRIATION - CONTINGENT TRANSFERS -GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,900,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the sum of \$950,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5,600,000 or less during the period beginning July 1, 2014 and ending June 30, 2015. The office of management and budget shall transfer the sum of \$950,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5,600,000 or less during the period beginning July 1, 2015 and ending June 30, 2016."

- Page 5, line 11, remove "into"
- Page 5, line 12, after "At" insert "least one year before"
- Page 5, line 13, remove "current"
- Page 5, line 13, remove "into"
- Page 5, line 15, remove "into"
- Page 5, after line 23, insert:

#### "SECTION 17. RAIL SAFETY REPORT TO LEGISLATIVE MANAGEMENT.

During the 2015-16 interim, the director of the department of transportation shall report to a committee designated by the legislative management regarding rail safety. The report must include:

- 1. Current railroad conditions, including crossings and rail lines;
- 2. A review of train speeds;
- 3. Existing railroad freight and passenger demands and future needs;
- 4. A review of emergency response procedures in the state;

- 5. A review of tank car specifications; and
- 6. A review of economic, safety, and environmental impacts on the state, including correlation with other modes of transportation, such as highways, pipelines, and air."

Page 6, replace lines 6 through 19 with:

"SECTION 20. APPLICATION. Section 16 of this Act applies to applicable contracts, regardless of whether entered before or after the effective date of this Act."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1012 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
State Treasurer				
Total all funds	\$0	\$8,000,000	\$0	\$8,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$8,000,000	\$0	\$8,000,000
Department of Transportation				
Total all funds	\$1,379,179,434	\$2,277,030,434	\$13,371,143	\$2,290,401,577
Less estimated income	1,379,179,434	1,771,914,876	9,411,143	1,781,326,019
General fund	\$0	\$505,115,558	\$3,960,000	\$509,075,558
Bill total				
Total all funds	\$1,379,179,434	\$2,285,030,434	\$13,371,143	\$2,298,401,577
Less estimated income	1,379,179,434	1,771,914,876	9,411,143	1,781,326,019
General fund	\$0	\$513,115,558	\$3,960,000	\$517,075,558

#### House Bill No. 1012 - Department of Transportation - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$187,477,585	\$208,387,135	(\$608,857)	\$207,778,278
Operating expenses	376,721,715	395,173,751	649,000	395,822,751
Capital assets	727,911,207	1,102,685,960	1,411,000	1.104.096.960
Grants	79,788,030	63,668,030		63,668,030
Accrued leave payments	7,280,897			
General fund transfer to highway fund		504,115,558		504,115,558
Short line railroad program		2,000,000	8,000,000	10,000,000
General fund trans. to special road fund		1,000,000	2,000,000	3,000,000
City grants			20,000	20,000
Contingent transfer			1,900,000	1,900,000
Total all funds	\$1,379,179,434	\$2,277,030,434	\$13,371,143	\$2,290,401,577
Less estimated income	1,379,179,434	1,771,914,876	9,411,143	1,781,326,019
General fund	\$0	\$505,115,558	\$3,960,000	\$509,075,558
FTE	1079.50	1079.50	1.00	1080.50

#### Department No. 801 - Department of Transportation - Detail of Senate Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Adds Funding for New Environmental Scientist III <sup>2</sup>	Adjusts Funding for Maintenance Management System <sup>3</sup>	Adds One-Time Funding for Recreational Road Access Improvements <sup>4</sup>	Adds One-Time Funding for Short Line Railroad Program⁵	Adds One-Time Funding for Truck Size and Weight Harmonization Study <sup>6</sup>
Salaries and wages	(\$811,779)	\$202,922				
Operating expenses			589,000			60,000
Capital assets			(589,000)	2,000,000		
Grants						
Accrued leave payments						
General fund transfer to highway						

#### Com Standing Committee Report April 9, 2015 7:39am

fund Short line railroad program General fund trans. to special road fund City grants Contingent transfer					8,000,000	
Total all funds Less estimated income	(\$811,779) (811,779)	\$202,922 202,922	\$0 0	\$2,000,000 2,000,000	\$8,000,000 8,000,000	\$60,000 0
General fund	\$0	\$0	\$0	\$0	\$0	\$60,000
FTE	0.00	1.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Grants to Eligible Cities <sup>7</sup>	Transfers Funding to Special Road Fund⁵	Adds Contingent Transfer to Public Transportation Fund <sup>9</sup>	Total Senate Changes
Salaries and wages				(\$608,857)
Operating expenses				649,000
Capital assets				1,411,000
Grants				
Accrued leave payments				
General fund transfer to highway fund				
Short line railroad program				8,000,000
General fund trans. to special road fund		2,000,000		2,000,000
City grants	20,000			20,000
Contingent transfer			1,900,000	1,900,000
Total all funds	\$20,000	\$2,000,000	\$1,900,000	\$13,371,143
Less estimated income	20,000	0	0	9,411,143
General fund	\$0	\$2,000,000	\$1,900,000	\$3,960,000
FTE	0.00	0.00	0.00	1.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is added from other funds for a new environment scientist III full-time equivalent position (\$195,143) and related salary increase (\$7,779).

<sup>3</sup> Funding is adjusted from the capital assets line item to the operating expenses line item for the maintenance management system.

<sup>4</sup> One-time funding is increased from \$1 million to \$3 million from the special road fund for improvements to roads that lead to recreational areas.

<sup>5</sup> Funding from the strategic investment and improvements fund for the Department of Transportation's short line railroad program is increased from \$2 million to \$10 million.

<sup>6</sup> Adds a section appropriating one-time funding from the general fund for the Department of Transportation to collaborate with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance.

<sup>7</sup> Adds a section appropriating one-time funding from the strategic investment and improvements fund to provide \$20,000 for grants to eligible cities.

<sup>8</sup> The one-time general fund transfer to the special road fund for improvements to roads that lead to recreational areas is increased from \$1 million to \$3 million.

<sup>9</sup> A section is added providing an appropriation and contingent transfer from the general fund

#### Com Standing Committee Report April 9, 2015 7:39am

to the public transportation fund for making a \$950,000 transfer on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5.6 million or less during fiscal year 2015 and another transfer of \$950,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5.6 million or less during fiscal year 2016.

This amendment also:

- Provides for a Legislative Management study regarding truck size and weight harmonization.
- Adds a section requiring the Department of Transportation to report to the Legislative Management on rail safety.
- Removes a section that provided legislative intent for the Department of Transportation to refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly.

## 2015 CONFERENCE COMMITTEE

HB 1012

# 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division

Medora Room, State Capitol

HB1012 4/16/2015 Recording Job# 26170

□ Subcommittee ⊠ Conference Committee

**Committee Clerk Signature** 

# Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

# Minutes:

See handout A and attachment A

Chairman Brandenburg: Opened the conference committee on HB1012.

Senator Lee: Explained the changes to HB1012.

**Chairman Brandenburg**: You added one FTE for the environmental scientist and you adjusted the health insurance. I see there's an adjustment funding for maintenance management for \$589,000.00. You removed that?

**Senator Lee**: It's the movement of the dollars from the capital assets line item to the operating expense line item. When we removed that section 8 language.

**Chris Kadrmas, Fiscal Analyst, ND Legislative Council**: When the House initially approved section 8; which restricted funding for technology, \$589,000.00 was removed from that maintenance management system and put into capital assets. Once the Senate removed and allowed DOT to use funding for technology, it was shifted back from capital assets into the maintenance system. The funding had been in the bill the entire time; it was just in a different line item.

**Chairman Brandenburg**: You added one time funding of \$2 million. We left \$1 million; and so now it's \$3 million for special road funds. You added one time funding for short line railroads; you added \$8 million so that's up to \$10 million. You left the townships alone with the \$5,000.00. You have \$20,000.00 for the city of Center for section 8?

Senator Lee: Correct.

**Chairman Brandenburg**: Section 9 is the \$60,000.00 study for the trucks. Then \$1.9 million for transit; what was the trigger last session?



**Senator Lee**: I'm not exactly sure how it worked out. I think they did get the extra money if I recall right.

**Grant Levi, Director, ND Department of Transportation**: The way the language is written is the same as it was written last legislative session. The trigger last legislative session is if they didn't receive \$5 million within the period of time identified, they received \$550,000.00. That happened both times last biennium; so they received the addition \$1.1 million.

Chairman Brandenburg: It's \$1.9 million this time and \$1.1 million last time.

Grant Levi: That's correct.

**Senator O'Connell**: Is the Canadian weight 129,000 lbs. and in South Dakota? What's the interstate weight; is that still 80,000?

**Grant Levi**: I believe you're correct with the gross vehicle weights for both our neighbors to the north and to the south. The way the law is written, the interstate system is restricted to 80,000 lbs. in North Dakota on Interstate 94 and I-29; unless otherwise permitted. We're allowed to permit easily up to 105,500 gross vehicle weight; which is the weight that travels the rest of the state highway system.

**Senator Lee**: Could you reconfirm that it's the \$5 million in the trigger mechanism for the public transit? What was the annual amount?

Grant Levi: It was \$550,000.00 last legislative session.

**Chairman Brandenburg**: In section 16 you added some language that extended it up to 5 years; instead of it being annual.

**Chris Kadrmas**: Essentially that language is the same as what the House had approved. There was clarification as to when the DOT can enter into contracts and that was the only change.

Chairman Brandenburg: At least one year before the end; that's the key.

Chris Kadrmas: That's correct.

Chairman Brandenburg: You added a rail safety in section 17.

**Representative Thoreson**: That was added however that bill has not made its way through the House yet. Section 17, the rail safety report, I believe that's identical language to a bill which passed the Senate but failed in the House. Correct?

Senator Lee: Correct.



**Representative Thoreson**: This information that we're looking at; is this a report that's going to be gathered? Is this information going to be available in another source? On the department's website you do have a rail information section. Are you planning to or are you currently putting rail safety information on your website or is that something that maybe happening in the future?

**Grant Levi**: The information that's requested in here is information part of which we have already. The preponderance of it is information we will be gathering through a study that we're undertaking. We're in the process right now of doing a rail study. As part of that rail study, we'll be gathering this information.

**Representative Thoreson**: At that point that report would be available to the general public also. Is that correct?

**Grant Levi**: We have a very public process in our agency. Yes, that would be available to the public. We've reported many sessions and many plans that we've completed to the legislative body.

**Representative Glassheim**: Would it be any additional problem for you to bring it to an interim committee and have them look at it?

**Grant Levi**: I think with most of our studies we took to the interim committees and reported on the study and obtained comments from those interim committees. We didn't have state statute to do that; we do that as a matter of course of business to make sure legislators agree.

**Representative Thoreson**: You would normally bring those reports forward just as a matter of normal business. Is that correct?

**Grant Levi**: Yes. The legislative body asks us to report; we come to them and report in an effort to keep them informed of the work activities we're undertaking.

Senator O'Connell: Could you explain a little more on the \$200 million?

**Representative Thoreson**: That was Representative Glassheim who made the motion for that. That is an amendment to SB2015; the OMB budget. That bill currently has passed the full House appropriations committee but has not been on the floor yet.

Senator O'Connell: Why don't we just the \$200 million over here?

**Chairman Brandenburg**: I hope in the end we can do that. But I think there are some discussions about roads and buildings that need to be resolved.

**Representative Thoreson**: I think we need to do what we can to add that money in. It was the position of the House that we should try and put some additional funding in.

**Chairman Brandenburg**: Because of the double accounting method of OMB it is \$400 million; because they have to do an authorization out of the general fund. OMB makes a



\$200 million entry and the general fund makes a \$200 million entry; so it's actually showing up as \$400 million.

Senator Lee: There's the \$60,000.00 for that study.

Representative Thoreson: How was the \$60,000.00 figure obtained for the study?

Senator Lee: It came to us in the study and I'm not sure how that generated.

**Grant Levi**: It's my understanding that the \$60,000.00 was obtained through conversations with Upper Great Plains Transportation Institute and what they made need to just do a broad based look at it. It's also my understanding that they intend to use that money and leverage it with some other federal dollars they may have to complete the work.

**Senator Wanzek**: The difference between the House and Senate is less than ½ of 1% of the total budget.

Chairman Brandenburg: See attachment A.

Chairman Brandenburg: Closed the conference committee.

# 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division Medora Room, State Capitol

> HB1012 4/17/2015 Recording Job# 26199

□ Subcommittee ⊠ Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

"Click to enter attachment information."

Chairman Brandenburg: Opened the conference committee on HB1012.

**Senator Lee**: Our plan is out there and we went through the changes. If there are sections that you don't agree with; maybe

**Chairman Brandenburg**: We're talking about FTE's and we realize some of these are necessary. Let's talk about the capital asset line.

**Representative Thoreson**: You just made a move of that \$589,000.00 from capital assets to operating expenses. That's correct?

Senator Lee: That's correct. It was in the budget all along; it's just a matter of accounting.

**Representative Thoreson**: Item 4; this is new funding of \$2 million for the one time issue for recreational road access improvements. Where are those looking to be used at? Where was that dollar amount determined for the \$2 million?

**Senator Lee**: The special road fund has been around for a number of years. It's a small fund that's used recreational access type of projects. It survived off the interest from the federal dollars that came in.

**Grant Levi, Director, ND Department of Transportation**: The special road fund has survived off the interest from the highway tax distribution fund. Over the years as interest rates have fallen, those dollar amounts available for those activities have decreased substantially. I think we have about \$20,000.00/month that we're collecting from the highway distribution fund.

Chairman Brandenburg: This \$3 million is coming out of SIIF?

**Chis Kadrmas, Fiscal Analyst, ND Legislative Council**: No. That's a transfer from general fund. The SIIF funding you're thinking of is the railroad funding.

**Senator Lee**: They have a good process, it works well and has helped a lot of individual projects. This provides some additional funds; with the population growth, the tourism interest in our state, we felt it would benefit some of those smaller areas and projects that don't get the attention they need.

**Chairman Brandenburg**: It'd be nice if they could have a special road fund in the heritage fund. A lot of them are boat access roads going to the lakes.

Senator O'Connell: It's also local match money; I think a lot of them are 60/40.

Chairman Brandenburg: What is the match?

Grant Levi: You're correct. It's the highway fund instead of highway tax distribution fund.

Senator O'Connell: It's points of interest or recreational areas mostly for this fund.

**Grant Levi**: You're correct. It's a committee of legislative representatives and some state agencies; DOT chairs the committee.

Chairman Brandenburg: Is this another fund with it or is the old fund still there?

Grant Levi: This would just be providing additional resources to that process.

Chairman Brandenburg: So it would be one fund in the end?

Grant Levi: Yes.

Senator Wanzek: Do you have any knowledge of the history of the interest rate?

**Grant Levi**: There were additional resources available when we had higher interest rates. We were able to do more work because we had more revenue coming in and the cost of business was less. With the revenue that's available today, there's very little resources available to do major projects.

Senator O'Connell: It first started off with interest earned off the DOT's checking account.

**Grant Levi**: That's correct. It's interest earned off the highway fund; and when deposits are made in the highway fund, a portion of that interest goes into the special roads fund and that's 80% of the interest. With those special roads fund dollars we were able to do more major projects than we can today.

**Chairman Brandenburg**: They tried to use this fund to get out to Whitestone in Dickey county.

**Senator Wanzek**: This is for tourism and tourism is our third major economic engine in North Dakota.

Representative Glassheim: Did they not ask for \$3 million and we left \$1 million in there?

Chairman Brandenburg: It was \$5 million.

Representative Glassheim: We left nothing in?

Chairman Brandenburg: We left \$1 million.

**Representative Glassheim**: We have \$1 million in and we're disagreeing over \$2 million. Perhaps we should divide the \$2 million in half and then we can say we saved \$1 million.

**Representative Thoreson**: The \$60,000.00 for the truck study. That's something we don't have an issue with at all. That study needs to go forward; it's important to our industry in the state.

Senator Lee: Section 9 and 10 would be ok.

**Representative Thoreson**: That's correct. Those two sections need to definitely stay in and the funding for the study can be done for that amount.

Chairman Brandenburg: Let's go to the rail fund.

**Senator Lee**: It did start at \$10 million and you left \$2 million in there. They're in real in need and the opportunity to provide some more capital to those projects that they have and they're a vital part of our transportation network. I think we have to find some way to improve their capital position so they can work on these projects.

Chairman Brandenburg: I agree completely. I will share those thoughts.

**Senator Wanzek**: That's a revolving loan program and in a sense we're not expending it; it will be returned. I don't know if \$2 million is enough to effectively impact or provide the kind of need that they have. Part of the reason we need to help them with the loan is these are business that when they need to update their rail, private banks don't see a lot of value in the collateral. It's difficult to get the private loans and that's why they need this help.

**Representative Thoreson**: We did some things with short line last session. Do you recall what those dollars were and what they were used for?

**Chairman Brandenburg**: There's a \$13 million revolving loan; it's been there since the mid-1980's. When they put the loop in at Spiritwood it emptied the thing out. When they put \$1 million a mile into rail, they have to have money to do it. The bank will only borrow for the locomotives and cars.

**Representative Glassheim**: The latest print out shows \$48 million in the SIIF money available as of July 1, 2015. There may be other things that I'm not aware of that you want for this ; but there is sufficient money to the \$8 million.

**Chris Kadrmas**: That \$48 million already subtracts the \$10 million that's included in the DOT's budget.

**Representative Thoreson**: When we passed this out of the House we left some money in there. I'm supportive of this; but it's just finding the right number.

Senator O'Connell: They don't get a large fee per car.

Chairman Brandenburg: This is for short lines; not main lines.

Representative Thoreson: I would like to see those numbers if it's from the study.

Chairman Brandenburg: What's that \$20,000.00 for; is that for roads?

**Senator Lee**: It's for Center. They had budgeted that amount for their city; and it's my understanding the beneficiated tax was removed. The other communities were made whole through the SURGE fund but this one was left out because it wasn't a Bakken boundary county.

**Representative Thoreson**: This is the one and only place where this can or would occur. Is that correct?

Senator Lee: That's my understanding.

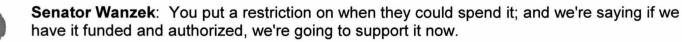
Chairman Brandenburg: How did you come up with the \$1.9 million for public transit?

**Senator Lee**: I think it was trying to get them back to a number similar to what they were getting in the previous biennium.

**Chairman Brandenburg**: Last session we did \$1.1 million. The money that's coming in for both state and federal must be a little short; so \$1.9 million would make them whole. We should have a discussion about the buildings that were put back in.

**Senator Wanzek**: The funding for the buildings was always in there. We didn't put the funding back in we just removed section 8 which restricted the funding until all the federal dollars came in. Even if all the federal dollars come in that probably won't happen until the end of the biennium.

**Chairman Brandenburg**: The money is already there it's just the authorization of the buildings.



Senator Lee: It was the technology piece, that \$589,000.00 that was included in that.

Chairman Brandenburg: We're fine with the language in section 16.

Senator Lee: That would be sections 16 and 20.

Senator O'Connell: Are we ok with section 17?

**Representative Thoreson**: After reading that and with the questions we had in our last meeting with the report that's being developed and will be put out to the general public, I have an amendment being prepared with some language saying that this report shall be placed both on the DOT website and also on the legislative website. I think we need to have a little more discussion about rail safety with this budget.

Senator Wanzek: PSC and we will be discussing rail safety at length.

Representative Thoreson: If we could be kept updated because it is an issue.

Chairman Brandenburg: We should talk about the \$200 million in the OMB budget.

Senator Lee: We'd like to secure as much as possibly can and put it back into projects.

Senator Lee: Section 19 takes out that motor vehicle thing.

**Representative Thoreson**: We might need to check into that; because I think high efficiency vehicles are not only designated for that. This is the language we put in. Correct?

**Chris Kadrmas**: The section Senator Lee is referring to was in the House's version of the bill regarding autonomous vehicles. That would have been section 16 from the House's version.

**Representative Thoreson**: These are the vehicles that are being developed that are self driving?

Chris Kadrmas: That's correct.

Chairman Brandenburg: Closed the conference committee.

# 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division Medora Room, State Capitol

> HB1012 4/22/2015 Recording Job# 26336

□ Subcommittee ⊠ Conference Committee



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

See attachment A and B

Chairman Brandenburg: Opened the conference committee on HB1012.

Chairman Brandenburg: See attachment A.

**Grant Levi, Director, ND Department of Transportation**: One of the things you've done through the course of the last two legislative sessions is you've given the transit portion of the budget continuing appropriations authority. In addition to that, you've given us as an agency the ability to reallocate resources that aren't use.

**Senator O'Connell**: Rail safety in the PSC budget; there's also a study in there. The PSC wanted four people; the Senate offered two and the House wants none; plus there's a study in there. We have duplication here.

Chairman Brandenburg: This is just a study.

Grant Levi: See attachment B.

**Senator Lee**: I know that higher education took that out; that money that was supposed to come from them. I think it was \$750,000.00 and \$250,000.00 was left in the bill that we had.

Chairman Brandenburg: We have a bigger problem and we need to pick our fights.

**Senator Wanzek**: I see we're taking the \$1 million off the projects line. Why do we need to do that?

House Appropriations Committee - Government Operations Division HB1012 April 22, 2015 Page 2



**Chairman Brandenburg**: It has to come out of general funds and that \$504 million is general funds.

**Senator Wanzek**: If it's going toward projects, I'm willing to spend the extra \$1 million to solve the problem and leave the \$1 million there.

**Representative Onstad**: We have to settle this but we could go back and look at that SIIF fund. That would keep it whole rather than reducing these projects.

**Chairman Brandenburg**: May be we could use SIIF because SIIF ends up in the general fund.

**Grant Levi**: I think the compromise was to take it out of the \$504 million. That's the reason we drafted the amendment the way we drafted it with the understanding that there are still conversations occurring about providing additional resources for roadway projects.

Chairman Brandenburg: I agree with you but there isn't enough in SIIF.

**Chris Kadrmas, Fiscal Analyst, ND Legislative Council**: That \$10 million is already being subtracted from the SIIF to get the \$48.6 million balance.

**Representative Onstad**: Are you looking to discover the differences between the two funds?

**Chairman Brandenburg**: A lot of people don't understand the Upper Great Plains study. The next interim committee that would deal with infrastructure impact or a roads study, they'd be able to bring in Upper Great Plains as well as DOT and have a better understanding of how it works dealing with bridges, gravel, black top, miles and how that all impacts on the needs basis, CMC; all those issues we need to understand so that when you come back next session, we can have a better understanding and how the information is submitted is the most important part.

**Representative Onstad**: It appears that the distribution, whether you use the CMC or Upper Great Plains, it seems to be the differences of how it gets distributed to counties. I think the Upper Great Plains spent a lot of time and effort into meeting all those unmet needs. It seems to me that we should probably just stick with the one.

**Chairman Brandenburg**: You have counties with full time engineers working on this; submitting numbers that come in using contractor numbers, but yet they're working off of the county numbers. You have contractor numbers and you have county numbers. Then you have some counties that are submitting information saying that they're going to gravel every mile of road in their county on an annual basis. What this study gets to is that everybody submits their information on an annual basis.



**Senator Wanzek**: You believe the way information was submitted by counties differed and if we're going on needs basis, it's apples to apples? You feel that in the current on met needs study that that wasn't the case; there have been different ways that that was provided.

House Appropriations Committee - Government Operations Division HB1012 April 22, 2015 Page 3

## Chairman Brandenburg: Exactly.

**Representative Onstad**: Part of that is the decision by the local county. If there on a three year plan or five year plan, it's based on their own traffic studies. It's going to be difficult to try to get a uniform standard other than directly unmet needs.

Chairman Brandenburg: I think it's taking care of itself.

Senator Lee: Do you have a goal with transit?

**Chairman Brandenburg**: The transit people are going to have to work through this thing. I know right now that \$1.9 isn't going to fly. Grant you handed something to me about needing to have authority on some money to spend?

**Grant Levi**: One of the things that occurs is that the balance and funding remaining for the DOT changes from its highway tax distribution fund revenue. We took the Senate bill as it stood; the Senate version and if you look at the revenues we have available, there would be \$5.6 million remaining. We had not been provided budget authority for.

Chairman Brandenburg: Are you looking for carry over language?

**Grant Levi**: The option would be to increase the capital assets roadway line item with those resources.

Chairman Brandenburg: Closed the conference committee.

# 2015 HOUSE STANDING COMMITTEE MINUTES

# Appropriations Committee - Government Operations Division

Medora Room, State Capitol

HB1012 4/22/2015 Recording Job# 26365

□ Subcommittee ⊠ Conference Committee



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

See attachments A through C

Chairman Brandenburg: Opened the conference committee on HB1012.

**Chairman Brandenburg**: When we left this morning we talked about the \$5 million that we had offered for the rail funding for the short lines and the House is willing to go to \$7 million on that.

Senator Lee: I think we can go with the \$7 million.

**Chairman Brandenburg**: On the special roads fund, the House was at \$1 million and the Senate was at \$3 million and we're willing to meet at \$2 million.

Senator Lee: It's about \$250,000 a year or biennium that's generated?

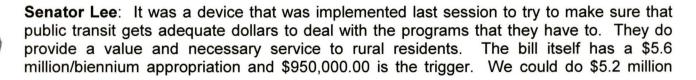
Grant Levi, Director, ND Department of Transportation: About \$20,000.00 a month.

Senator Lee: We'll be ok with that.

Chairman Brandenburg: We're not willing to keep the \$20,000.00 for the city of Center.

Senator O'Connell: The smaller projects seem to take the bigger cut.

Chairman Brandenburg: The House is at zero for the transit.



House Appropriations Committee - Government Operations Division HB1012 April 22, 2015 Page 2

plus \$600,000.00 for a trigger. If the maximum happens they get the \$600,000.00 and the \$5.2 million; that would save \$700,000.00 out of the appropriation.

**Chairman Brandenburg**: You're looking at \$600,000.00 a year or \$1.2 million for the biennium?

Senator Lee: Yes.

**Chairman Brandenburg**: We've agreed on pretty much everything except transit and the \$20,000.00.00. We put an amendment out this morning for the motor coach of \$1 million coming out of the \$504 million. It's amendment 03000.

Representative Glassheim: This really is deducted from DOT? I don't quite understand.

Chairman Brandenburg: The \$504 million is general fund. We can use the general fund.

**Becky Keller, Fiscal Analyst, ND Office of Management and Budget**: I don't know where OMB recommended that because they didn't tell me.

**Grant Levi**: In order to reimburse fleet we do need resources other than those that come from us from the traditional highway sources. Those resources as proposed originally in the executive budget were \$1 million from the general fund. What the amendment does is it takes a portion of the resources that were going to be made available to the DOT from the general fund which was going to be transferred to the highway fund and leaves it in general fund and transfers to the DOT so we can pay off fleet.

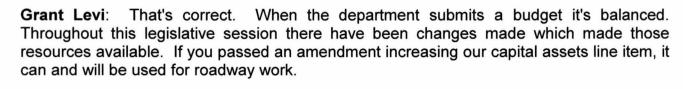
**Representative Glassheim**: Why would we not use SIIF funds? That's \$1 million less in projects that DOT has money to use.

**Chairman Brandenburg**: I can't disagree with you. It's just that in discussion with Grant and leadership we came up with taking it out of the \$504 million to get this off the table.

**Grant Levi**: To remind the committee at the end of the discussion at the last conference committee there was also some resources that we had available that weren't being spent out of the highway fund because of changes being made to other bills. We let Chris from legislative council that \$5.6 million could be available for highway work.

**Chairman Brandenburg**: That money was in the highway fund and the highway tax distribution fund from last session. This is making available \$5.6 million.

**Representative Thoreson**: That money then could be used for projects that you determine are important.







House Appropriations Committee - Government Operations Division HB1012 April 22, 2015 Page 3

**Senator Lee**: With the \$5.6 million and the \$700,000.00 from the public transit; those are general fund dollars potentially also.

Senator Lee: Made a motion to move the language.

Representative Glassheim: Seconded the motion.

Voice vote made and carried.

Senator O'Connell: I have a question about section 17.

Representative Thoreson: See attachment A.

Representative Thoreson: Made a motion to move amendment 02005.

Senator Lee: Seconded the motion.

Representative Glassheim: See attachment B.

**Senator O'Connell**: I think both of them are good amendments. I'd like to see both amendments incorporated somehow in section 17.

**Senator Lee**: I think it fits with the discussion of rail safety and reporting. In the PSC budget there was a rail safety inspector program.

**Representative Thoreson**: When we discussed this earlier and I had my amendment drafted. You had said in most cases when you do a report of this type, you normally would bring it forward to the legislature. Am I correct in that?

Grant Levi: You're correct.

Chairman Brandenburg: See attachment C.

**Representative Glassheim**: What committee had jurisdiction over this report that you brought back?

**Grant Levi**: Through conversations with the chairs of the committees, one of the questions they asked is what activities were we undertaking as an agency that were policy related. As a result of those conversations they indicated they had a desire for us to come and report out to them.

**Representative Glassheim**: Either my amendment causes no harm; but it is really useless because he's going to do it anyway or it kind of directs them to do it.

Chairman Brandenburg: Closed the conference committee.

# 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division

Medora Room, State Capitol

HB1012 4/23/2015 Recording Job# 26384

□ Subcommittee ⊠ Conference Committee

## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

Attachment A and B

Chairman Brandenburg: Opened the conference committee on HB1012.

Representative Onstad: Substituted for Representative Glassheim.

Senator Sorvaag: Substituted for Senator Holmberg.

Representative Thoreson: Withdrew his motion.

Senator Lee: Withdrew his second.

Representative Thoreson: Made a motion to move amendment 02006.

Senator Lee: Seconded the motion.

Voice vote made and carried.

Representative Thoreson: Made a motion to move amendment 02005.

Senator Lee: Seconded the motion.

**Representative Thoreson:** I know these both say section 14. I would assume Legislative Council will make the appropriate change. This would be in replacement of section 17.

Chris Kadrmas, Legislative Council: Would I be allowed to blend these two?

Chairman Brandenburg: Yes.

Voice vote made and carried.

House Appropriations Committee - Government Operations Division HB1012 04/23/15 Page 2



**Chairman Brandenburg:** Before we get to the public transit one, there's another study here from Representative Skarphol, 02008, dealing with flaring restrictions. I don't know that the House is thinking it's a good idea.

**Representative Thoreson:** I had discussions with Lynn Helms and Karlene Fine and I believe that the industrial commission has, in the last month or so, developed or approved some language which would take care of this issue. Because of how this is written and they're already handling the issue, perhaps we could move on.

**Chairman Brandenburg:** Let's go to public transit. I have an amendment that adds \$200,000 so we hold at the same and also there is a study too. See attachment A.

Representative Thoreson: Made a motion to move amendment 02012.

No second was given.

**Senator Lee:** I'm not going to second the motion, but if you change the \$100,000 to \$500,000 then you'll have a motion.

**Chairman Brandenburg:** So you're saying if we raise the \$100,000 to \$500,000 each year for a total of \$1 million?

Senator Lee: Correct.

**Chairman Brandenburg:** We will seriously consider that. We should go through the amendment. I don't think everything is quite right. See attachment B.

Senator Lee: What is the study for in the public transit amendment?

**Chairman Brandenburg:** It's a study to see how the transit system is working. Let's look at amendment 02010.

**Senator Lee:** Regarding the truck size and weight harmonization, I don't have the Senate version. Wasn't that in there?

Chairman Brandenburg: Is it there?

**Senator Lee:** You have it in your amendment so why would it be here if you're asking to change something?

**Chris Kadrmas:** It's in there because it is in the Senate's version; it's not in the House's version and as we made an adjustment of \$5.6 million to the capital assets the Senate would have to recede from their amendment.



Chairman Brandenburg: Closed the conference committee.

## 2015 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee - Government Operations Division

Medora Room, State Capitol

HB1012 4/23/2015 Recording Job# 26393

□ Subcommittee ⊠ Conference Committee

Committee Clerk Signature

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the department of transportation; to provide for a transfer; and to provide exemptions.

Minutes:

See attachment A

Chairman Brandenburg: Opened the conference committee on HB1012.

Representative Onstad: Substituted for Representative Glassheim.

Senator Sorvaag: Substituted for Senator Holmberg.

Grant Levi, Director, ND Department of Transportation: See attachment A.

Chairman Brandenburg: It will be handled through this budget.

Grant Levi: That's correct. It will be managed by DOT.

**Chairman Brandenburg**: I don't know what's going to happen with the OMB budget; but we're trying to hold on to some numbers.

**Grant Levi**: One of the things we know you have left to discuss is transit and the transit funds will not show up on here because it's a continuing appropriation for the state funds you're discussion.

**Chairman Brandenburg**: Last biennium transit had \$24,800,000.00. This biennium we're sitting with \$24,600,000.00; we're about \$200,000.00 short of last biennium.

**Grant Levi**: Those figures are an apple to apple comparison of what was projected. Those figures do not include any continuing appropriation authority we would have received. What's compared to the projected, including federal funds, for the biennium that you're considering.

Chairman Brandenburg: It could be that some of that may show also in 2015-2017.

House Appropriations Committee - Government Operations Division HB1012 April 23, 2015 Page 2

**Grant Levi**: That's correct. It depends on how the highway tax distribution fund continues to grow and whether or not there's any turn back from any of the transit providers.

**Representative Thoreson**: You said the transit would not show on this because it's a continuing appropriation. Are there other continuing appropriations that would also not be reflected on this document?

**Grant Levi**: I believe this is the only continuing appropriation authority that the DOT has. The energy impact pool funded appropriation authority will show up here if the legislative body elects to give us those additional funds as well.

Senator Lee: We appreciate the additional information and we know where you're at.

Senator Lee: Made a motion to move amendment 02012.

Representative Thoreson: Seconded the motion.

**Representative Onstad**: What's the purpose for this amendment? The \$500,000.00 won't be in this.

**Chairman Brandenburg**: This amendment would give \$200,000.00; \$100,000.00 each year so it keeps them whole from what they received on the last budget.

Voice vote made and carried.

**Senator O'Connell**: Are we going to look at anything for Representative Skarphol's amendment?

**Representative Thoreson**: From what I understand, there has been some language that has been put forward by the industrial commission which deals with this issue. There were maybe some questions about the language in this amendment. I think we could go forward without moving this amendment.

Senator O'Connell: I just wanted to make sure we had discussed it.

**Chris Kadrmas, Fiscal Analyst, ND Legislative Council**: Explained the changes to HB1012.

**Representative Thoreson**: It would be the incorporation of the two amendments that were adopted earlier on the rail study to replace the current language that was in there. Is that correct?

**Chris Kadrmas**: That's correct. We'd include the two amendments surrounding the rail safety and the amendment regarding public transportation that was just approved.

Chairman Brandenburg: And the \$200,000.00?

Chris Kadrmas: That's correct.



Senator Lee: That \$20,000.00 for Center, ND is out also.

Chairman Brandenburg: That's correct.

Senator Lee: Made a motion to recede from the Senate amendments and further amend.

Representative Thoreson: Seconded the motion.

Senator O'Connell: I would like to see more money into transportation.

Roll Call Vote: 6 Yeas 0 Nays 0 Absent

Chairman Brandenburg: Closed the conference committee.





15.8120.02006 Title. Prepared by the Legislative Council staff for Representative Glassheim April 17, 2015

### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1498-1502 of the House Journal and pages 1290-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 5, after the first semicolon insert "to report to legislative management;"

Page 5, after line 23, insert:

#### "SECTION 14. RAIL SAFETY - REPORT TO LEGISLATIVE MANAGEMENT.

The department of transportation shall report to a committee designated by legislative management, regarding the department's updated North Dakota state rail plan for the biennium beginning July 1, 2015, and ending June 30, 2017."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section requiring the Department of Transportation to report to a committee designated by Legislative Management regarding the department's updated North Dakota state rail plan report.

15.8120.02005 Title.

## PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1498-1502 of the House Journal and pages 1290-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 5, after the third semicolon inert "to provide for a report to the legislative council;"

Page 5, after line 23, insert:

"SECTION 14. RAIL SAFETY REPORT. The director of the department of transportation shall post the department's updated North Dakota state rail plan report on the department's public website and provide an electronic copy to the legislative council for placement on the legislative branch public website for the biennium beginning July 1, 2015, and ending June 30, 2017."

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section requiring the Department of Transportation and the Legislative Council to make available on each agency's website a report prepared by the Department of Transportation on railroad safety.

15.8120.02012 Title.

## PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1498-1502 of the House Journal and pages 1290-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 5, after the third semicolon insert "to provide for a department of transportation study; to provide a report to legislative management;"

Page 4, after line 21, insert:

"SECTION 11. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the sum of \$100,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the period beginning July 1, 2014, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$100,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the period beginning July 1, 2015, and ending June 30, 2016.

SECTION 12. DEPARTMENT OF TRANSPORTATION STUDY - REPORT TO LEGISLATIVE MANAGEMENT. The department of transportation shall study state funding distributions and allocations to public transportation providers. The study must include a review of distributions and allocations including contingent funding provided, a review of distribution 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 department of transportation shall report to the legislative management regarding the results of its study by June 30, 2016."

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an appropriation and contingent transfer from the general fund to the public transportation fund for making a \$100,000 transfer on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5.2 million or less during fiscal year 2015 and another transfer of \$100,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5.2 million or less during fiscal year 2016. This amendment also adds a section requiring the Department of Transportation to study the public transportation funding system and report to the Legislative Management.



15.8120.02013 Title.04000 Fiscal No. 2 Prepared by the Legislative Council staff for Conference Committee April 24, 2015

## PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1498-1502 of the House Journal and pages 1290-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 5, remove "to provide legislative intent;"

Page 1, line 5, replace "and" with "to provide for a department of transportation study; to provide a report to the legislative management; to provide for a report to the legislative council;"

Page 1, line 6, after "exemptions" insert "; and to provide for application"

Page 1, replace lines 16 through 22 with:

"Salaries and wages	\$187,477,585	\$20,300,693		\$207,778,278
Accrued leave payments	7,280,897	(7,280,897)		0
Operating expenses	376,721,715	19,101,036		395,822,751
Capital assets	727,911,207	379,785,753		1,107,696,960
Grants	79,788,030	<u>(16,870,000)</u>		62,918,030
Total all funds	\$1,379,179,434	\$395,036,585	ç	\$1,774,216,019
Less estimated income	1,379,179,434	<u>394,976,585</u>		1,774,156,019
Total general fund	\$0	\$60,000		\$60,000
Full-time equivalent positions	1,079.50	1.00		1,080.50"
Dage 2 replace lines 4 through 19	with:			
Page 2, replace lines 4 through 18 v	with.			
"General fund transfer to highway fu	und	\$541,600,000		\$0
Enhanced state highway investmen	ts	1,161,600,000		503,115,558
TIGER III federal railroad program		10,000,000		0
General license plate issue		6,820,000		0
Contingent general fund transfer to public transportation fund		1,100,000		0
Airplane replacement		4,500,000		0
Transportation distribution to oil-pro	ducing counties	160,000,000		õ
Transportation distribution to non-oi	-			Ő
Recreational road access	, producing countied	0		2,000,000
Vehicle registration and titling syste	m replacement	Ő		2,500,000
Truck size and weight harmonizatio		0		60,000
Total all funds		\$2,005,620,000		\$507,675,558
Total special funds		541,600,000		507,615,558
Total general fund		\$1,464,020,000		\$60,000"

Page 2, line 30, replace "\$504,115,558" with "\$503,115,558"

Page 3, after line 3, insert:

"SECTION 5. APPROPRIATION - DEPARTMENT OF TRANSPORTATION -MOTOR COACH REIMBURSEMENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of reimbursing costs incurred from motor coach operations, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item."

Page 3, line 6, replace "\$1,000,000" with "\$2,000,000"

# Page 3, line 12, after "APPROPRIATION" insert "- STRATEGIC INVESTMENT AND IMPROVEMENTS FUND"

- Page 3, line 14, replace "\$2,000,000" with "\$7,000,000"
- Page 4, line 2, after the period insert "The funding provided in this section is considered a one-time funding item."
- Page 4, replace lines 3 through 9 with:

"SECTION 9. DEPARTMENT OF TRANSPORTATION - TRUCK SIZE AND WEIGHT HARMONIZATION. The operating expenses line item in section 1 of this Act, includes the sum of \$60,000 from the general fund, for the department of transportation to collaborate with the upper great plains transportation institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the western states transportation alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and potential implications, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT HARMONIZATION. During the 2015-16 interim, the legislative management shall study the truck size and weight provisions under chapter 39-12, relating to size, width, and height restrictions, in order to ensure the state of North Dakota may harmonize its truck size and weight regulations with the regulations of the states in the western states transportation alliance, and shall utilize the findings of the collaborative study of the department of transportation and the upper great plains transportation institute to determine appropriate changes to state law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 11. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the sum of \$100,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the period beginning July 1, 2014, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$100,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the period beginning July 1, 2015, and ending June 30, 2016.

SECTION 12. DEPARTMENT OF TRANSPORTATION STUDY - REPORT TO LEGISLATIVE MANAGEMENT. The department of transportation shall study state funding distributions and allocations to public transportation providers. The study must include a review of distributions and allocations, including contingent funding provided, a review of distribution 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 department of transportation shall report to the legislative management regarding the results of its study by June 30, 2016."

Page 4, line 17, replace "\$504,115,558" with "\$503,115,558"

- Page 5, line 11, remove "into"
- Page 5, line 12, after "At" insert "least one year before"
- Page 5, line 13, remove "current"
- Page 5, line 13, remove "into"
- Page 5, line 15, remove "into"
- Page 5, after line 23, insert:

### "SECTION 18. RAIL SAFETY - REPORT TO LEGISLATIVE MANAGEMENT.

The department of transportation shall report to a committee designated by the legislative management, regarding the department's updated North Dakota state rail plan and the director of the department of transportation shall post the department's updated North Dakota state rail plan report on the department's public website and provide an electronic copy to the legislative council for placement on the legislative branch public website for the biennium beginning July 1, 2015, and ending June 30, 2017."

Page 6, replace lines 6 through 19 with:

"SECTION 21. APPLICATION. Section 17 of this Act applies to applicable contracts, regardless of whether entered before or after the effective date of this Act."

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1012 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
State Treasurer						
Total all funds	\$0	\$8,000,000	\$0	\$8,000,000	\$8,000,000	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$8,000,000	\$0	\$8,000,000	\$8,000,000	\$0
Department of Transportation						
Total all funds	\$1,379,179,434	\$2,277,030,434	\$10,501,143	\$2,287,531,577	\$2,290,401,577	(\$2,870,000)
Less estimated income	1,379,179,434	1,771,914,876	9,241,143	1,781,156,019	1,781,326,019	(170,000)
General fund	\$0	\$505,115,558	\$1,260,000	\$506,375,558	\$509,075,558	(\$2,700,000)
Bill total						
Total all funds	\$1,379,179,434	\$2,285,030,434	\$10,501,143	\$2,295,531,577	\$2,298,401,577	(\$2,870,000)
Less estimated income	1,379,179,434	1,771,914,876	9,241,143	1,781,156,019	1,781,326,019	(170,000)
General fund	\$0	\$513,115,558	\$1,260,000	\$514,375,558	\$517,075,558	(\$2,700,000)

#### House Bill No. 1012 - State Treasurer - Conference Committee Action

The conference committee did not change the House or Senate version.

## House Bill No. 1012 - Department of Transportation - Conference Committee Action

Grants         79,788,030         63,668,030         (750,000)         62,918,030         63,668,030         (750,000)           Accrued leave payments         7,280,897		Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Capital assets         727,911,207         1,102,685,960         5,011,000         1,107,696,960         1,104,096,960         3,600,000           Grants         79,788,030         63,668,030         (750,000)         62,918,030         63,668,030         (750,000)           Accrued leave payments         7,280,897         504,115,558         (1,000,000)         503,115,558         504,115,558         (1,000,000)           Short line railroad program         2,000,000         5,000,000         7,000,000         10,000,000         (3,000,000)           General fund trans. to special road trans         1,000,000         1,000,000         2,000,000         2,000,000         2,000,000         (1,000,000)         (1,	Salaries and wages	\$187,477,585	\$208,387,135	(\$608,857)	\$207,778,278	\$207,778,278	
Grants         79,788,030         63,668,030         (750,000)         62,918,030         63,668,030         (750,000)           Accrued leave payments         7,280,897         504,115,558         (1,000,000)         503,115,558         504,115,558         (1,000,000)           highway fund         504,115,558         (1,000,000)         5,000,000         7,000,000         10,000,000         (3,000,000)           General fund trans. to special road fund         1,000,000         1,000,000         2,000,000         2,000,000         (1,000,000)         (1,000,000	Operating expenses	376,721,715	395,173,751	649,000	395,822,751	395,822,751	
Accrued leave payments         7,280,897           General fund transfer to highway fund         504,115,558         (1,000,000)         503,115,558         504,115,558         (1,000,000)           Short line railroad program         2,000,000         5,000,000         7,000,000         10,000,000         (3,000,000)           General fund trans. to special road fund         1,000,000         1,000,000         2,000,000         2,000,000         (1,000,000)           City grants         200,000         200,000         1,900,000         (1,700,000)           Motor coach reimbursement         1,379,179,434         \$2,277,030,434         \$10,501,143         \$2,287,531,577         \$2,290,401,577         (\$2,870,000)	Capital assets	727,911,207	1,102,685,960	5,011,000	1,107,696,960	1,104,096,960	3,600,000
General fund transfer to highway fund         504,115,558         (1,000,000)         503,115,558         504,115,558         (1,000,000)           Short line railroad program         2,000,000         5,000,000         7,000,000         10,000,000         (3,000,000)           General fund trans. to special road fund         1,000,000         1,000,000         2,000,000         20,000         (1,000,000)           City grants         200,000         200,000         1,900,000         (1,700,000)           Motor coach reimbursement         1,379,179,434         \$2,277,030,434         \$10,501,143         \$2,287,531,577         \$2,290,401,577         (\$2,870,000)	Grants	79,788,030	63,668,030	(750,000)	62,918,030	63,668,030	(750,000)
General fund transfer to highway fund         504,115,558         (1,000,000)         503,115,558         504,115,558         (1,000,000)           Short line railroad program         2,000,000         5,000,000         7,000,000         10,000,000         (3,000,000)           General fund trans. to special road fund         1,000,000         1,000,000         2,000,000         20,000         (1,000,000)           City grants         200,000         200,000         1,900,000         (1,700,000)           Motor coach reimbursement         1,379,179,434         \$2,277,030,434         \$10,501,143         \$2,287,531,577         \$2,290,401,577         (\$2,870,000)	Accrued leave payments	7,280,897					
General fund trans. to special road fund         1,000,000         1,000,000         2,000,000         3,000,000         (1,000,000)           City grants         20,000         200,000         1,900,000         (1,000,000)	General fund transfer to		504,115,558	(1,000,000)	503,115,558	504,115,558	(1,000,000)
road fund         20,000         20,000         (20,000)           City grants         200,000         200,000         1,900,000         (1,700,000)           Motor coach reimbursement	Short line railroad program		2,000,000	5,000,000	7,000,000	10,000,000	(3,000,000)
Contingent transfer Motor coach reimbursement         200,000         200,000         1,900,000         (1,700,000)           Total all funds         \$1,379,179,434         \$2,277,030,434         \$10,501,143         \$2,287,531,577         \$2,290,401,577         (\$2,870,000)			1,000,000	1,000,000	2,000,000	3,000,000	(1,000,000)
Motor coach reimbursement         1,000,000         1,000,000         1,000,000           Total all funds         \$1,379,179,434         \$2,277,030,434         \$10,501,143         \$2,287,531,577         \$2,290,401,577         (\$2,870,000)	City grants					20,000	(20,000)
Total all funds \$1,379,179,434 \$2,277,030,434 \$10,501,143 \$2,287,531,577 \$2,290,401,577 (\$2,870,000)	Contingent transfer			200,000	200,000	1,900,000	(1,700,000)
	Motor coach reimbursement			1,000,000	1,000,000		1,000,000
Less estimated income <u>1,379,179,434</u> <u>1,771,914,876</u> <u>9,241,143</u> <u>1,781,156,019</u> <u>1,781,326,019</u> (170,000)	Total all funds	\$1,379,179,434	\$2,277,030,434	\$10,501,143	\$2,287,531,577	\$2,290,401,577	(\$2,870,000)
	Less estimated income	1,379,179,434	1,771,914,876	9,241,143	1,781,156,019	1,781,326,019	(170,000)
General fund         \$0         \$505,115,558         \$1,260,000         \$506,375,558         \$509,075,558         (\$2,700,000)	General fund	\$0	\$505,115,558	\$1,260,000	\$506,375,558	\$509,075,558	(\$2,700,000)
FTE 1079.50 1079.50 1.00 1080.50 1080.50 0.00	FTE	1079.50	1079.50	1.00	1080.50	1080.50	0.00

## Department No. 801 - Department of Transportation - Detail of Conference Committee Changes

Solarios and wages	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup> (5941-770)	Adds Funding for New Environmental Scientist III <sup>2</sup>	Adjusts Funding for Maintenance Management System <sup>3</sup>	Adds Funding for Highway Projects <sup>4</sup>	Adjusts Funding for Motor Coach Reimbursement s	Reduces One- Time Funding for Enhanced State Infrastructure Investments <sup>6</sup>
Salaries and wages Operating expenses Capital assets Grants	(\$811,779)	\$202,922	589,000 (589,000)	5,600,000	(750,000)	(1,000,000)
Accrued leave payments General fund transfer to highway fund Short line railroad program General fund trans. to special road fund City grants Contingent transfer Motor coach reimbursement					1.000.000	(1,000,000)
Total all funds	(\$044.770)			¢5 000 000		(\$2,000,000)
Less estimated income	(\$811,779) (811,779)	\$202,922 202,922	\$0 0	\$5,600,000 5,600,000	\$250,000 (750,000)	(\$2,000,000) (1,000,000)
General fund	\$0	\$0	\$0	\$0	\$1,000,000	(\$1,000,000)
FTE	0.00	1.00	0.00	0.00	0.00	0.00
	Adds One-Time Funding for Recreational Road Access Improvements <sup>7</sup>	Adds One-Time Funding for Short Line Railroad Program <sup>6</sup>	Adds One-Time Funding for Truck Size and Weight Harmonization Study <sup>9</sup>	Transfers Funding to Special Road Fund <sup>10</sup>	Adds Contingent Transfer to Public Transportation Fund <sup>11</sup>	Total Conference Committee Changes
Salaries and wages Operating expenses Capital assets Grants Accrued leave payments	1,000,000		60,000			(\$608,857) 649,000 5,011,000 (750,000)
General fund transfer to						(1,000,000)
highway fund Short line railroad program General fund trans. to special road fund		5,000,000		1,000,000		5,000,000 1,000,000

## 15.8120.02013

you you

City grants Contingent transfer Motor coach reimbursement					200,000	200,000 1,000,000
Total all funds Less estimated income	\$1,000,000 1,000,000	\$5,000,000 5,000,000	\$60,000 0	\$1,000,000 0	\$200,000 0	\$10,501,143 9,241,143
General fund	\$0	\$0	\$60,000	\$1,000,000	\$200,000	\$1,260,000
FTE	0.00	0.00	0.00	0.00	0.00	1.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is added from other funds for a new environment scientist III FTE position (\$195,143) and related salary increase (\$7,779), the same as the Senate version.

<sup>3</sup> Funding is adjusted from the capital assets line item to the operating expenses line item for the maintenance management system, the same as the Senate version.

<sup>4</sup> The conference committee added funding to the capital assets line due to additional revenues available in the highway tax distribution fund to the Department of Transportation for highway projects.

<sup>5</sup> The conference committee added a section providing a \$1 million appropriation from the general fund to the Department of Transportation for offsetting costs incurred from motor coach operations and removed special fund authority of \$750,000 in the grants line item. The Senate and House versions provided \$750,000 in special funds authority.

<sup>6</sup> The conference committee removed \$1 million in enhanced state infrastructure investments and reduced the general fund transfer to the highway fund by \$1 million to \$503,115,558.

<sup>7</sup> The conference committee increased one-time funding from \$1 million to \$2 million from the special road fund for improvements to roads that lead to recreational areas. The Senate provided \$3 million.

<sup>8</sup> Funding from the strategic investment and improvements fund for the Department of Transportation's short line railroad program is increased by the conference committee from \$2 million to \$7 million. The Senate provided \$10 million.

<sup>9</sup> A section is added appropriating one-time funding from the general fund for the Department of Transportation to collaborate with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance, the same as the Senate version.

<sup>10</sup> The one-time general fund transfer to the special road fund for improvements to roads that lead to recreational areas is increased by the conference committee from \$1 million to \$2 million. The Senate provided for a \$3 million transfer.

<sup>11</sup> Adds a section providing an appropriation and contingent transfer from the general fund to the public transportation fund for making a \$100,000 transfer on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the fiscal year 2015 and another transfer of \$100,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the fiscal year 2015 and another transfer of \$100,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the fiscal year 2016. The Senate version provided \$950,000 annually if deposits were \$5.6 million or less.

• Provides for a Legislative Management study regarding truck size and weight harmonization, the

This amendment also:

Reduces the appropriation and transfer from the general fund to the highway fund from \$504,115,558 to \$503,115,558.

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same as the Senate version.

- Removes a section that provided legislative intent for the Department of Transportation to refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly, the same as the Senate version.
- Reduces the enhanced state highway investments carryover authority from \$504,115,558 to \$503,115,558.

Sections added by the Senate that are not included in this amendment include:

- A section appropriating one-time funding from the strategic investment and improvements fund to provide \$20,000 for grants to eligible cities.
- A section requiring the Department of Transportation to report to the Legislative Management on rail safety.

## BILL/RESOLUTION NO. HB1012 as (re) engrossed

**House Government Operations Committee** 

- - □ HOUSE accede to Senate Amendments and further amend
  - □ SENATE recede from Senate amendments
  - $\hfill\square$  SENATE recede from Senate amendments and amend as follows
  - □ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by:					s	Se	conded by:						
Representatives	416	4-17	4-22	Yes	No	a subset	Senators	4	-16	4-17	4-22	Yes	No
Mike Brandenburg	X	X	X				Gary Lee		х	X	X		
Blair Thoreson	X	Х	X				Terry Wanzek		Х	Х	Х		
Eliot Glassheim	X	Х					David O'Connell		Х	Х	Х		
nton Onstad			Х										
tal Rep. Vote							Total Senate Vote						
Vote Count House Carrier	Yes:						No: enate Carrier	Absent					
LC Number								of	an	nend	men	t	
LC Number										_ of	engr	ossn	nent
Emergency clause a	dded or	dele	ted										

## BILL/RESOLUTION NO. HB1012 as (re) engrossed

**House Government Operations Committee** 

- - □ HOUSE accede to Senate Amendments and further amend
  - □ SENATE recede from Senate amendments
  - □ SENATE recede from Senate amendments and amend as follows
  - □ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: <u>Re</u>	presentative Thor	eson	_ Seconded	by: Senator	Lee			
Representatives		Yes N	0	Senators	TF		Yes	No
/				$\square$				-
			-					
al Rep. Vote	Y		Total S	enate Vote				
Vote Count	Yes:		No:		Absen	ıt:		
House Carrier			Senate (	Carrier				
LC Number/5	.8120		· 020	06	of	famend	ment	
LC Number			·			of	engrossr	ne
Emergency clause a	dded or deleted							

motion canied

## BILL/RESOLUTION NO. HB1012 as (re) engrossed

**House Government Operations Committee** 

- - □ HOUSE accede to Senate Amendments and further amend
  - □ SENATE recede from Senate amendments
  - □ SENATE recede from Senate amendments and amend as follows
  - □ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

D		2										
Representat	ives				Yes	No	Senators		-		Yes	No
			Fr	7	,	A		TF	_			
							E 1/C	112	-			
		4		_								-
Rep. Vote							Total Senate Vote			128 11 12		
Vote Count		s:			_		No:					
House Carrie	r					5	enate Carrier					
LC Number	15.8	\$ 10	20			_·-	02005		of ame	endmen	it	
LC Number										of engr	neen	ıer

Emergency clause added or deleted

Motion Carried



## BILL/RESOLUTION NO. HB1012 as (re) engrossed

**House Government Operations Committee** 

- - □ HOUSE accede to Senate Amendments and further amend
  - □ SENATE recede from Senate amendments
  - □ SENATE recede from Senate amendments and amend as follows
  - □ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by:	Senator Lee	-		Se	conded by:	Represe	ntative 1	horeso	n		
Representatives	;		Yes	No	s	enators	- (			Yes	No
						Ōt	P				
-otal Rep. Vote					Total Senate	e Vote					
Vote Count	Yes:				No:		Abser	nt:			
House Carrier				S	enate Carri	er	×				
LC Number 1	5.8120			(	02012		c	of ame	ndmer	nt	
LC Number					·			(	of eng	rossn	nent
Emergency claus	e added or	deleted									

## BILL/RESOLUTION NO. HB1012 as (re) engrossed

**House Government Operations Committee** 

- □ HOUSE accede to Senate Amendments and further amend
- □ SENATE recede from Senate amendments
- SENATE recede from Senate amendments and amend as follows
- □ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Lee Seconded by: Representative Thoreson

Representatives	4-23		Yes	No	Senators	4-23	Yes	No
Mike Brandenburg	X		X		Gary Lee	X	X	
Blair Thoreson	X		Х		Terry Wanzek			
Eliot Glassheim					David O'Connell	X	X	
Kenton Onstad	X		Х		Ray Holmberg			
					Ronald Sorvaag	X	X	
Total Rep. Vote	5.1	San an Art	3		Total Senate Vote		3	

Vote Count	Yes: <u>6</u>	No: 0	Absent: 0
House Carrier		Senate Carrier	
LC Number	8120	. 02013	of amendment
LC Number	4000	··	of engrossment

Emergency clause added or deleted

Insert LC: 15.8120.02013

#### REPORT OF CONFERENCE COMMITTEE

HB 1012, as engrossed: Your conference committee (Sens. G. Lee, O'Connell, Sorvaag and Reps. Brandenburg, Thoreson, Onstad) recommends that the SENATE RECEDE from the Senate amendments as printed on HJ pages 1498-1502, adopt amendments as follows, and place HB 1012 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1498-1502 of the House Journal and pages 1290-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 5, remove "to provide legislative intent;"

Page 1, line 5, replace "and" with "to provide for a department of transportation study; to provide a report to the legislative management; to provide for a report to the legislative council;"

Page 1, line 6, after "exemptions" insert "; and to provide for application"

Page 1, replace lines 16 through 22 with:

"Salaries and wages	\$187,477,585	\$20,300,693	\$207,778,278
Accrued leave payments	7,280,897	(7,280,897)	0
Operating expenses	376,721,715	19,101,036	395,822,751
Capital assets	727,911,207	379,785,753	1,107,696,960
Grants	79,788,030	(16,870,000)	62,918,030
Total all funds	\$1,379,179,434	\$395,036,585	\$1,774,216,019
Less estimated income	<u>1,379,179,434</u>	394,976,585	1,774,156,019
Total general fund	\$0	\$60,000	\$60,000
Full-time equivalent positions	1,079.50	1.00	1,080.50"

Page 2, replace lines 4 through 18 with:

"General fund transfer to highway fund Enhanced state highway investments TIGER III federal railroad program General license plate issue	\$541,600,000 1,161,600,000 10,000,000 6,820,000	\$0 503,115,558 0 0
Contingent general fund transfer to public transportation fund	1,100,000	0
Airplane replacement	4,500,000	0
Transportation distribution to oil-producing counties	160,000,000	0
Transportation distribution to non-oil-producing cour		0
Recreational road access	0	2,000,000
Vehicle registration and titling system replacement	0	2,500,000
Truck size and weight harmonization study	<u>0</u>	60,000
Total all funds	\$2,005,620,000	\$507,675,558
Total special funds	541,600,000	507,615,558
Total general fund	\$1,464,020,000	\$60,000"

Page 2, line 30, replace "\$504,115,558" with "\$503,115,558"

Page 3, after line 3, insert:

"SECTION 5. APPROPRIATION - DEPARTMENT OF TRANSPORTATION -MOTOR COACH REIMBURSEMENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of reimbursing costs incurred from motor coach operations, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item."

Page 3, line 6, replace "\$1,000,000" with "\$2,000,000"

#### Insert LC: 15.8120.02013

#### Page 3, line 12, after "APPROPRIATION" insert "- STRATEGIC INVESTMENT AND IMPROVEMENTS FUND"

- Page 3, line 14, replace "\$2,000,000" with "\$7,000,000"
- Page 4, line 2, after the period insert "The funding provided in this section is considered a one-time funding item."
- Page 4, replace lines 3 through 9 with:

"SECTION 9. DEPARTMENT OF TRANSPORTATION - TRUCK SIZE AND WEIGHT HARMONIZATION. The operating expenses line item in section 1 of this Act, includes the sum of \$60,000 from the general fund, for the department of transportation to collaborate with the upper great plains transportation institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the western states transportation alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and potential implications, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT HARMONIZATION. During the 2015-16 interim, the legislative management shall study the truck size and weight provisions under chapter 39-12, relating to size, width, and height restrictions, in order to ensure the state of North Dakota may harmonize its truck size and weight regulations with the regulations of the states in the western states transportation alliance, and shall utilize the findings of the collaborative study of the department of transportation and the upper great plains transportation institute to determine appropriate changes to state law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 11. APPROPRIATION - CONTINGENT TRANSFERS -GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the sum of \$100,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the period beginning July 1, 2014, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$100,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the period beginning July 1, 2015, and ending June 30, 2016.

SECTION 12. DEPARTMENT OF TRANSPORTATION STUDY - REPORT TO LEGISLATIVE MANAGEMENT. The department of transportation shall study state funding distributions and allocations to public transportation providers. The study must include a review of distributions and allocations, including contingent funding provided, a review of distribution 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 department of transportation shall report to the legislative management regarding the results of its study by June 30, 2016."

Page 4, line 17, replace "\$504,115,558" with "\$503,115,558"

Page 5, line 11, remove "into"

Page 5, line 12, after "At" insert "least one year before"

Insert LC: 15.8120.02013

Page 5, line 13, remove "current"

Page 5, line 13, remove "into"

Page 5, line 15, remove "into"

Page 5, after line 23, insert:

#### "SECTION 18. RAIL SAFETY - REPORT TO LEGISLATIVE

**MANAGEMENT.** The department of transportation shall report to a committee designated by the legislative management, regarding the department's updated North Dakota state rail plan and the director of the department of transportation shall post the department's updated North Dakota state rail plan report on the department's public website and provide an electronic copy to the legislative council for placement on the legislative branch public website for the biennium beginning July 1, 2015, and ending June 30, 2017."

Page 6, replace lines 6 through 19 with:

"SECTION 21. APPLICATION. Section 17 of this Act applies to applicable contracts, regardless of whether entered before or after the effective date of this Act."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1012 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
State Treasurer						
Total all funds	\$0	\$8,000,000	\$0	\$8,000,000	\$8,000,000	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$8,000,000	\$0	\$8,000,000	\$8,000,000	\$0
Department of Transportation						
Total all funds	\$1,379,179,434	\$2,277,030,434	\$10,501,143	\$2,287,531,577	\$2,290,401,577	(\$2,870,000)
Less estimated income	1,379,179,434	1,771,914,876	9,241,143	1,781,156,019	1,781,326,019	(170,000)
General fund	\$0	\$505,115,558	\$1,260,000	\$506,375,558	\$509,075,558	(\$2,700,000)
Bill total						
Total all funds	\$1,379,179,434	\$2,285,030,434	\$10,501,143	\$2,295,531,577	\$2,298,401,577	(\$2,870,000)
Less estimated income	1,379,179,434	1,771,914,876	9,241,143	1,781,156,019	1,781,326,019	(170,000)
General fund	\$0	\$513,115,558	\$1,260,000	\$514,375,558	\$517,075,558	(\$2,700,000)

## House Bill No. 1012 - State Treasurer - Conference Committee Action

The conference committee did not change the House or Senate version.

#### House Bill No. 1012 - Department of Transportation - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$187,477,585	\$208,387,135	(\$608,857)	\$207,778,278	\$207,778,278	
Operating expenses	376,721,715	395,173,751	649,000	395,822,751	395,822,751	
Capital assets	727,911,207	1,102,685,960	5,011,000	1,107,696,960	1,104,096,960	3,600,000
Grants	79,788,030	63,668,030	(750,000)	62,918,030	63,668,030	(750,000)
Accrued leave payments	7,280,897					
General fund transfer to highway fund		504,115,558	(1,000,000)	503,115,558	504,115,558	(1,000,000)
Short line railroad program		2,000,000	5,000,000	7,000,000	10,000,000	(3,000,000)
General fund trans. to special road fund		1,000,000	1,000,000	2,000,000	3,000,000	(1,000,000)
City grants Contingent transfer			200,000	200,000	20,000 1,900,000	(20,000) (1,700,000)

## Com Conference Committee Report April 28, 2015 7:53am

## Module ID: h\_cfcomrep\_77\_001

#### Insert LC: 15.8120.02013

Motor coach reimbursement			1,000,000	1,000,000		1,000,000
Total all funds Less estimated income	\$1,379,179,434 1,379,179,434	\$2,277,030,434 1,771,914,876	\$10,501,143 9,241,143	\$2,287,531,577 1,781,156,019	\$2,290,401,577 1,781,326,019	(\$2,870,000) (170,000)
General fund	\$0	\$505,115,558	\$1,260,000	\$506,375,558	\$509,075,558	(\$2,700,000)
FTE	1079.50	1079.50	1.00	1080.50	1080.50	0.00

# Department No. 801 - Department of Transportation - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Adds Funding for New Environmental Scientist III <sup>2</sup>	Adjusts Funding for Maintenance Management System <sup>3</sup>	Adds Funding for Highway Projects <sup>4</sup>	Adjusts Funding for Motor Coach Reimbursement 5	Reduces One- Time Funding for Enhanced State Infrastructure Investments <sup>6</sup>
Salaries and wages Operating expenses Capital assets Grants	(\$811,779)	\$202,922	589,000 (589,000)	5,600,000	(750,000)	(1,000,000)
Accrued leave payments General fund transfer to highway fund Short line railroad program General fund trans. to special road fund City grants Contingent transfer						(1,000,000)
Motor coach reimbursement		· · · · · · · · · · · · · · · · · · ·			1,000,000	
Total all funds Less estimated income	(\$811,779) (811,779)	\$202,922 202,922	\$0 0	\$5,600,000 5,600,000	\$250,000 (750,000)	(\$2,000,000) (1,000,000)
General fund	\$0	\$0	\$0	\$0	\$1,000,000	(\$1,000,000)
FTE	0.00	1.00	0.00	0.00	0.00	0.00
	Adds One-Time Funding for Recreational Road Access Improvements <sup>7</sup>	Adds One-Time Funding for Short Line Railroad Program <sup>®</sup>	Adds One-Time Funding for Truck Size and Weight Harmonization Study <sup>e</sup>	Transfers Funding to Special Road Fund <sup>10</sup>	Adds Contingent Transfer to Public Transportation Fund"	Total Conference Committee Changes
Salaries and wages Operating expenses Capital assets Grants	Funding for Recreational Road Access	Funding for Short Line Railroad	Funding for Truck Size and Weight Harmonization	Funding to Special Road	Contingent Transfer to Public Transportation	Conference Committee
Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund Short line railroad program General fund trans. to special road fund	Funding for Recreational Road Access Improvements <sup>7</sup>	Funding for Short Line Railroad	Funding for Truck Size and Weight Harmonization Study <sup>9</sup>	Funding to Special Road	Contingent Transfer to Public Transportation	Conference Committee Changes (\$608,857) 649,000 5,011,000
Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund Short line railroad program General fund trans. to special	Funding for Recreational Road Access Improvements <sup>7</sup>	Funding for Short Line Railroad Program <sup>®</sup>	Funding for Truck Size and Weight Harmonization Study <sup>9</sup>	Funding to Special Road Fund <sup>ie</sup>	Contingent Transfer to Public Transportation	Conference Committee Changes (\$608,857) 649,000 5,011,000 (750,000) (1,000,000) 5,000,000
Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund Short line railroad program General fund trans, to special road fund City grants Contingent transfer	Funding for Recreational Road Access Improvements <sup>7</sup>	Funding for Short Line Railroad Program <sup>®</sup>	Funding for Truck Size and Weight Harmonization Study <sup>9</sup>	Funding to Special Road Fund <sup>ie</sup>	Contingent Transfer to Public Transportation Fund"	Conference Committee Changes (\$608,857) 649,000 5,011,000 (750,000) (1,000,000) 5,000,000 1,000,000
Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund Short line railroad program General fund trans. to special road fund City grants Contingent transfer Motor coach reimbursement Total all funds	Funding for Recreational Road Access Improvements <sup>7</sup> 1,000,000 \$1,000,000	Funding for Short Line Railroad Program <sup>®</sup> 5,000,000 \$5,000,000	Funding for Truck Size and Weight Harmonization Study <sup>9</sup> 60,000	Funding to Special Road Fund <sup>10</sup> 1,000,000 \$1,000,000	Contingent Transfer to Public Transportation Fund" 200,000 \$200,000	Conference Committee Changes (\$608,857) 649,000 5,011,000 (750,000) (1,000,000) 5,000,000 1,000,000 200,000 1,000,000

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is added from other funds for a new environment scientist III FTE position (\$195,143) and related salary increase (\$7,779), the same as the Senate version.

<sup>3</sup> Funding is adjusted from the capital assets line item to the operating expenses line item for the maintenance management system, the same as the Senate version.

<sup>4</sup> The conference committee added funding to the capital assets line due to additional revenues available in the highway tax distribution fund to the Department of Transportation for highway projects.

<sup>5</sup> The conference committee added a section providing a \$1 million appropriation from the general fund to the Department of Transportation for offsetting costs incurred from motor coach operations and removed special fund authority of \$750,000 in the grants line item. The Senate and House versions provided \$750,000 in special funds authority.

<sup>6</sup> The conference committee removed \$1 million in enhanced state infrastructure investments and reduced the general fund transfer to the highway fund by \$1 million to \$503,115,558.

<sup>7</sup> The conference committee increased one-time funding from \$1 million to \$2 million from the special road fund for improvements to roads that lead to recreational areas. The Senate provided \$3 million.

<sup>8</sup> Funding from the strategic investment and improvements fund for the Department of Transportation's short line railroad program is increased by the conference committee from \$2 million to \$7 million. The Senate provided \$10 million.

<sup>9</sup> A section is added appropriating one-time funding from the general fund for the Department of Transportation to collaborate with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance, the same as the Senate version.

<sup>10</sup> The one-time general fund transfer to the special road fund for improvements to roads that lead to recreational areas is increased by the conference committee from \$1 million to \$2 million. The Senate provided for a \$3 million transfer.

<sup>11</sup> Adds a section providing an appropriation and contingent transfer from the general fund to the public transportation fund for making a \$100,000 transfer on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the fiscal year 2015 and another transfer of \$100,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the fiscal year 2016. The Senate version provided \$950,000 annually if deposits were \$5.6 million or less.

This amendment also:

- Reduces the appropriation and transfer from the general fund to the highway fund from \$504,115,558 to \$503,115,558.
- Provides for a Legislative Management study regarding truck size and weight harmonization, the same as the Senate version.
- Removes a section that provided legislative intent for the Department of Transportation to refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly, the same as the Senate version.
- Reduces the enhanced state highway investments carryover authority from \$504,115,558 to \$503,115,558.

Sections added by the Senate that are not included in this amendment include:

A section appropriating one-time funding from the strategic investment and improvements fund to provide \$20,000 for grants to eligible cities.



## Com Conference Committee Report April 28, 2015 7:53am

#### Insert LC: 15.8120.02013

• A section requiring the Department of Transportation to report to the Legislative Management on rail safety.

Engrossed HB 1012 was placed on the Seventh order of business on the calendar.

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**2015 TESTIMONY** 

HB 1012

## Department 801 - Department of Transportation House Bill No. 1012

	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	1,081.50	\$1,460,115,558 <sup>1</sup>	\$2,727,287,715	\$4,187,403,273
2013-15 Legislative Appropriations <sup>2</sup>	1,079.50	1,464,020,000 <sup>3</sup>	1,920,779,434	3,384,799,434
Increase (Decrease)	2.00	(\$3,904,442)	\$806,508,281	\$802,603,839

### Executive Budget Comparison to Prior Biennium Appropriations

<sup>1</sup>The 2015-17 executive budget general fund amount includes the following transfers:

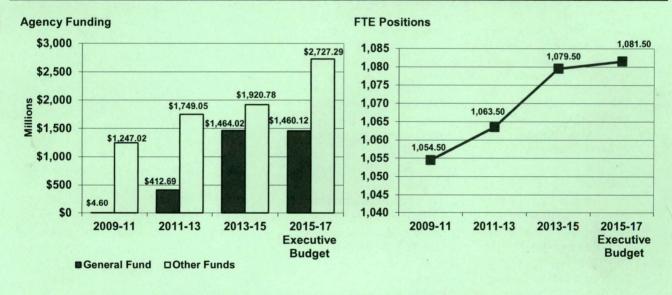
- Senate Bill No. 2015 \$904,115,558 transfer from the general fund to the highway fund.
- Senate Bill No. 2015 \$5 million from the general fund to the special roads fund.
- Senate Bill No. 2126 \$550 million (\$450 million for state highway investments and \$100 million for distributions to cities, counties, and townships in non-oil-producing areas) from the general fund to the highway fund.

<sup>2</sup>The 2013-15 appropriation amounts do not include other funds (\$3,809,234) allocations to the agency from the state agency energy impact funding pool for temporary salary adjustments (\$3,383,180) and rental assistance payments (\$426,054) for agency employees located in areas of the state affected by energy development.

<sup>3</sup>The 2013-15 general fund appropriation amount includes a \$541.6 million transfer from the general fund to the highway fund and a \$1.1 million contingent transfer to public transportation.

## **Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 Executive Budget	\$0	\$1,460,115,558	\$1,460,115,558
2013-15 Legislative Appropriations	0	1,464,020,000	1,464,020,000
Increase (Decrease)	\$0	(\$3,904,442)	(\$3,904,442)



## **Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
House Bill No. 1012	\$1,000,000	\$2,177,287,715	\$2,178,287,715
Senate Bill No. 2015	909,115,558	0	909,115,558
Senate Bill No. 2126	550,000,000	550,000,000	1,100,000,000
2015-17 Executive Budget	\$1,460,115,558	\$2,727,287,715	\$4,187,403,273
2015-17 Base Level	0	1,379,179,434	1,379,179,434
Increase (Decrease)	\$1,460,115,558	\$1,348,108,281	\$2,808,223,839

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

	Executive Budget Highlights								
		General Fund	Other Funds	Total					
1.	Provides funding for state employee salary and benefit increases of which \$9,441,399 relates to performance increases, \$364,295 is for market equity adjustments, \$4,684,832 is for health insurance increases, and \$973,898 is for retirement contribution increases	\$0	\$15,464,424	\$15,464,424					
2.	Adds funding for 1 new FTE archaeologist position	\$0	\$182,280	\$182,280					
3.	Adds funding for 1 new FTE environmental scientist position	\$0	\$195,143	\$195,143					
4.	Provides for the following anticipated changes in federal highway aid:								
	Federal Highway Administration formula funds (from .\$532.2 million to \$545.3 million)	\$0	\$13,100,000	\$13,100,000					
	Emergency relief (from \$116.8 million to \$42.4 million)	\$0	(\$74,400,000)	(\$74,400,000)					
	Federal rail funds (from \$8.4 million to \$4 million)	\$0	(\$4,400,000)	(\$4,400,000)					
	National Highway Traffic Safety Administration (from \$9.3 million to \$9.5 million)	\$0	\$200,000	\$200,000					
	Federal transit funds (from \$14.8 million to \$15.3 million)	\$0	\$500,000	\$500,000					
	Total	\$0	(\$65,000,000)	(\$65,000,000)					
5.	Increases funding for contract patching	\$0	\$35,713,309	\$35,713,309					
6.	Provides a <b>one-time general fund transfer</b> to the highway fund of \$904.1 million for state highway (SB 2015)	\$904,115,558	\$0	\$904,115,558					
7.	Provides a <b>one-time general fund transfer</b> of \$5 million to the special roads fund for improvements to roads that lead to recreational areas (SB 2015)	\$5,000,000	\$0	\$5,000,000					
8.	Provides a <b>one-time general fund transfer</b> to the highway fund of \$550 million for state highway investments (\$450 million) and transportation distributions to non-oil-producing political subdivisions (\$100 million) (SB 2126)	\$550,000,000	\$0	\$550,000,000	•				
9.	Provides <b>one-time funding</b> of special funds for enhanced state highway investments in areas affected by oil and gas development, including truck reliever routes, and upgrading two-lane roadways to four-lane roadways and repairing bridges (SB 2015)	\$0	\$904,115,558	\$904,115,558					
10.	Provides <b>one-time funding</b> of special funds for improvements to roads that lead to recreational areas (SB 2015)	\$0	\$5,000,000	\$5,000,000					
11.	Provides a <b>one-time funding</b> of special funds of \$450 million for state highway investments (SB 2126)	\$0	\$450,000,000	\$450,000,000					
12.	Provides <b>one-time funding</b> of special funds for allocations to non-oil-producing cities, townships, and counties (SB 2126)	\$0	\$100,000,000	\$100,000,000					
13.	Provides \$2.5 million of <b>one-time funding</b> of special funds to continue the motor vehicle registration and titling system replacement project	\$0	\$2,500,000	\$2,500,000					
14.	Provides <b>one-time funding</b> from the general fund to reimburse the state fleet program for a loss on the sale of motor coaches	\$1,000,000	\$0	\$1,000,000					
15.	Provides <b>one-time funding</b> of special funds to upgrade the maintenance management system	\$0	\$589,000	\$589,000					

#### **Other Sections in Bill**

Line item transfers - Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants budget line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.

**Exemption - Highway-rail grade crossing safety projects** - Section 4 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of North Dakota Century Code Section 54-44.1-11.

**Carryover authority - Enhanced state highway investments** - Section 5 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments may be continued into the 2017-19 biennium.



**Exemption - State disaster relief fund - Road grade raising** - Section 6 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.

**Payback and reallocation of federal aid** - Section 7 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures from 2015-17 biennium appropriations.

#### **Continuing Appropriations**

**Public transportation fund** - Section 39-04.2-04 - Consists of a 1.5 percent allocation from the state highway tax distribution fund. The funds received by the public transportation fund are allocated to each county. Each county receives four-tenths of 1 percent base amount plus one dollar and fifty cents per capita of population in the county, based upon the latest regular or special official federal census.

#### **Significant Audit Findings**

The operational audit for the Department of Transportation conducted by the State Auditor's office during the 2013-14 interim identified a significant audit finding for improper reconciliation of the motor vehicle clearing account.

#### Major Related Legislation

House Bill No. 1031 - Provides for an allocation of up to \$75 million of the oil and gas gross production tax to the highway fund each biennium and requires funds from oil and gas production tax collections deposited in the state highway fund be accounted for separately and used for major improvements and construction of highway corridors impacted by energy development.

Senate Bill No. 2015 - Transfers \$904,115,558 from the general fund to the highway fund for construction and maintenance of state infrastructure and transfers \$5,000,000 from the general fund to the special roads fund for improvements to roads that lead to recreational areas.

Senate Bill No. 2126 - Transfers \$550 million from the general fund to the highway fund for construction and maintenance of state and county highways, and of the amount transferred, appropriates \$450 million to the Department of Transportation for construction and maintenance of state infrastructure and \$100 million to the department for allocations among cities and counties (\$80 million), and townships (\$20 million) in non-oil-producing areas of the state.





## Department of Transportation - Budget No. 801 House Bill No. 1012 Base Level Funding Changes

Executive Budget Recommendation				
	FTE Positions	General Fund	Other Funds	Total
2015-17 Biennium Base Level	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434
2015-17 Ongoing Funding Changes				
Base payroll changes			\$1,909,645	\$1,909,645
Salary increase - Performance			9,441,399	9,441,399
Salary increase - Market equity			364,295	364,295
Retirement contribution increase			973,898	973,898
Health insurance increase			4,684,832	4,684,832
New FTE - Archaeologist I	1.00		182,280	182,280
New FTE - Environmental Scientist III	1.00		195,143	195,143
Operating expenses increases			8,748,743	8,748,743
Contract patching increase			35,713,309	35,713,309
Grants adjustment			(16,870,000)	(16,870,000)
Information technology - Maintenance management system			589,000	589,000
Remove capital assets			(159,439,821)	(159,439,821)
Line item transfer				0
Total ongoing funding changes	2.00	\$0	(\$113,507,277)	(\$113,507,277)
One-time funding items				
Enhanced state infrastructure investments			\$904,115,558	\$904,115,558
Recreational road access funding			5,000,000	5,000,000
Loss on discontinuation of motor coaches		1,000,000		1,000,000
Motor vehicle registration and titling system	121		2,500,000	2,500,000
Total one-time funding changes	0.00	\$1,000,000	\$911,615,558	\$912,615,558
Total Changes to Base Level Funding	2.00	\$1,000,000	\$798,108,281	\$799,108,281
2015-17 Total Funding	1,081.50	\$1,000,000	\$2,177,287,715	\$2,178,287,715

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#### Other Sections in House Bill No. 1012

Line item transfers

#### Executive Budget Recommendation



Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.

Exemption - Highway-rail grade crossing safety projects

Section 4 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11.

Carryover authority - Enhanced state highway investments

Exemption - State disaster relief fund - Road grade raising

Section 5 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2017-19 biennium.

Section 6 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.

Payback and reallocation of federal aid

Section 7 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.

January 13, 2015 Attachment A

### HB 1012

### TESTIMONY BEFORE GOVERNMENT OPERATIONS COMMITTEE

2015-2016 Biennium Budget

Prepared by NORTH DAKOTA DEPARTMENT OF TRANSPORTATION BISMARCK, NORTH DAKOTA

> DIRECTOR Grant Levi, P.E.

**JANUARY 2015** 

# House Appropriations Government Operations Division Testimony

January 13, 2015



## Introduction – Director Grant Levi

- Significant investments are proposed in the Executive Budget Recommendation. The investment we elect to make today will determine what level of service the transportation industry will be able to provide in the future.
- We believe that now is the right time for us to make transportation investments to allow the transportation industry the opportunity to catch up with the impacts that have occurred and are occurring.





#### Dickinson Refinery - May 2013



Photos copyrighted by Vern Whitten

## **Development across the state**

#### Williston REC Center - May 2013



October 2014



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### Minot Southgate Shopping Center July 2013



### September 2014



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# HB 1012

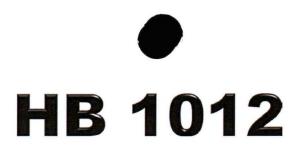
**Section 1:** Outlines the base level, adjustments or enhancements, and the total appropriation request contained in this bill.

**Section 2:** Outlines the one time funding items for the 2013-2015 and 2015-2017 biennial appropriations.

**Section 3:** Provides the NDDOT with the ability to transfer appropriation authority between various appropriation lines. This flexibility is necessary to enable us to best meet our construction and maintenance responsibilities.

**Section 4:** Allows the department to continue and complete highway rail grade crossing safety projects in accordance with the program appropriated by the 2013 Legislative Assembly.

**Section 5:** Allows the department to continue into the 2017-2019 biennium any portion of the enhanced state highway investment program that will be appropriated for the 2015-2017 biennium but not completed in that biennium.



**Section 6:** Allows the department to continue in the 2015-2017 biennium the road grade raising grant program appropriated by the 2011 Legislative Assembly and carried forward by the 2013 Legislative Assembly.

**Section 7:** Allows the department to repay the US Department of Transportation for previous expenditures from current appropriations. This will enable the department to advance projects under federal funding, later convert those projects to state funding as it becomes available, and re-commit the federal funds to other eligible projects. By doing so, we will be able to start some projects sooner that would otherwise be possible and also avoid some federal requirements that would otherwise be imposed on some projects.

Please see attachment.

## 2015-2017 Executive Budget Recommendation

**Recommended Total = \$2.7 billion total appropriation.** 

#### **Oil Producing Counties**

\$ 1.35 billion one time for enhanced state highway investments
\$ 108.8 million - Federal Funds (state & local match) State/Cities/Counties
\$ 4.6 million Federal Carryover
\$ 22.8 million Federal Emergency Relief

#### Non-Oil Producing Counties, Cities and Townships

\$ 100 million - Distribution to cities, counties, & townships
\$ 508.2 million - Federal Funds (state & local match) State/Cities/Counties
\$ 57.8 million - Federal Carryover

\$ 5 million - Special Fund for roads leading to recreational areas in all counties

An Early Access bill (SB 2126) includes \$450 million of the \$1.35 billion for enhanced state infrastructure as well as the \$100 million for transportation distributions for non-oil producing counties, cities and townships.

#### **Two new FTEs**

- **1** Environmental Scientist
- 1 Archaeologist
- \$ 2.5 million additional funding for the motor vehicle registration/titling system.
- \$ 1 million reimbursement for state fleet motor coaches.
- \$ 7.5 million Energy Impact Fund for DOT in OMB appropriation bill SB 2015.

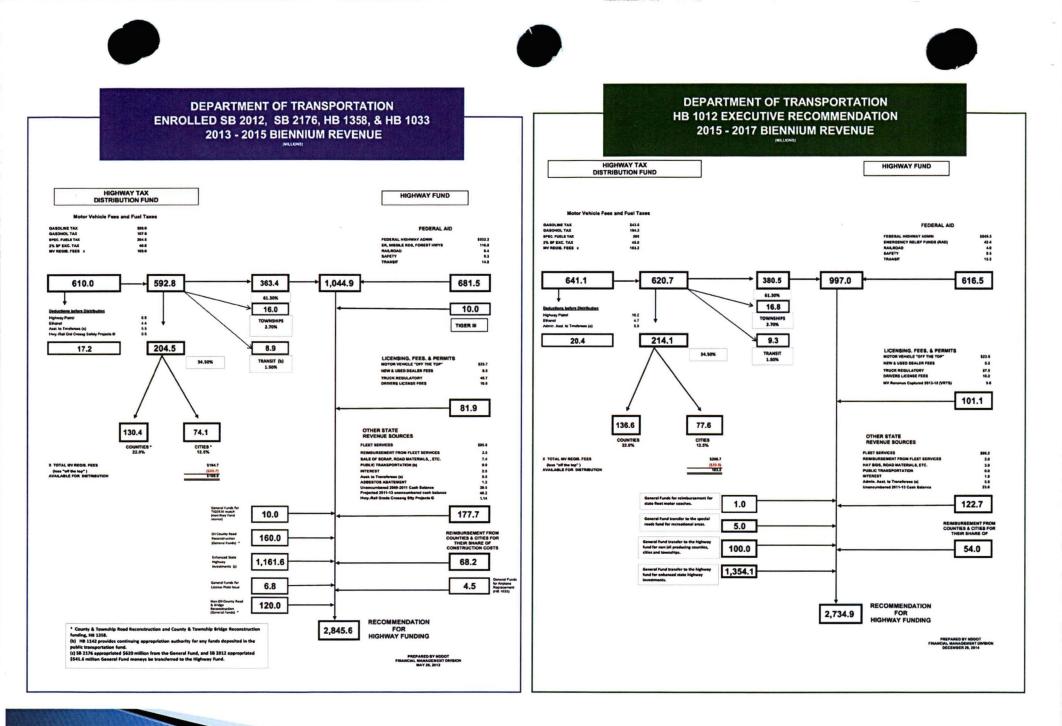
# **NDDOT Appropriation**

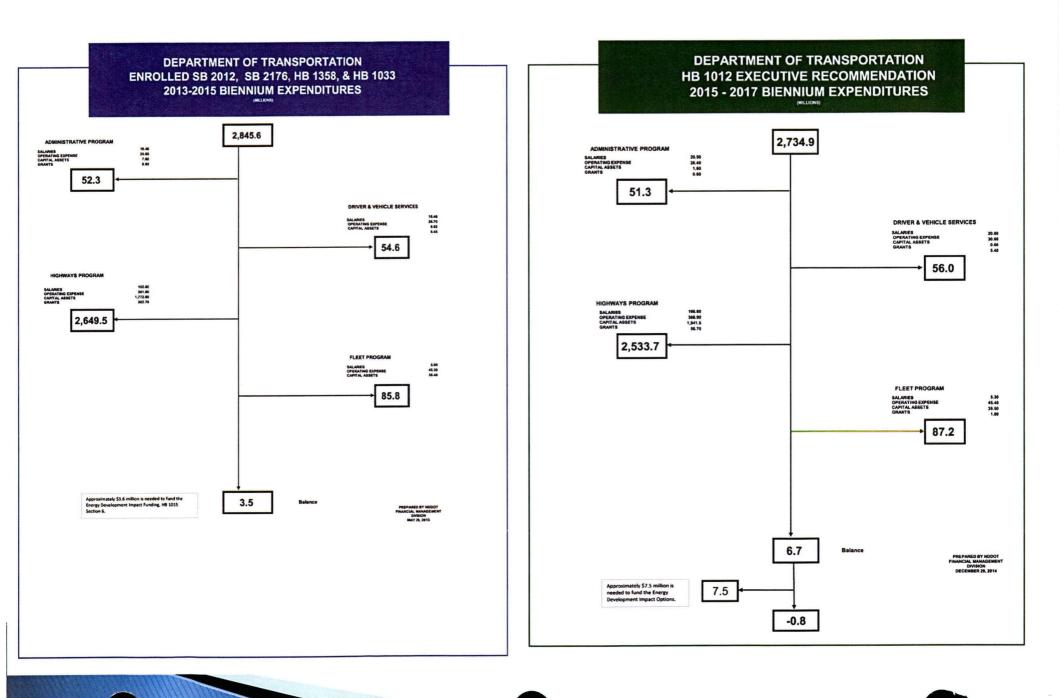
Appropriation	2013-2015 Current	2013-2015 One- Time Budget	2013-2015 Current Appropriation less	2015-2017 Proposed	2015-2017 One- Time Budget	2015-2017 Executive
Line	Appropriation	Adjustment	One-Time	Base Budget	Adjustment	Recommendation
<ul> <li>10 Salaries</li> <li>and Wages</li> <li>12 Accrued Leave</li> <li>Payments</li> <li>30 Operating</li> <li>Expenses</li> <li>50 Capital</li> <li>Assets</li> <li>51 Capital Improvements-Carryover</li> <li>55 Enhanced State</li> <li>Highway Investment</li> </ul>	(June 30, 2014) 189,016,797 7,280,897	(1,539,212)	187,477,585 7,280,897	196,668,125	A 15,841,849 -	*212,509,974
	250,905,955	(194,256)	250,711,699	295,762,751	177,500,000	473,262,751
	858,421,223 13,323,437	(4,500,000) (13,323,437)	853,921,223	-	1,284,115,558 -	1,978,596,960 -
	1,100,709,653	(1,100,709,653)	-	-	-	-
60 Grants 65 County & Township Road Program	89,788,030 160,000,000	(11,140,000) (160,000,000)	78,648,030	62,918,030	1,000,000	63,918,030
66 Non-Oil Producing Counties 78 General Fund	120,000,000	(120,000,000)	-	-	-	-
Transfer 79 General License	542,700,000	(542,700,000)	-	-	-	-
Plate Issue	6,820,000	(6,820,000)			-	
	3,338,965,992	(1,960,926,558)	1,378,039,434	1,249,830,308	1,478,457,407	2,728,287,715
General Fund	1,406,401,940	1,406,401,940		-	1,000,000	1,000,000
Federal Fund	691,487,199	-	691,487,199	614,660,486	1,801,245	616,461,731
Special Fund	<u>1,241,076,853</u> 3,338,965,992	554,524,618 1,960,926,558	686,552,235 1,378,039,434	635,169,822 1,249,830,308	<u>1,475,656,162</u> 1,478,457,407	2,110,825,984 2,728,287,715
FTE	1,079.5	-	1,079.5	1,079.5	2.0	1,081.5

# Shannon Sauer Chief Financial Officer

Please refer to handouts.





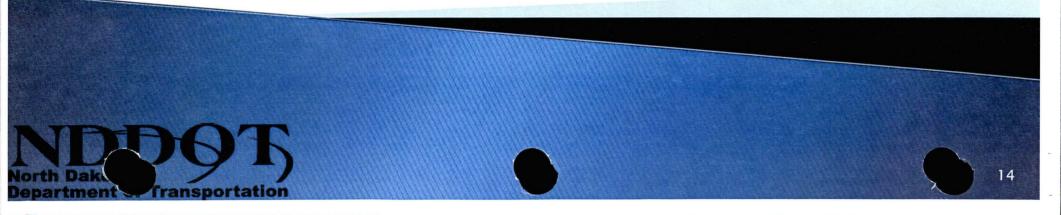


# NDDOT Program Areas

We will now cover in more detail information in each of the DOT's Program Areas.

- Transportation
- Driver & Vehicle Services
- Business Support

# Ron Henke Deputy Director for Engineering

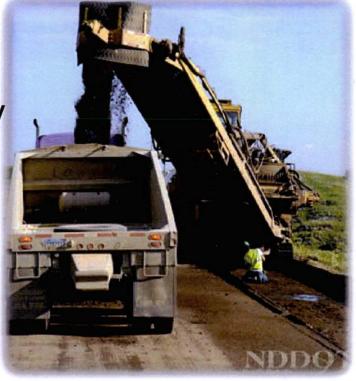


# Accomplishments – Transportation

Thank you for the four equipment operators, they were placed to provide enhanced service in the Williston District.

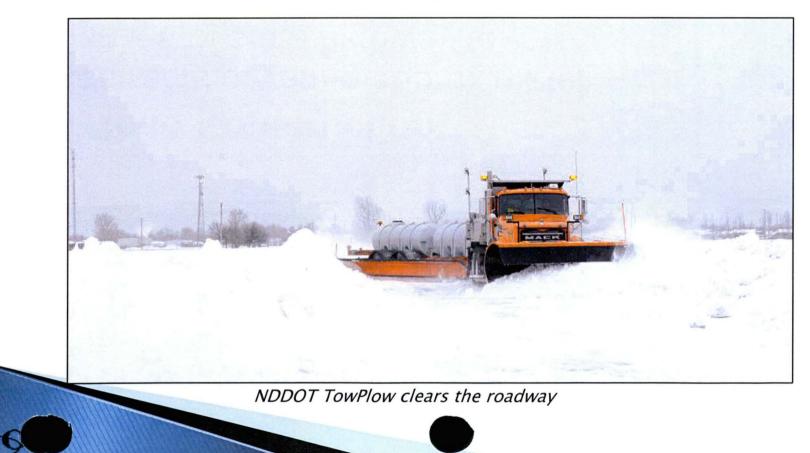
## **Record Road Construction:**

- 452 contracts covering approximately 2,945 miles of state highway to enhance movement of traffic by:
  - Building truck bypasses
  - Constructing a four lane highway
  - Reconstructing/widening roadways.
  - Adding passing and turning lanes.



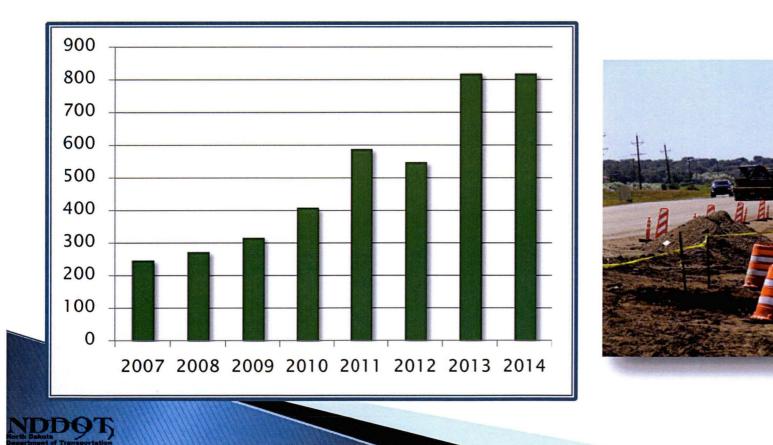
## **Accomplishments - Maintenance**

 With the resources available for snow and ice control, we are able to provide services to make the roadways safer.

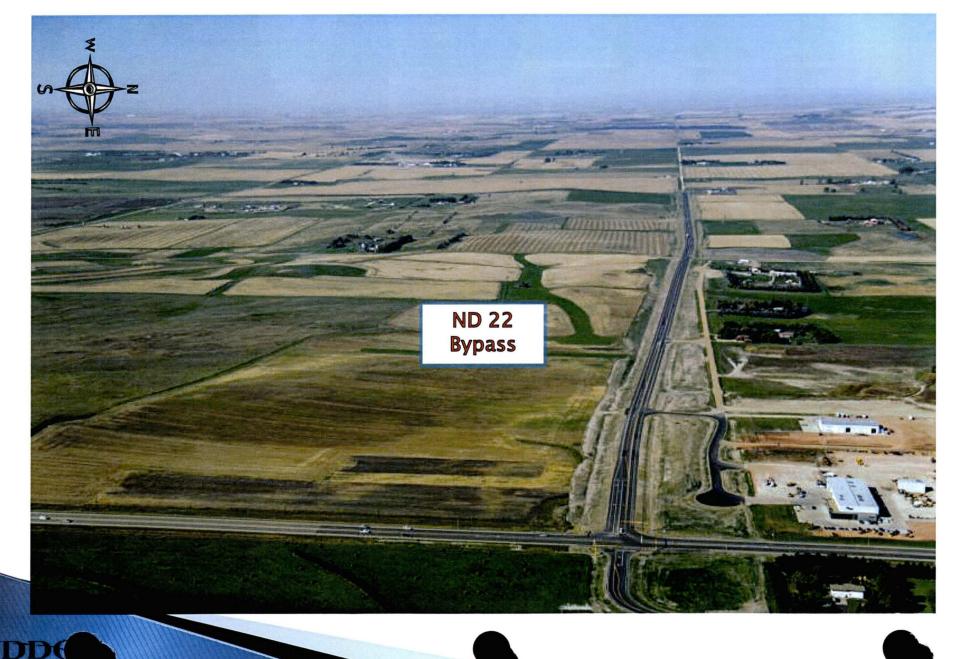


# Historic Construction Program

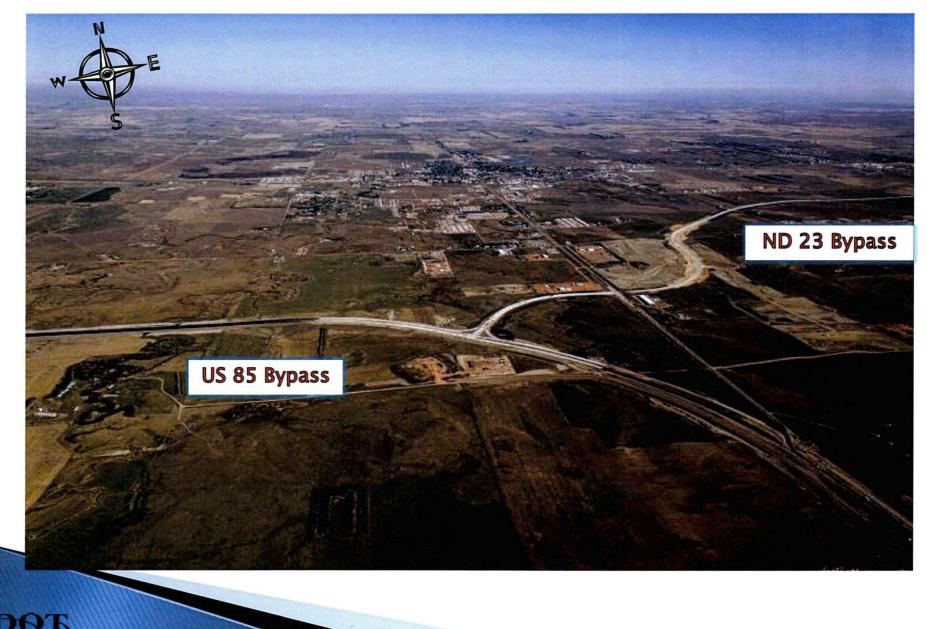
- Over \$800 million a year in 2013 and 2014.
- Balanced program possible because of \$620 million made available early in SB 2176.



# **Dickinson Interim Bypass**



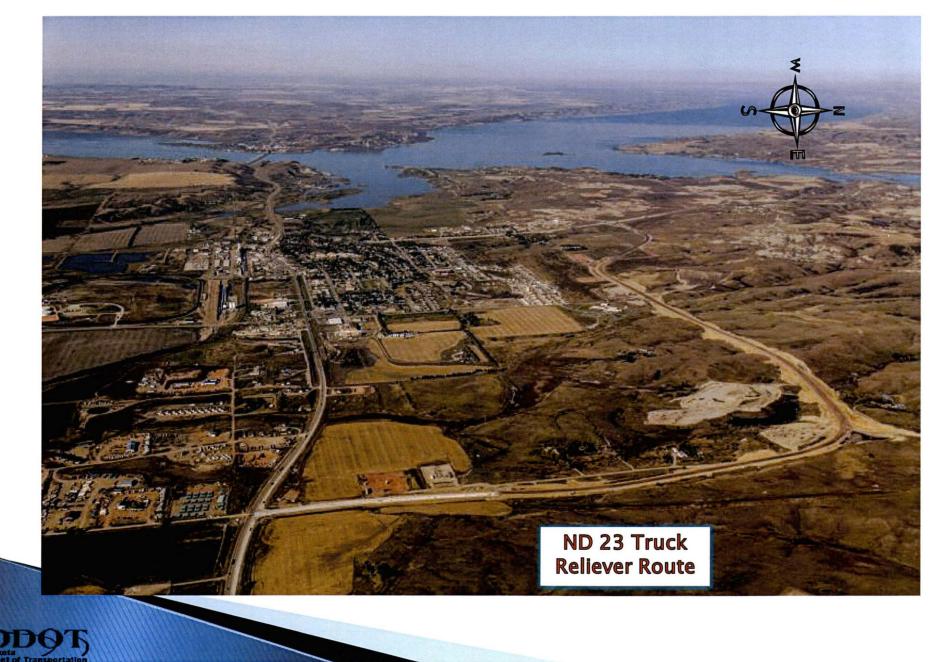




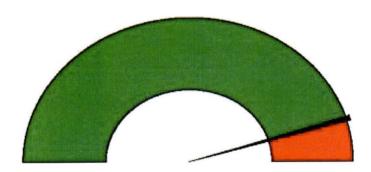
# **Alexander Bypass**

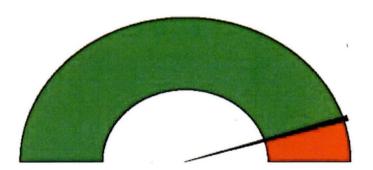


# 



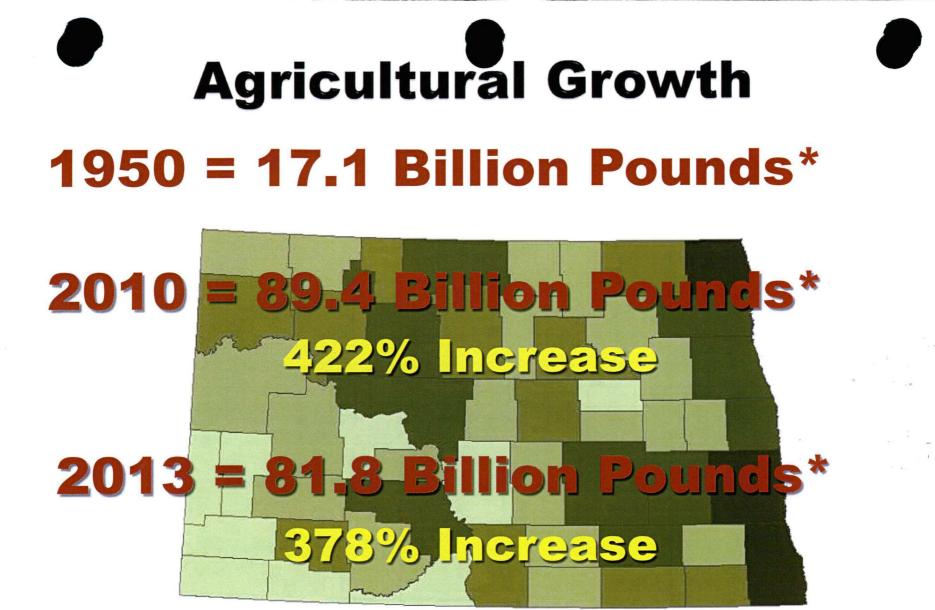
# Percentage of road work completed





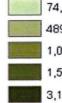






#### Legend



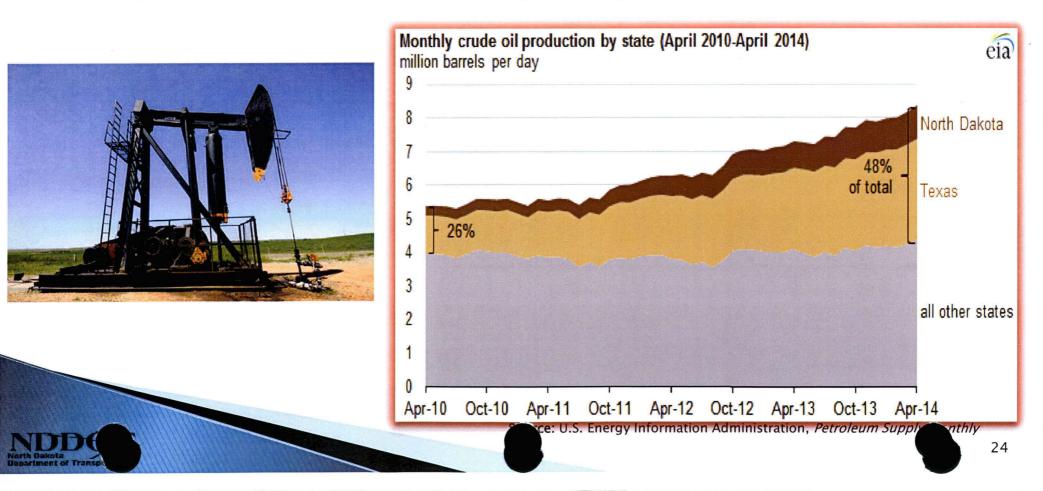


74,872,000 - 489,000,000 lbs 489,000,001 - 1,023,000,000 lbs 1,023,000,001 - 1,530,000,000 lbs 1,530,000,001 - 3,103,000,000 lbs 3,103,000,001 - 3,976,476,000 lbs

\* Approximate numbers

# **Energy Growth**

- Approximately 1.2 million barrels of oil produced daily in October 2014.
- Compared to 344,064 barrels per day in 2010.



# Population Growth

North Dakota's population has reached an all-time high of 739,482 residents, according to a 2014 U.S. Census Bureau report. The state's latest population estimate is an increase of 15,625 residents from last year's count.

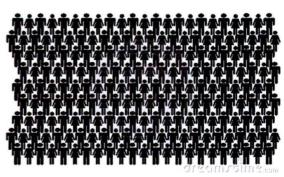
Several North Dakota cities are also among the fastest-growing in the nation according to the U. S. Census Bureau.\*

### Non-metropolitan areas:

- Williston lead the way with 10.7 percent growth.
- Dickinson ranked No. 2 with 5 percent growth.
- Minot ranked No. 5 with 3.7 percent growth.

### Metropolitan areas:

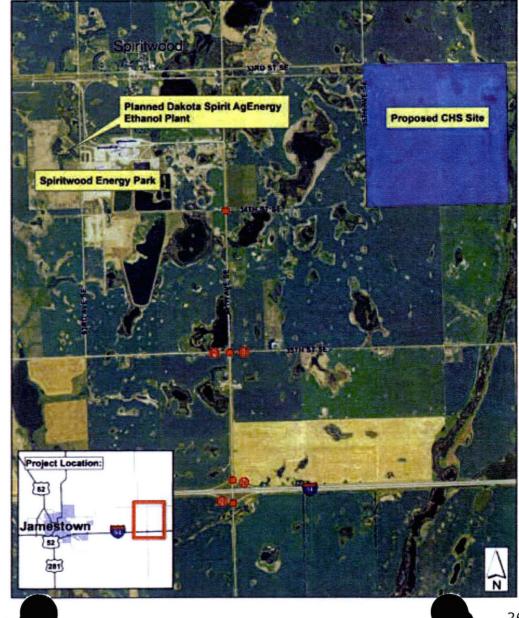
- Fargo-Moorhead ranked No. 4
- Bismarck ranked No. 5
  - Each community had 3.1 percent growth.





# **Major Developments**

- Cenex Harvest States plant at Spiritwood near Jamestown.
- Large oversized loads.



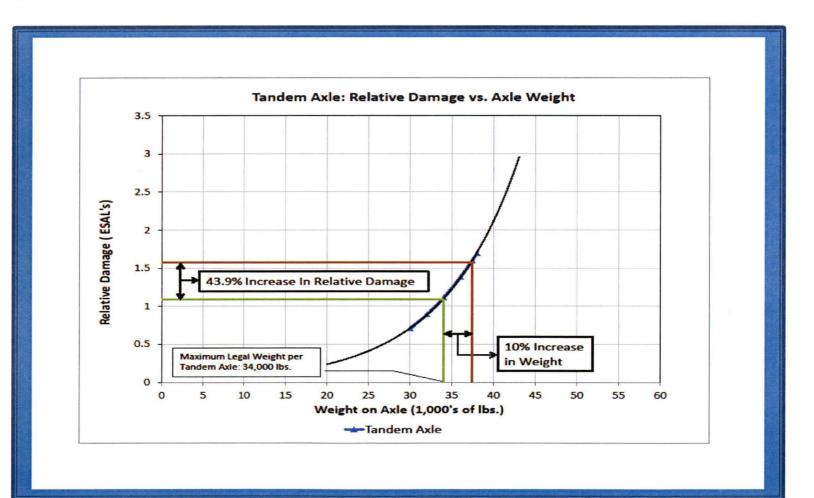


- A recent load weighing 609,000 lbs. transported equipment from South Dakota to Spiritwood near Jamestown.
- Pictured below is an oversized load that weighed nearly one million lbs., was 23 feet wide and 285 feet long that moved equipment to Spiritwood.



## **Truck Size and Weight**

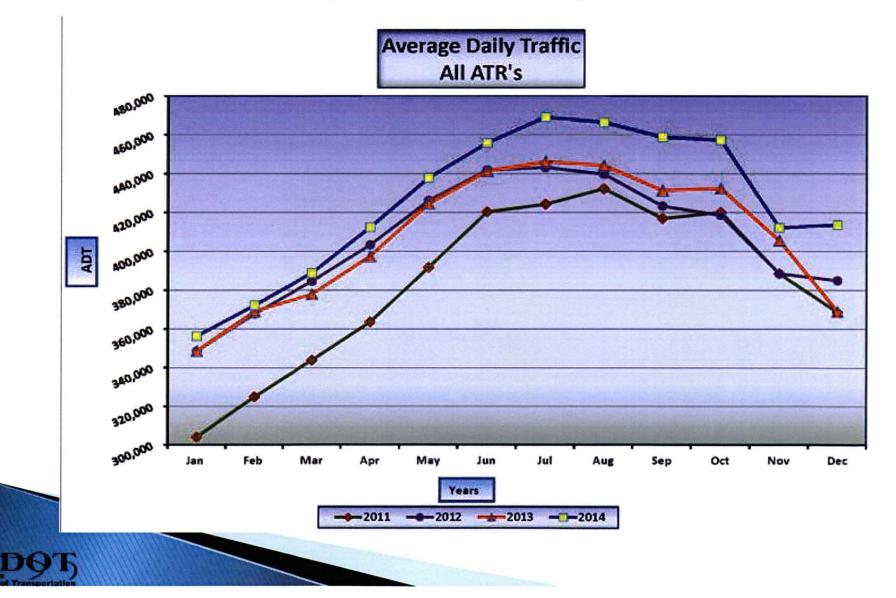
 Damage from overweight loads not only affects pavements and roadways but it can also permanently age bridges.



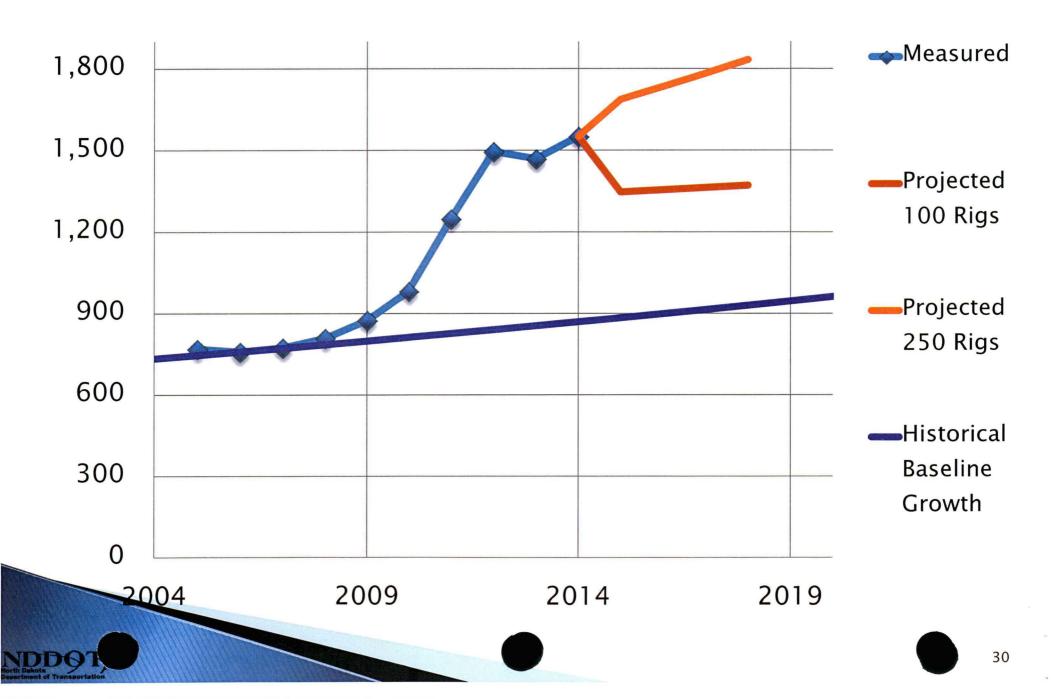
 Illustrates how a 10% tandem axle overload increases road damage by nearly 44%, comparing to a legal tandem of 34,000 pounds.

# Traffic Growth

The number of miles driven on State highways have increased. From 2010-2012 North Dakota saw a 22% increase in traffic statewide and a 53% increase in traffic in western North Dakota. Traffic growth remained at high levels in 2013 and 2014.



## **Truck Traffic Vehicle Miles**



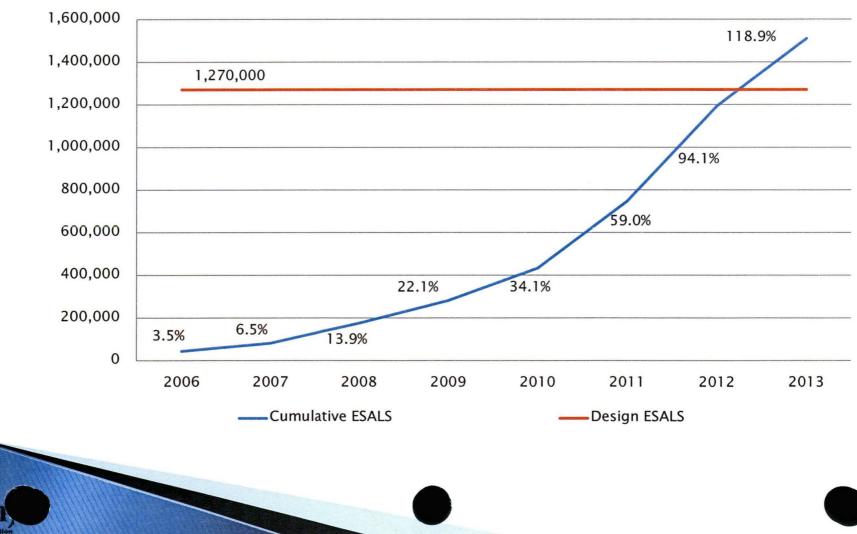




Alligator cracking on ND Highway 23 near Johnson's Corner between Watford City and ND Highway 73.

# **Roadway Design Life**

US 2 EB: Stanley East to Palermo 20 Year Design = 1,270,000 ESALS

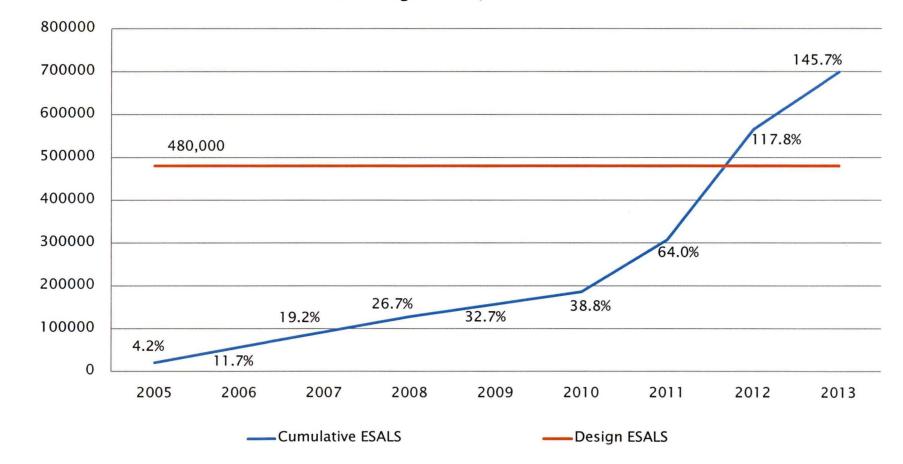


**Cumulative ESALS** 

32



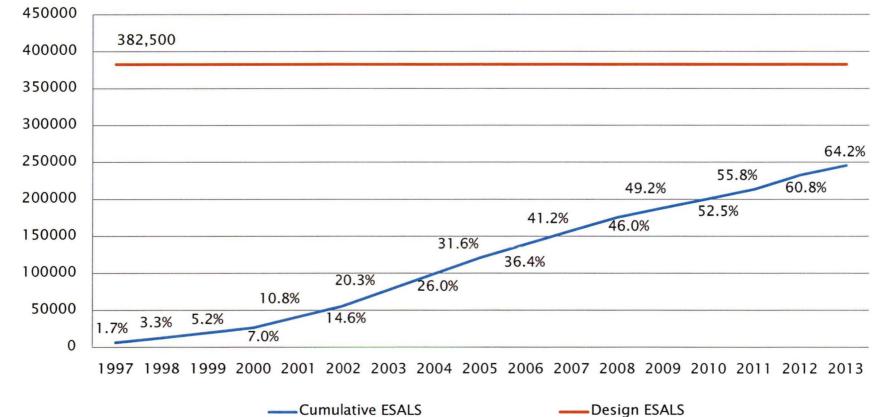
ND 200: Yellowstone Bridge to Jct US 85 20 Year Design = 480,000 ESALS



**Cumulative ESALS** 

# **Roadway Design Life**

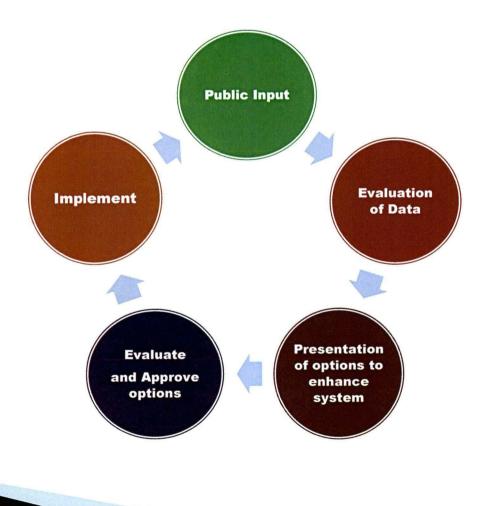
ND 8: Mott North to 1.4 Miles North of County Line 20 Year Design = 382,500 ESALS



Cumulative ESALS



NDDOT utilizes several tools in the planning process including:



## Planning

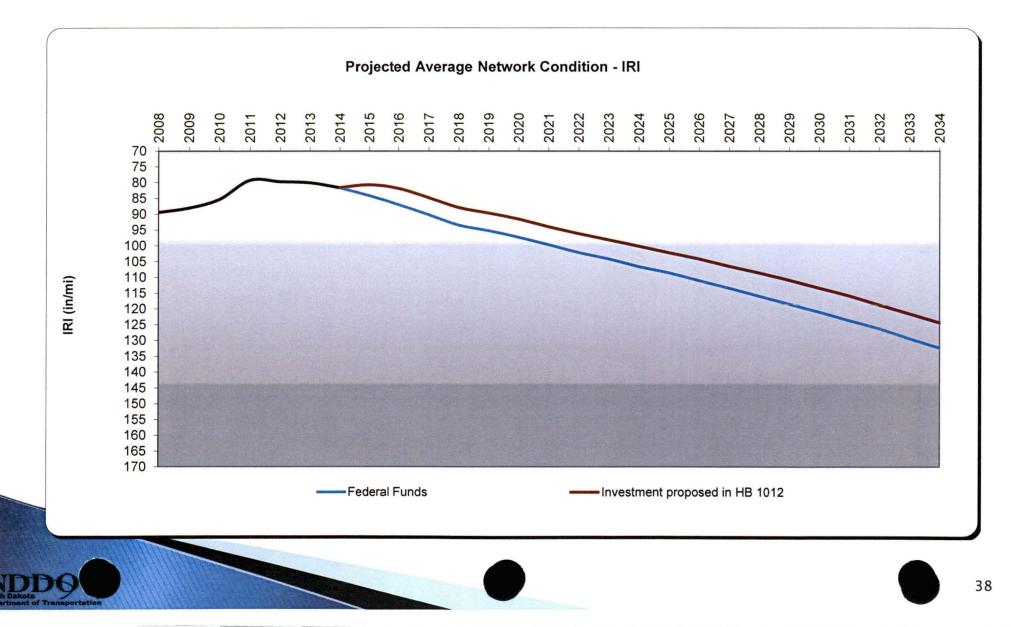
- Pavement Management
- Sign Management
- Building Management
- Bridge Management includes all bridges in the state.

# • Statewide Transportation • Improvement Program-STIP

- NDDOT has a good process in place that prioritizes improvement projects from a statewide perspective, using HPCS in planning method.
- The Department works with local authorities to program transportation projects into the Statewide Transportation Improvement Program (STIP) for bidding and construction.
- Additionally, the NDDOT is coordinating project bidding and timing with local government authorities to ensure construction effort and public disruption are reduced to the extent practical.

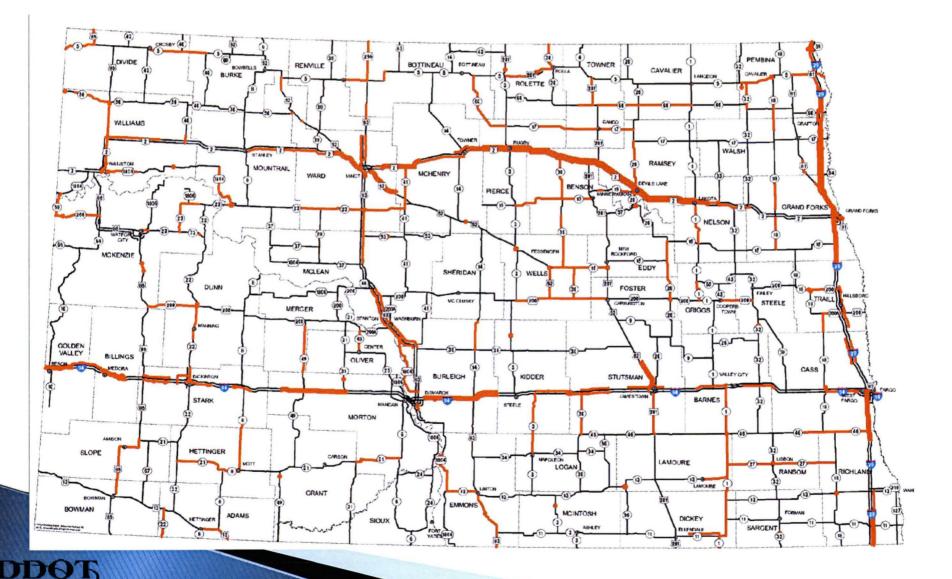


#### Pavement Management Ride Quality

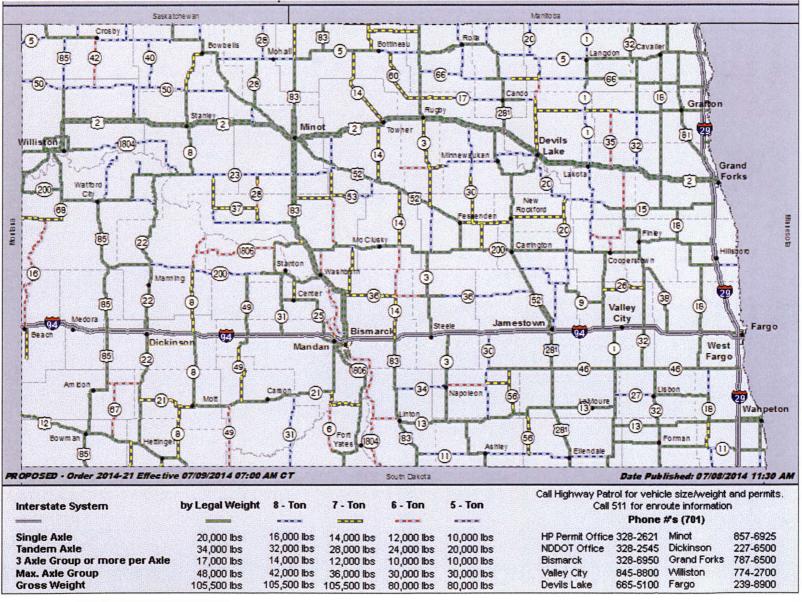


## Proposed Construction 2015-2017

Aggressive construction program planned.



#### **Spring Load Restrictions**





## Load Carrying Capacity

- Upper Great Plains did an analysis on load carrying capacity on the state system where NDDOT currently has load restrictions on ND 42, ND 50, ND 73, ND 1804, and ND 1806. The total miles analyzed on these segments was 133.2 miles.
- If these roadways were to be restriction free (legal weight at 105,500), this would reduce VMT by 8.1M annually. Over a 20-year period, this would save the trucking industry \$352M. The 2014 cost to reconstruct these roadways (133.2 miles) is estimated to be \$280M. This will result in a net saving of \$72M over twenty years.



#### Commodities

- An average semi hauls approximately 850 bushels of wheat during unrestricted times of the year, which would cost about 47 cents/bushel for a 100-mile trip to get that wheat to the rail facility.
- Shippers have indicated that with the various load restrictions in place across the county and state roadways, they are hauling on average 20% less during load restriction time than unrestricted times.
- This means that it would cost about 12 cents per bushel more to haul the wheat to market during restricted times of the year. This is a 25% increase in transportation cost.



- Federal oversight continues to increase on all types of construction projects throughout the state. As a result we are requesting 2 additional FTEs:
  - Environmental Scientist Considerable growth in the NDDOT's storm water program along with additional required federal regulations.
  - Archaeologist To provide project management of system cultural resource projects and surveys, obtain section clearances, assist with tribal consultation and with material source review and approval, and maintain technical proficiency in this field of work.

#### **Federal Rules & Regulation Changes**

#### **Endangered Species**

- Interior Least Tern
- Whooping Crane
- Black–Footed Ferret
- Pallid Sturgeon
- Gray Wolf
- Poweshiek Skipperling (butterfly)

#### **Candidate Species**

- Sprague's Pipit
- Greater Sage Grouse

#### **Threatened Species**

- Piping Plover
- Western Fringed Prairie Orchid (Plant)
- Dakota Skipper (butterfly)

#### **Proposed Species**

- Northern Long Eared Bat
- Rufa Red Knot

## **Erosion Control Fines**

#### Examples of fines assessed to DOTs by the EPA in recent years:

- Alaska DOT fined \$118,000 in 2014 for a 2009 incident involving mishandled highway paint.
- Hawaii DOT fined \$1.2 million and required to fix federal Clean Water Act storm water violations from 2008 and 2009 inspections.
- Georgia DOT and Contractor fined \$1.5 million and ordered to perform injunctive relief measures, including purchasing 16,920 mitigation credits at an estimated cost of \$1.35 million to offset the impacts to waters of the United States. Contractor filled in all or parts of 7 trout streams with DOT approval.
- Kansas DOT fined \$477,500 for violations from storm water inspections from 2008, 2010 and 2012. The EPA has assessed stipulated penalties of \$315,000 in 2013 which KDOT settled on paying \$140,000. For 2014, EPA will be assessing an additional \$250,000.
- These figures do not take into account all the other items required by the consent agreements signed by these states.

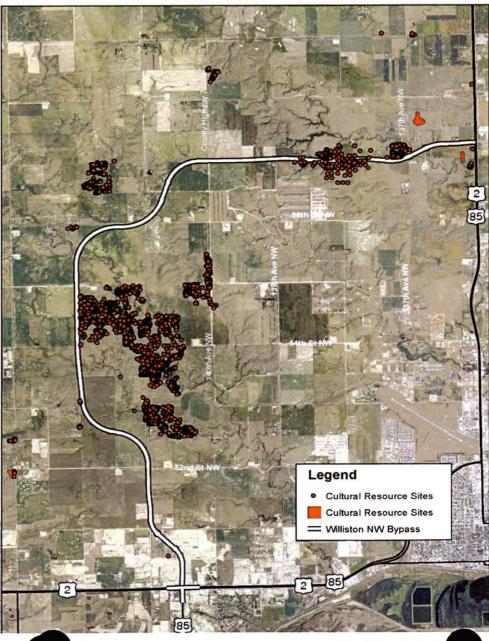
Storm water control



ND Highway 30 near Lehr.

#### **Cultural Sites**

Over 8,000 cultural sites were evaluated on the Williston Northwest Truck Bypass project.



Cultural sites on Williston NW Bypass



#### and Vehicle Services



### Safety

- Transportation projects have implemented several safety features including:
  - Turning lanes
  - Passing lanes
  - Signing
  - Rumble strips
  - Controlled access



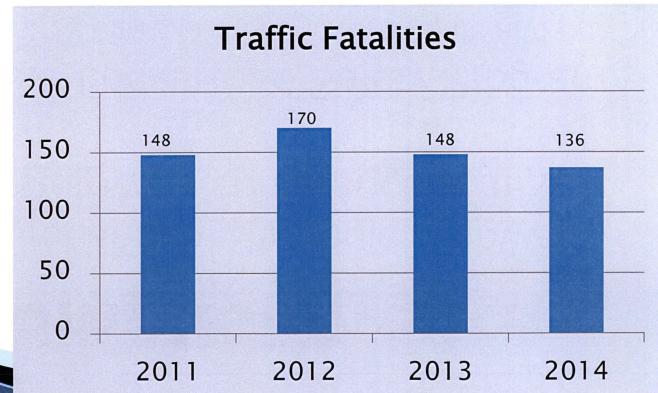


Number of traffic related deaths in state declined from 148 in 2013 to 136 in 2014.

•Primary contributing factors to fatal crashes:

- ✓Alcohol,
- ✓Not using seatbelts,

✓Speed



### Accomplishments

- Conducted first annual Strategic Highway Safety Plan statewide conference with stakeholders.
- Developed our Local Road Safety Program
  - All 53 counties, 12 cities, 4 tribal governments and one national park are part of the program.
  - NDDOT provides safety funds to local governments.
  - American Association of State Highway and Transportation Officials (AASHTO) President's Award-2014.



### Accomplishments DUI/Drugged Driving

- Expanded training for law enforcement to include:
  - -Advanced Roadside Impaired Driving Enforcement (ARIDE)
  - -Drug Recognition Experts (DRE)

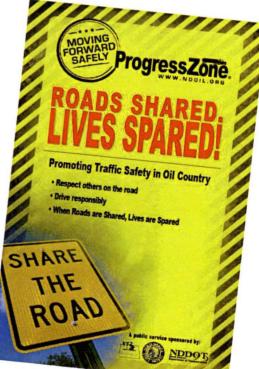


#### Accomplishments TraCS Implementation

- > Timeliness and accuracy of crash information is critical.
- Traffic Records and Criminal Software Deployment (TraCS)
  - 92 Law Enforcement agencies are utilizing TraCS
  - Two tribal governments utilizing TraCS
  - 90% of all crash reports received electronically
  - 77 agencies utilizing the traffic citation module
  - 44 agencies utilizing the electronic report and notice form
- A Federal grant provides maintenance, training and software for TraCS to local and tribal governments.

## Accomplishments Western ND program

- Developed "Moving forward Safely" campaign in partnership with North Dakota Petroleum Council and Highway Patrol. The program targets traffic safety problems common to crashes in oil-impacted counties with the following messages:
  - Be Patient. Slow Down!
  - Buckle Up. Every Time.
  - Pass with Caution
  - Roads Shared. Lives Spared.

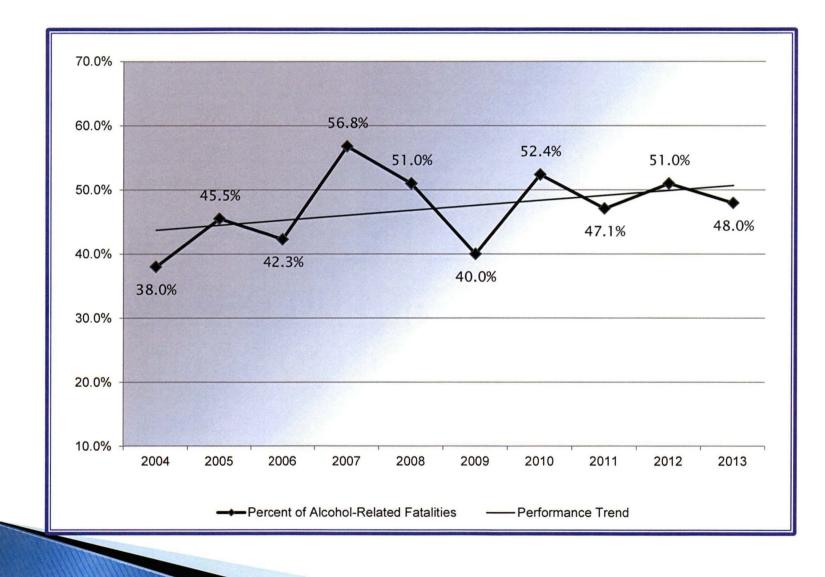


### Accomplishments Code For The Road

Developed and introduced the 'Code For The Road. Follow The Rules. Follow The Law' to serve as the umbrella message for our SHSP Statewide Efforts. This tag is designed to empower the driving public to follow the rules and drive safely.

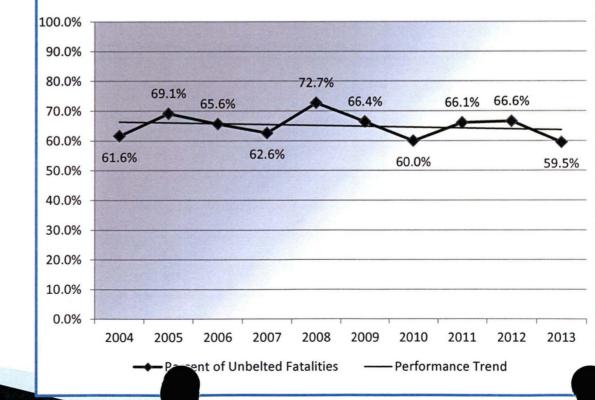


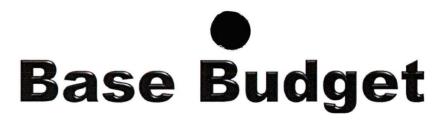
### Challenges Alcohol



#### **Challenges** Seat Belt Use

#### Two-thirds of motor vehicle fatality victims are unbelted at the time of the crash.





- Executive Base Budget contains programs to continue to address these issues:
  - Strategic Highway Safety Plan
    - Emphasis areas: Young drivers (under age 21), Excessive speed or aggressive driving, Alcoholrelated, Unbelted vehicle occupants, Lane departure, Intersections
  - Local Road Safety Program
  - Training for law enforcement
  - Public education



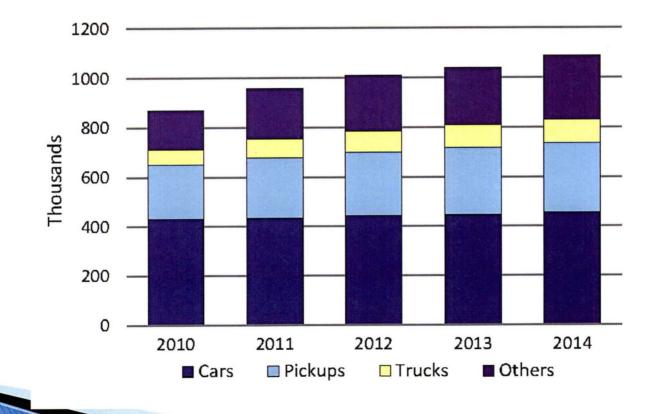
### Accomplishments Motor Vehicle

#### Training and Quality Review

- Maintaining Branch review work consistently at the optimum approximately 2 week turnaround time.
  - Last session we reported that the turn around time was approximately 12 weeks.
- Trained private sector branch offices to begin issuing titles. We now have 7 out of 20 branch offices issuing titles at their locations.



**Motor Vehicle** - In 2014, North Dakota processed a total of 1.15 million vehicle transactions compared to 870,000 in 2010.



#### Accomplishments Motor Vehicle

- Online Renewals increased 25.74%.
- Collected \$270.9 million in registration fees and excise tax revenue for the state during state fiscal year 2014.



Dicking n Motor Vehicle branch office

## License Plate Reissue

- Received approval on new Motor Vehicle digital/flat plate design.
- New License Plate Reissue
  - Equipment to Rough Rider Industries in Spring 2015
  - Production starts Summer of 2015 through 2016
  - Tentative Date of Issuance-Fall 2015
  - Issuance Upon Renewal Cycle
- To date no expenditures have been made.



#### **Challenges** Motor Vehicle

Maintaining Level of Service as population continues to grow.

#### Title Fraud

### Accomplishments Drivers License

- Implementation of new Driver's License.
  - Enhanced Fraud Protection
  - Number added to the back and other security enhancements to help prevent identity theft and fraud.



#### Accomplishments Drivers License

#### **Drivers License**

 534,548 drivers license transactions were completed in 2014.







### • Accomplishments Drivers License

- Record Number of Knowledge Tests
  - Knowledge Tests- 54,028, a 24.4% Increase Over CY12
- Record Number of ID Cards Issued
  - ID Cards 22,926, a 49% Increase Over CY12
- Record Number of Temporary Licenses Issued
  - 3,178 TRL's Issued, significantly increasing since 24/7 changes in 2013-15 Session

#### **Accomplishments** 2014 Overall Customer Satisfaction

- In 2014 Overall Satisfaction levels remain high.
- Chart below shows % of respondents who were Satisfied or Very Satisfied with our Drivers License and Motor Vehicle services.

	Motorists	Motor Carriers	Gov. Officials	Business
Drivers License	91%	83%	86%	88%
Motor Vehicle	89%	84%	89%	85%



- As population continues to grow there is a greater demand for drivers license service.
- To maintain service levels we have the following Legislative Recommendations:
  - Online DL Renewal and duplicate service (HB 1122)
  - Skills Test Waiver for commercial/public driving schools (HB 1123)



### Darcy Rosendahl Deputy Director for Business Support



## Accomplishments - Staffing

- Thank you for the 16 FTEs that you gave us last session to work in western North Dakota and various areas of the Department including engineering, maintenance, motor vehicle and driver's license.
- The additional staff members helped us to work with the increased demand for services and achieve many of the accomplishments discussed here today.



#### **Accomplishments – Technology**

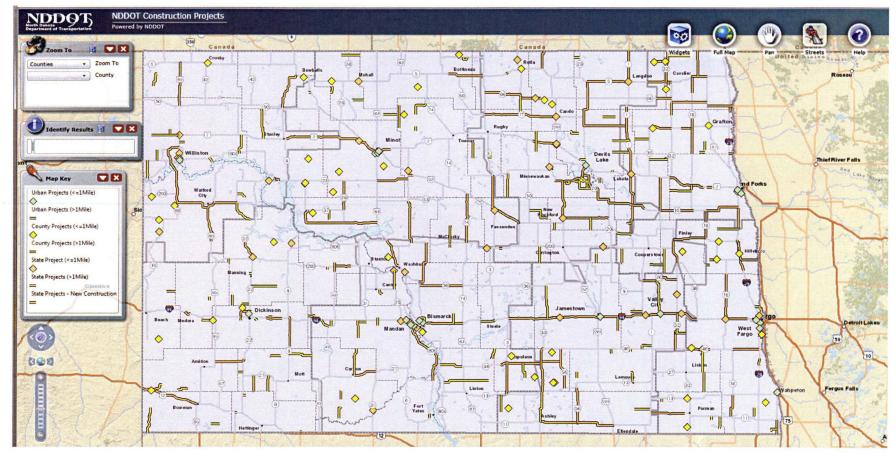


#### Motor Vehicle App – "ND Renew"

- The application replicates the existing on-line renewal site <a href="https://apps.nd.gov/dot/mv/mvrenewal/renewal.htm">https://apps.nd.gov/dot/mv/mvrenewal/renewal.htm</a>) in a format that is usable on a smart device.
- The app allows users to renew their vehicle registration and in addition, will allow a user to update their permanent address, add a temporary address, and add/update their email address.
- The phone application also includes a push notification to alert users when their vehicles are up for renewal through their device.

## Accomplishmeres – Technology

### **NDDOT 2014 Construction Projects Website Map**



Interactive map shows details of state, county and urban road construction projects.

Can be found under Maps section at <u>www.dot.nd.gov</u>

Direct link : <u>http://gis.dot.nd.gov/external/ge\_html/?viewer=constmap</u>



## **Accomplishments – Technology**

- NDDOT recently launched smartphone application for road conditions called NDRoads.
- To date, over 91,000 users have downloaded the application.

od any Official Portal fo

No messages	girra Port
Near Me	Brandon
Closures/Incidents	
Road Conditions	
🚊 Work Zones	Picenson Prover a Pice
Warnings/Events	
Cameras/Weather	Aberd
Load Restrictions	South
Call 511 Favorites Routes Help Travel Info	

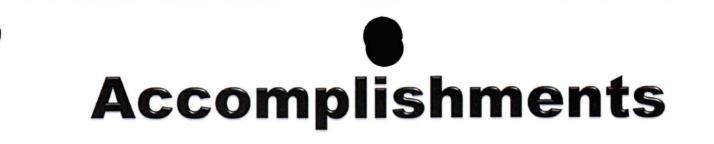


### **Asbestos Abatement Project Complete**



### Accomplishments Department Awards

- National Advisory Council on Historic Preservation (ACHP) Chairman's Award for Achievement in Historic Preservation
- National AASHTO President's Award for Local Roads Safety Program
- National AASHTO TransComm Skills Award for Mobile/Web Application (ND Roads)
- Lieutenant Governor's Well Workplace Bronze Award
- North Dakota Library Association (NDLA) Notable
   State Document (Liberty Memorial Bridge Video)



### Salary Increases

Assist in hiring and retaining employees



## **Challenges – Staffing**

We continue to experience a large number of vacancies with 37 open statewide, 17 in western North Dakota.

### **Greatest Employment Challenges at NDDOT**

- Equipment operators (CDL) and Mechanics, Engineering positions (engineers and technicians) in western ND
- Drivers License Service
- Motor Vehicle Service



# Challenges – Staffing in western RD

- NDDOT Equipment Operator Trans Tech 1 = \$16.18/hour
  - Compared to 3P Trucking Inc.= \$27/hour
- NDDOT Maintenance Mechanic in Williston = \$18.46/hour
  - Compared to Williams County Highway Depart. = \$29-\$32/hour
- NDDOT Williston Engineer/Engineer Techs 5 of 9 positions vacant.



## **Addressing Challenges**

- Temporarily moved employees in other Districts to Oil Patch to give added support.
- Hired liaison for western ND transportation development to work with city and county officials in western North Dakota.
- Utilize new online recruitment system.

Need to continue with oil patch add on and rental assistance program as requested in OMB's Senate Bill 2015.

# **Motor Vehicle System Appropriation**

### Vehicle Registration and Titling System (VRTS):

- Appropriated \$9.6 million last session.
- Met with OMB and ITD.
- Per new state century code an executive steering committee was formed.
- RFP for Business Process Modeling was developed selected Major Oak.
- RFP for vendor was developed selected FAST Enterprises, currently finalizing contract.
- Estimated timeline start in February 2015, complete in 2016.
- Requesting additional \$2.5 million for project completion, support and maintenance.



## Summary

Thank you for allowing us to present this information to you today.

- Transportation infrastructure investments ensure state's economy can continue to flourish.
- We are available to work with you and provide information.
- We also have a need for continued conversation on Motor Vehicle procurement.

#### 15.8120.01000

Sixty-fourth Legislative Assembly of North Dakota

#### HOUSE BILL NO. 1012

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of

2 transportation; to provide for a transfer; and to provide exemptions.

#### 3 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds
as may be necessary, are appropriated out of any moneys in the general fund in the state
treasury, not otherwise appropriated, and from special funds derived from federal funds and
other income, to the department of transportation for the purpose of defraying the expenses of
the department of transportation, for the biennium beginning July 1, 2015, and ending June 30,
2017, as follows:

10 Adjustments or 11 **Base Level** Enhancements Appropriation 12 Salaries and wages \$187,477,585 \$25,032,389 \$212,509,974 13 Accrued leave payments 7,280,897 (7, 280, 897)0 14 **Operating expenses** 376,721,715 96,541,036 473,262,751 15 Capital assets 727,911,207 700,685,753 1,428,596,960 16 Grants 79,788,030 (15,870,000)63,918,030 17 Total all funds \$1,379,179,434 \$799,108,281 \$2,178,287,715 18 Less estimated income 1,379,179,434 798,108,281 2,177,287,715 19 Total general fund \$0 \$1,000,000 \$1,000,000 20 Full-time equivalent positions 1.079.50 2.00 1,081.50

22 SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

23 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the

24 2015-17 one-time funding items included in the appropriation in section 1 of this Act:





1	One-Time Funding Description	2013-15	2015-17
2	General fund transfer to highway fund	\$541,600,000	\$0
3	Enhanced state highway investments	1,161,600,000	904,115,558
4	TIGER III federal railroad program	10,000,000	0
5	General license plate issue	6,820,000	0
6	Contingent general fund transfer to	1,100,000	0
7	public transportation fund		
8	Airplane replacement	4,500,000	0
9	Transportation distribution to oil-producing counties	160,000,000	0
10	Transportation distribution to non-oil-producing counties	120,000,000	0
11	Recreational road access	0	5,000,000
12	Vehicle registration and titling system replacement	0	2,500,000
13	Motor coach reimbursement	<u>0</u>	1,000,000
14	Total all funds	\$2,005,620,000	\$912,615,558
15	Total special fund	541,600,000	<u>911,615,558</u>
16	Total general fund	\$1,464,020,000	\$1,000,000
17	The 2015 17 one time funding amounts are not part of th	ha antitu'a hasa hi	ident for the 2017 10

The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19
biennium. The department of transportation shall report to the appropriations committees of the
sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning
July 1, 2015, and ending June 30, 2017.

SECTION 3. LINE ITEM TRANSFERS. The director of the department of transportation may transfer between the salaries and wages, operating, capital assets, and grants line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the office of management and budget of any transfers made under this section.

#### 26 SECTION 4. EXEMPTION - HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS

FUND. The amount appropriated to the department of transportation from the highway-rail
grade crossing safety projects fund, as contained in section 4 of chapter 43 of the 2013 Session
Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
appropriation are available to the department highway-rail grade crossing safety projects during
the biennium beginning July 1, 2015, and ending June 30, 2017.

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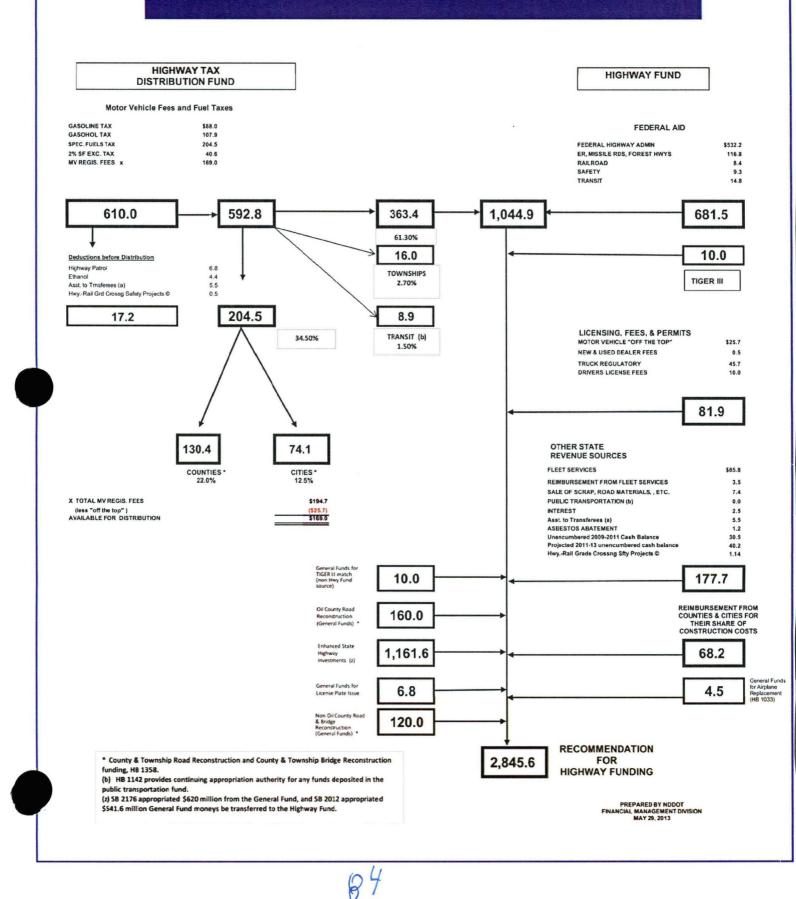
1 SECTION 5. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER 2 AUTHORITY. Section 54-44.1-11 does not apply to funding of \$904,115,558 in the capital 3 assets line item relating to enhanced state highway investments in section 1 of this Act. Any 4 funds not spent by June 30, 2017, must be continued into the biennium beginning July 1, 2017, 5 and ending June 30, 2019, and may be expended only for enhanced state highway 6 investments. 7 SECTION 6. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE RAISING 8 **GRANTS.** The amount appropriated to the department of transportation from the state disaster 9 relief fund for road grade raising grants, as contained in section 14 of chapter 579 of the 2011 10 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds 11 from this appropriation are available to the department to provide road grade raising grants 12 during the biennium beginning July 1, 2015, and ending June 30, 2017. 13 SECTION 7. PAYBACK AND REALLOCATION OF FEDERAL AID. Notwithstanding any 14 other provisions of law, the department of transportation may repay the United States 15 department of transportation for previous related expenditures out of current biennium 16 appropriations so that the department may re-obligate the federal aid to other federal aid 17 projects.

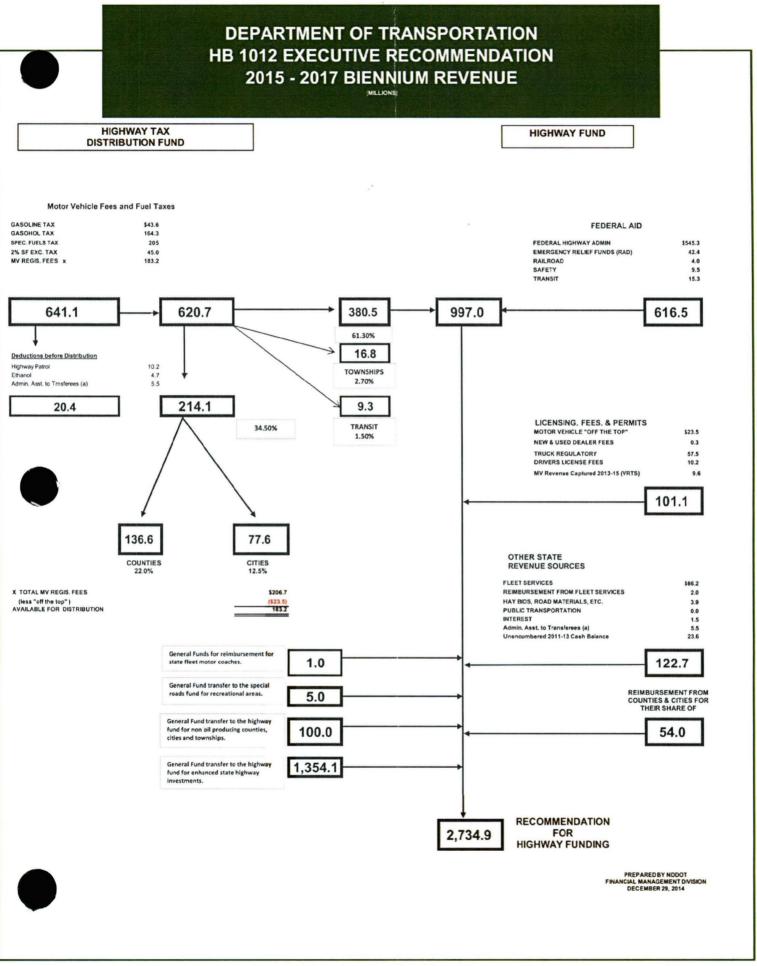


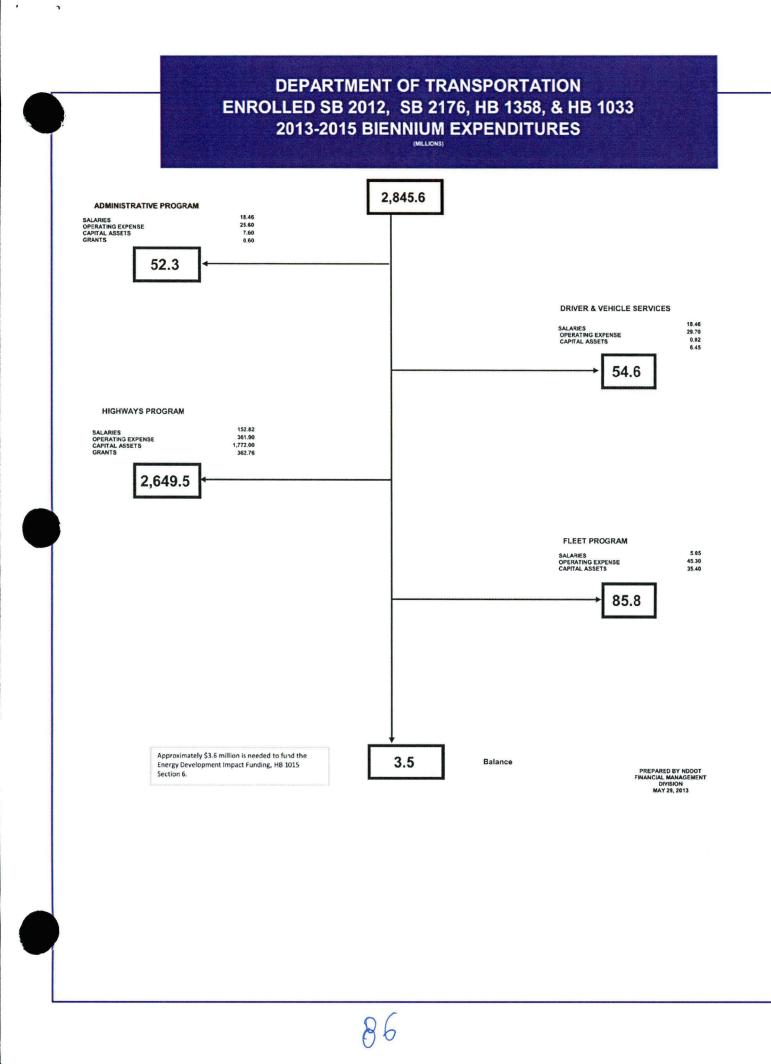
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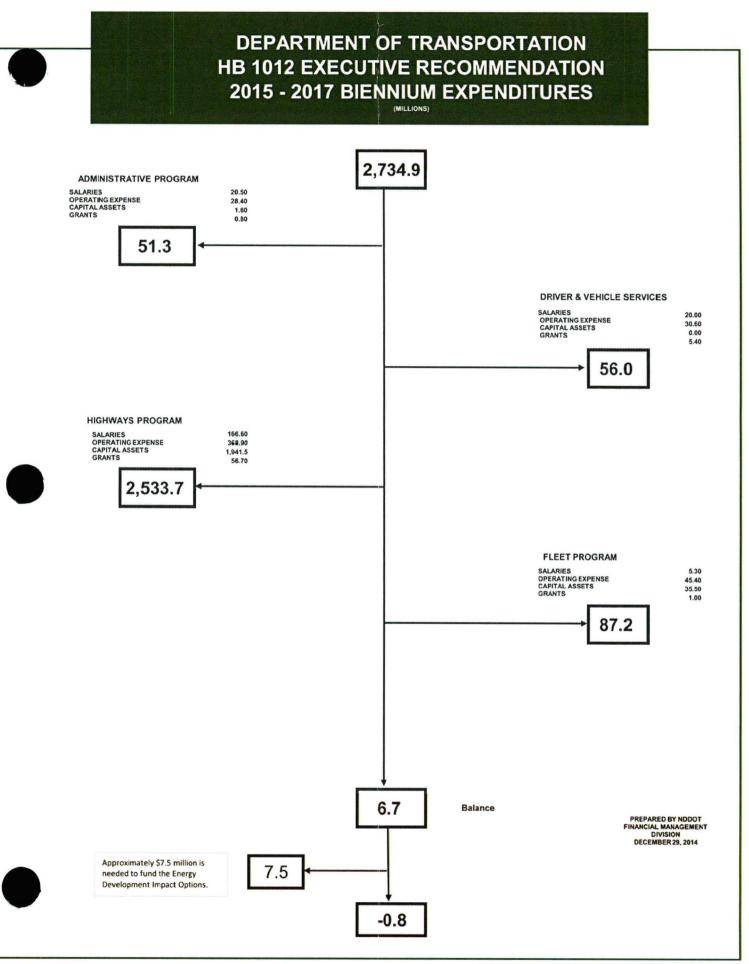
DEPARTMENT OF TRANSPORTATION ENROLLED SB 2012, SB 2176, HB 1358, & HB 1033 2013 - 2015 BIENNIUM REVENUE

(MILLIONS)









HBIDIZ

January 13, 2015 attachment B

15.8085.01000

Sixty-fourth Legislative Assembly of North Dakota

SENATE BILL NO. 2126

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation to the department of transportation for the

2 construction and maintenance of state highways and counties; to provide an appropriation to

3 the housing finance agency for affordable housing projects; to provide an appropriation to the

4 office of the attorney general for early hiring of criminal investigators; to provide an appropriation

5 to the state department of health for early hiring of environmental scientists; to provide an

6 appropriation to the department of trust lands for allocations to cities impacted by oil

7 development; to provide for transfers from the general fund; and to declare an emergency.

8 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

9 SECTION 1. TRANSFER - GENERAL FUND TO HIGHWAY FUND. There is appropriated 10 out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum 11 of \$550,000,000, or so much of the sum as may be necessary, which the office of management 12 and budget shall transfer to the highway fund for construction and maintenance of state and 13 county highways for the period beginning with the effective date of this Act and ending June 30, 14 2017. The funding provided in this section is considered a one-time funding item.

15 SECTION 2. APPROPRIATION. DEPARTMENT OF TRANSPORTATION - STATE

16 HIGHWAY CONSTRUCTION AND MAINTENANCE. There is appropriated out of any moneys

17 in the highway fund in the state treasury, not otherwise appropriated, the sum of \$450,000,000,

18 or so much of the sum as may be necessary, to the department of transportation for

19 construction and maintenance of state transportation infrastructure for the period beginning with

20 the effective date of this Act and ending June 30, 2017. The funding provided in this section

21 may be applied to engineering, design, and construction costs incurred on related projects as of

22 January 1, 2015, and is considered a one-time funding item.

23 SECTION 3. APPROPRIATION - DEPARTMENT OF TRANSPORTATION -

24 TRANSPORTATION FUNDING DISTRIBUTIONS. There is appropriated out of any moneys in

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1	the high	way f	und i	n the s	tate treasury, not otherwise appropriated, the sum of \$100,000,000, or
2	so much	n of th	ne sur	n as m	ay be necessary, to the department of transportation for the period
3	beginnin	ig wit	h the	effecti	ve date of this Act and ending June 30, 2017, for the purpose of
4	allocatio	ns ar	nong	cities,	counties, and townships within counties that received no allocation of
5	funding	or a t	otal a	llocatio	on under section 57-51-15 of less than \$500,000 in the state fiscal year
6	ending J	lune	30, 20	014. Tł	ne funding provided in this section is considered a one-time funding
7	item and	l mus	st be u	used fo	or construction and maintenance of transportation infrastructure. The
8	departm	ent o	f tran	sporta	tion shall distribute the funding provided under this section as follows:
9	1.	\$20	,000,0	000 m	ust be allocated equally among each organized and unorganized
10		tow	nship.	. The a	Ilocation for each organized township must be transferred directly to
11		the	respe	ective t	ownship. The allocation for each unorganized township must be
12		tran	sferre	ed to th	e county in which the unorganized township is located.
13	2.	\$80	,000,0	000 m	ust be allocated among cities and counties as follows:
14		a.	Eac	h city v	with a population of 4,999 or less must receive a direct allocation from
15			the o	depart	ment of transportation in accordance with the formula in subsection 4
16			of se	ection	54-27-19.
17		b.	For	each c	county or city with a population of 5,000 or more, funding must be
18			distr	ributed	in accordance with the formula in subsection 4 of section 54-27-19
19			and	the fo	lowing provisions.
20			(1)	Each	county or city requesting funding under this section shall submit the
21				reque	est in accordance with criteria developed by the department of
22				trans	portation.
23				(a)	The city improvement projects must be consistent with projects
24					identified in the city's capital improvement plan or long-range
25					transportation plan that will rehabilitate or reconstruct the
26					transportation infrastructure within the city.
27				(b)	The request from counties must include a proposed plan for funding
28					projects that rehabilitate or reconstruct the transportation
29					infrastructure within the county.

1		(c)	The plan must be based on actual transportation infrastructure
2			conditions and the integration of projects with state highway and other
3			city or county projects.
4	(2)	The o	department of transportation, in consultation with the city or county,
5		may	approve the plan or approve the plan with amendments.
6	(3)	The f	funding appropriated in this section may be used for transportation
7		infras	structure development costs.
8	(4)	Upor	approval of the plan, the department of transportation shall transfer to
9		the c	ity or county the approved funding for engineering and plan
10		deve	lopment costs.
11	(5)	Upor	n execution of a construction contract by the city or county, the
12		depa	rtment of transportation shall transfer to the city or county the approved
13		fundi	ng to be distributed for rehabilitation and reconstruction projects.
14	(6)	Each	recipient city and county shall report to the department of
15		trans	portation upon awarding of each contract and upon completion of each
16		proje	ect in a manner prescribed by the department.
17	3. The fund	ling pro	ovided in this section may be applied to engineering, design, and
18	construct	tion co	sts incurred on related projects as of January 1, 2015.
19	SECTION 4. A	PPRC	<b>DPRIATION - TRANSFER - GENERAL FUND TO HOUSING</b>
20		D. The	re is appropriated out of any moneys in the general fund in the state
21	treasury, not other	wise a	ppropriated, the sum of \$20,000,000, or so much of the sum as may be
22	necessary, which t	the offi	ce of management and budget shall transfer to the housing incentive
23	fund, for the period	d begir	nning with the effective date of this Act and ending June 30, 2017. The
24	funding provided in	n this s	section is considered a one-time funding item.
25	SECTION 5. A	PPRC	<b>DPRIATION - ATTORNEY GENERAL.</b> There is appropriated out of any
26	moneys in the gen	neral fu	ind in the state treasury, not otherwise appropriated, the sum of
27	\$1,000,000, or so	much	of the sum as may be necessary, to the attorney general for up to ten
28	full-time equivalen	t posit	ions to assist with law enforcement activities in areas impacted by oil
29	development, for t	he per	iod beginning with the effective date of this Act and ending June 30,
30	2017.		

1 SECTION 6. APPROPRIATION - STATE DEPARTMENT OF HEALTH. There is 2 appropriated out of any moneys in the general fund in the state treasury, not otherwise 3 appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the state 4 department of health for the purpose of hiring up to fifteen additional environmental scientist 5 full-time equivalent positions for the period beginning with the effective date of this Act and 6 ending June 30, 2015. 7 SECTION 7. APPROPRIATION - BOARD OF UNIVERSITY AND SCHOOL LANDS -8 STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any

9 moneys in the strategic investment and improvements fund in the state treasury, not otherwise

- 10 appropriated, the sum of \$300,000,000, or so much of the sum as may be necessary, to the
- 11 board of university and school lands for providing allocations to cities located in the ten largest
- 12 oil-producing counties in North Dakota in the state fiscal year ending June 30, 2014, for the
- 13 period beginning with the effective date of this Act and ending June 30, 2017. The funding
- 14 provided in this section is considered a one-time funding item.
- 15 SECTION 8. EMERGENCY. This Act is declared to be an emergency measure.

HB1012 Bonnang 13,2015 Handout

15.8077.01000

Sixty-fourth Legislative Assembly of North Dakota

HOUSE BILL NO. 1123

Introduced by

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Transportation Committee

(At the request of the Department of Transportation)

A BILL for an Act to create and enact a new section to chapter 39-25 and subsection 3 to section 39-25-01 of the North Dakota Century Code, relating to driver training schools and to the definition of a certificate of course completion; and to amend and reenact subsection 2 of section 39-06-01.1, subsection 2 of section 39-06-13, subsection 2 of section 39-25-04, and section 39-25-07 of the North Dakota Century Code, relating to driver education requirements, driver's license examinations, instructors at commercial driver training schools, and driver education schools.

8 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

9 SECTION 1. AMENDMENT. Subsection 2 of section 39-06-01.1 of the North Dakota
10 Century Code is amended and reenacted as follows:

11	2.	If an individual has had that individual's license to operate a motor vehicle canceled
12		under subsection 1, the director shall deem that individual to have never have had any
13		license to operate a motor vehicle and may not issue any license to operate a motor
14		vehicle other than an instruction permit or a restricted instruction permit after the
15		completion of any period of suspension or revocation. After the issuance of an
16		instruction permit or restricted instruction permit, the director may not issue any other
17		operator's license to that individual until that individual:

a. (1) Completes a course of classroom instruction and a course of

behind-the-wheel instruction acceptable to the director;Meets the requirements of section 39-06-17. The driver education requirement may be met through either

(2) Completes an internet course through a licensee under chapter 39-25 and completes thirty hours of driving with that individual's parent or guardian in compliance with department rules designed for experience in various drivingconditions; or

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	Legislat	VC AL	550111	Jiy
1			<del>(3)</del>	Successfully completes successfully completing a course at an approved
2				commercial driver training school meeting the requirements of chapter
3				<u>39-25;</u> and
4		b.	Sati	sfies all other requirements that apply to that individual for that operator's
5			licer	ISE.
6	SEC		N 2. A	MENDMENT. Subsection 2 of section 39-06-13 of the North Dakota Century
7	Code is	amer	nded	and reenacted as follows:
8	2.	The	exar	nination must include an actual demonstration of ability to exercise ordinary
9		and	reas	onable control in the operation of a motor vehicle unless waived for an
10		app	licant	who has successfully passed an actual ability test in this or another state
11		con	ducte	d by a state licensing authority or by a commercial driver training school
12		mee	eting	the driver education requirements prescribed by the director under chapter
13		<u>39-2</u>	<u>25</u> . A	minor may operate a motor vehicle no matter how owned for the actual ability
14		test		
15	SEC	OITO	<b>3.</b> S	Subsection 3 to section 39-25-01 of the North Dakota Century Code is created
16	and ena	cted	as fo	lows:
17	<u>3.</u>	"Ce	rtifica	te of course completion" means documentation signed by one or more driver
18		<u>edu</u>	catio	n programs indicating the driver has met the classroom instruction and
19		beh	ind-th	ne-wheel instruction requirements prescribed by the director.
20	SEC	OITO	<b>4.</b> A	new section to chapter 39-25 of the North Dakota Century Code is created
21	and ena	cted	as fo	lows:
22	Wai	ver o	fski	I test.
23	The	direc	tor m	ay waive the skill portion of the driver's license examination if the applicant
24	has suc	cessf	ully c	ompleted the classroom instruction and behind-the-wheel instruction
25	requirer	<u>nents</u>	pres	cribed by the director. The director shall adopt and prescribe regulations
26	concern	ing ci	riteria	for the classroom instruction and behind-the-wheel instruction requirements.
27	A certific	cate c	of cou	rse completion must accompany the driver's application as evidence that the
28	applicar	nt for	a clas	ss D license has satisfactorily completed the classroom instruction and
29	behind-t	he-w	heel	instruction requirements prescribed by the director.
30	SEC	CTIO	V 5. A	MENDMENT. Subsection 2 of section 39-25-04 of the North Dakota Century
31	Code is	amei	nded	and reenacted as follows:

1	2.	The regulations must state the requirements for an instructor's license, including
2		requirements concerning residency, language, moral character, physical condition,
3		knowledge of the courses of instruction, motor vehicle laws and safety principles,
4		previous personal and employment records, and any other matter as the director may
5		prescribe for the protection of the public.
6	SEC	CTION 6. AMENDMENT. Section 39-25-07 of the North Dakota Century Code is
7	amende	ed and reenacted as follows:
8	39-2	25-07. Exclusions - Free instruction - Colleges, universities, and high schools.
9	This	s chapter does not apply to any person giving driver training lessons without charge, to
10	employe	ers maintaining driver training schools without charge solely for that employer's
11	employe	ees, nor to a school or a class conducted by a college, a university, or a high school for a
12	regularl	y enrolled full-time or part-time student as a part of a normal program of the institution,_
13	<u>except t</u>	hat a public driver education program may provide a certificate of course completion to
14	be used	by a driver to waive the skill portion of the driver's license examination under section 2
15	<u>of this A</u>	<u>let</u> .



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Sixty-fourth Legislative Assembly of North Dakota

HOUSE BILL NO. 1122

Introduced by

Transportation Committee

(At the request of the Department of Transportation)

1 A BILL for an Act to amend and reenact sections 39-06-14, 39-06-18, and 39-06-19 of the North

2 Dakota Century Code, relating to general operator's license requirements, substitute operator's

3 licenses, and license renewals.

#### 4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 39-06-14 of the North Dakota Century Code is

6 amended and reenacted as follows:

#### 39-06-14. Licenses issued to operators - General - Classified operator's license.

- Upon the payment of the application fee listed in section 39-06-49, the director shall
   issue to every qualified applicant an operator's license. An application for an operator's
   license must be made on a form furnished by the director. The operator's license must
   bear the full name, date of birth, residence address, and a brief description of the
   licensee.
- The license must bear either a facsimile of the signature of the licensee or a space
   upon which the licensee shall write the licensee's usual signature. An operator's
   license is not valid unless signed by the licensee with the licensee's usual signature.
   For purposes of verification, the director may require the licensee to write the
   licensee's signature in the presence of the director.

17 licensee's signature in the presence of the director.
18 3. The operator's license must bear a distinguishing number assigned to the licensee.

- The director may not issue a distinguishing number that is, contains, can be converted
   to, or is an encrypted version of the applicant's social security number.
- 4. The operator's license must bear a color photograph of the licensee. The director may
  adopt rules relating to the manner in which photographs are to be obtained and placed
  on an operator's license. The photograph may be produced by digital imaging or other
  electronic means and is not a public record. If the licensee is under the age of

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eighteen, the photograph must be against a color border or background that is different from the color used for other licensees. If the licensee is at least the age of eighteen and is under the age of twenty-one, the photograph must be against a color border or background that is different from the color used for other licensees.

5. Upon request and with adequate documentation, the director shall place an indicator on the face of an operator's license of a veteran. The veteran may make the request through the department of veterans' affairs.

6. An applicant holding a valid operator's license issued by this state and making-

application for renewal must be issued a class D license without being subjected to a
written or actual ability examination. The director shall issue to any other applicant
applying for issuance of an operator's license a classified license after a successful
examination in the type of motor vehicle or combination of vehicles for the particularclass of license and the particular license authorizes the holder to drive the particularclass of vehicles as designated in section 39-06.2-09 or this chapter.

7. An individual with a class D license may operate:

A single vehicle with a gross vehicle weight rating of twenty-six thousand pounds [11793.40 kilograms] or less or this vehicle towing a vehicle with a gross vehicle weight rating not in excess of ten thousand pounds [4535.92 kilograms] or a combination of vehicles with a gross combination weight or a gross combination weight rating in excess of twenty-six thousand pounds [11793.40 kilograms] if the individual is eighteen years of age or older, unless the individual is driving a farm vehicle and meets the requirements of subdivision e of subsection 7 of this section and subsection 3 of section 39-06.2-06.

 A farm tractor towing another vehicle having a gross weight in excess of ten thousand pounds [4535.92 kilograms].

 A truck towing a trailer in excess of ten thousand pounds [4535.92 kilograms] if the combined weight does not exceed twenty-six thousand pounds [11793.40 kilograms] gross combination weight rating.

 A house car or a vehicle towing a travel trailer being used solely for personal purposes.



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1	e.	A two-axle or tandem-axle motor vehicle, a triple-axle motor vehicle, and a truck
2		or truck tractor towing a trailer, semitrailer, or farm trailer if the individual is
3		exempted from a commercial driver's license under subsection 3 of section
4		39-06.2-06, except the individual may not operate a double trailer or triple trailer
5		and an individual under eighteen years of age may not operate a truck tractor or
6		a bus designed to carry sixteen or more passengers, including the driver.
7	<del>8.<u>7.</u></del>	Any holder of a classified license who drives a motor vehicle otherwise than as
8		permitted by the class of license issued to the holder is deemed to be driving a
9		motor vehicle without being duly licensed. The holder of a classified license who
10		desires to obtain a different class license must exchange or renew the license.
11		The director may adopt rules on renewals or exchanges for the proper
12		administration of this chapter.

SECTION 2. AMENDMENT. Section 39-06-18 of the North Dakota Century Code is
 amended and reenacted as follows:

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#### 39-06-18. Substitute operator's license.

16 If an operator's license or nondriver photo identification card issued under this chapter is 17 lost, mutilated, or destroyed, or contains erroneous information due to a change in name, 18 address, or for any other reason, the individual to whom the operator's license or identification 19 card was issued may obtain a substitute, by furnishing proof satisfactory to the director that the 20 operator's license or identification card has been lost, mutilated, or destroyed, or is erroneous, 21 and upon payment of a fee listed in section 39-06-49. If an individual has a name change, the 22 individual shall obtain a substitute license or identification card with the correct name. If there 23 has not been any information contained on the operator's license or nondriver photo 24 identification card changed since issued, the individual may utilize online services provided by 25 the director to obtain a substitute operator's license or nondriver photo identification card. The 26 director may adopt procedures necessary to implement this section. 27 SECTION 3. AMENDMENT. Section 39-06-19 of the North Dakota Century Code is

- 28 amended and reenacted as follows:
- 29 **39-06-19. Expiration of license Renewal.**
- Every operator's license issued under this chapter or chapter 39-06.2 expires and is
   renewed according to this section.

1 The expiration date of a noncommercial operator's license for an individual whose 2. 2 birth occurred in a year ending in an odd numeral is twelve midnight on the 3 anniversary of the birthday in the third subsequent year ending in an odd numeral, 4 except for an individual who, at the time of renewal, is seventy-eight years of age or 5 older is twelve midnight on the anniversary of the birthday in the second subsequent 6 year ending in an odd numeral. The expiration date of a noncommercial operator's 7 license for an individual whose birth occurred in a year ending in an even numeral is 8 twelve midnight on the anniversary of the birthday in the third subsequent year ending 9 in an even numeral, except for an individual who, at the time of renewal, is 10 seventy-eight years of age or older is twelve midnight on the anniversary of the 11 birthday in the second subsequent year ending in an even numeral.

The expiration date of a commercial operator's license for an individual whose birth
occurred in a year ending in an odd numeral is twelve midnight on the anniversary of
the birthday in the second subsequent year ending in an odd numeral. The expiration
date of a commercial operator's license for an individual whose birth occurred in a
year ending in an even numeral is twelve midnight on the anniversary of the birthday
in the second subsequent year ending in an even numeral.

18 An individual who has a valid, unexpired nonimmigrant visa or nonimmigrant visa 4. 19 status for entry into the United States, a pending application for asylum in the United 20 States, a pending or approved application for temporary protected status in the United 21 States, approved deferred action status, or a pending application for adjustment of 22 status to that of an alien lawfully admitted for permanent residence or conditional permanent residence status in the United States will be issued a temporary operator's 23 24 license or nondriver photo identification card. The temporary operator's license or 25 identification card is valid only during the period of time of the applicant's authorized 26 stay in the United States or, if there is no definite end to the period of authorized stay, 27 a period of one year. The license or card may be renewed only upon presentation of 28 valid documentary evidence that the status has been extended.

5. An applicant for renewal must present the application with the fee for renewal of
license to the director not before ten months before the expiration date of the
operator's license. The director may require an examination of an applicant as upon

	9	
1		an original application. The director may require an applicant for renewal or a
2		substitute to provide a social security card and proof of residence address. The
3		director may not issue a distinguishing number that is, contains, can be converted to,
4		or is an encrypted version of the applicant's social security number.
5	6.	If an otherwise eligible applicant holding a valid operator's license issued by this state
6		applies for renewal, the director shall issue the same class license to the applicant
7		without a knowledge or actual ability test.
8	<u>7.</u>	The director may not renew an operator's license if the license has been suspended
9		under section 14-08.1-07. Upon the recommendation of the court, the director may
10		issue a temporary permit to the licensee under section 39-06.1-11 if the temporary
11		permit is necessary for the licensee to work and the court has determined the licensee
12		is making a good-faith effort to comply with the child support order.
13	<del>7.<u>8.</u></del>	An applicant for renewal of an operator's license must provide a certificate of
14		examination from the driver licensing or examining authorities or a statement as to the
15		corrected and uncorrected vision of the applicant from a licensed physician or an
16		optometrist, except as required under subsection 10 of this section. The director shall
17		provide visual examination equipment at each location where a license may be
18		renewed.
19	<del>8.<u>9.</u></del>	An individual submitting an application and the fee for renewal of license one year or
20		more after the expiration of a license, except an applicant whose military service has
21		terminated less than thirty days prior to the application, must be treated as an initial
22		applicant.
23	<u>10.</u>	A noncommercial applicant may apply by mail or electronically for renewal of a license
24		during every other renewal cycle. The director may waive vision requirements for
25		applicants under the age of sixty-five and adopt procedures necessary to implement
26		this subsection.



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#### FISCAL NOTE Requested by Legislative Council 12/22/2014

Bill/Resolution No.: HB 1122

1 A. State fiscal effect: Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2013-2015	Biennium	2015-2017	Biennium	2017-2019 Biennium		
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	
Revenues							
Expenditures				\$46,860		\$4,000	
Appropriations				\$46,860		\$4,000	

1 B. County, city, school district and township fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

2 A. **Bill and fiscal impact summary:** Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

Creating online renewal option, no net new revenue, costs for IT programming and mail. Number of licenses based on estimate.

B. **Fiscal impact sections:** Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

ITD programming, 420 hours at \$83 per hour = \$34,860 Testing with vendor to validate process 80 hours at \$100 per hour = \$8,000 Mailing expected 3 – 4,000 per year at .50 each = \$4,000 per biennium

- 3. State fiscal effect detail: For information shown under state fiscal effect in 1A, please:
  - A. **Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

No new revenue.

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

Expenditures based on data in 2B are IT related for programming and testing of the new online process and for mailing licenses

C. **Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

Appropriations are for cost of expenditures only.

Name: Glenn Jackson Agency: NDDOT Telephone: 328-4792 Date Prepared: 01/07/2015

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HB1012 January 13, 2015 attachment E

Testimony House Bill 1012 – Department of Transportation State Aid for Public Transit Budget **Government Operations Division - Appropriations Committee** January 13, 2015

Chairman Thoreson and members of the committee, my name is Pat Hansen. I am the executive director of South Central Adult Services in Valley City. I am also a member of the North Dakota Senior Service Providers and Dakota Transit Association.

The State Aid for Public Transit funding we receive is used to match federal dollars we operating vehicles and as local match for purchasing vehicles for use in public transit. Replacing vehicles statewide is a priority since the average vehicle age in ND is 6.9 years (only 8 states in the country have older transit vehicle fleets) according to the 2014 Rural Transit Fact Book published by SURTC. If we do not receive adequate state funding for match, we may not be able to access all of the federal dollars we are appropriated.

I am going to talk about what is happening in my agency as an example of what is occurring statewide with public transit services in North Dakota.

Our Agency is seeing huge increases in demand for services. This increases miles driven, creates increases in fuel bills, personnel costs and vehicle maintenance costs. We currently have 10 vehicles with less than 100,000 miles, 13 vehicles with 100,000 -150,000 miles, 2 with 150,000 – 200,000 miles, 5 over 200,000 miles and 1 over 300,000 miles. Our ridership has increased by 87%, from 62,738 rides in FY 08/09 to 117,866 rides in FY 13/14. South Central Adult Services provides the same service in the very rural areas of North Dakota that are available in the larger cities. The very rural counties we service, which include LaMoure, Foster, Logan, McIntosh, Griggs and Emmons provided 50,910 rides this past fiscal year. Barnes County (which is our "urban" county) provided 66,965 rides. Local service is provided to communities within the counties, and transit is available from the southwestern counties to Bismarck 5 days per week, to Jamestown 3 days per week and to Fargo 5 days per week. We are transporting dialysis patients from Strasberg, Linton, Wishek, Ashley, Carrington and Valley City on a regular basis. We have made more than 100 trips to Fargo with patients for radiation treatments and chemotherapy in the last few months.

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That is only the tip of the iceberg. We provide rides for local medical appointments, rides to work and school and many rides for local grocery shopping, hair appointments, rides to senior centers and rides for nursing homes and assisted living facilities. We currently have 15 full-time and 29 part-time transit employees. As you can see on the attached chart, the cost of personnel has increased dramatically over the past few years. We have had to increase wages in order to complete with other employers in our area and have increased hours to keep up with the demand for services. Even taking the impact on the residents of our counties out of the picture, if we do not receive adequate funding, the staff reductions in these rural counties would be devastating to our employees and to the small rural communities where there are very few jobs available.

I have attached charts indicating our federal and state funds, ride provision, total budgets and fuel costs for the past several years to show the huge increases we are experiencing.

HB 1012 estimates there will be \$9.3 million dollars available in the State Aid for Public Transit fund. That is a decrease over the \$10 million being distributed this current biennium. Even at the \$10 million dollar allocation this biennium, South Central had to provide \$160,000 or 13% of our budget last year in local fundraising to maintain services. Transit providers feel that a figure of \$12.5 million is closer to what the needs are for State Aid for Public Transit funding for 2015-2017. I strongly encouraging you to support funding to this \$12.5 million level, making this funding a reality!

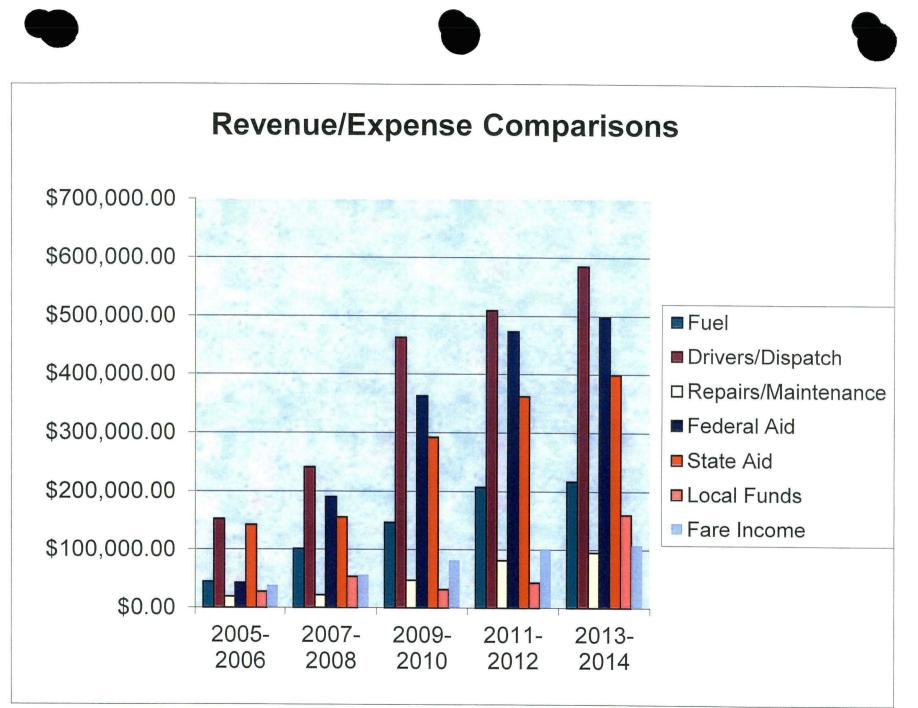
I would also like to talk to you about what is happening in the world of Public Transit Capital Funding. The bottom line in North Dakota is currently there is need for more than \$23 million dollars of Capital Replacement and there are only \$2.3 million Federal dollars

over the next biennium to fill the need. In the past, to replace transit vehicles and meet other transit capital needs, North Dakota has totally relied on Federal Funds for capital replacement (80% Federal dollars, 20% Local dollars).

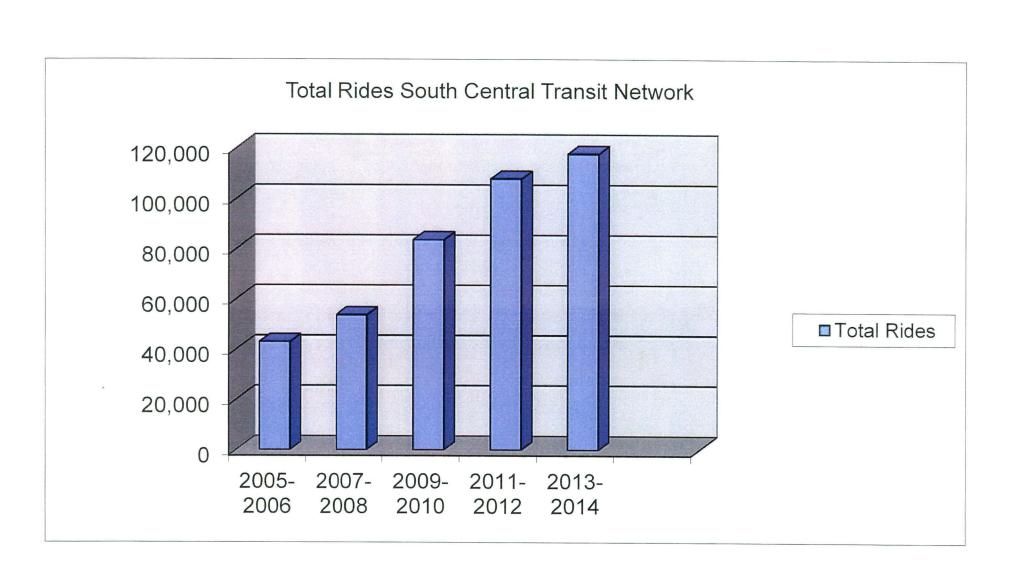
For rural providers, North Dakota currently has 99 vehicles in use (out of 194 total) that have met their useful life according to Federal transit vehicle use standards (information from ND DOT, August 2014). Using Federal Funds, the Transit Office of the NDDOT is able to replace only 16-18 vehicles per year and each year another 16-18 vehicles reach their useful life limits - so there continues to be approximately 100 rural vehicles past their useful life on the road at all times. Older vehicles cost more to maintain and safety with older vehicles is always a concern. Three public transit entities, Bis-Man Transit, Cities Area Transit in Grand Forks, and Metro Area Transit in Fargo are considered Urban systems by the Federal Government and are estimating for the next 2 years they will have \$17 million of unmet capital needs.

The current Federal Program (Map-21) provides just \$2.3 million over the next two years for Transit Capital needs in North Dakota (rural and urban). For rural transit vehicle replacement over the next 2 years and the urban capital needs, there is a shortfall of \$20 million dollars of capital funding. Transit Providers have no reasonable belief that by using only Federal Dollars for Capital needs that this situation will ever improve. Transit providers are asking the State of North Dakota to invest in Rural and Urban Transit by providing \$20 million in Capital funding for Public Transportation.

Thank you for your consideration. I would be happy to answer any questions you may have.



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Samuary 13,2015 attachment HB1012 FRIENDS OF

LAKE SAKAKAWEA

PO Box 309 | Garrison, North Dakota | 58540 | friends@lakesakakawea.com | www.lakesakakawea.com

## **House Appropriations Government Operations Division**

Tuesday, Jan. 13, 2015 In Support of HB1012 Michael H. Gunsch, Vice Chairman Phone 701-527-2134 (cell)

Chairman Thoreson and members of the committee, I'm Michael Gunsch, Vice Chairman of the Friends of Lake Sakakawea (FOLS) and a registered professional engineer in North Dakota. Funding to construct and improve roadways to recreational, tourist and historical sites in North Dakota is inadequate to meet current and future needs, and has been for a number of years.

The North Dakota Special Roads Fund, created under the ND Century Code 24-02-37 and 24-02-37.2, is an excellent vehicle to receive, review and provide funding for needed recreational roadway projects. However, available funding cannot begin to meet current needs. In the 2013/2014 funding cycle there were \$1.9 million in requests with only \$345,000, just over 18% being funded. The Special Roads Funds Committee currently limits funding to a \$250,000 maximum, based on a 60% participation in construction costs. At these funding levels you can't construct much, and larger projects cannot begin to be funded.

The interest and use in recreation areas around North Dakota has dramatically increased in recent years. As you can see from the information we provided, residential fishing licenses were up 20 percent, and non-residents are also enjoying these recreational opportunities. There were around 3,500 non-residents who purchased 10 day licenses, up 24 percent from the prior year. In addition 16,000 non-residents bought annual fishing licenses, up 18 percent from the year before. As our state's population has and continues to grow, so has the interest and need for recreational opportunities.

Outdoor recreation is the number one reason people visit our state, according to a study commissioned by the North Dakota Tourism Department. Whether we're accommodating residents or non-residents to fish, boat, hike, hunt, <u>we have an obligation as promoters our state</u> to provide them with a positive experience. This is becoming increasing difficult as roadways to our recreation sites deteriorate with increased use.

Although I'm here representing the Friends of Lake Sakakawea, our efforts support statewide recreational road improvements. Our organization sees the big picture, like when we were the first recreational stakeholder organization to support the Red River Valley Water Supply project. We recognized the importance of using the Missouri River water supply for municipalities, irrigation and hydropower, and made our position known. The recreational roadway needs around Lake Sakakawea alone are estimated at around \$84 Million, and the state-wide need is far greater. The \$5 million is just a beginning, and considerably more is necessary, if we are going to move forward.

While we greatly appreciate the \$5 million allocation into the Special Roads Fund; we also recognize the greater need and would appreciate the Committee's consideration of additional resources, up to \$20 Million, for this biennium.

AB 1012 Ganuary 13, 2015 attackment



P.O. Box 309 | Garrison, North Dakota | 58540 | friends@lakesakakawea.com | www.lakesakakawea.com

## **Reconomics: Investment in Recreation = A Strong Economy**

#### Hunting and fishing generated gross business volume of \$1.4 billion in 2011.

- Hunting and fishing activities in North Dakota generated nearly \$634 million in direct expenditures.
- Expenditures for open water fishing generated the most spending with \$384.6 million that's 61 percent of all resident and non-resident hunting and fishing expenditures in the state.
- The secondary economic effects of hunting and fishing generated nearly \$727 million.
- Taking the direct and secondary economic effects of hunting and fishing in North Dakota, the gross business volume was estimated at \$1.4 billion in 2011 and 2012.

(Source: Hunter and Angler Expenditures, Characteristics, and Economic Effects, North Dakota, 2011-2012; January 2013; NDSU Department of Agribusiness and Applied Economics)

#### Fishing licenses sales were up significantly in 2014 over sales in 2013.

- Exactly 35,019 residential fishing licenses were sold last year almost 20% higher than in 2013.
- Non-resident three-day licenses were up 10% (12,397).
- Non-resident ten-day licenses were up a whopping 24% (3,452).
- Non-resident annual fishing licenses were up 18% (16,344).

(Source: North Dakota Game & Fish Department)

#### Outdoor recreation is the number one reason people take trips to North Dakota.

• The most recent study, conducted in 2012, by Strategic Marketing and Research, Inc. (SMARI), on behalf of the North Dakota Tourism Department, shows that outdoor recreation is the number one draw for tourists.

- In fact, 11% of overnight guests to North Dakota participated in fishing. Four percent (4%) stated they were motivated to make their trip to North Dakota entirely because they wanted to fish.
- Among day trip travelers the numbers are even stronger with 15% participating in fishing and 8% who were motivated to fish.

(Source: SMARI North Dakota Visitor Profile Report 2012)

# HBIDIZ Bernary 13,205 Attack 2015 HUNTING & FISHING GUIDE



Scott Stenshoel, Fly Fishing Expert

Jordan Johnson, Big Game Expert.

Brian Lee, Waterfowl Expert.

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A Museur

Al Messner, Archery Expert

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Melainy Nickila, Upland Expert.

THEY HAVE TO BE EXPERTS OUT THERE, BEFORE WE'LL CALL THEM EXPERTS IN HERE.

Jason Srnsky, Fishing Expert.



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#### Dear Friends,

Thank you for choosing to hunt and fish in North Dakota. Our state has a long history of outdoor recreation and we are looking forward to another great year on the prairie and on the water.

In particular, we are glad to report that our game numbers continue to look strong.

We are proud of our Private Land Open to Sportsmen (PLOTS) program, now in its 17th year. In a state where 93 percent of land is privately owned, we have worked with landowners to provide publicly accessible walk-in hunting on more than 700,000 acres of private land throughout the state.

For those interested in fishing, Lake Sakakawea has more shoreline than the state of California, and our waters continue to be excellent for anglers. Whether you choose Devils Lake, Lake Sakakawea, Lake Oahe, the Missouri River, or any of the 400 plus North Dakota Game and Fish-managed fisheries, you'll enjoy the walleye, northern pike and perch found in North Dakota.

We take great pride in our outdoors and continue to make investments to support varied conservation and outdoor recreation efforts across the state. As North Dakota continues to be a popular place to live, work and raise a family, we know our hunting and fishing traditions will remain strong.

I hope this guide helps you plan your trip to North Dakota soon. We look forward to hosting you. For more details, visit NDtourism.com or gf.nd.gov.

Enjoy your time in North Dakota.

Jack Daluymsle Jack Dalrymple

Governor

Information: Detailed hunting and fishing information can be found at the North Dakota Game and Fish Department: 701-328-6300 or gf.nd.gov.

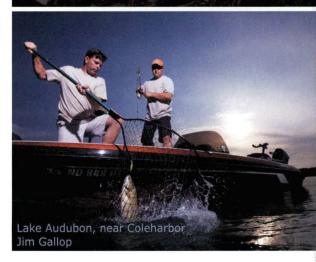
Accommodations: More than 100 new hotels have opened since 2010 in North Dakota, but demand remains strong. Find rooms early at NDtourism.com.

Guides and Outfitters: Visit the North Dakota Professional Guides and Outfitters Association website for guide services-ndpgoa.com, or NDtourism.com/guides-outfitters. Official 2015 Hunting and Fishing Guide: Produced by the North Dakota Department of Commerce Tourism Division, North Dakota Living and Odney Advertising. For more information, contact North Dakota Tourism at 800-435-5663.





North Dakota Governor Jack Dalrymple



1-800-435-5663 NDtourism.com

# YOUR IDEA OF A WATER PARK **IS WONDERFULLY DIFFERENT.**





ND 177 HO

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## FISHING

They're out there - northern pike, walleye, perch and more - waiting to see if you can outthink them. Welcome to world-class fishing in North Dakota. Lake Sakakawea, Devils Lake, Red River and the Missouri River system are among our most popular fishing playgrounds. Sounds like a good excuse for you to find out for

yourself, doesn't it?











# Great fishing abounds in North Dakota

Anglers will find choices in every season, from snagging paddlefish on the Missouri and Yellowstone rivers in the spring in the northwest to drilling a hole in the ice at Devils Lake in a winter search for jumbo yellow perch. The Missouri River system (including lakes Sakakawea and Oahe), Devils Lake and the Red River are some of the major fisheries. Like other lakes and rivers in North Dakota, each offers unique experiences.

The Missouri River system slices through west and central North Dakota and features four distinct areas that provide their own characteristics and fishing qualities: upper Missouri River, Lake Sakakawea, central Missouri River and Lake Oahe:

#### The Upper Missouri River

The Missouri River enters North Dakota from Montana just west of Williston. The freeflowing river offers a good setting for sauger and walleye in the spring and fall. The western reaches of the river in North Dakota offers one of the better spots in the country to snag a giant paddlefish in late spring. Anglers also can come across northern pike and catfish in this area.

#### Lake Sakakawea

The lake named for the Native American woman who joined Lewis and Clark 200 years ago, is the third-largest manmade lake in the United States. It's filled by the Missouri River and contained by Garrison Dam, the country's fifth largest. This huge lake, with more shoreline than California, is home to numerous species. Walleye is the most popular catch, but anglers can reel in northern pike weighing more than 20 pounds, Chinook salmon, smallmouth bass, white bass, yellow perch, crappie and sauger.

#### **Central Missouri River**

Water leaving Garrison Dam flows south in the Missouri River until it reaches Lake Oahe beyond Bismarck. This stretch of river is home to nationally renowned walleye fishing. The Tailrace at Garrison Dam offers excellent open-water fishing year-round and is home to state records for Chinook salmon, brown trout, rainbow trout, lake trout and cutthroat trout, all caught within 20 miles downstream of the dam.

#### Lake Oahe

This lake stretches from Pierre, S.D., nearly to Bismarck. Anglers can find walleye and northern pike in this area, but there's also crappie, catfish and white bass.



#### **ABOUT THIS GUIDE**

Official 2015 Hunting and Fishing Guide produced by North Dakota Department of Commerce Tourism Division, North Dakota Living and Odney Advertising. For more information, contact North Dakota Tourism at 800-435-5663.

#### Accommodations

With new hotels opening every month, North Dakota now offers more lodging choices for your next excursion. Peak dates are in high demand, so plan your trip today at the North Dakota Tourism Division website: www.ndtourism.com.

#### **Guides and Outfitters**

For information on hunting and fishing guides, please visit the North Dakota Professional Guides and Outfitters Association at the website www.ndpgoa.com or Tourism's website www.ndtourism.com/guides-outfitters.

#### Photo Credits

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# **RIVERDALE HIGH** LODGE



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30 large rooms, wireless cable TV, friendly staff Located on Sakakawea's South Shore 401 3rd Street Riverdale, ND 58565 riverdalehighlodge@hotmail.com 701-654-9559 • riverdalehighlodge.com



# Regulation highlights

• State law now requires that all water is drained from boats and other watercraft when leaving a water body.

• On nearly all North Dakota waters, fishing for game fish is open year-round, with a licensing season of April 1-March 31. See regulations for exceptions.

· Darkhouse spearfishing is allowed from December 1 through March 15 of each fishing year on all waters statewide, with a few exceptions. Northern pike and nongame fish are the only legal species. Daily and possession limits are the same as for hook-and-line angling. Darkhouse spearfishing is open to North Dakota residents, as well as nonresidents whose home states allow North Dakotans to spearfish. Darkhouse spearfishing requires registration with the North Dakota Game and Fish Department.

· Fathead and stickleback minnows, creek chubs and white suckers (limited area on the Red River only) are the only legal live baitfish allowed in North Dakota waters. On the following lakes, no live baitfish of any kind are allowed:

Water Area Belfield Pond Blumhardt Dam Bylin Dam/Dougherty Dam Camels Hump Dam Crown Butte Custer Mine Pond Davis Dam Dickinson Dike

County Stark McIntosh Walsh Golden Valley Morton McLean Slope Stark



Fish Creek Harmon Lake Indian Creek Kettle Lake Leland Dam Lightning Lake McDowell Dam North Lemmon Dam Nygren Dam Raleigh Reservoir Sather Dam Sheep Creek Dam Velva Sportsmen's Pond Morton Morton Hettinger Williams McKenzie Mclean Burleigh Adams Morton Grant McKenzie Grant Ward

## License Information

Copies of the current North Dakota fishing regulations are available at gf.nd.gov or by calling the Game and Fish Department at 701-328-6300.

#### NONRESIDENT FISHING

Individual Season	\$45.00
Husband-Wife Season	60.00
Individual 10-day	35.00
Individual 3-day	25.00
* Paddlefish Tag (limit 1—all ages)	25.50

Nonresidents under age 16 do not need a fishing license if accompanied by a licensed adult.

#### RESIDENT FISHING

Individual (age 16 or older)	\$16.00
Husband and Wife	22.00
Senior Citizen (age 65 and older)	5.00
* Paddlefish Tag (limit 1 - all ages)	10.00

#### **DID YOU KNOW?**

Fishing season never closes in North Dakota. The official season date is April 1-March 31. Anglers must remember to renew their licenses each year before fishing after April 1.







on the Missouri River System in North Dakota. All sites have a boat ramp, courtesy dock and restrooms unless otherwise noted. Due to damage from flooding in 2011, access at some of these sites may not be available. For updated access information, check the North Dakota Game and Fish Department's website (gf.nd.gov) or contact the appropriate managing authority noted at the end of each listing.

1. SUNDHEIM PARK – 2 miles west of Cartwright on ND Highway 200, on west side of Yellowstone River and south side of ND Highway 200. Paved access road, no courtesy docks, primitive camping, security lights, picnic shelter – McKenzie County Park Board.

2. CONFLUENCE AREA – 1.5 miles south of Buford on ND Highway 1804. Paved access road, developed and primitive camping, security lights, picnic shelter – Williams County WRD.

3. LEWIS AND CLARK BRIDGE – 4 miles west of Williston on U.S. Highway 2, 3 miles south on U.S. Highway 85, on south side of Missouri River, and east side of U.S. Highway 85. Paved access road, no courtesy docks, security lights, picnic shelter – North Dakota Game and Fish Department.

4. LEWIS AND CLARK STATE PARK – 16 miles east of Williston on ND Highway 1804, then 3 miles south. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, lodging, access fee, RV dump station – North Dakota Parks and Recreation.
5. WHITETAIL BAY (LUND'S LANDING) – 22 miles east of Williston on ND Highway 1804. Paved access road, fish cleaning facility, developed camping, security lights,

 bichic shelter, concession, lodging, boat rental – Williams County Park Board.
 6. TOBACCO GARDEN CREEK BAY – 2 miles east of Watford City on ND Highway
 22. the 25 miles parth each east of ND

23, then 25 miles north and east on ND Highway 1806. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, lodging, RV dump station – McKenzie County Park Board. **7. LITTLE BEAVER BAY** – 32 miles

Oliver

northwest of New Town on ND Highway 1804, then 3 miles south. Gravel access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter – Williams County Park Board.

8. WHITE EARTH BAY – 28 miles northwest of New Town on ND Highway 1804, then 2 miles south, 1 mile east, 3 miles south, 3 miles east. Gravel access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, RV dump station – Mountrail County Park Board.

**9. SANISH BAY (AFTEM)** – 1 mile north, 2 miles west of New Town. Gravel access road, no restrooms – New Town Park Board/Aftem Development.

**10. NEW TOWN MARINA** – 2 miles west of New Town on ND Highway 23. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, RV dump station – New Town Marina Association.

**11. FOUR BEARS** – 4 miles west of New Town on ND Highway 23. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, lodging, RV dump station – Three Affiliated Tribes.

**12. POUCH POINT** – 7 miles south, 2 miles east, 2 miles south, 1 mile east, 3 miles south of New Town. Paved access road, developed and primitive camping, security

lights, picnic shelter, concession – Three Affiliated Tribes.

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Burleigh

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Kidder

13. LITTLEFIELD BAY - 5 miles south, 2 miles east of New Town. Gravel access road, no restrooms, no courtesy docks - North Dakota Game and Fish Department. 14. VAN HOOK - 5 miles east of New Town on ND Highway 23, then 2 miles south. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, RV dump station - Mountrail County Park Board. 15. PARSHALL BAY - 3 miles west, 1 mile south, 3 miles west, 1 mile south, 2 miles west of Parshall. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, boat rental, RV dump station -

Mountrail County Park Board.

16. SKUNK BAY – 14 miles northeast of Mandaree. Gravel access road, developed and primitive camping, concession, lodging – Three Affiliated Tribes/Roads Maker, Inc..
17. DEEP WATER CREEK BAY – 14 miles south of Parshall on ND Highway 37, then either 1 mile south to the corps ramp or 2.5 miles west and .5 miles south to the county ramp. Gravel access road, primitive camping, security lights, picnic shelter – U.S. Army Corps of Engineers/McLean County Park Board.

18. HALE MARINA – 18 miles southeast of Mandaree. Gravel access road, no restrooms, no courtesy docks – Three Affiliated Tribes.
19. MCKENZIE BAY – 22 miles southeast of Mandaree. Gravel access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, lodging, RV dump station – Watford City Park Board.

**20. LITTLE MISSOURI BAY** – 16 miles northeast of Dunn Center. Gravel access road, security lights – Dunn County Park Board.

21. CHARGING EAGLE BAY – 12 miles north of Halliday on ND Highway 8, then 10 miles west on BIA No. 22. Gravel access road, no restrooms, fish cleaning facility, primitive camping – Three Affiliated Tribes. 22. INDIAN HILLS RESORT – 11 miles west of White Shield on ND Highway 1804, then 3 miles south. Gravel access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, lodging, boat rental, RV dump station – North Dakota Parks and Recreation/ Three Affiliated Tribes.

**23. BEAVER CREEK BAY** – 12 miles north of Zap. Paved access road, primitive camping, picnic shelter – Zap City Park Board.

24. DAKOTA WATERS RESORT – 15 miles north of Beulah. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, lodging, boat rental, RV dump station – Dakota Waters Resort.

25. BEULAH BAY – 17 miles north of Beulah. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, lodging, RV dump station – Beulah City Park Board.
26. DOUGLAS CREEK BAY – 5 miles south, 4 miles east of Emmet to corps ramp or 2 miles south, 1 mile east, 1 mile south of Emmet to county ramp. Gravel access road, primitive camping – U.S. Army Corps of Engineers/McLean County Park Board.
27. CAMP OF THE CROSS – 4 miles west, 1.5 miles south, 1 mile west, 1 mile south, 1 mile west, .5 miles south of Garrison. Gravel

access road, no restrooms – Camp of the Cross. 28. HAZEN BAY – 14 miles north of Hazen.

Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, lodging, RV dump station – Hazen City Park Board. 29. LAKE SAKAKAWEA STATE PARK –

Just east and north of Pick City. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, lodging, boat rental, access fee, RV dump station – North Dakota Parks and Recreation.

**30. GARRISON CREEK** – 2 miles west of Garrison on ND Highway 37, 3 miles south, 1 mile east. Gravel access road, no restrooms – Garrison Cabin Association.

# NORTH DAKOTA FISHING

31. FORT STEVENSON STATE PARK - 3

miles south of Garrison. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, lodging, boat rental, access fee, RV dump station – North Dakota Parks and Recreation.

**32. STEINKE BAY** – 3 miles west of the junction of ND Highway 37 and U.S. Highway 83, then 2 miles south. Gravel access road, primitive camping – North Dakota Game and Fish Department.

**33. SPORTSMENS CENTENNIAL PARK** – 1 mile west of the junction of ND Highway 37 and U.S. Highway 83, then 2 miles south, 1 mile west. Gravel access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession – McLean County Park Board.

**34. WEST TOTTEN TRAIL** – 7 miles north of Coleharbor on U.S. Highway 83, then .5 miles west, or 2 miles south of the junction of U.S. Highway 83 and ND Highway 37, then .5 miles west. Gravel access road – McLean County Park Board.

**35. WOLF CREEK** – 1 mile east of Riverdale on ND Highway 200, then 2 miles north, 1 mile east, 1 mile north, .5 miles east. Gravel access road, fish cleaning facility, primitive camping, security lights, picnic shelter, RV dump station – U.S. Army Corps of Engineers.

**36. GOVERNMENT BAY** – Just north of Riverdale. Paved access road, fish cleaning facility, developed and primitive camping, security lights – U.S. Army Corps of Engineers.

37. GARRISON DAM TAILRACE – Directly below Garrison Dam. Paved access road, fish cleaning facility, developed camping, security lights – U.S. Army Corps of Engineers.
38. UPA SITE (STANTON) – Just west of

UPA Power Plant on ND Highway 200A near Stanton. Paved access road, security lights – City of Stanton.

**39. WASHBURN** – On east side of the Missouri River near Washburn, north of ND Highway 200A bridge. Paved access road, fish cleaning facility, primitive camping, security lights, RV dump station – Washburn City Park Board.

**40. SANGER (CROSS RANCH)** – Just east of Sanger townsite on west side of Missouri River. Gravel access road, primitive camping, picnic shelter – North Dakota Parks and Recreation.

**41. STECKEL BOAT LANDING (WILTON)** – 22 miles north of Bismarck on ND Highway 1804, or 5.5 miles west, 1 mile south, and 1.5 miles west of junction of U.S. Highway 83 and ND Highway 36. Paved access road, primitive camping, picnic shelter – Burleigh County Park Board.

42. HOGE LANDING - On east side of the Missouri River near Bismarck, 6.4 miles north of I-94 bridge on River Road, then .7 miles west and 1.5 miles south/southwest. Gravel access road, no courtesy docks, picnic shelter - Bismarck Parks and Recreation.
43. KNIEFEL LANDING - On east side of the Missouri River near Bismarck, 3 miles north of I-94 bridge on River Road, then 1 mile west. Paved access road, fish cleaning facility, security lights, picnic shelter, concession - Burleigh County Park Board.

**44. GRANT MARSH BRIDGE** – On east side of the Missouri River near Bismarck, south side of the I-94 bridge on River Road. Paved access road, security lights – Bismarck Parks and Recreation.

45. FOX ISLAND PARK - From Washington

Street, .75 miles west on Riverwood Drive (1 block south of Expressway), 1.5 miles south and .5 miles west. Paved access road, fish cleaning facility, security lights – Bismarck Parks and Recreation.

 46. LITTLE HEART BOTTOMS (SCHMIDT)
 11 miles south of Mandan on ND Highway 1806, then 1 mile north. Paved access road
 Morton County Park Board.

**47. KIMBALL BOTTOMS (DESERT)** – 8 miles south of Bismarck on ND Highway 1804, then 2 miles south. Paved access road, primitive camping, picnic shelter – Burleigh County Park Board.

48. GRANER BOTTOMS (SUGAR LOAF)

19 miles south of Mandan on ND Highway
1806, then 1 mile east, or about 3 miles north of Huff. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, RV dump station – Morton County Park Board.
49. MACLEAN BOTTOMS (GUN RANGE) –

14 miles south of Bismarck on ND Highway 1804, then 2 miles south. Paved access road, picnic shelter – Burleigh County Park Board.

50. HAZELTON – 31 miles southeast of Bismarck on ND Highway 1804 or 13 miles west and 2 miles north of Hazelton. Campground located just south of boat ramp. Paved access road, developed and primitive camping, security lights, picnic shelter – U.S. Army Corps of Engineers.
51. FORT RICE – 28 miles south of Mandan on ND Highway 1806, then .5 miles east. Paved access road, fish cleaning facility, primitive camping, security lights, picnic shelter – Morton County Park Board.

52. PRAIRIE KNIGHTS MARINA – 10 miles south of the Cannonball River on ND Highway 1806, then 3.5 miles east. Gravel access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, lodging, RV dump station – Prairie Knights Casino.

**53. NORTH BEAVER BAY** – 13 miles west of Linton on ND Highway 13, then 3 miles west, and 1 mile north. Gravel access road, no restrooms – U.S. Army Corps of Engineers.

**54. BEAVER BAY** – 13 miles west of Linton on ND Highway 13, then 2 miles south on ND Highway 1804. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, RV dump station – U.S. Army Corps of Engineers.

**55. JENNERVILLE (RIVERY)** – 13 miles west of Linton on ND Highway 13, then 6.5 miles south on ND Highway 1804, and 3.5 miles west at Rivery turnoff. Gravel access road, no restrooms, no courtesy docks – U.S. Army Corps of Engineers.

56. CATTAIL BAY (WINONA) – 10 miles west of Strasburg, 1 mile south, 7 miles west, then 1 mile north on ND Highway 1804, 2 miles west, 2 miles south, 1 mile west. Gravel access road, primitive camping, concession – U.S. Army Corps of Engineers.
57. FORT YATES – North edge of Fort Yates. Paved access road, primitive camping, picnic shelter – Standing Rock Sioux Tribe.
58. LANGELIERS BAY – 10 miles west of Strasburg, 1 mile south, 7 miles west, then 11 miles south on ND Highway 1804, and .75 miles west. Paved access road, fish cleaning facility, primitive camping, security lights – Emmons County Park Board.



# Devils Lake Boat Access

Following is a list of boating access sites in the Devils Lake Basin (Lake Irvine, Devils Lake and Stump Lake) in North Dakota. All sites have a boat ramp, courtesy dock and restrooms unless otherwise noted. For updated access information, check the North Dakota Game and Fish Department's website (gf.nd.gov) or contact the appropriate managing authority noted at the end of each listing.

1. PELICAN LAKE BAY – 15 miles west of Devils Lake on ND Highway 19. Paved access road, trash receptacles – North Dakota Game and Fish Department.

2. ROUND LAKE BAY – 3 miles south of Minnewaukan on U.S. Highway 281. Paved access road, trash receptacles – Minnewaukan Community Club.

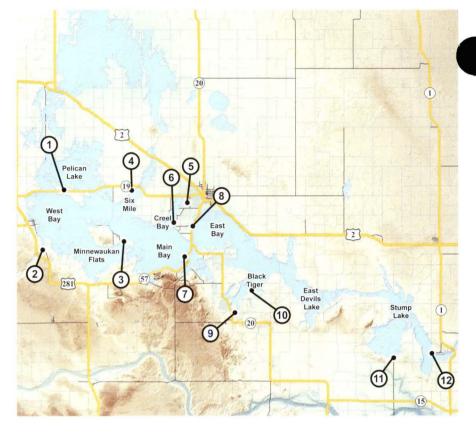
**3. GRAHAMS ISLAND STATE PARK** – 10 miles west of Devils Lake on ND Highway 19, then 6 miles south. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, trash receptacles, concession, lodging, access fee, RV dump station – North Dakota Parks and Recreation.

4. SCHWAB LANDING – 7 miles west of Devils Lake on ND Highway 19. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, trash receptacles, concession, telephone, RV dump station – North Dakota Game and Fish Department.

**5. HENEGAR LANDING** – 1 mile west of Devils Lake on ND Highway 19, then .75 miles south. Paved access road, fish cleaning facility, security lights, trash receptacles – Ramsey County Park Board.

6. CREEL BAY – 3 miles south of Devils Lake on ND Highway 20, then 2 miles west and .25 miles north. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, trash receptacles – Ramsey County Park Board.

7. SPIRIT LAKE CASINO - 6 miles south



of Devils Lake on ND Highway 20/57. Paved access road, fish cleaning facility, developed and primitive camping, security lights, trash receptacles, concession, lodging, boat rental, RV dump station – Spirit Lake Casino.

8. EAST BAY – 3 miles south of Devils Lake on ND Highway 20. Paved access road, security lights – North Dakota Game and Fish Department.

**9. ESTENSON LANDING** – 15 miles south of Devils Lake on ND Highway 20. Paved access road, no restrooms – North Dakota Game and Fish Department.

10. BLACK TIGER BAY - 7.5 miles east of

Devils Lake on U.S. Highway 2, then 6 miles south, 3 miles west. Gravel access road, no restrooms, no courtesy docks, concession – North Dakota Parks and Recreation.

**11. TOLNA LANDING (STUMP LAKE)** – 3 miles north of Tolna. Gravel access road, fish cleaning facility, security lights, picnic shelter – Tolna Community Club.

**12. STUMP LAKE PARK** – 11 miles south, 1 mile west of Lakota. Paved access road, fish cleaning facility, developed and primitive camping, security lights, picnic shelter, concession, lodging, RV dump station – Nelson County Park Board.

# Fishing along Red River of the North

1-800-435-5663



The winding Red River of the North forms the boundary between Minnesota and North Dakota, but it creates one long recreational playground for citizens of both states. The river provides canoeing, boating and fishing opportunities year-round, although spring floods sometimes create hazardous conditions before the river returns to its normal, slow, meandering flow in to Canada.

Local anglers may know the best access points to the Red River. For those who are unsure, the North Dakota Game and Fish has online maps that detail access points along the length of the river. Check with the Game and Fish Department for updated access maps.

NDtourism.com

# North Dakota Fishing Waters

Maps and text courtesy North Dakota Game and Fish Department

### Northwest

#### **BURKE COUNTY**

Northgate Dam (097) - 6 miles north, 1 mile west, 2 miles north, .5 miles west of Bowbells. Good populations of walleye, rainbow trout and bluegill. Also fair numbers of black crappie and some largemouth bass. (Fishing pier).

Powers Lake (093) - Southeast side of Powers Lake. Good numbers of northern pike and a few yellow perch. (Fishing pier). Short Creek Dam (094) - 5.5 miles north of Columbus. Fair populations of northern

pike, walleye, yellow perch and bluegill. (Fishing pier). Smishek Lake (095) - 4 miles northwest

of Powers Lake. Good numbers of yellow perch and bluegill. Also fair numbers of walleye and northern pike, with a few big fish of both species. (Fishing pier).

#### **DIVIDE COUNTY**

Baukol-Noonan Dam (475) – 2 miles east, .5 miles south of Noonan. Primarily rainbow trout, along with some walleye, brown trout and largemouth bass. Mostly small yellow perch and bluegill also present. (Fishing pier).

Baukol-Noonan East Mine Pond (508) - 2 miles east, .5 miles south of Noonan. Primarily rainbow trout, with fewer

mouth bass. Also good numbers of

y small yellow perch and bluegill. Black eads abundant.

Skjermo Lake (126) - 3 miles west, 4 miles northwest of Fortuna. Strong population of northern pike and some small yellow perch. (Fishing pier).

#### MCKENZIE COUNTY

Arnegard Dam (216) - .5 miles west, 3 miles north, 1.5 miles southwest of Arnegard. Primarily northern pike, with some larger pike present. Also holds some adult yellow perch, and an abundance of black bullheads. (Fishing pier).

Leland Dam (469) - 11 miles south, 8 miles west, 8 miles south, 2 miles southeast, 1.5 miles east, 1 mile north of Alexander. Good populations of bluegill and largemouth bass. Lack of public use facilities and poor access at times limit use.

Sather Dam (217) - 11 miles south, 8 miles west of Alexander. Good numbers of small bluegill and some smaller largemouth bass. (Fishing pier).

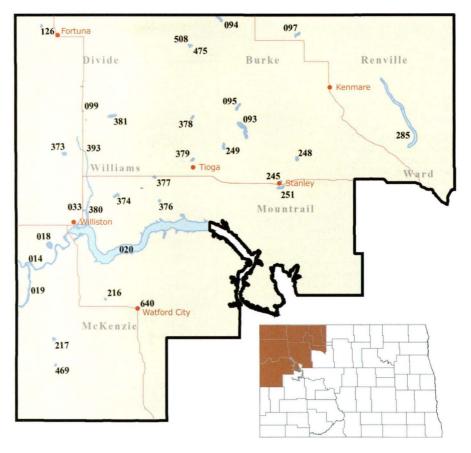
Watford City Park Pond (640) -Southeast side of Watford City. Fair numbers of rainbow trout and channel catfish. (Fishing pier, no ramp).

#### MOUNTRAIL COUNTY

Clearwater Lake (248) - 10 miles northeast of Stanley. A developing northern pike fishery

Stanley Pond (245) - Northeast side of Stanley. Fair populations of rainbow trout channel catfish. (Fishing pier).

ley Reservoir (251) - 1 mile south of ley. Winterkill in 2012-13. Northern pike stocked in 2013, but it will take a year for fish to grow to provide a sport fishery. White Earth Dam (249) - 6 miles north, 8.5 miles east, 2 miles south of Tioga.



Consists primarily of northern pike, but also fair numbers of walleye, bluegill, yellow perch and black crappie.

#### **RENVILLE COUNTY**

Lake Darling (285) - 16 miles north, 13 miles west of Minot. Strong populations of northern pike, walleye and yellow perch. (Fishing pier).

#### WILLIAMS COUNTY

Blacktail Dam (373) - 5 miles north, 5 miles west, 1 mile north of the junction of U.S. highways 2 and 85. Good numbers of northern pike, yellow perch and bluegill, and fair numbers of walleye. (Fishing pier). Cottonwood Lake (381) - 1 mile east, .5 miles north of Alamo. Good numbers of northern pike and good numbers and sizes of vellow perch. (Fishing pier)

East Spring Lake Pond (380) - North side of Williston. Fishing opportunities almost totally reliant on annual stocking due to frequent winterkills, the most recent of which was in 2012-13. The pond was stocked with adult northern pike in spring 2013. (Fishing pier, no ramp)

Epping-Springbrook Dam (374) - 1.5 miles east of Springbrook. Fair populations of northern pike, walleye and yellow perch. Black bullheads abundant. (Fishing pier). Kettle Lake (099) - 3 miles east, 2.5 miles north of Zahl. Primarily rainbow trout and yellow perch, but some brown trout, northern pike and largemouth bass. Perch population abundant and stunted, but has

been greatly reduced by predation and targeted netting and removal. (Fishing pier). Kota-Ray Dam (376) - 5 miles south, .5 miles east, 2 miles south of Ray. Holds strong populations of bluegill, yellow perch and largemouth bass, with some smallmouth bass, rainbow trout and a few large walleye. (Fishing pier).

Little Muddy River (393) - East edge of Williston. Highly dependent on high water levels and fish movement from upper Missouri River. Fair populations of northern pike and channel catfish, with many other species present. (Fishing pier).

McGregor Dam (378) - 1 mile south of McGregor. Good numbers of walleye, yellow perch and rainbow trout. (Fishing pier). McLeod (Ray) Reservoir (377) Southwest side of Ray. Strong population of smaller walleye, and fair numbers of yellow perch and some bluegill. (Fishing pier). Tioga Dam (379) - North side of Tioga. Fair number of northern pike, with fewer yellow perch and bluegill. (Fishing pier). Trenton Lake (018) - South side of Trenton. Good numbers of northern pike and

crappie. Many other species also present. (Fishing pier) West Spring Lake Pond (033) - North

edge of Williston. Fair number of rainbow trout. Black bullheads abundant. (No ramp).

#### RIVERS

Upper Missouri River (014) - Missouri River from Williston to Montana state line. Primarily a spring and fall fishery for sauger



and walleye, but increasing angling effort targeting abundant channel catfish and northern pike populations. Many other species present.

Yellowstone River (019) - Near towns of Buford, Cartwright and Fairview. Primarily a spring and fall fishery for sauger and walleye, but increasing angling effort targeting abundant channel catfish and northern pike populations. Many other species present. (Fishing pier).

## Southwest

#### ADAMS COUNTY

Bolke Dam (065) - 5 miles east, .5 miles north, .5 miles west, .5 miles north of Lemmon, South Dakota. Rainbow trout stocked annually. (No ramp). Mirror Lake (040) - South side of Hettinger. Northern pike up to 5 pounds, and an abundance of bullheads. Some perch up to a half pound. Catfish up to 5 pounds stocked most years. (Fishing pier). North Lemmon (042) - 5 miles north of Lemmon, South Dakota. Rainbow trout stocked annually. Brown trout up to 5 pounds present. Small bluegill and yellow perch are abundant. Largemouth bass up to 2 pounds are common, with some up to 4 pounds. Walleye up to 10 pounds present. (Fishing pier).

#### **BOWMAN COUNTY**

Bowman-Haley Dam (085) - 11 miles south, 8 miles east, 2 miles south of Bowman. Dominated by walleye, some up to 6 pounds, northern pike up to 10 pounds and smallmouth bass up to 3 pounds. Some yellow perch up to 2 pounds and small white bass. Many large carp, good for bowfishing. (Fishing pier).

Gascoyne Lake (086) - 1.5 miles northwest of Gascoyne. Northern pike stocked annually and pike up to 4 pounds present. Small carp, bullhead and green sunfish abundant at times.

Kalina Dam (087) - 2 miles west, 1 mile south, 1 mile west, 1 mile south of Bowman. Abundant northern pike up to 10 pounds, yellow perch and bluegill are mostly small, but some large fish caught on occasion. Make sure to access lake from south shore. (No ramp).

Lutz Dam (519) - 2.5 miles south, 2 miles west of Griffin. Rainbow trout stocked annually. Winterkilled recently. Abundant bluegill up to a half pound, and small crappie. Small adult largemouth bass stocked in 2012. (No ramp).

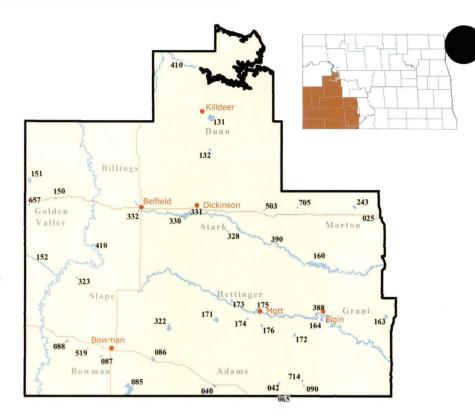
Spring Lake (088) - 1 mile south, 4 miles west of Rhame. Recent winterkills have significantly reduced pike population. Yellow perch up to 1 pound abundant.

#### DUNN COUNTY

Dvorak Dam (132) - 3.5 miles south, 5 miles east, .5 miles north of Manning. Yellow perch stocked in 2009. (No ramp). Lake Ilo (131) - 1 mile west, 1 mile south of Dunn Center. Abundant northern pike up to 10 pounds, some perch up to a half pound. (Fishing pier).

#### **GOLDEN VALLEY COUNTY**

Beach City Pond (657) - Southwest side of Beach. Rainbow trout stocked annually. (Fishing pier, no ramp) Camels Hump Lake (150) - Northeast of



Sentinel Butte I-94 Exit 18. Rainbow trout stocked annually, with some up to 4 pounds. Abundant largemouth bass are mostly small, some up to 2 pounds. Some bluegill up to 1 pound. Some brown trout and smallmouth bass present.

Odland Dam (151) - 7 miles north of Beach. Winterkills often. Perch up to 1 pound and smaller bluegill present. (Fishing pier). Williams Creek Dam (152) - 7 miles south, 5 miles east, 2 miles south of Golva. Recently renovated. Green sunfish abundant, some small bluegill present. (No ramp).

#### **GRANT COUNTY**

#### Heart Butte Reservoir (Lake Tschida)

(160) - 15 miles south of Glen Ullin. Dominated by small walleye, but some up to 10 pounds, 2- to 5-pound northern pike, white bass up to 2 pounds, catfish up to 10 pounds and smallmouth bass up to 2 pounds. Some perch up to 1 pound, crappie up to 2 pounds and small bluegill. Many large buffalo present. (Fishing pier).

Raleigh Reservoir (163) - 3.5 miles west, .25 miles south of Raleigh. Rainbow trout stocked annually. Abundant small northern pike, with some up to 18 pounds and bluegill up to 11/2 pounds. Some largemouth bass up to 5 pounds, perch up to a half pound and small crappie. (Fishing pier).

Sheep Creek Dam (164) - 4 miles south, .5 miles west of Elgin. Rainbow trout stocked annually, with some up to 3 pounds. Abundant largemouth bass, with some up to 5 pounds, bluegill up to 1 pound and crappie up to a half pound. Some walleye up to 2 pounds, brown trout up to 2 pounds and smallmouth bass up to 1 pound. (Fishing pier).

#### **HETTINGER COUNTY**

Blickensderfer Dam (176) - 4 miles

south, 1 mile east, .5 miles south of Mott. Abundant small bluegill, with some up to 1 pound. Some walleye up to 3 pounds, northern pike up to 8 pounds and some small perch. (No ramp)

Castle Rock Dam (174) - 2 miles west, 1.5 miles south, 1.5 miles west of Mott. Rainbow trout stocked annually. Bluegill stocked in 2009.

Indian Creek Dam (171) - 1.5 miles west, 2 miles south, 2 miles west, 3 miles south of Regent. Abundant walleye up to 10 pounds, small yellow perch, with some up to a half pound, and mostly small bluegill, with some up to 1 pound. Some smallmouth bass up to 1 pound. (Fishing pier).

Kilzer Dam (172) - 4.5 miles south, 1 mile east of Bentley. Bluegill stocked in 2011 and largemouth bass stocked in 2012. (No ramp).

Larson Lake (173) - .5 miles north and 2 miles east of Regent. Abundant northern pike up to 4 pounds. Some perch up to a half pound.

Mott Watershed Dam (175) - North side of Mott. Rainbow trout stocked annually, with some up to 3 pounds. Abundant small largemouth bass, with some up to 2 pounds. Some bluegill up to 1 pound. (Fishing pier).

#### MORTON COUNTY

Danzig Dam (243) - 2 miles north, 1.4 miles west, .2 miles north of I-94 Exit 120. Drawn down for dredging and chemical renovation in 2013 to remove undesirable fish. Likely not fishable.

Gaebe Pond (025) - 1.5 miles west of New Salem. Rainbow trout stocked annua Adult catfish up to 5 pounds stocked most years. Small perch, bluegill. (Fishing pier ramp).

Krieg's Pond (705) - .5 miles east of Hebron. Rainbows stocked annually. Yellow perch stocked in 2011 and 2013. (No ramp).





#### SIOUX COUNTY

ow Lake (714) - 4 miles north, 3 west, 1 mile north, 1 mile east of derhawk, South Dakota. Bluegills cked in 2011 and largemouth bass stocked in 2012. (No ramp).

Larson Lake (090) - 4 miles north, 1 mile west of Thunderhawk, South Dakota. History of winterkill. Largemouth bass and bluegill stocked in 2009. (No ramp).

#### SLOPE COUNTY

Cedar Lake (322) - 13 miles north, 2 miles west of Reeder. Winterkills often. Abundant northern pike, with some up to 10 pounds. Some perch up to a half pound. Small carp and bullheads abundant. Catfish up to 5 pounds stocked some years.

Davis Dam (323) - 16 miles west, 4 miles north of Amidon. Rainbow trout stocked annually. Abundant small largemouth bass, with some up to 5 pounds and bluegill up to a half pound.

#### STARK COUNTY

Belfield Pond (332) - Southwest side of Belfield. Rainbow trout stocked annually. Catfish up to 5 pounds stocked most years. Some perch up to a third pound and bluegill up to a quarter pound. Abundant green sunfish up to a quarter pound. (Fishing pier). Dassinger Pond (328) - 8 miles south, 1 mile east, .8 miles north of Exit 72. Walk through the gate 500 yards northwest. Adult largemouth bass and bluegill stocked in 2010. (No ramp).

Dickinson Dike (331) - Southwest side of Dickinson. Rainbow trout stocked annually.

catfish up to 5 pounds stocked most Abundant bass up to 2 pounds and bluegill up to a quarter pound. (Fishing

Dickinson Reservoir (Patterson Lake)

(330) - 2 miles west of Dickinson. Chemical renovation in 2009. Walleye up to 2 pounds, northern pike up to 15 pounds, yellow perch exceeding 1 pound, mostly small bluegill and crappie, with some up to 1 pound. Many bullhead present. Adult catfish stocked. (Fishing pier).

Slater Pond (503) - From I-94 Exit 84, .75 miles north, 1 mile east, .5 miles north, .5 miles east. Rainbow trout stocked annually. Adult perch stocked in 2009 are abundant. (No ramp).

#### RIVERS

Cannonball River (388) - In Slope, Hettinger, Grant and Sioux counties. Abundant carp most of the time. Some walleye, northern pike and catfish during spring spawning periods. (No ramp). Heart River (390) - In Stark, Grant and Morton counties. Abundant carp and buffalo most of the time. Some walleye, northern pike and catfish during spring spawning periods. (No ramp).

#### Little Missouri River (410) -

Southwestern part of state. Abundant catfish up to 10 pounds. Some sauger and walleye during spring spawning periods. (No ramp).

#### North Central

#### TINEAU COUNTY

Boundary Lake (083) - 9 miles north, 11 miles east, 2.5 miles north of Bottineau. Decent number of 8- to 9-inch perch. (No ramp).

# NORTH DAKOTA FISHING



Carbury Dam (452) - 1 mile south, 1 mile west of Carbury. Significant winterkill in 2013. Restocked with northern pike fingerlings in spring 2013. (Fishing pier). Lake Metigoshe (077) - 9 miles north, 4 miles east, 1 mile north of Bottineau. Holds several sizes of bluegill, including some large fish, along with some nice crappie. Good number of walleye, with a wide range of sizes. Good northern pike fishing, with some large fish. (Fishing pier).

Long Lake (078) - 8 miles north, 7 miles east, 1 mile south, 1 mile east, .5 miles south, .3 miles east of Bottineau. Decent pike population, with a wide range of sizes. Lots of small perch.

Loon Lake (674) - 9 miles north, 4 miles east, 2 miles south, 2 miles east, .5 miles north of Bottineau. Fairly new perch fishery, with very high perch numbers, some larger fish. (No ramp)

Pelican Lake (079) - 9 miles north, 8 miles east, .5 miles southwest of Bottineau. Decent number of northern pike.

Strawberry Lake (081) - 4 miles north, 2.5 miles east, .5 miles south of Carbury. Stocked annually with rainbow trout. (Fishing pier).

Thompson Lake (074) - 9 miles north, 4 miles east, 2 miles south, 1 mile east, 1 mile south of Bottineau. Stocked with perch in 2012. (No ramp).

#### **BURLEIGH COUNTY**

New Johns Lake (750) - 11.8 miles south, 3 miles east of Mercer. Decent walleye numbers, with some larger fish. Lots of small to medium-sized yellow perch. Bluegill numbers have increased in recent years. (Fishing pier).

#### MCHENRY COUNTY

Bentley Lake (129) - 3 miles west of Drake. Fair numbers of small pike and some perch. (No ramp).

Buffalo Lodge Lake (205) - 1 mile east, 3 miles north, 2 miles east of Granville. Excellent pike numbers. Increased lake levels in recent years produced a good

environment for pike. Walleye population somewhat reduced. Mostly small perch. (Fishing pier)

Cottonwood Lake (202) - 2.5 miles north of Butte. Decent numbers of pike and smaller perch, and a good number of nicesized walleye. (Fishing pier).

George Lake (203) - 13 miles north, 1 mile east, 1.3 miles north, .5 miles east of the junction of U.S. Highway 52 and ND Highway 14. Good number of pike, with some large fish. (Fishing pier).

Round Lake (204) - 6 miles north, 4.5 miles east of Drake. Good numbers of 14- to 16-inch walleye. Decent pike population. (No ramp).

#### MCLEAN COUNTY

Brush Lake (221) - 3 miles north of Mercer. Lots of 6- to 8-inch perch. Fair number of walleye. Good pike population, with some larger fish. (Fishing pier). Camp Lake (479) - 17.5 miles north, 2 miles east of Turtle Lake. Decent numbers of pike and lots of small perch. (No ramp). Camp Loop Pond (546) - 3 miles southwest of Riverdale on U.S. Army Corps of Engineers' downstream campground. Pond renovated in 2013. (No ramp). Coal Lake (528) - 3.6 miles east of Underwood. Stocked with perch for the first time in 2012. (No ramp).

Crooked Lake (223) - 10 miles north, .2 miles east, .1 mile south of Turtle Lake. Good numbers of nice-sized pike and walleye, with lots of smaller perch. (Fishing pier).

Custer Mine (224) - 4 miles east, 2 miles south of Garrison. A good put-and-take rainbow trout fishery in a small, easy-to-fish pond. Small bluegill abundant.

East Park Lake (752) - 9 miles south of Mercer. Decent walleye numbers, with some larger fish. Fair number of small to mediumsized yellow perch. Bluegill numbers have increased in recent years. (Fishing pier).

Lake Audubon (225) - North of Coleharbor. Good number of walleye and an excellent smallmouth bass fishery. Anglers

1-800-435-5663 NDtourism.com



should see good numbers of 14- to 16-inch walleye in the next few seasons. Some large pike. (Fishing pier)

Lake Brekken (232) - 1.5 miles north of Turtle Lake. Good population of 8- to 11-inch perch. Good number of smaller walleye, with some larger 16- to 18-inch fish. (Fishing pier)

Lake Gertie (724) - 1 mile south of Benedict. Stocked with northern pike for the first time in 2012. (No ramp).

Lake Holmes (455) - 1 mile northeast of Turtle Lake. Good number of 7- to 11inch perch. Fair number of 14- to 16-inch walleye

Lightning Lake (233) - .5 miles east of Turtle Lake. A quality trout fishery, with some large trout. Bluegill numbers have increased in recent years, with some nice sized fish. (Fishing pier).

Long Lake (228) - 13 miles north, 4 miles east, 2 miles north, 1.5 miles west of Turtle Lake. Pike population bouncing back nicely after winterkill. Mostly smaller pike.

Painted Woods Creek (418) - 5 miles southeast of Washburn. Fair northern pike population. (No ramp).

Pelican Lake (757) - 7 miles north, 3 miles east, .4 miles north of Mercer. Abundant perch and some smaller pike. (No ramp).

Riverdale City Pond (220) - North side of Riverdale. Popular pond for kids and family outings. Lots of small bluegill. Stocked annually with rainbow trout. (Fishing pier, no ramp)

Strawberry Lake (226) - 17.5 miles north, 2 miles east of Turtle Lake. Good pike population. Lots of small perch and bluegill. (Fishing pier).

Triangle Y Pond (463) - 4 miles west, 1.5 miles south, 1 mile west, 1 mile south, 1 mile west, .5 miles south of Garrison. Small pond stocked with perch, used mostly by Triangle Y kids. (Fishing pier, no ramp).

Turtle Lake (697) - 4.5 miles west, 1 mile north of Turtle Lake. Decent northern pike population, with some larger fish. (No ramp). Weishaar WPA (488) - 8 miles north, 8 miles west, 1 mile north of Turtle Lake. Winter perch fishery. (No ramp).

West Park Lake (753) - 9 miles south, 2 miles west of Mercer. Fair numbers of walleye and perch. Most perch are small. Good number of pike, with some larger fish available. (No ramp).

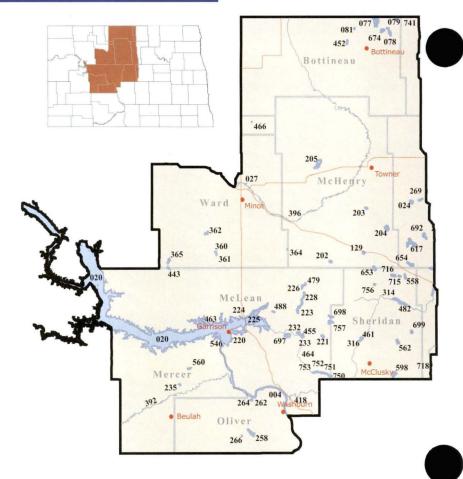
#### MERCER COUNTY

Beulah Mine Pond (235) - 2 miles north, 2.5 miles east, .5 miles north of Beulah. Contains some pike. (No ramp). Harmony Lake (560) - 6 miles north, 1

With many well-established year

is peak fishing time, although the

bite can be good year-round."



mile west of Hazen. Good number of bluegill, with some nice fish. Stocked annually with rainbow trout. (Fishing pier).

Hazen Creek (382) - West end of Hazen. Good bluegill population. Stocked annually with rainbow trout. (No ramp).

#### **OLIVER COUNTY**

East Arroda Dam (262) - 1 mile east of Fort Clark ND Highway 200A. Good crappie numbers, with some quality fish. Pike numbers have increased in recent years. with mostly smaller pike. Earthen fishing piers constructed to improve shorefishing access.

Nelson Lake (258) - 5 miles east, 3 miles south of Center. The best largemouth bass lake in the state. Open water year-round allows fish to grow better than in other lakes. State record largemouth - 8 pounds,

7 1/2 ounces - was caught here in 1983. Abundant nice-sized bluegill and crappie. (Fishing pier)

Oliver County Sportsmen's Pond (266)

- 4 miles south, .5 miles west of Center. Stocked annually with about 200 rainbow trout. (No ramp).

West Arroda Dam (264) - 1 mile east of Fort Clark ND Highway 200A. Good crappie numbers, with some quality fish. Earthen fishing piers constructed to improve shorefishing access.

#### PIERCE COUNTY

Antelope Lake (617) - 3 miles south, 5.4 miles west, 2.4 miles south of the intersection of ND highways 3 and 19. Abundant nice-sized perch. Many 12- to 16-inch walleye, with some larger fish. (No ramp).

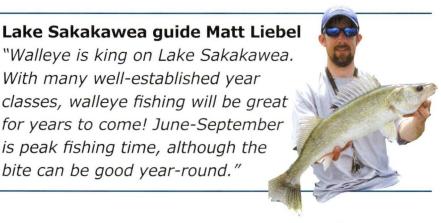
Balta Dam (269) - 5 miles south of Balta. Significant winterkill in 2013.

Clear Lake (654) - 6 miles east, .7 miles south of Anamoose. Newly stocked lake, with good numbers of walleye and qualitysized perch. (No ramp).

Davis Lake (024) - 2 miles west, 1.5 miles south of Balta. Significant winterkill in 2013. Lesmeister Lake (692) - 3 miles south, 3 miles west, 1.3 miles north of the intersection of ND highways 3 and 19. New walleye lake with good numbers of 10- to 16-inch walleye. (No ramp).

#### **RENVILLE COUNTY**

Glenburn Pond (466) - North side of Glenburn. Small pond stocked annually with trout. Yellow perch and bluegill stocked periodically. (No ramp).



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#### **ROLETTE COUNTY**

Lake Udall (741) - Through the national Peace Garden, 13 miles north inseith. Small pond stocked with ow trout and bluegill for the first time in 2012. (No ramp).

#### SHERIDAN COUNTY

Bender Lake (715) - .5 miles south, 4 miles west, .5 miles south of Martin. Abundant 6- to 9-inch perch. (No ramp). Cherry Lake (698) - 7 miles north, 3 miles east, 2 miles north, 1 mile west of Mercer. Abundant small perch, with some qualitysized fish. (No ramp)

Coal Mine Lake (482) - 14 miles south, 5 miles east of Anamoose. Significant winterkill in 2013. Restocked with northern pike fingerlings in spring 2013. (Fishing pier). Davis WPA (598) - 8 miles south, 1 mile east of Denhoff. Abundant perch, with some quality-sized fish. Walleye population expanding, with a good number of 14- to 16inch fish. (No ramp).

Heckers Lake (751) - 9 miles south, 2.4 miles east of Mercer. Fair number of perch, with some quality-sized fish. Decent numbers of pike and smallmouth bass. (No ramp)

Kaibel Lake (756) - 10.2 miles south of Drake. Lots of perch, many are smaller. (No ramp).

Lake Richard (653) - 4.5 miles south of Drake. Abundant yellow perch, with some quality-sized fish. (No ramp).

Mud Lake (716) - 4.5 miles south of Anamoose. New perch lake, with a good population of 8- to 9-inch fish. (No ramp).

th (Hoffer) McClusky (461) - 2 miles 1 mile west of McClusky. Abundant er pike. (No ramp).

yenne Lake (314) - 10 miles south, 1 mile east, 1 mile south of Anamoose. Stocked biannually with northern pike. (No ramp)

South (Hoffer) McClusky (316) - 2 miles north, 1 mile west of McClusky. Decent numbers of perch, walleye and northern pike. Some bluegill and crappie. (Fishing pier)

Stober Lake (562) - 4 miles west, 1 mile north of Goodrich. Good number of perch, many smaller, but some larger fish. (No ramp).

Vollrath Lake (699) - 5.5 miles north, 1 mile east, 1 mile south of Goodrich. Good number of perch, with some quality-sized fish. (No ramp).

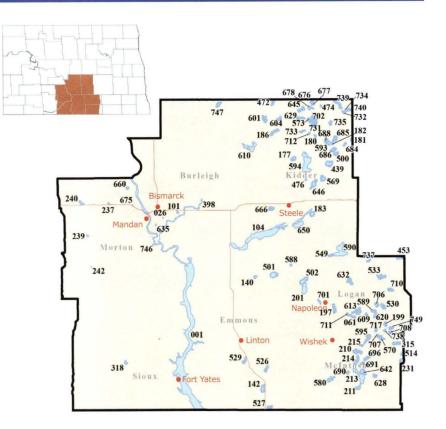
Wolf Lake (558) - .5 miles south, 1.5 miles west of Martin. Significant winterkill in 2013. Restocked with northern pike fingerlings in spring 2013. (No ramp).

#### WARD COUNTY

Hiddenwood Lake (443) - 8 miles south of Makoti. Fair numbers of yellow perch, walleye and northern pike. (Fishing pier). Makoti Lake (365) - 6 miles south of Makoti. Good numbers of 24-inch northern pike and 8-inch yellow perch. (No ramp). North Carlson Lake (360) - 10 miles east of Ryder. Good numbers of smaller pike. Good place to take a kid fishing.

Rice Lake (362) - 4 miles north, 7 miles 2 miles north of Ryder. Winterkilled 11, but pike and perch populations indina.

South Carlson Lake (361) - 10 miles east of Ryder. Good fishing in recent years for mostly smaller pike. (Fishing pier). State Fair Pond (027) - North end of state



fair grounds. Small pond stocked annually with trout and panfish. (Fishing pier, no ramp)

Velva Sportsmen's Pond (364) - 7 miles south, 1.5 miles west, 1 mile south, .5 miles west of Velva. Consistently a quality fishery for nice-sized browns and rainbows.

#### WELLS COUNTY

Hurd Lake (718) - 2 miles west, 3 miles south of Hurdsfield. New perch lake, with good numbers of 8- to 9-inch perch. (No ramp).

#### RIVERS

Knife River (392) - In Dunn and Mercer counties. Connected to the Missouri River, so a variety of fish species available. (No ramp).

Lake Sakakawea (020) - Near cities of Williston, New Town, Garrison and Riverdale. See separate Missouri River System report. (Fishing pier)

McClusky Canal (464) - Central part of state in McLean, Burleigh and Sheridan counties. Excellent smallmouth bass fishery, with abundant fish up to 18 inches. (No ramp).

Missouri River (004) - Missouri River from near Riverdale to south of Bismarck. Souris River (Mouse River) (396) North central part of state. Good numbers of northern pike and walleye. (Fishing pier).

## South Central

#### BURLEIGH COUNTY

Apple Creek (398) - South central part of state in Burleigh County. Good for northern

pike, walleye, crappie and catfish. (No ramp).

Cottonwood Park Pond (635) - On west side of Cottonwood soccer complex in south Bismarck. Trout (and other species) may be stocked in spring. (Fishing pier, no ramp). Crimmins WPA (747) - 3 miles west, 11 miles north, .5 miles west of Wing. Small yellow perch and walleye abundant. (No ramp).

Lake Harriet (Arena Lake) (610) - 8 miles west, 1 mile south of Tuttle. Northern pike abundant and perch present. (No ramp)

Long Lake (104) - 1 mile south, 2.5 miles east of Moffit. Northern pike abundant. Contact refuge for specific angling regulations. (Fishing pier, no ramp). McDowell Dam (101) - 4 miles east, 1 mile north of Bismarck on old ND Highway 10. Bluegill and largemouth bass abundant. Trout stocked in spring. (Fishing pier). OWLS Pond (026) - Just west of Bismarck Game and Fish office. Trout stocked in spring and fall. Other species (bluegill, perch, catfish and white bass) may be stocked.

(Fishing pier, no ramp).

#### **EMMONS COUNTY**

Baumgartner Lake (529) - 6 miles south of Linton. Northern pike abundant. (No ramp)

Braddock Dam (140) - 2 miles southwest of Braddock. Fair numbers of northern pike, walleye and yellow perch. Bluegill present. Goose Lake (501) - 3 miles east of Braddock. Northern pike and perch abundant. (No ramp). Jake's Lake (527) - 13 miles south, 1 mile

east of Strasburg. Northern pike abundant. (No ramp).





Rice Lake (142) - 8 miles south of Strasburg. Outstanding walleye, northern pike and perch fishery.

Senger Lake (526) - 1 mile north, 6 miles east of Strasburg. Multiple year-classes of perch present. (No ramp).

#### KIDDER COUNTY

Alkaline Lake (590) - 15 miles south, 7 miles east, 1 mile south of Dawson. Walleve abundant. Excellent number of pike present, with fish occasionally surpassing 10 pounds. (Fishing pier)

Bond Lake (500) - 2 miles west, 2 miles south, 1 mile west of Pettibone. Adult perch stocked in 2010 and multiple year-classes present. (No ramp).

Cherry Lake (177) - 15 miles north, 3 miles east of Steele. Northern pike from 2 to 5 pounds abundant.

Deer Lake (685) - 8 miles east of Robinson. Fair number of yellow perch present. (No ramp)

Des Moines Lake (593) - 5.5 miles east of Robinson. Good northern pike numbers. (No ramp)

Etta-Alkaline Complex (650) - 1 mile south, 2.5 miles west, 3 miles south of Dawson. Northern pike abundant. (No ramp)

Fresh Lake (549) - 15 miles south, 7 miles east, 1 mile south of Dawson. Primarily a northern pike fishery, but a fair number of walleye present. (No ramp).

Frettim Lake (180) - 2 miles east, 1 mile north of Robinson. Good numbers of walleye, northern pike, perch and bluegill.

Geier Lake (740) - 12 miles east, 9.5 miles north of Robinson. Walleye up to 15 inches abundant. Yellow perch present. (No ramp)

Helen Lake (601) – 2.5 miles west, 6 miles north of Tuttle. An excellent northern pike fishery, with fish occasionally topping 8 pounds. Perch present. (No ramp)

Horsehead Lake (594) - 2 miles west, 6 miles south of Robinson. Pike population recovering and this lake again offers good angling opportunities. (No ramp).

Jasper Lake (573) - 7 miles north, .5 miles east of Robinson. Walleye and yellow perch abundant.

Koenig North (676) - 12.25 miles north, 1.5 miles east of Robinson. Multiple yearclasses of perch. (Winter access only. No ramp)

Koenig South (677) - 12.25 miles north, 1.5 miles east of Robinson. Multiple yearclasses of perch. (Winter access only. No ramp)

Kunkel Lake (439) - 5 miles east, 7 miles south, 1 mile east of Robinson. Strong yearclass of smaller perch. (No ramp). Lake Geneva (666) – 2 miles south, .5



miles east of I-94 Exit 195. Fair number of perch up to 10 inches. (No ramp). Lake Isabel (183) - 2 miles south, .5 miles east, .75 miles south of Dawson. Fair population of 2- to 5-pound northern pike. (Fishing pier)

Lake Josephine (186) - 2 miles north of Tuttle. Small walleye abundant, but larger fish present. Northern pike, perch and crappie in lower numbers. (Fishing pier). Lake No. 5 (476) - .5 miles west, 2

miles north, 3 miles west, 4 miles north of Dawson. Pike abundant, but lake experiences frequent winterkills. (No ramp).

Lake Williams (182) - Just south of the town of Lake Williams. Fair numbers of walleye and northern pike.

Leno Lake (604) - 1 mile east, 7 miles north of Tuttle. Small pike abundant. (No ramp)

Long Alkaline Lake (629) - 3 miles west, 7 miles north of Robinson. Pike common. Perch present. (No ramp).

McPhail WMA (569) – 7 miles north, 2 miles west of Tappen. Fair number of perch present. (No ramp)

Neustel Lake (712) - 2 miles north of Robinson. Strong year-class of younger perch. (No ramp)

North Des Moines Lake (688) - 5.5 miles east of Robinson. Fair number of northern pike. (No ramp)

Pelican Lake (474) - 3 miles east, 11 miles north, 1 mile east of Robinson. Perch common. (No ramp).

Plowe Lake (735) - 6 miles east, 5 miles north, 1 mile east of Robinson. Fair number of perch. Low numbers of walleye and

Lake Oahe guide Brian Fettig

"The fishery changes with the scenery. Within 20 or 30 miles, the (Missouri) river becomes a lake and it's completely different."



northern pike. (No ramp).

Rafferty Lake (734) – 12 miles east, 9.8 miles north of Robinson. Walleye up to 14 inches abundant. (No ramp).

Ranch Lake (684) - 1 mile west of Pettibone. Good numbers of northern pike and perch. (No ramp).

Remmick Lake (731) - 3 miles east, 6 miles north of Robinson. Healthy walleye population and low numbers of perch and bluegill. (No ramp)

Round Lake (181) - 1 mile north, 1.5 miles east of Pettibone. Excellent walleye, fishery, and fair numbers of perch and northern pike. (No ramp)

Schumacher Lake (702) - 7 miles nort 1 mile east, .25 miles south of Robinson. Yellow perch abundant and walleye present. (No ramp)

Seil Lake (739) - 6 miles east, 10 miles north, 4.25 miles east of Robinson. Perch abundant. (No ramp).

Sibley Lake (646) - 7 miles north, 2 miles east, 1 mile south of Dawson. Walleye abundant. (No ramp).

South Lake (686) - 7 miles east, 2 miles south of Robinson. Fair number of perch. (No ramp).

Swan Lake (678) - 10.5 miles north of Robinson. Perch abundant. (No ramp). Trautmann Lake (733) - 1 mile west, 2 miles north, 1 mile west and 1 mile north of Robinson. Small perch and walleye abundant. (No ramp).

Vogel WPA (732) - 12 miles east, 9.5 miles north of Robinson. Walleye up to 16 inches abundant. (No ramp).

Willow Lake (645) - 9 miles north, 3 miles west of Robinson. Perch abundant. (No ramp)

Woodhouse Lake (472) - 12 miles north, 12 miles east of Wing. Good numbers of walleye and perch. (No ramp).

#### LOGAN COUNTY

Beaver Lake (197) - 8 miles south, 8 miles east of Napoleon. Northern pike abundant, with fish occasionally surpassing 10 pounds.

Braun Lake (588) - 18 miles south, 1 east of Steele. Primarily a perch fishery, tiger muskies present. (No ramp).

Buchholz WPA (738) - 4 miles east, .75 miles north of Lehr. Young perch abundant. (No ramp).



Dewald Lake (530) - 8 miles north, 2 es east, 1 mile north, 1 mile east of Lehr. h common. (No ramp).

les Lake (711) - 2.5 miles north, 2 es east, 4 miles north, 1 mile east, .5 miles north of Wishek. Perch abundant. (No ramp)

Hauff Lake (589) - 7 miles north of Lehr. Small perch common. (No ramp).

Kautz Lake (061) - 5 miles north, 6 miles west of Lehr. Perch common. (No ramp). Kleingartner Lake (710) - 10 miles south, 5 miles west of Gackle. Fair numbers of northern pike and yellow perch, with some pike topping 8 pounds. (No ramp). Lepp Lake (717) - 1 mile east, 1 mile north of Lehr. Strong young perch population. (No ramp).

Logan (Mueller) WMA (613) - 8 miles north, 4.5 miles west of Lehr. Walleye abundant. Low perch numbers. (No ramp) Logan Lake (453) - 1 mile west of Gackle.

Good perch numbers. (No ramp). Marvin Miller Lake (533) - 6.5 miles south, 8 miles west, .5 miles north of Gackle. Excellent walleye fishery. Low perch numbers and northern pike present.

Mundt Lake (199) - 3 miles east, 4 miles north, 1 mile east, .5 miles south of Lehr. Walleye remain abundant. Quality perch population. (Fishing pier)

North Napoleon Lake (502) - 4.5 miles west, 1 mile north, 1 mile east of Napoleon. Northern pike and perch abundant. (No ramp).

Ost Lake (749) - 7 miles east, 1 mile north, 1 mile west, .5 miles north of Lehr. Perch abundant. (No ramp).

Iroad Lake (708) - 5.5 miles east of Good perch numbers. (No ramp). sler Lake (706) - 8 miles north, 1 mile ast of Lehr. Perch common to abundant.

(No ramp) Ruff Lake (609) - 5 miles north, 3 miles west, 1 mile north, .5 miles east of Lehr. Strong young perch population. (No ramp). Thurn Lake (620) - 5 miles north of Lehr, .5 miles east. Good walleye and perch

numbers. (No ramp). Weigel Lake (701) - 5 miles south, 3

miles east of Napoleon. Small pike abundant. (No ramp).

Wentz WPA (632) - 12 miles east of Napoleon. Walleye abundant. (No ramp). West Lake Napoleon (201) - 1 mile west of Napoleon. Northern pike reintroduced in 2009 and pike up to 7 pounds abundant. Wetzel Lake (737) - 11 miles west, 1 mile south of Gackle. Small pike and perch abundant. (No ramp).

#### MCINTOSH COUNTY

Becker-Schlepp Lake (628) - 3 miles north, 1 mile east, 1 mile north, .5 miles east of Ashley. Perch abundant. (No ramp). Clear Lake (215) - 6 miles east, 2 miles south of Wishek. Northern pike up to 6 pounds abundant. (No ramp). Dollinger-Schnabel Lake (580) - 2 miles north, 5 miles west, 3 miles north of

Venturia. Perch abundant. (No ramp). Dorfman Lake (642) - 5 miles north, 2

les west of Ashley. Perch abundant and numbers of walleye and northern pike ent. (No ramp).

Lake (213) - 5 miles west, 4 miles north, 2 miles east, .5 miles south of Ashley. An excellent walleye and northern pike fishery. Large perch in low numbers. Green Lake (210) - 2 miles east, 4 miles

# NORTH DAKOTA FISHING





south, 1 mile east of Wishek. Quality walleye and perch fishery. Low numbers of northern pike. (Fishing pier).

Harr Lake (514) - 10 miles east, 12 miles north of Ashley. Perch common. (No ramp). Homestead Lake (696) - 8 miles south, 8 miles east, 2 miles north of Wishek. Northern pike abundant. Perch present. (No ramp)

Lake Hoskins (211) - 3 miles west of Ashley. Fair numbers of walleye, northern pike and perch. (Fishing pier).

Lehr WMA (570) - 2 miles east, 1 mile south of Lehr. Excellent walleye fishery. McIntosh WMA (231) - 10 miles east, 9 miles north of Ashley. Perch common. (No ramp)

Miller Lake (315) - 7.5 miles east, 2.5 miles south of Lehr. Northern pike abundant, with fish occasionally surpassing 8 pounds. Fair perch numbers. (No ramp).

Mudd Lake (595) - 1 mile west of Lehr. Fair numbers of northern pike, with low numbers of perch. (No ramp)

Nagel Lake (Koepplin WPA) (707) - 1 mile east, 1 mile south, 1 mile east of Lehr. Fair number of walleye made their way into Nagel Lake from Lehr WMA. Perch present in good numbers. (No ramp).

Pfeifle Lake (690) - 10 miles south, 2 miles east of Wishek. Northern pike abundant, with fish occasionally topping 10 pounds. (No ramp)

Pudwill Lake (214) - 9 miles south, 4 miles west, 1 mile north, .5 miles west of Lehr. Low pike numbers. (No ramp). Rueb-Eszlinger (691) - 7.5 miles north, 2 miles west of Ashley. Perch abundant. (No ramp).

MORTON COUNTY Crown Butte Dam (237) - 4 miles west on

## **Devils Lake guide Mark Bry**

"There's no other lake I'd rather quide. It doesn't matter if it's spring, summer, fall or winter. The season is always fishing!"





access road on north side of I-94 Exit 147. Largemouth bass up to 12 inches abundant. Crappie, bluegill and trout present. (Fishing pier).

Fish Creek Dam (239) - 8 miles south, 2 miles east, 1 mile south of I-94 Exit 134. Largemouth bass abundant, with the occasional fish topping 5 pounds. Trout abundant, with fish reaching 20 inches. Smallmouth bass and crappie in fair numbers. (Fishing pier).

Harmon Lake (660) - 8 miles north of Mandan on ND Highway 1806. Trout, northern pike, largemouth bass, crappie and bluegill abundant. (Fishing pier).

Little Heart Pond (746) - 11 miles south of Mandan on ND Highway 1806. Annual trout introductions provide good action for youth. (No ramp).

Nygren Dam (242) - 6 miles north, 1 mile east, 3 miles north, .5 miles east of Flasher. Trout, largemouth bass and bluegill in good numbers. (Fishing pier).

**Porsborg Dam (675)** – Northwest Mandan. Trout (and other species) may be stocked in spring. (No ramp).

Sweet Briar Lake (240) - 18 miles west of Mandan I-94 Exit 134. Fair numbers of walleye, northern pike, perch, bluegill, crappie and largemouth bass. (Fishing pier).

#### SIOUX COUNTY

Froelich Dam (318) - 9 miles north, 2 miles west of Selfridge. Walleye and northern pike abundant. Perch, crappie, bluegill and largemouth bass present.

#### RIVERS

Lake Oahe (001) - Bismarck, Fort Yates, Hazelton, Linton and Strasburg. See Missouri River System report. (Fishing pier).

#### Northeast

#### **BENSON COUNTY**

Fort Totten Dam (663) - .5 miles east of Fort Totten. No recent information. (No ramp)

Gravel Pit Lake (661) - 4.5 miles west of Fort Totten. No recent information. (No ramp).

Mission Lake (662) - 5 miles south, 1.5 miles east, 2 miles south of Devils Lake. No recent information. (No ramp).

Silver Lake (058) - 1 mile west, 6 miles south, 1 mile west, 1 mile north of Churchs Ferry. Connected to Devils Lake. (No ramp). Wood Lake (054) - 2 miles west, 1 mile south of Tokio. Small perch and bluegill numerous. Good numbers of bigger walleye and some large pike.

#### CAVALIER COUNTY

Langdon City Pond (115) - South side of Langdon. Put-and-take trout lake, with most fish caught in May. (Fishing pier).

Mount Carmel Dam (114) - 9 miles north, 2 miles east, 2 miles north of Langdon. Fair perch numbers, with some larger fish. Fair walleye numbers, with most fish under 2 pounds. Lots of nice pike in 21- to 28-inch range. (Fishing pier).

#### EDDY COUNTY

Adams Lake (603) - 10 miles south of Warwick. Lots of smaller perch and a few walleye. (No ramp).

Battle Lake (136) - .5 miles south, 1.5 miles west, 1.5 miles south of Hamar. High density pike lake, with catchable, thin fish. (No ramp).

Lake Coe (652) - 10 miles south of

Warwick on east side of Eddy County Road 8. Good number of nice walleye and lots of perch, some longer than 10 inches. New Rockford Reservoir (137) - North

side of New Rockford. Bluegill available, b primarily a pike fishery. (Fishing pier, no ramp).

Warsing Dam (135) - 1 mile northeast of Sheyenne. Suffered a partial winterkill in 2013, mostly bluegill and walleye, still good numbers of pike and some perch. (Fishing pier).

#### FOSTER COUNTY

Dry Lake (548) - 7 miles east, 5 miles south, 2 miles east of Carrington. Walleye numbers lower than several years ago, but still fair numbers of nice fish. Fewer perch. Strong young bullhead population. (No ramp)

Juanita Lake (147) - 2 miles east of Grace City. Pike and perch doing well in 2012, but a winterkill in 2013 sharply reduced fish numbers. (Fishing pier).

#### **GRAND FORKS COUNTY**

Fordville Dam (153) - 5 miles west, 1 mile north, .5 miles west, .5 miles north of Inkster. Fair numbers of larger walleye and pike, with good perch numbers under 10 inches. Bullheads remain a management issue. (Fishing pier).

Kolding Dam (155) - 5 miles southeast, 1 mile south of Niagara on U.S. Highway 2. Managed for pike only.

Larimore Dam (154) - 2 miles northeast of Larimore. Walleye, pike, largemouth bass, perch, crappie and bluegill all provide some angling opportunities. Walleye average 18 inches. (Fishing pier).

Niagara Dam (156) - North of Niagara

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Reservoir winterkills often. When a series of ice winters occur, nice-sized pike available.

an Park Pond (659) - South side of nd Forks. This small urban fishery is ood place to take a kid fishing and is stocked annually with trout. Bluegill also introduced. (Fishing pier, no ramp).

#### **GRIGGS COUNTY**

Carlson-Tande Dam (169) - 1 mile south, 5 miles west of Aneta. Offers some pike, perch and panfish fishing.

Lake Addie (596) - 4 miles east, 1 mile south, 1 mile west of Binford. Managed as a walleye and perch fishery. Nice-sized walleye, averaging 18 inches. Perch numbers high, with some fish up to 12 inches.

Lake Jessie (597) - 4 miles east, 1 mile south, 1 mile west of Binford. Primarily an ice fishing lake for pike, which average close to 30 inches. (No ramp).

Red Willow Lake (168) - 6 miles north, 2 miles west of Binford. Walleye, pike, perch and bluegill common. Some nice walleye available, but more pike. Bluegill up to 10 inches. Perch typically small. (Fishing pier). Sibley Lake (435) – 1 mile west, 3 miles south of Binford. Good pike population. Some perch. (No ramp).

#### **NELSON COUNTY**

Lake Laretta (506) - 2 miles west, 3 miles north of Michigan. Excellent pike fishery, with high numbers of medium-sized fish, but some pushing 15 pounds. Perch that survive pike predation are large, but uncommon. (No ramp).



Cavanaugh Lake (276) - 9 miles north, 1 mile west, .5 miles north of Devils Lake. Winterkill has been a problem. (No ramp). Fenster Lake (621) - 3 miles north, 4 miles east of Crary. Partial winterkill in 2013. Pike available. (No ramp).

Lake Irvine (551) - 1 mile north of Churchs Ferry. Good walleye numbers, with most fish less than 20 inches. High number of medium-sized pike. While most fish are less than 5 pounds, there are some larger pike. Yellow perch numbers low, but the few perch in the lake are good-sized. White bass numbers low, but the few white bass available are good-sized. (No ramp).

Morrison Lake (509) - 3 miles east, 2 miles south of Webster. Typically has good winter pike fishing until oxygen levels drop too low. Most fish are less than 5 pounds. (No ramp)

Sweetwater Lake (277) - 7 miles north, .25 miles east of Devils Lake. Low winter oxygen levels may have caused a fish kill in part of this lake. (No ramp).

#### ROLETTE COUNTY

Belcourt Lake (300) - 2 miles north of Belcourt. No recent information.

Cain Lake (450) - 2 miles south, 9 miles west, .5 miles north of St. John. No recent information. (No ramp).

Carpenter Lake (291) - 12 miles west of St. John. Good pike population, even during tough winters. Most fish less than 5 pounds. Dion Lake (293) - 10 miles west, 2 miles north, 1 mile east of St. John. Managed for walleye. High densities of fish up to 20 inches. Perch numbers expanding from illegal stocking, most are small. Pike youngof-the-year netted in fall 2013 (Fishing pier).

Gordon Lake (299) - 4.5 miles north, 1 mile west, .25 miles northwest of Belcourt. No recent information.

Gravel Lake (294) - 6 miles west, .5 miles north of St. John. Pike average about 25 inches and most perch are less than 10 inches. (Fishing pier).

Hooker Lake (295) - 8 miles west of St. John. One of few rainbow trout lakes in the

district. Trout stocked annually and reach maximum size in the fall. (Fishing pier). Island Lake (634) - 3 miles west, 2 miles south of Mylo. Suffered a significant winterkill in 2013, with some pike still available.

Jarvis Lake (301) - .75 miles southwest, 6 miles west of St. John. No recent information. (No ramp).

Jensen Lake (290) - 9 miles west, 3 miles north of St. John. Overpopulation of stunted, skinny perch.

School Section Lake (296) - 9 miles north, 2.5 miles east of Dunseith. Partial winterkill in 2013. Good pike numbers and some perch available.

Shutte Lake (298) - .5 miles east of Dunseith. Pike numerous, with most fish less than 5 pounds. Perch are too abundant and mostly too small to keep. (No ramp).

Upsilon Lake (297) - 6 miles west, 1 mile north of St. John. Perch fishing good in recent years, although larger fish now less common. Pike common, with some large fish. Walleye in low numbers. (Fishing pier). Wheaton Lake (292) - 4.5 miles north,

2 miles west of Belcourt. No recent information.

#### STEELE COUNTY

Finley Dam (Lynch Lake) (335) - 1 mile south of Finley. Stocked regularly with pike. (No ramp)

North Golden Lake (339) - 10 miles east, 4 miles north, .5 miles west of Finley. High number of perch, with most less than 10 inches. Fair to good numbers of keeper pike, and walleye available.

South Golden Lake (337) - 10 miles east, 3 miles north, .5 miles west of Finley. Primarily a walleye and perch fishery, with some pike and bluegill. Walleye get large, with fish up to 8 pounds, however, the average fish is about 16 inches. Some 10inch perch. (Fishing pier).

#### **TOWNER COUNTY**

Armourdale Dam (349) - 9 miles east, 1.5 miles north of Rolla. Suffered a significant

McVille Dam (252) - 1 mile east of /ille. Some larger walleye, largemouth s and pike available. Perch are typically all. (Fishing pier).

Silver Creek Dam (268) - 4 miles west, .5 miles south of McVille. Small reservoir, with a winter pike fishery. (No ramp). Stump Lake (516) - 12 miles south, 1 mile

west of Lakota. Good walleye population, most are less than 18 inches. Pike common, featuring good numbers of medium to larger-sized fish. Perch population is increasing, with good numbers of mediumsized fish, with some big fish, too. Low densities of white bass. (Fishing pier). Tolna Dam (254) - 1 mile south, 2 miles east of Tolna. Some larger walleye and good pike numbers. Perch numbers fairly low. Whitman Dam (253) - 1.5 miles north, 3 miles east of Whitman. Perch grow to keeper-size, with some pushing 12 inches. Fair pike and walleye fishing. Low crappie population, some large fish. (Fishing pier).

#### PEMBINA COUNTY

Renwick Dam (265) - 6 miles west, 1 mile north of Cavalier. Holds mostly pike and perch, with some crappie. Perch are numerous, but typically smaller. White suckers and bullheads abundant. (Fishing pier).

#### PIERCE COUNTY

Buffalo Lake (271) - 4 miles west, 1 mile south of Esmond. Winterkills often and pike ishing opportunities occur when winters are d. (Fishing pier).

d Lake (270) - 4 miles north of asant Lake. Good pike and perch fishery. Average size for perch has increased, pike common up to 5 pounds. (Fishing pier).

#### **RAMSEY COUNTY**

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winterkill in 2013, with some adult pike still present. (Fishing pier).

Bisbee Dam-Big Coulee (350) – 1 mile east of Bisbee. Pike, walleye, perch, bluegill and crappie present. Some walleye and pike up to about 6 pounds. A few more perch are showing up, as well as the occasional large bluegill and crappie. (Fishing pier).

#### WALSH COUNTY

**Bylin Dam (355)** – 3 miles east, 3 miles south of Adams. Nice population of smaller pike to keep youngsters entertained. (Fishing pier).

**Dougherty Dam (032)** – 1 mile west of Bylin Dam. Holds some pike. (No ramp). **Homme Dam (356)** – 2 miles west of Park River. Lots of smaller perch and crappie, with some nice pike and walleye. White suckers and bullheads are abundant and problematic. (Fishing pier).

**Matejcek Dam (354)** – 6 miles south of Lankin. Smaller walleye present in decent numbers. Perch numbers appear lower, as do pike. Crappie numbers seem to have rebounded. White suckers abundant.

#### WELLS COUNTY

**Goose Lake (608)** – 3 miles north, 3 miles east, 1 mile north of Harvey. Pike numbers increased significantly. Walleye size is good, but numbers decreasing. Perch common. (No ramp).

Harvey Dam (368) – Southeast side of Harvey. Experienced a significant winterkill in 2013. Netting survey produced several pike and lots of bullheads, which continue to be a problem. Adult perch have been stocked since the kill. (Fishing pier).

Hurdsfield-Tuffy Lake (616) – 3.5 miles east of Hurdsfield. Relatively new fishery, with some good walleye and perch fishing. Most walleye are eater-size, with the occasional big fish. Perch present, but in lower numbers, fish to 12 inches. (No ramp). Silver Lake WMA (721) – 3 miles south of Chaseley. No information available. (No ramp).

Sykeston Dam (369) – Northwest side of Sykeston. Winterkill and summerkill in recent years decimated the fishery. Bulheads also a major problem. Pike and perch reintroduced and provide some opportunity. (Fishing pier). Weisz Lake (720) – 2 miles west, 1.5 miles south of Hurdsfield. No information available. (No ramp).

#### RIVERS

Turtle River (404) – In Grand Forks County. Rainbow trout stocked twice in spring and once in fall to provide a unique riverine trout fishery. Mostly a put-and-take fishery. (No ramp).

#### Southeast

#### BARNES COUNTY

**Blumers Pond (023)** – 1 mile south of Valley City. Good shore-fishing for early season trout. (No ramp).

**Clausen Springs (051)** – 3 miles north, 1 mile east, .5 miles north of the junction of ND highways 46 and 1. Excellent largemouth bass fishery. Developing bluegill population. (Fishing pier).

**Clauson Lake (704)** – .5 miles south, 3.5 miles west of Nome. Abundant perch up to 12 inches. (No ramp).

Eckelson Lake North (605) - 2 miles east



of Eckelson. Abundant perch at times. (No ramp).

**Eckelson Lake South (671)** – 4 miles south, 1.5 miles east of Eckelson. Mostly northern pike. (No ramp).

Fox Lake (586) – 1 mile north, .5 miles west of Eckelson. Excellent walleye and perch fishery. (No ramp).

Hatchery Kids Pond (064) – 2 miles northwest of Valley City. Good shore-fishing for early season trout. (No ramp).

Hobart Lake North (636) – 6 miles west of Valley City. Perch common. (No ramp). Hobart Lake South (532) – 6 miles west of Valley City. Abundant perch. (No ramp). Island Lake (672) – 3 miles south, .5

miles east of Urbana. Excellent walleye and small perch fishery. (No ramp). Kee Lake (606) – 7 miles south, 2 miles

east of Eckelson. Good perch and walleye populations. A few pike. (No ramp).

Lake Ashtabula (046) – 10 miles north of Valley City. Consistent producer of pike, walleye, perch or white bass, depending on the year. Smallmouth bass and perch populations increasing. (Fishing pier). Meadow Lake (565) – 6 miles west, 6 miles north of Litchville. Perch up to 14 inches. (No ramp).

**Middle Eckelson (670)** – 2 miles east of Eckelson. Pike present. (No ramp).

**Moon Lake (049)** – 2 miles west, 5.5 miles south, 4 miles west, 2 miles north of Valley City. Holds a few trout. Perch available, and some walleye up to 6 pounds. Trophy catfish rare.

Olson WPA (633) – 1.5 miles east, .5 miles south of Sanborn. Variable perch fishery from winter to winter. (No ramp). Sanborn Lake (557) – 2 miles east of Sanborn. Small perch and a few quality pike. (No ramp).

Sanborn WPA (567) – .5 miles east of Sanborn. Perch and pike present. (No ramp). St. Mary's Lake (045) – 2 miles west, 5.5 miles south, 4 miles west, 1 mile north of Valley City. Excellent perch population. Walleye recently introduced. (No ramp).

#### CASS COUNTY

**Brewer Lake (111)** – 1 mile south, 1 mile west of Erie. Excellent largemouth bass population. (Fishing pier).

**Casselton Reservoir (106)** – Just west of Casselton. Put-and-take urban fishery. (Fishing pier).

Lindemann Lake (703) – 2 miles east, 2 miles north, .5 miles west of Enderlin. Developing walleye population. Good perch population. (No ramp).

**North Woodhaven Pond (656)** – 2.25 miles south, .25 miles east of I-94 Exit 348. Trout stocked annually. Bluegill present. (Fishing pier, no ramp).

**South Woodhaven Pond (673)** – 3.5 miles south, .25 miles east of I-94 Exit 348. Self-sustaining perch fishery. Fish are small, but an excellent spot to take a kid fishing. (Fishing pier, no ramp).

#### DICKEY COUNTY

Heinrich Lake (611) – 18.5 miles east, 1 mile south of Ashley. No recent information. (No ramp).

Moores Lake (119) – 18.5 miles west, 1 mile north of Ellendale. No recent information. (No ramp).

**Pheasant Lake (120)** – 6 miles west of Ellendale. Recovering from winterkill. Walleye, perch, bluegill and crappie reintroduced. (Fishing pier).

Wilson Dam (121) – 7 miles west of Monango. Developing bluegill population. Pike, perch and walleye rare. (Fishing pier)

#### LAMOURE COUNTY

Alfred Lake (574) – 7 miles east, 1.5 miles south of Gackle. Pike and perch of various sizes. (No ramp). Boom Lake (Marion Lake) (561) – .5



miles west of Marion. Walleye, pike and nall perch.

mond Lake (553) - 5 miles north ulm. Consistent walleye and perch ducer, with a few pike.

Flood Lake (511) - 3.5 miles north of Kulm. Mostly pike and small perch. Heinrich-Martin Dam (189) - 1 mile southeast of Adrian. Excellent largemouth

bass population. Bluegill and crappie present. Kalmbach Lake (194) - 1 mile south, 4.5 miles west, .5 miles south of Jud. Medium-

sized pike. Kulm-Edgeley Dam (191) - 4 miles west,

2 miles south of Edgeley. Walleye, pike and perch present.

Lake LaMoure (196) - 1 mile south, 1 mile east, 2.5 miles south, 1 mile west, .5 miles south of LaMoure. Good for walleye, perch and some larger pike. Bluegill and crappie also present. (Fishing pier).

LaMoure Dam (190) - West end of LaMoure. Excellent shore-fishing opportunities when fish congregate below lowhead dam. (No ramp).

Limesand-Seefeldt Dam (193) - 8 miles south, 3 miles west of Marion. No recent information.

Schlecht-Thom Dam (195) - 5 miles west, .5 miles north of Edgeley. Small bluegills and a few pike.

Schlecht-Weixel Dam (188) - 4 miles south of Jud. No recent information. Schlenker Dam (Lehr Dam) (422) - 11

miles west, .5 miles south of the junction of U.S. Highway 281 and ND Highway 46. No recent information.

in Lakes (552) - 4 miles north of pure. Excellent walleye, perch and pike lations.

#### LOGAN COUNTY

Arnies Lake (623) - 1.5 miles south of Gackle, 2 miles east, 1 mile south. Difficult access. Unknown population status. (No ramp).

Erickson Lake (722) - 8.5 miles north, 3 miles west, 1 mile north, 1.5 miles west of Kulm. Perch up to 9 inches. (No ramp).

#### MCINTOSH COUNTY

Blumhardt Dam (208) - 10 miles east, 7 miles north, 1.5 miles east of Ashley. Brown and rainbow trout, with some larger fish. Good destination for early season fishing. Coldwater Lake (209) - 16 miles east, 1 mile south, 1 mile west of Ashley. Good populations of walleye and pike. Small perch. (Fishing pier).

#### RANSOM COUNTY

Dead Colt Creek (284) - 5 miles south, 1 mile east, .5 miles north, .5 miles east of Lisbon. Excellent largemouth bass population, plus bluegill and crappie. (Fishing pier).

#### **RICHLAND COUNTY**

Arndt Lake (755) - 6 miles east, 7 miles south, .5 miles west, 1 mile south, .25 miles east of Lidgerwood. Developing bluegill fishery. (No ramp).

Bisek Slough (682) - 2 miles north, .5 s west of Lidgerwood. Small pike when Rice River overflows and allows fish SS.

Elm Lake (693) - .5 miles east, 3.5 miles south of Lidgerwood. Good pike population averaging 5 pounds. (No ramp). Grass Lake (272) - 2 miles west, 1 mile

# ORTH DAKOTA FISHING



north, 1 mile west, 1 mile north, 1.5 miles west of Lidgerwood. Some quality walleye and crappie present. (Fishing pier). Gullys Slough (572) – 4 miles east, 1 mile south of Lidgerwood. Pike average 6-plus

pounds. (No ramp). Haus Lake (745) - 2 miles east, 7 miles south, .25 miles east of Lidgerwood. Perch. (No ramp).

Heley Lake (725) - 5 miles north, 1 mile east, .5 miles south of Lidgerwood. Mix of small perch and walleye. (No ramp).

Horseshoe Lake (287) - 4 miles west, 1 mile south of Hankinson. Abundant small perch, some walleye. (No ramp).

Kreiser Slough (680) - 4 miles north, 3 miles west of Lidgerwood. Small pike when Wild Rice River overflows. (No ramp).

Lake Elsie (289) - 1 mile south, 1.5 miles west of Hankinson. Improving walleye population, along with crappie. Smallmouth bass and channel catfish are a bonus. Walleye length restriction in place. (Fishing pier)

Lueck Lake (622) - 4 miles east, 2 miles south, 1 mile east, .5 miles south of Lidgerwood. Mixed sizes of perch. Walleye up to 7 pounds. Walleye length restriction in place. (No ramp).

Mooreton Pond (288) - 2 miles east of Mooreton. Abundant small bluegill, plus walleye, perch and catfish. Trout stocked annually. (Fishing pier).

Reiland Lake (729) - 3 miles north,

.5 miles east of Lidgerwood. No recent information. (No ramp).

Shriner Lake (754) – 4.5 miles south, .25 miles east of Lidgerwood. No recent information. (No ramp).

Silver Lake (681) – 2 miles north, 2 miles west of Lidgerwood. Small pike when Wild Rice River overflows. (No ramp).

Strege Lake (727) - 3.5 miles east, 1.5 miles south, .5 miles west of Lidgerwood. No recent information. (No ramp).

Vislisel Lake (728) - 1 mile north, 2 miles east, 1 mile north, .5 miles west of Lidgerwood. 9-inch perch and small walleye. (No ramp).

Wahl Lake (523) - 2 miles south of Lidgerwood. Produces bluegill, perch and the occasional pike. (No ramp).

West Moran Lake (669) - 2 miles east, .5 miles south of Lidgerwood. Good walleye population, along with crappie and perch. Walleye length restriction in place. (No ramp)

Willard Lake (648) - 1 mile south, 2 miles west of Hankinson. Partial winterkill 2012-13. Pike population reduced. (No ramp).

#### SARGENT COUNTY

Alkali Lake (302) - 3 miles south of Cayuga. Regulated walleye fishery. Developing crappie population. Bergh Slough (647) - 1.5 miles south, 2.5 miles east of Forman. No recent information. (No ramp).

## **Red River guide Brad Durick**

"The Red River has always been famous for trophy channel catfish. While it is still something very special to catch a 20-pound-plus catfish, it is a very possible achievement every day out."

Buffalo Lake (307) - 6 miles north, 1 mile east of Rutland. Good walleye and crappie populations. Walleye length restriction in place.

Consolidated Lake (651) - 2.5 miles south, 3 miles east of Forman. Mostly larger pike and walleye. A few large crappie. (No ramp)

Fiala Lake (571) - 1 mile west, 2 miles south of Forman. No recent information. (No ramp)

Kraft Slough (643) - 1 mile south, 9 miles east, 1 mile north, .5 miles west of Oakes. Developing walleye fishery. Abundant small perch.

Lake Tewaukon (305) - 5 miles south of Cayuga. Good walleye and northern pike populations, and a few whopper crappie. (Fishing pier).

Lake Walstead (667) - 2.5 miles south, 1 mile east, .5 miles south of Forman. No recent information. (No ramp).

Ole Breum Lake (744) - 5 miles north, 2 miles east of Rutland. Abundant smallto medium-sized perch. Walleye recently introduced. (No ramp).

Silver Lake (303) - 3 miles west, 2 miles south of Rutland. No recent information. (Fishing pier)

Sprague Lake (309) - 6 miles west, 4 miles south, 1.5 miles west of Cayuga. Abundant northern pike and some fair-sized walleve.

Tosse Slough (679) - 7.5 miles south, 1 mile east, 2 miles south, 1 mile east of Geneseo. Small walleye in poor condition. Developing crappie population. Walleye length restriction in place.

#### STUTSMAN COUNTY

Alkali Lake (539) - 11 miles north, 5 miles east, 1 mile south of Jamestown. Partial summerkill in 2013. No recent information. (No ramp)

Arrowwood Lake (344) - 3 miles south, 5 miles west of Kensal. No recent information. (No ramp)

Bader Lake (427) - 4 miles south, 1 mile east of I-94 Exit 228. Some small walleye and pike. New boat ramp in 2012.

Barnes Lake (346) - 1 mile east, 6 miles north of Woodworth. Pike and walleye present

Big Mallard Marsh (599) - 9 miles north, 1 mile east of Woodworth. Mostly mediumsized walleye. Pike not as abundant.

Clark Lake (340) - 5 miles west, 2 miles north of Woodworth. Pike, walleye and perch present.

Cleveland Slough (665) - .5 miles south of Cleveland along County Road 67. Perch up to 12 inches, occasional 30-inch pike. (No ramp)

Crystal Springs (179) - 1 mile east of Crystal Springs. Decent pike, walleye and small nerch

Hehn-Schaffer Lake (459) - 4 miles north of Gackle. Pike, walleye and perch present. (Fishing pier).

Hoggarth Dam (576) - 3 miles west, 3 miles south of Courtenay. Excellent perch population. (No ramp).

Jamestown Reservoir (341) - 2 miles north of Jamestown. Walleye average 1 pound, pike average 5 pounds, crappie average a half pound. Small walleve and pike in poor condition. (Fishing pier).

Jim Lake (342) - 6 miles east of Pingree. No recent information. (No ramp).

Little Britches Pond (492) - Next to Jamestown Reservoir marina. Annual trout introductions provide good action for yout (No ramp).

Mud and Pearl Lakes (730) - 8 miles north, 3 miles west, 2 miles north, .3 miles east of Medina. Potential of 6- to 15-inch perch. (No ramp).

Pipestem Reservoir (348) - 5 miles northwest, .8 miles west, 1 mile south of Jamestown. Partial winterkill in 2012-13. Game fish populations reduced except for crannie

R and M Lake (579) - 4 miles east, 5 miles north of Buchanan. Excellent walleye fishery. (No ramp).

Reule Lake (607) - 5 miles west, .5 miles north of Medina. Excellent walleye population. (No ramp)

Spiritwood Lake (343) - 10 miles north, 4 miles east of Jamestown. Walleye and perch populations improving slightly. Still a good destination for trophy smallmouth bass. Catch-and-release recommended. (Fishing pier).

Streeter Lake (460) - South side of Streeter, No recent information. Sunday Lake (649) - 1.5 miles west, 3 miles north of Woodworth. No recent information. (No ramp).

#### RIVERS

Bois de Sioux River (412) - Southeast corner of state in Richland County. Good catfish and walleye populations. (No ramp). James River (400) - Southeastern part of the state. Excellent shore-fishing opportunities at lowhead dams and bridge crossings where pike and walleye congregate.

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Red River (411) - Eastern edge of state. Excellent catfish along with walleye and pike. Bigger catfish tend to be farther north. (Fishing pier).

Sheyenne River (397) - Southeastern part of state. Excellent fishing where access permits. (Fishing pier).

Wild Rice River (409) - Southeastern part of state. Excellent ing for walleye at crossings downstream from Lake Tewaukon. ramp).

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# Aquatic Nuisance Species NORTH DAKOTA REGULATIONS







Remove all aquatic plants from boats, trailers, fishing tackle and other equipment. Remove all aquatic plants from livewells and bait containers.

Drain all water from boats (including livewells), motors, trailers and other watercraft. All boats coming in from other states must have all water drained before entering North Dakota.

It is illegal to transport live aquatic bait into North Dakota from another state. or to release baitfish into any North Dakota water body.

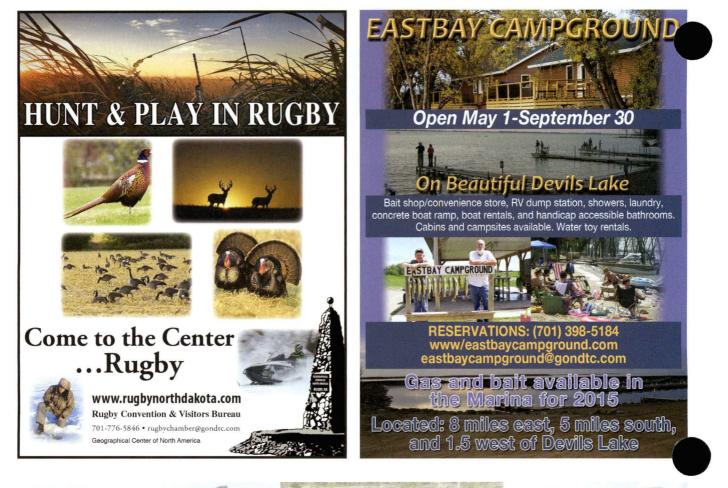


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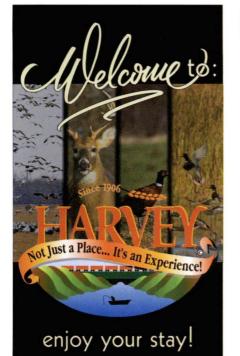
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**Richland County includes many of the** sloughs and potholes that make southeastern North Dakota one of the best duck and goose hunting areas in the country. Wahpeton-Breckenridge is also the headwaters of one of North America's great catfish rivers, the Red River of the North, which is formed by the Ottertail and **Bois de Sioux Rivers. The Kidder Recreation** Area along the Red River boasts all the essential fishing and camping necessities.



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## HUNTING

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# North Dakota has something to tempt every hunter

Hunters taking to the fields in North Dakota have a great passion for the outdoors. The opening of a hunting season is often treated like a holiday for many families. There's a reason not only North Dakota hunters, but thousands from other states, show such passion.

Hunting opportunities across the state range from upland game birds to an array of big-game species to abundant waterfowl.

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#### **Indian Reservations**

Tribal access permits are required for hunting or fishing on land owned by individual Native Americans or Indian tribes, or held in trust for tribes by the federal government, within the boundaries of certain Indian reservations in North Dakota. For more information, contact the following tribal offices:

#### Fort Berthold Game, Fish and Wildlife Department

404 Frontage Road, New Town, ND 58763 701-627-4760

#### Standing Rock Game and Fish Department Box 549, Fort Yates, ND 58538 701-854-7236

Spirit Lake Nation Fish and Wildlife Department PO Box 359, Fort Totten, N.D. 58335 701-766-1243

**Turtle Mountain Natural Resources** Box 570, Belcourt, ND 58316 701-477-2604

#### **Notes to Nonresidents**

vears to come.

To hunt small game such as pheasant, grouse, partridge and mourning dove, nonresidents need the following licenses: certificate, general game and habitat and small game. Crane hunters need a crane permit. Small game licenses are good for 14 consecutive days or two seven-day periods. Nonresider may hunt sandhill cranes with either a small game or waterfor license. Hunters can purchase more than one small game license.

To hunt ducks, geese and swan, a waterfowl license is needed, plus the general game and habitat stamp. In addition, hunters age 16 and older need a federal waterfowl stamp. Waterfowl licenses are for 14 days or two seven-day periods. Nonresidents are limited to one regular season waterfowl license per season. Nonresident migratory bird hunters must register with the Harvest

Information Program in North Dakota, even if they are HIP certified at home.

Nonresidents need a special license to hunt during the early Canada goose season. This license is good for the entire early goose season, and does not count against the 14-day regular season license. Certificate is also needed for early goose.

Deer hunters need a certificate and general game and habitat stamp in addition to their bow or gun license. Nonresident elk and moose gun licenses are not available.

To hunt prairie dogs, rabbits and ground squirrels, nonresidents need only a nongame license. Nonresident fall turkey licenses are available if there are licenses remaining after the initial lottery drawing.

#### License Availability

Nonresident waterfowl and small game hunting licenses are available through the Game and Fish Department website at gf.nd.gov, by phone at 800-406-6409 or at the Game and Fish Department's Bismarck headquarters, 100 N. Bismarck Expressway, Bismarck, N.D. 58501-5095. They also may be purchased from licensed vendors connected with the Game and Fish online license system.





## NORTH DAKOTA HUNTING

#### **License Information**

Copies of the current North Dakota nunting regulations are available at gf.nd.gov or by calling the Game and Fish Department at 701-328-6300.

#### NONRESIDENT HUNTING Fishing, Hunting and Furbearer \$2.00 Certificate

The certificate is the document to which all licenses and stamps are listed or affixed. All nonresidents who hunt, regardless of age, must possess the appropriate hunting licenses. With the exception of big game, nonresidents under age 16 can buy North Dakota hunting licenses at resident prices, if their home state offers the same opportunity to North Dakota youth.

Small Game	\$100.00	
Waterfowl (Zones)	\$100.00	
Statewide Waterfowl	\$150.00	
General Game and Habitat	\$20.00	
Spring Light Goose	\$50.00	
Early Canada Goose	\$50.00	
Deer Gun	\$250.00	
Deer Gun Application Fee	\$5.00	
(Nonrefundable)		
Antlerless Whitetail, Third lotte	ry \$50.00	
(if available)		
Deer Bow	\$250.00	
Furbearer and Nongame	\$40.00	
(fox, coyote, prairie dogs, rabbits)		
Nongame License	\$15.00	
(for prairie dogs, rabbits)		
andhill Crane Permit	\$30.00	

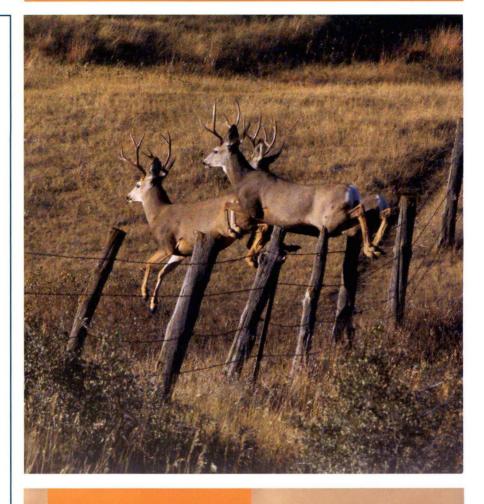
#### **RESIDENT HUNTERS** Fishing, Hunting and Furbearer

Certificate	\$1.00
The certificate is the document	t to which
all licenses and stamps are list	ted or
affixed.	
Small Game	\$10.00
(age 16 or older)	
General Game and Habitat	\$20.00
(all ages)	
Furbearer	\$15.00
(age 16 or older)	
Deer Gun	\$30.00
Deer Bow	\$30.00
Youth Deer Bow	\$10.00
(under age 16)	
Youth Deer Gun	\$10.00
(under age 16)	
Spring, Fall Turkey	\$15.00
Sandhill Crane Permit	\$10.00
Resident Combination	\$50.00
Early Canada Goose	\$5.00

#### **Hunter Education Requirements**

North Dakota requires all persons born after Dec. 31, 1961, to have attended and passed a certified state hunter education course before they can legally purchase any type

hunting license. Apprentice licenses allow se age 16 and older, who have not taken inter education, to hunt with a legally licensed adult. Contact Game and Fish at 701-328-6300 for full details.



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than ever before. Sportsmen can update any hunting gear they may need during the day and enjoy the nightlife in the evening.

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## NORTH DAKOTA HUNTING 🖲



You need more than a hand's worth of fingers to count the number of big game species residing in North Dakota, Giant moose tromp the woodlands in the northeast and north-central; elk traverse the southwest's Badlands and the wooded breaks of the Pembina Gorge. Pronghorn cruise rolling grasslands south and west of the Missouri River, while mule deer hole up in breaks and Badlands. Bighorn sheep reside in the most rugged of Badlands terrain, and white-tailed deer are found just about everywhere in the state.



<b>REGULATIONS</b> 2015 Big Game Seasons			
5	Ononing Data		
Species	Opening Date		
	(Probable)		
Deer Bow	Aug. 28		
Bighorn Sheep	Call for date		
Elk	Call for date		
Deer Gun	Nov. 6		
Moose	Call for date		
Pronghorn Gun/Bow (if season held)			
i i oligiioini ouni, boni (ii oouo	Call for date		
	can for date		
2015 Big Game License Deadlines			
5			
Species Applic	ation Deadline		
	(Probable)		
Moose/Elk (Residents only)	March 25		
Bighorn Sheep	March 25		
Deer Gun and Muzzleloader	June 3		

#### **Application Information**

Applications for licenses issued by lottery are generally available at least three weeks prior to the deadline. For deer gun, the nonreside license fee is \$250, not including \$2 for the hunting, fishing and furbearer certificate, \$20 for the general game and habitat stamp and a \$5 application fee which must accompany the application. Unsuccessful applicants receive

refunds. Antlerless whitetail licenses available after the first and second lottery drawings are \$50. To enter the bighorn sheep license drawing, nonresidents must submit a \$100 nonrefundable application fee. A nonresident sheep license is \$500.

#### Bowhunting

North Dakota bowhunting starts early and ends late. Archers can begin their quests for white-tailed deer and mule deer in late August or early September. Deer seasons continue into early January. Resident deer bow licenses are good for mule deer or whitetail.

#### **Nonresident Any-Deer Bow Licenses**

These allow the taking of either whitetail or mule deer, and are limited in number to 15 percent of the mule deer gun licenses for the previous year. In 2015, the quota will be about 200. Applications are accepted until March 1, 2015. A drawing is held to issue licenses if more applications are received than licenses available.

#### Nonresident Whitetail-Only Bow Hunting

Nonresident whitetail-only bow licenses are not limited in number. For residents and nonresidents, archery licenses are only issued electronically, either through the Game and Fish Department or vendors connected to the Game and Fish system.

#### **No Party Hunting**

North Dakota hunters may shoot and tag only the big game animal for which they are licensed. Party hunting is not allowed. Once your tag is filled, you may continue to accompany a group, but you cannot harvest an animal for another license holder.

#### Vehicle Use

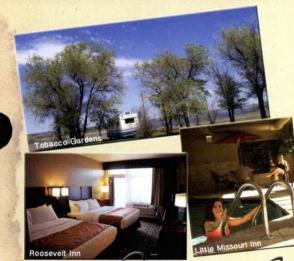
While hunting big game, vehicles must stay on established roads and trails. However, after an animal is killed and properly tagged, and as long as the landowner allows it, a vehicle may leave an established road or trail to retrieve the animal. Vehicles cannot leave established roads or trails for any reason on state wildlife management areas, federal waterfowl production areas, U.S. Forest Service national grasslands or other areas where vehicle use is prohibited.

#### Transportation

License holders must accompany their animals during transportation. Permits to allow transport of big game by another person are available from state game wardens.



# NORTH DAKOTA HUNTING



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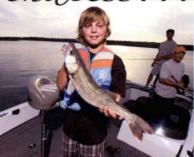


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McKenzie County





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1-800-435-5663 NDtourism.com



# NORTH DAKOTA HUNTING 🔻



Like a busy interstate, the noise of migrating waterfowl can be deafening. All that honking and traffic is enough to make a person want to get out in the field on a cold dark morning, set out decoys and wait for waterfowl to come to you. Don't worry, they'll come. The Central Flyway through North Dakota is a major interstate route for thousands and thousands of geese and ducks heading from breeding grounds here and to the north to wintering grounds to the south.



#### Nonresident Waterfowl Information

In 2014, North Dakota had three nonresident waterfowl hunting zones. Two zones had limits on the number of days on which nonresidents could hunt. There also is a statewide zone license that allows waterfowl hunting anywhere in the state, at a higher fee. These zones are subject to change annually and hunters should contact the North Dakota Game and Fish Department after July 1, 2015, for information on zones and licenses. Nonresident waterfowl hunting licenses will be issued through the department's Bismarck office, over the Internet and by telephone.

While nonresidents are prohibited from hunting lands owned or leased by the North Dakota Game and Fish Department the first week of pheasant season (October 10-16), they may hunt lands managed by other state agencies, like state school lands; federal lands that may be open to hunting, like U.S. Fish and Wildlife Service waterfowl production areas; and private lands not enrolled in the Game and Fish PLOTS program.

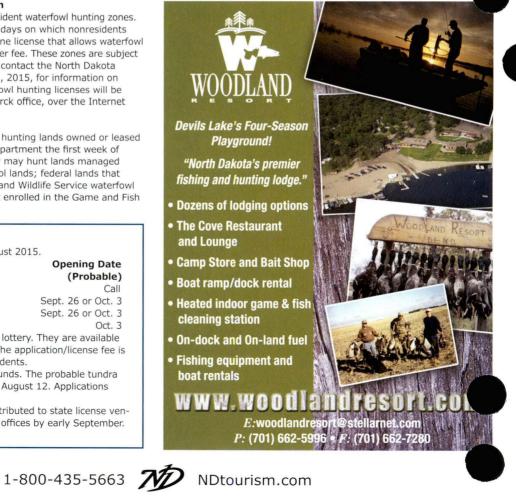
#### REGULATIONS

Official season dates available in A	ugust 2015.
Species	Opening Date
	(Probable)
Early Canada Goose	Call
Ducks	Sept. 26 or Oct. 3
Geese	Sept. 26 or Oct. 3
Tundra swan	Oct. 3
Tundra swan licenses are issued	by lottery. They are available

to both residents and nonresidents. The application/license fee is \$10 for residents and \$30 for nonresidents.

Unsuccessful applicants receive refunds. The probable tundra swan application deadline for 2015 is August 12. Applications should be available by August 1.

Printed waterfowl guides will be distributed to state license vendors and Game and Fish Department offices by early September.





The landscape around Bismarck-Mandan is home to the nation's best hunting grounds. It's also home to the nation's luckiest hunters. Test your skills against pheasant, whitetail deer, ducks and wild turkey. To get started, take aim at discoverbismarckmandan.com.

**BISMARCK-MANDAN CVB** NORTH DAKOTA Pack higher expectations.

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visi



Three-for-three. Three shots, three birds. How many hunters have limited out on pheasants in a matter of seconds? It happens more often here than people think. It happens walking a tree row or deep cover near plentiful food and water. Maybe it's cold and windy and the birds just don't want to get up. They're sitting so tight, you nearly step on them. When one flushes, others follow. So be ready for that time when it comes. Three-for-three; that's even better than a fish story.

#### Identification

One leg or foot, or the fully feathered head or wing of all pheasants, Hungarian partridge and grouse must remain attached to the bird during transportation or shipment to the final place of storage.

#### Number of Shells in Gun

While hunting upland game birds, you cannot use a shotgun capable of holding more than three shells. This means the plug must be properly installed in all pump and semi-automatic guns.

#### Transportation

Each license holder must accompany his/her own game in transportation, and may not transport game for another. However, public carriers may ship birds with receipt of proper bill of lading.

#### Age Restriction

Persons under age 15 afield with firearms must be accompanied by a parent, guardian or person authorized by the parent or guardian.

#### Party Hunting

Party hunting is not allowed in North Dakota. Hunters may take only their own daily limit of birds, and may not help other hunters fill their daily limits.

#### REGULATIONS

2015 upland game seasons. Official dates available in August 2015. Species **Opening Date** 

	(Probable)
Dove	Sept. 1
Sandhill Crane	Sept. 19
Sharp-tailed Grouse	Sept. 12
Hungarian Partridge	Sept. 12
Tree Squirrels	Sept. 12
Ruffed Grouse	Sept. 12
Ring-necked Pheasant	Oct. 10
Copies of the complete 20	15-2016 North

Dakota small game and furbearer regulations will be available at state license vendors and Game and Fish Department offices by mid-August 2015.





Blow a predator call in North Dakota and you're never quite sure what will respond. In the east, it's more likely red fox, in the west, odds favor a coyote, but both species live in every county of the state. In the Badlands, secretive bobcats can add a real surprise. Fox and coyote are hunted year-round in North Dakota, with extended hours in winter.

Western North Dakota offers prairie dog hunting. Our prairie dog towns can provide consistent shooting for avid varmint hunters. Interested hunters can call the North Dakota Game and Fish Department, 701-328-6300, for prairie dog license requirements.

#### Furbearer/Nongame Regulation Highlights

#### Seasons

Hunting for fox, coyote, raccoon, badger and beaver is open year-round, while a limited season for mountain lions is available to residents only. There are established seasons for trapping some furbearers. Hunting for cottontail rabbits and snowshoe hares is open year-round.

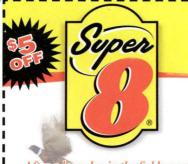
#### Nonresident restrictions

Nonresidents may hunt only fox and coyote. Nonresidents may trap furbearers in North Dakota if their home state allows North Dakotans the same trapping privileges.

#### Licenses

Residents age 16 and older need a furbearer stamp. Presidents need the nonresident furbearer and nongame





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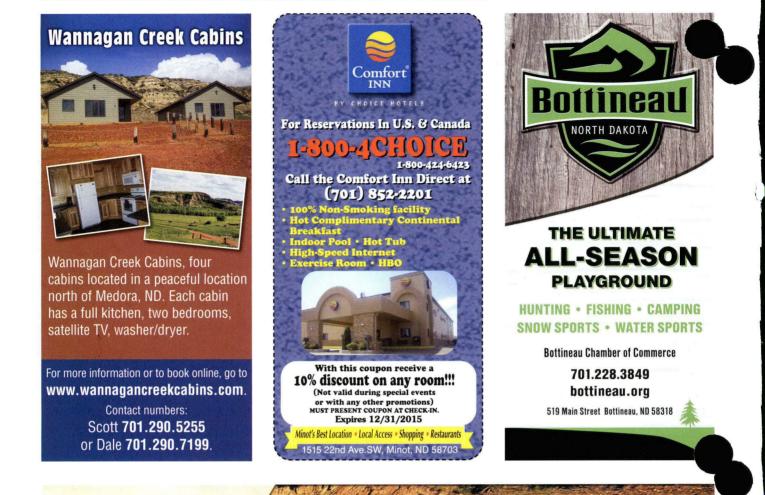
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AB1012

Benuary 13, 2015 allachment # I

House Appropriations, Government Operations Division Testimony in support of HB 1012 Kelly Sorge, Indian Hills Resort, Garrison ND. January 13, 2015

Chairman Thoreson and member of the House Appropriations, Government Operations Division. I'm Kelly Sorge, owner of Indian Hills Resort. If you haven't been there, it's a beautiful spot nestled in lush hills, offering fantastic fishing and rich experiences.

That being said, first impressions are lasting and irreplaceable. I spend thousands of dollars and countless hours on advertising our beautiful oasis on the lake. Our resort offers fantastic camping, lodging, newly constructed world class mountain bike trails and North Dakota hospitality.

The first experience for our guests after traveling several hours or hundreds of miles is a primitive country road full of washboards and loose rock. A couple miles of travel on this road with campers and boats is often a battle with dust, potential damage to trailers and spilled cupboard goods. It can actually be quite embarrassing at times.

Our location is not the only one at the end of roads that need improving. I believe we have the opportunity to provide a better experience and we all want to be proud of our state in the eyes of our out of state guests.

Please support \$5 million for the Special Roads Fund.

HB1012 Banuary 13,2015 Actachment B



P.O. Box 309 | Garrison, North Dakota | 58540 | friends@lakesakakawea.com | www.lakesakakawea.com

# Lake Sakakawea **Recreational Access Roadways**

Number Map **Updated Visitor** Location **Managing Agency Contact Person** Phone **Roadway Type** Location Numbers 2012 Camp of the Cross utheran Bible Camp Assc/Triangle Y Camp 17,258 4 Janis Sloka / ? 337-2246 / ? County 13 - 6 miles 15 Indian Hills Parks & Rec/Tribes 743-4122 Kelly Sorge 4 miles gravel 18132 8 **Douglas Creek** Corps of Engineers Linda Phelps 654-7411 County 11 - 8 miles 18893 19 McKenzie Bay McKenzie Marine Club Keith Backes 570-1720 Paved road 23431 5 **Charging Eagle Bay** Three Affiliated Tribes 880-1203 Jim Mossett 10 miles gravel 26806 23 **Reunion Bay** 654-7411 Corps of Engineers inda Phelps 8 miles gravel 3,448 13 Hale Marina Three Affiliated Tribes James Hale 759-3666 13 miles gravel Visitors ? Vis 32 White Earth Bay Mountrail County Park Board 755-3277 Greg Gunderson 10 miles gravel 26 Skunk Creek Recreation Area Three Affiliated Tribes 290-2841 11968 Ken Danks 9 miles gravel 654-7411 34 Wolf Creek Recreation Area Corps of Engineers 11.746 Linda Phelps 5 miles gravel 11 Garrison Creek Cabin Site Garrison Cabin Assc. 337-2247 Visitor Percy Radke 5 miles gravel **Visitors - Cabins** 27 Sportsmen's Centennial Park McLean County 462-8541 23059 Les Korgel 3 miles gravel 7 Deepwater Creek (cabin site/ G&F Ramp) McLean County/ND Game & Fish Les Korgel / Bob Frohlich 462-8541 / 326-6346 4 miles gravel na 33 Whitetail Bay (Lund's Landing) Williams County WRD Beth Innis 572-6373 1 mile gravel 30393 17 Little Beaver Bay Williams County WRD **Beth Innis** 572-637 3 miles gravel 25 Sanish Bay (Aftem) 852-277 Aftem Lake Development Gerald Aftern 2 miles gravel Visitors - Cabins Visitor 654-74 7 **Deepwater Creek** Corps of Engineers Linda Phelps 3452 1 mile gravel 28 Steinke Bay North Dakota Game & Fish **Bob Frohlich** 328-634 2 miles gravel No data No 31 West Totten Trail McLean County 462-8541 Les Korgel 1 mile gravel 4587 10 Four Bears Park Three Affiliated Tribes No 627-4018 Alan Chase No data 1 mile gravel Littlefield Bay 18 North Dakota Game & Fish **Bob Frohlich** 328-6346 1 mile gravel No No data 30 Mountrail County Park Board Van Hook **Rick Folden** 898-1157 Paved road 8 8906 24 Sakakawea State Park ND Parks & Rec John Tunge 487-3315 5 Paved road 63791 Fort Stevenson State Park 9 ND Parks & Rec **Dick Messerly** 337-5576 Paved road 5 7482 3 **Beulah Bay** Beulah Park Board Bev Sullivan 873-5852 Paved road 44252 4 21 Parshall Bay Mountrail County Park Board 898-1157 **Rick Folden** Paved road 4 4185 **Dakota Waters Resort** 6 Beulah Park Board 873-5800 38,438 Kelvin Heinsen Paved road 14 Hazen Bay Hazen Park Board Joe Amundson 748-5958 Paved road 12 **Government Bay** Corps of Engineers Linda Phelps 654-7411 Paved road 16 Lewis And Clark State Park 57124 North Dakota Game & Fish 859-3071 Al Larson Paved road 20 627-3900 47639 New Town New Town Park Board Dusty Rhoads Paved road 2 **Beaver Bay** Zap Park Board 948-2817 1695 Bill Mindt Paved road 22 Three Affiliated Tribes 16741 **Pouch Point** Annette Youngbird 627-8204 Paved road 29 **Tobacco Garden Creek Bay** McKenzie County Park Board 444-3616 40028 Frances Olson Paved road 1 American Legion Park (Raums) American Legion 1388 Paved road

> **Total Annual Visitation** 829,667

> > Increase 2009-2012

r of Visitors 2009	Miles of Gravel	Opinion of Probable Construction Cost	Priority Site Cost
17,258	6	\$5,250,000	\$5,250,000.00
18,276	4	\$3,500,000	\$3,500,000.00
21,947	8	\$7,000,000	
24,558	0	\$0	
22,846	10	\$8,750,000	
3,448	8	\$7,000,000	\$7,000,000.00
sitors ?	13	\$11,375,000	
7,048	10	\$8,750,000	\$8,750,000.00
6,555	9	\$7,875,000	
11,746	5	\$4,375,000	\$4,375,000.00
ors - Cabins	5	\$4,375,000	
15,365	3	\$2,625,000	
na	3	\$2,625,000	
12,208	1	\$875,000	
4,557	3	\$2,625,000	\$2,625,000.00
ors - Cabins	2	\$1,750,000	\$31,500,000.00
10,347	1	\$875,000	
lo data	2	\$1,750,000	
1,895	1	\$875,000	
lo data	1	\$875,000	
lo data	1	\$875,000	
86,907	0	\$0	
59,984	0	\$0	
55,348	0	\$0	
45,903	0	\$0	
42,857	0	\$0	
38,438	0	\$0	
28,809	0	\$0	
24,834	0	\$0	
16,397	0	\$0	
13,947	0	\$0	
13,671	0	\$0	
12,995	0	\$0	
10,101	0	\$0	
7,937	0	\$0	
36,182	Limited as some	\$84,000,000	
10.14%			

HB 1012 Sanuary 13, 2015 attachment K



Sheyenne River Valley National Scenic Byway Rosebud Visitor Center 250 West Main, Street Suite 1 Valley City, ND 58072 www.hellovalley.com

Tuesday, January 13, 2015

House Appropriations Government Operations Division Chairman Thoreson and Committee Members In Support of HB1012

Chairman Thoreson and Committee Members,

We are writing in support of House Bill 1012. Improving access to our statewide amenities is important to our visitors and residents. It is very important to the Sheyenne River Valley National Scenic Byway. Our byway is bringing more visitors to spend time and money in the small towns along the byway. We know that by the increase in collected lodging taxes in the area.

The Sheyenne River Valley National Scenic Byway has been nationally recognized. One of our award winning interpretive sites is located alongside the Standing Rock State Historic Site. Because of a poor access road we only take busses up to the site during dry weather. Another site, Little Yellowstone, has become a popular rest area off Highway 46. Access roads are in bad shape. The same can be said for another increasingly popular byway site, Clausen Springs. Adding funding for special roads can make a difference.

Tourism ranks as one of the top three industries in the state. According to the data we receive from State Tourism about visitor requests for information, byways and historical sites rank at the top most every month. People want to drive and experience the beauty of North Dakota. They want access to the historic sites, recreational and tourist amenities.

Please support HB 1012 and consider increasing the amount as the needs are great.

Sincerely,

Balley Kolpplen

Bobby Koepplin, Chairperson Sheyenne River Valley National Scenic Byway Association Cell: 701-840- 0250

HB1012 Sanwary 13, 2015 attachment

Monday, January 12, 2015



McKenzie Bay Marine Club

c/o 635 Oak Street Dickinson, ND 58601 701.483 1447

House Appropriations Government Operations Division Chairman Thoreson and Committee Members In Support of HB1012

Chairman Thoreson and Committee Members,

I am writing on behalf of the McKenzie Bay Marine Club in support of HB 1012 to provide \$50 million for the NDDOT Special Roads Fund for recreational access roads.

The McKenzie Bay Marine Club provides for the McKenzie Bay Recreation Area, the only full service recreation area along the southwestern shores of the Little Missouri River and Lake Sakakawea. The marina has full facilities for the public including concessions, food, fuel, bait, camping sites, boat ramps, sewage disposal, garbage disposal and a fish cleaning station. This facility and its' access to the lake is vitally important to thousands of recreationists and campers annually. In addition, there are over 300 seasonal homes that use these services including the lake communities of McKenzie Bay, Elmer's Point and Mosset Bay.

Road, improvements and maintenance of the bay's access roads and campsite roads are the single largest expense of the McKenzie Bay Marine Club and their project partners. *Since 1996, road improvement costs for lake access roads at McKenzie Bay have totaled \$1.9 million.* 

Access to Lake Sakakawea has been a huge issue since the dam was built and the area flooded. Terrain is unstable and hilly. Construction in these remote areas is very costly and those costs have risen even more due to energy development. The inclusion of the Corp of Engineers, land owners and the Three Affiliated Tribes in the implementation of road access projects is always challenging. For over five decades, the McKenzie Bay Marine Club has worked through many obstacles to improve access to Lake Sakakawea at McKenzie Bay.

It is also important to note that some private lakeside camping areas in western North Dakota have converted recreation facilities to long-term energy related camping and RV sites. In a 2013 McKenzie County community planning session, residents agreed diminishing access to Lake Sakakawea has affected their quality of life.

*Funding HB 1012 is the best avenue towards the long-range sustainability of recreation areas.* We sincerely appreciate your partnership, support and endorsement of HB 1012.

purley Bektury

Shirley Brentrup, Secretary



January 26,2015 AB1012

Attachment A

House Appropriations Government Operations Division January 26, 2015 - Medora Room

#### North Dakota Department of Transportation Grant Levi, P.E. - Director

Mr. Chairman and members of the committee, I'm Grant Levi, Director of the North Dakota Department of Transportation (DOT) and am here today to provide you with the additional information you requested.

#### GIS maps and systems at DOT:

Brian Bieber will now present a demonstration of GIS maps and products.

#### Additional information on Section 7 of HB 1012:

Because it takes time to develop projects, we need to start some projects three to four years in advance. Since the DOT is unsure of what state resources may be available in the future, we start the project development under the federal process to ensure projects will be eligible for federal funds. Once state dollars are received it may be advantageous for us to pay back the federal government so we can reallocate federal resources to other projects throughout the state. For example, we used federal funds to start project development on the projects listed below. We paid the federal government back and reallocated resources to other projects.



Highway	Description	Federal	Paid back
23	7TH ST-WATFORD CITY-TO NEAR JCT ND 22	\$	983,299.50
22	NEAR STARK CO LINE TO JCT 200-KILLDEER	\$	837,551.67
85	NORTH JCT SE WATFORD CITY BYPASS TO JCT US 2	\$	832,879.28
85	JCT ND 50 TO JCT ND 5	\$	611,596.04
85	I-94 N TO SOUTH JCT SE WATFORD CITY BYPASS	\$	611,182.89

#### Additional information on federal oversight of cultural resources:

Regardless of the type of funding, if there is any federal nexus, the DOT and local governments are required to comply with the National Historic Preservation Act of 1966.

 A federal nexus would include federal money (i.e. Federal Highway Administration funds), need for federal permits (i.e. 404 permits from U.S. Corp of Engineers) or inclusion of federal lands (i.e. Dakota Prairie Grasslands owned by U.S. Fish and Wildlife).

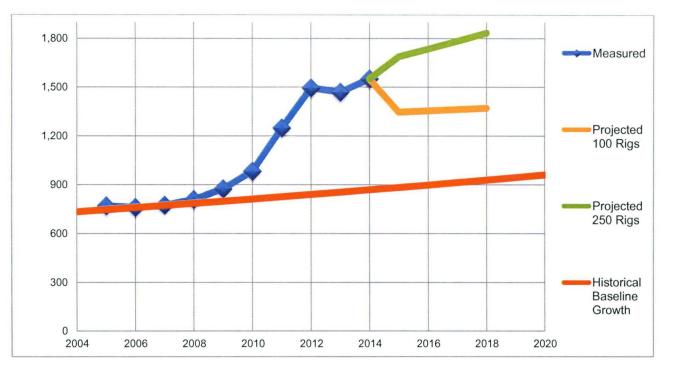
Projects also need to comply with ND Administrative Rule 40-02, in accordance with State Law 23-06-27, protecting human burial sites, human remains, and burial goods.

Compliance is achieved by surveying and identifying historic properties on a project, working to avoid, minimize, or mitigate for unavoidable impacts due to highway improvement projects. This is done in consultation with the State Historic Preservation Office and Tribal Historic Preservation Offices.

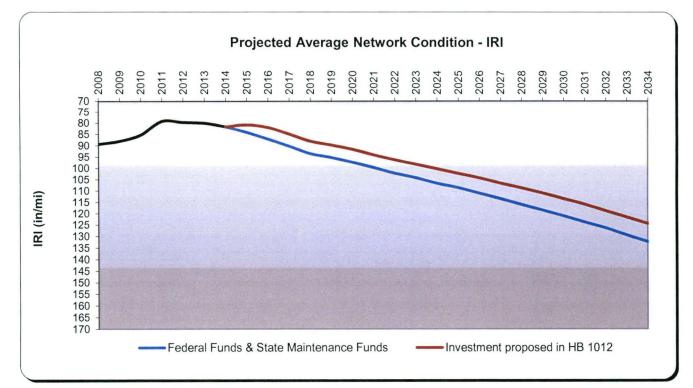
With the increased rebuilding of state and local roadways additional surveys, studies and consultation is needed with tribal governments, and as a result one additional position is being requested.

#### Additional information on our projected average network condition chart:

Roads and bridges are designed based on projected traffic. Below is the historical traffic trend compared to what has occurred and what may occur in the state.



The unprecedented growth in traffic in North Dakota has caused rapid deterioration on roadways. The projected network condition chart below shows how the average condition of the system will deteriorate without additional resources.



2

#### Why our reimbursements from counties and cities decreased in our revenue charts:

The revenue shown in the reimbursement chart for counties and cities does not give any indication on the amounts local governments are spending on transportation projects.

The funding contained in the budget is based on types of projects to be completed as outlined in the Statewide Transportation Improvement Program (STIP). We are anticipating less match from cities based on the mix of projects planned. Fluctuations in funding also occur based on local non-federal items included in projects, for example, water lines, city sewer work, etc.

**Funding needs for non-oil producing counties versus the 10 largest oil producing counties:** The chart below illustrates Upper Great Plains Transportation Institute's transportation needs for counties.

County	2015-2017 Un-Paved (millions)	2015-2017 Paved (millions)	2015-2017 Bridge (millions)	2015-17 Total Need (millions)
Oil Producing Counties	\$ 285.2	\$ 158.5	\$ 7.8	\$ 451.5
Non-Oil Producing Counties	\$ 347.8	\$ 294.5	\$ 79.2	\$ 721.5
Total	\$ 633.0	\$ 453.0	\$ 87.0	\$ 1,173.0

In addition to the Highway Tax Distribution Fund money counties receive, the DOT budgeted \$45.4 million in the western region, including local match and \$29.1 million in central and eastern regions for county work.

SB 2126 includes \$100 million for non-oil producing counties. SB 2103 includes \$140.8 million for non-oil producing counties and \$300 million for oil producing counties.

The Governor also indicated in his budget address that he would support a Gross Production Tax Formula change which states that after counties receive \$5 million from 100 percent of oil production tax revenues, they should receive for at least the 2015-17 biennium, 60 percent of the revenue from the oil production tax.

#### Information on how we project traffic and what is considered:

The DOT has worked with Upper Great Plains Transportation Institute (UGPTI) who has developed a traffic model. UGPTI worked with the State Oil and Gas Division which assisted in projecting where oil wells and other businesses related to the oil industry will be placed. UGPTI also tracks agricultural commodities and works with the state's demographer to project population growth and trends in communities. The traffic model uses this information to project traffic trends. The DOT also counts traffic each year to assist in calibrating the model. UGPTI used the model for needs studies across the state. The DOT uses the traffic model to project traffic as we design roads and bridges.



#### What is needed to hire and retain a good team of employees:

We shared in testimony that the DOT is struggling to hire a workforce, especially in the Williston District. In the Williston District we have 67 positions and since the energy industry expanded, we have averaged 10-15 vacancies a month. The employees work on administration, construction inspection, maintenance, snow and ice control on highways in several counties or sections of counties in northwestern North Dakota, including Divide, Burke, Ward, Williams, Mountrail, and McKenzie counties.

Our greatest employment hiring challenges are equipment operators, mechanics, and engineering positions. Some examples of the challenges we face in hiring are listed below:

- A DOT equipment operator's starting salary is equivalent to \$16.18/hour. Recent ads for drivers for other companies in the Williston area show a minimum hourly rate of \$20-\$27 per hour with comparable benefit packages.
- A DOT mechanic's starting salary is equivalent to \$18.46/hour. Recent ads for mechanics for other companies in the Williston area show a minimum hourly rate of \$28 - \$36 per hour with comparable benefit packages.
- We have two mechanic positions vacant in our Williston District. One position
  has been vacant for two years and the other for one year. We recently issued an
  RFP to procure the services of a vendor to come into our Williston shop and
  provide mechanic services. We had no responses to the RFP. We have had to
  implement a roving mechanic position where one of our mechanics drives to
  Williston to assist with the mechanic duties.
- Currently 5 of the 9 engineering positions in the Williston District are vacant. We
  have temporarily assigned employees from other districts to give added support.

In addition to hiring, it is essential to retain employees to carry out our programs and provide transportation services across the state. We need to continue to remain competitive to retain our workforce in order to accomplish what we're being asked.

The proposed compensation package recommended by the Governor, combined with the Energy Development Impact Funding Pool in OMB's SB 2015 will help us to address our challenges.

#### The process DOT uses to decide whether to use asphalt or concrete for pavements:

The DOT uses asset management information to make decisions on when to install asphalt pavements versus concrete pavements. The information includes but is not limited to: pavement condition, current and projected traffic and truck volumes, and expected traffic movements (amount of vehicle start/stop movements). The final decision on pavement type is based on resources we have available. Using the resources made available we do our best to maintain the quality of the system by proceeding with a balance of project types.



#### Local government entities that receive federal safety funds:

Currently 54 law enforcement agencies receive federal safety funds. Please see Attachment A. This list may change as we continue to contract with local entities.

#### Information about the link between the Traffic and Criminal Software (TraCS) program and Criminal Justice Information Sharing (CJIS) system:

The TraCS system is what is in the field to gather both crash and citation data. This data is fed into a system called TraCS web which is managed by DOT. The DOT gathers the information submitted by the officers. The DOT by agreement shares the information, both citations and crashes with CJIS. The DOT also shares the citations with the North Dakota court system. Attachment B provides a diagram illustrating the connection between the TraCS program and CJIS system.

#### Branch office locations that are issuing titles:

Beulah, Devils Lake, Dickinson, Fargo, Grand Forks, Rugby and Wahpeton.

#### Number of online renewals:

As stated in testimony, approximately 25% of the motor vehicle renewals are completed online each year. The number of online renewals in 2013 was approximately 212,000 and in 2014 there were approximately 227,000.

#### Does the DOT issue drivers licenses to aliens:

Following North Dakota Century Code, the DOT issues temporary licenses as stated in NDCC 39-06-19(4)

"An individual who has a valid, unexpired nonimmigrant visa or nonimmigrant visa status for entry into the United States, a pending application for asylum in the United States, a pending or approved application for temporary protected status in the United States, approved deferred action status, or a pending application for adjustment of status to that of an alien lawfully admitted for permanent residence or conditional permanent residence status in the United States will be issued a temporary operator's license or nondriver photo identification card. The temporary operator's license or identification card is valid only during the period of time of the applicant's authorized stay in the United States or, if there is no definite end to the period of authorized stay, a period of one year. The license or card may be renewed only upon presentation of valid documentary evidence that the status has been extended."

This type of license has "Temporary Driver License" included on it – see example below:







The DOT also follows Century Code in the two areas listed below:

39-06-07.1

"Proof of name, date of birth, and legal presence for operator's license application. An applicant must verify the applicant's name, date of birth, and legal presence on any application by a certified birth certificate or any other documentary evidence that confirms to the satisfaction of the director the true identity, date of birth, and legal presence of the applicant."

39-06.2-06 Commercial Driver's License Required (5)

"Pursuant to the limitations imposed by 49 CFR part 383.3, the required knowledge and skills tests may be waived and a restricted commercial driver's license issued for a single period of one hundred eighty days or two periods of ninety days within a twelve-month period to employees of agrichemical businesses, custom harvesters, farm retail outlets and suppliers, including retailers and suppliers of trees, and livestock feeders."

#### Does a temporary driver's license prevent aliens from voting in an election:

All temporary drivers licenses issued to aliens are labeled as temporary based on documented status provided by the U.S. Department of Homeland Security (DHS.) However there are some aliens who have permanent status in the U.S. based on DHS documents so their drivers license does not list them as temporary. The DOT is working with the Secretary of State's office and legislative members to see what changes can be made in the database to assist voting officials in identifying individuals that have permanent status in the U.S., but are not eligible to vote.

# Will the new Vehicle Registration and Titling System (VRTS) change the look of our titles and motor vehicle registration cards:

We do not anticipate that the documents themselves will change significantly with the new VRTS system.

Motor Vehicle registration information follows NDCC 39-04-02(1):

"Application must be made by the owner thereof using the legal name as evidenced by a valid state-issued driver's license, identity card, or any other documentary evidence that confirms to the satisfaction of the director the true identity of the owner, upon appropriate forms approved or furnished by the department, and every application must be signed by the owner and must contain the owner's county of residence, address, and a brief description of the vehicle to be registered, including the name of the maker, either the engine, serial, or identification number, if any, whether new or used, and the last license number known, and the state in which issued, and, upon the registration of a new vehicle, the date of sale by the manufacturer or dealer to the person first operating the vehicle. When two or more owners are designated, at least one of the owners must comply with the identification requirement in this subsection and all names used must be legal names. The application must contain other information as may be required by the department."





#### Impacts the use of Compressed Natural Gas (CNG) has on revenue:

CNG is classified as a special fuels and a special fuel tax of 23 cents per gallon is imposed on all special fuels sold for use in licensed vehicles. We believe CNG vehicles will generate the same amount of revenue for the Highway Tax Distribution Fund based on existing tax structure.

#### Below are the website links you requested to DOT Plans and Programs:

Statewide Transportation Improvement Program (STIP): http://www.dot.nd.gov/manuals/programming/STIP/Final-STIP-2015-2018.pdf

Draft Transit Plan currently asking for public input: https://www.dot.nd.gov/divisions/localgov/docs/transit/State-Management-Plan-2014.pdf

Strategic Highway Safety Plan: https://www.dot.nd.gov/divisions/safety/docs/ND\_SHSP\_final\_2013-09-09.pdf

# The amount DOT is currently utilizing from the Energy Development Impact Funding Pool:

We have been granted appropriation authority for \$3,383,180 of Oil Impact Salaries and \$426,054 of Oil Impact Rental Assistance for this biennium.



#### **Current Bills that affect DOT:**

We would like to take a few moments to discuss current bills that affect the DOT. *Please see Attachments C 1 - C 3.* 

#### Motor Vehicle Amendment:

We indicated in testimony that we wanted additional time to discuss a Motor Vehicle Amendment.

We've been advised that the present procurement process for Motor Vehicle Branch Offices, which are private entities, may not adhere to existing procurement laws. This has been indicated by state auditors and legal counsel. As a result we are proposing an amendment as shown in *Attachment D*.

#### Legislative Council Summary of HB 1012 (Green Sheet information):

DOT is prepared to answer any questions you may have pertaining to the HB 1012 Legislative summary.

#### Local Government Entities Receiving Safety Funding

#### **NDDOT Attachment A**

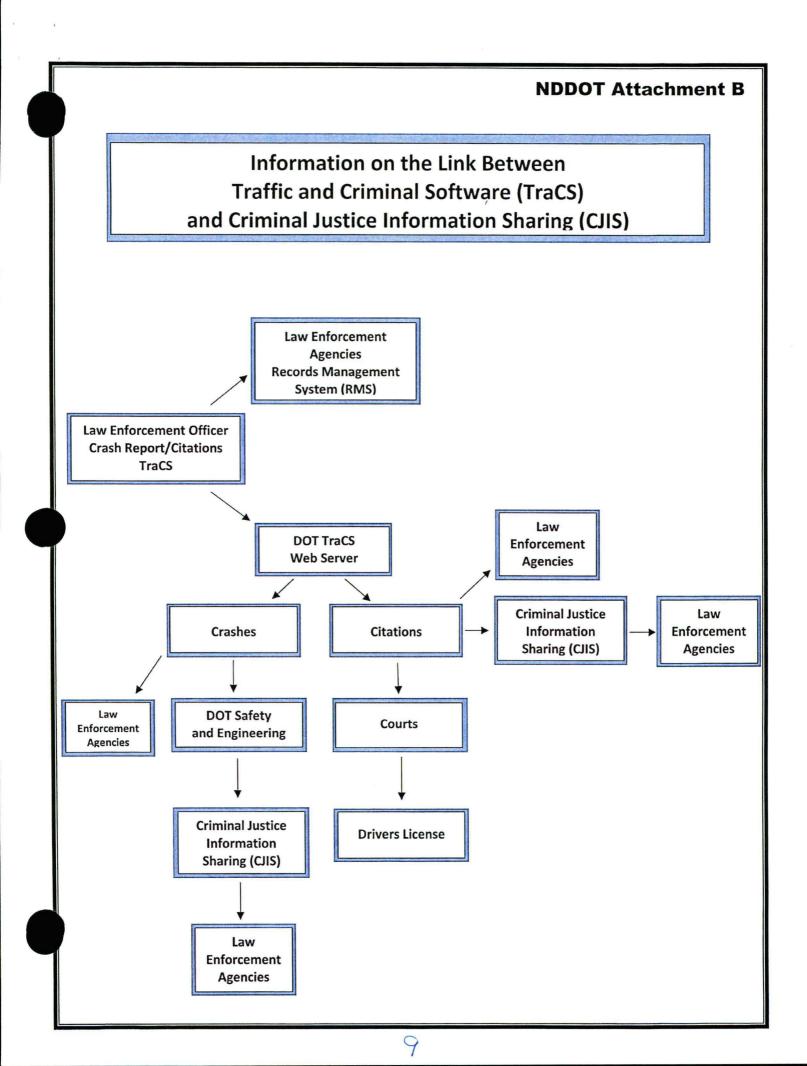
#### Agency

**Beulah Police Department Bismarck Police Department Burlington Police Department** Carrington Police Department **Devils Lake Police Department** Dickinson Police Department Fargo Police Department Grand Forks Police Department Jamestown Police Department Killdeer Police Department Lincoln Police Department Lisbon Police Department Mandan Police Department > Minot Police Department Napoleon Police Department New Town Police Department **Oakes Police Department** Powers Lake Police Department **Rugby Police Department** Stanley Police Department Surrey Police Department **Tioga Police Department** Valley City Police Department Wahepton Police Department Watford City Police Department West Fargo Police Department Williston Police Department

#### Agency

Adams County Sheriffs Department **Barnes County Sheriffs Department Benson County Sheriffs Department Billings County Sheriffs Department Burke County Sheriffs Department Burleigh County Sheriffs Department** Cass County Sheriffs Department **Divide County Sheriffs Department** Grand Forks County Sheriffs Department Grant County Sheriffs Department **Griggs County Sheriffs Department** LaMoure County Sheriffs Department McHenry County Sheriffs Department McLean County Sheriffs Department Morton County Sheriffs Department Nelson County Sheiffs Department Pembina County Sheriffs Department Pierce County Sheriffs Department Ransom County Sheriffs Department Stark County Sheriffs Department Steele County Sheriffs Department Stutsman County Sheriffs Department Traill County Sheriffs Department Ward County Sheriffs Department Williams County Sheriffs Department

Three Affiliated Tribes Turtle Mountain Band of Chippewa



### **NDDOT Attachment C - 1**

### Legislative bills with significant fiscal impacts to transportation

- **HB1031** Transfers up to \$75 million per biennium from the Oil and Gas Production Fund to the Highway Fund. This bill also places priority on four laning US Highway 85. The bill does not provide an appropriation to enable NDDOT to spend the \$75 million.
- HB1171 Places non-criminal traffic offense fees in the Highway Tax Distribution Fund. This would increase the revenue to the fund by approximately \$6.3 million per biennium.
- HB1176 Provides a general fund appropriation of \$120 million to NDDOT to fund a non-oil county program. We've attached our best estimate of how funds may be distributed. Please see Attachment C-2.
- HB1324 Pertains to a project to four-lane a portion of US Highway 52. The estimated cost associated with that project is approximately \$675 million (in 2014 dollars).
- SB2148 Enhanced driver's license bill. This bill would generate approximately \$1.1 million of additional revenue while increasing expenditures approximately \$1.9 million per biennium.
- SB2175 Diverts \$2 million of special fuels excise tax from the Highway Tax Distribution Fund to the Agriculture Research Fund. This would result in the NDDOT appropriation becoming unbalanced by approximately \$1.2 million.
- SB2263 Provides NDDOT with an appropriation of \$2 million from the Strategic Infrastructure Investment Fund to provide matching grants to a township boarding Canada and containing a state park.
- SB2293 Creates a rail safety fund and places the special fuels excise tax from the sale of diesel fuel to railroads in that fund. This would result in a loss to the Highway Tax Distribution Fund of approximately \$6 million. The Highway Fund portion of that loss would be approximately \$3.7 million

D

#### Early Funding Access (Surge) Bills

- SB2103
- SB2126

Please see Attachment C-3.



### **NDDOT Attachment C-2**

### HB1176 Projected Allotments

County	Contraction of the second	ds Allotment il/43 non-oil)	COLUMN TO A	C Allotment il /43 non-oil)	Service Broker	ds Allotment /44 non-oil)			2010 100 100 100 100	ds Allotment il /45 non-oil)	CMC Allotment (8 oil /45 non-oil)	
Adams	\$	2,749,184	\$	2,362,314	\$	2,669,126	\$	2,295,554	\$	2,614,717	\$	2,257,757
Barnes	\$	3,946,011	\$	4,180,439	\$	3,831,099	\$	4,062,298	\$	3,753,004	\$	3,995,411
Benson	\$	1,843,038	\$	3,583,559	\$	1,789,368	\$	3,482,286	\$	1,752,892	\$	
Billings		1,043,030	*	3,303,333		1,705,500	*	3,402,200	\$	2,446,150	\$	3,424,949
Bottineau					\$	3,494,499	\$	3,391,256	\$		\$	1,975,820
Bowman					4	3,434,433	\$	3,391,230		3,423,265		3,335,41
Burke	-											
Burleigh	\$	5,367,430	\$	3,940,593	\$	5,211,126	\$	3,829,230	\$	5,104,899	\$	3,766,18
Cass	\$	7,463,334	\$	6,719,867	\$	7,245,995	\$	6,529,960	\$	7,098,289	\$	6,422,44
Cavalier	\$	2,654,293	\$	3,170,486	\$	2,576,998	\$	3,080,887	\$	2,524,467	\$	3,030,15
Dickey	\$	2,828,348	\$	2,918,365	\$	2,745,984	\$	2,835,891	\$	2,690,009	\$	2,789,19
Divide		2,020,340	*	2,918,303	*	2,743,304	\$	2,835,891	2	2,690,009	ş	2,769,19
Dunn					-	and the second second						1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1
Eddy	\$	1,955,246	\$	1,142,251	\$	1,898,308	\$	1,109,970	\$	1,859,612	¢	1,091,694
Emmons	\$	531,177	\$	2,328,919	\$	515,708	> \$	2,263,102	\$	505,196	\$ \$	
Foster	\$	1,864,066	\$	1,577,197	\$	1,809,783	\$	and the second se	\$	and the second	> \$	2,225,840
Golden Valley	\$	2,107,390	\$	2,089,899	\$	2,046,021	\$	1,532,625	\$	1,772,892	\$	1,507,39
Grand Forks	\$	8,536,820	\$	4,891,559	\$	8,288,220	\$	4,753,322	\$	2,004,314 8,119,268	\$	4,675,057
Grant	\$	1,304,970	\$	2,114,123	\$	1,266,968	\$	the second s	\$	the second s	\$	
Griggs	\$	1,119,253	\$	1,946,507	\$	1,086,659	\$	2,054,377	\$	1,241,142	\$	2,020,55
Hettinger	\$	949,262	\$	2,488,075	\$		\$		\$		\$	
Kidder	\$	1,798,509	\$		\$	921,619	\$	2,417,761	\$	902,832	\$	2,377,95
LaMoure	\$		\$	2,765,902	\$	1,746,135		2,687,736		1,710,540		2,643,48
and the second state of the left of the second state of the second	\$	1,593,354	\$	3,329,387		1,546,954	\$	3,235,297	\$	1,515,420	\$	3,182,02
Logan	\$	512,269	\$	1,856,077	\$	497,352	\$	1,803,624	\$	487,213	\$	1,773,920
McHenry		5,178,885		3,403,667		5,028,071	\$	3,307,478	\$	4,925,576	\$	3,253,020
McIntosh	\$	833,166	\$	1,833,448	\$	808,904	\$	1,781,634	\$	792,415	\$	1,752,299
McKenzie				2 007 444		1 510 004						
McLean	\$	4,653,539	\$	3,897,144	\$	4,518,024	\$	3,787,009	\$	4,425,926	\$	3,724,65
Mercer	\$	2,931,014	\$	2,921,740	\$	2,845,661	\$	2,839,170	\$	2,787,653	\$	2,792,423
Morton	\$	3,214,803	\$	4,315,742	\$	3,121,185	\$	4,193,777	\$	3,057,561	\$	4,124,725
Mountrail							-		-			
Nelson	\$	1,260,970	\$	2,449,582	\$	1,224,250	\$	2,380,356	\$	1,199,294	\$	2,341,163
Oliver	\$	961,985	\$	1,475,645	\$	933,971	\$	1,433,943	\$	914,932	\$	1,410,332
Pembina	\$	3,817,369	\$	2,382,764	\$	3,706,204	\$	2,315,426	\$	3,630,655	\$	2,277,302
Pierce	\$	1,611,554	\$	1,642,449	\$	1,564,624	\$	1,596,033	\$	1,532,730	\$	1,569,754
Ramsey	\$	1,566,671	\$	2,595,153	\$	1,521,048	\$	2,521,813	\$	1,490,042	\$	2,480,290
Ransom	\$	882,291	\$	2,246,991	\$	856,598	\$	2,183,490	\$	839,136	\$	2,147,538
Renville	\$	1,075,076	\$	2,196,079	\$	1,043,769	\$	2,134,017	\$	1,022,492	\$	2,098,880
Richland	\$	5,137,006	\$	2,722,096	\$	4,987,412	\$	2,645,169	\$	4,885,745	\$	2,601,61
Rolette	\$	3,434,448	\$	1,883,961	\$	3,334,434	\$	1,830,719	\$	3,266,463	\$	1,800,57
Sargent	\$	1,756,629	\$	2,778,861	\$	1,705,475	\$	2,700,329	\$	1,670,710	\$	2,655,867
Sheridan	\$	621,650	\$	1,883,747	\$	603,547	\$	1,830,512	\$	591,244	\$	1,800,37
Sioux	\$	1,995,359	\$	1,207,232	\$	1,937,252	\$	1,173,115	\$	1,897,762	\$	1,153,799
Slope	\$	959,864	\$	2,090,340	\$	931,912	\$	2,031,266	\$	912,916	\$	1,997,82
Stark		Variation in								a de tracel de		1993 - 1995 - 1995 - 1995 - 1995 - 1995 - 1995 - 1995 - 1995 - 1995 - 1995 - 1995 - 1995 - 1995 - 1995 - 1995 -
Steele	\$	1,553,771	\$	1,815,576	\$	1,508,524	\$	1,764,267	\$	1,477,774	\$	1,735,21
Stutsman	\$	4,727,579	\$	4,586,348	\$	4,589,908	\$	4,456,736	\$	4,496,345	\$	4,383,354
Towner	\$	985,133	\$	1,680,515	\$	956,445	\$	1,633,023	\$	936,949	\$	1,606,13
Traill	\$	4,127,841	\$	2,740,652	\$	4,007,634	\$	2,663,200	\$	3,925,940	\$	2,619,35
Walsh	\$	7,518,466	\$	3,991,661	\$	7,299,522	\$	3,878,855	\$	7,150,724	\$	3,814,98
Ward	\$	7,927,186	\$	5,544,321	\$	7,696,339	\$	5,387,636	\$	7,539,453	\$	5,298,92
Wells	\$	2,143,791	\$	2,308,768	\$	2,081,362	\$	2,243,521	\$	2,038,934	\$	2,206,58
Williams	1						\$	-			\$	

15.9427.01000

#### "SURGE FUNDING" COMPARISON -BILL DRAFT [15.0378.02000] AND EXECUTIVE RECOMMENDATION

The schedule below provides a comparison of "surge funding" included in bill draft [15.0378.02000] to the executive recommendation.

	"Surge Funding"	"Early" Funding in	
	Bill Draft	Executive	
	[15.0378.02000]	Recommendation	Variance
Oil-producing areas Hub cities and other eligible cities			
Williston	\$80,000,000	\$75,000,000	\$5,000,000
Dickinson	55,000,000	50,000,000	5,000,000
Minot	40,000,000	50,000,000	(10,000,000)
Watford City	40,000,000	50,000,000	(10,000,000)
Total hub and other eligible cities	\$215,000,000	\$225,000,000	(\$10,000,000)
Counties	300,000,000		300,000,000
Other cities <sup>1</sup>	161,250,000	75,000,000	86,250,000
School districts	8,750,000		8,750,000
Total oil-producing areas	\$685,000,000	\$300,000,000	\$385,000,000
Non-oil-producing areas <sup>2</sup>			0
Counties	\$140,800,000	\$52,000,000	\$88,800,000
Cities		28,000,000	✓ (28,000,000)
Townships	19,200,000	20,000,000	(800,000)
Total non-oil-producing areas	\$160,000,000	\$100,000,000	\$60,000,000
Other appropriations			0
State highways <sup>3</sup>		\$450,000,000	
Housing incentive fund		20,000,000	(20,000,000)
Funding for early hires		3,000,000	(3,000,000)
Total other appropriations	\$0	\$473,000,000	(\$473,000,000)
Total all funding <sup>4</sup>	\$845,000,000	\$873,000,000	(\$28,000,000)

<sup>1</sup>The amounts shown for other cities related to bill draft [15.0378.02000] reflect distributions to cities based on specific amounts allocated for each county and distributed to the cities within the county based on population. Hub cities and cities with a population of fewer than 50 are excluded from distributions under bill draft [15.0378.02000]. The amounts shown for other cities related to the executive recommendation reflect allocations to cities based on population.

<sup>2</sup>The amounts shown for funding to non-oil-producing areas related to bill draft [15.0378.02000] reflect distributions based on data compiled by the Upper Great Plains Transportation Institute. The amounts shown for funding to non-oil-producing counties related to the executive recommendation reflect distributions based on the highway tax distribution fund formula.

<sup>3</sup>The \$450 million for state highways related to the executive recommendation includes projects on North Dakota Highway 23, United States Highway 2, United States Highway 85, and other projects. More detailed information provided by the Department of Transportation is attached as an <u>appendix</u>.

<sup>1</sup>The \$845 million of total funding related to bill draft [15.0378.02000] is from the strategic investment and improvements fund. Of the \$873 million of total funding related to the executive recommendation, the \$300 million for oil-producing areas is from the strategic investment and improvements fund, the \$100 million for non-oil-producing areas and the \$450 million for state highways are provided from a \$550 million transfer from the general fund to the highway fund, and the remaining \$23 million is from the general fund.



### **NDDOT - Attachment D**

#### PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 2, after "transportation" insert "; to amend and reenact section 39-02-03 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices"

Page 3, after line 17, insert:

"SECTION 8. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

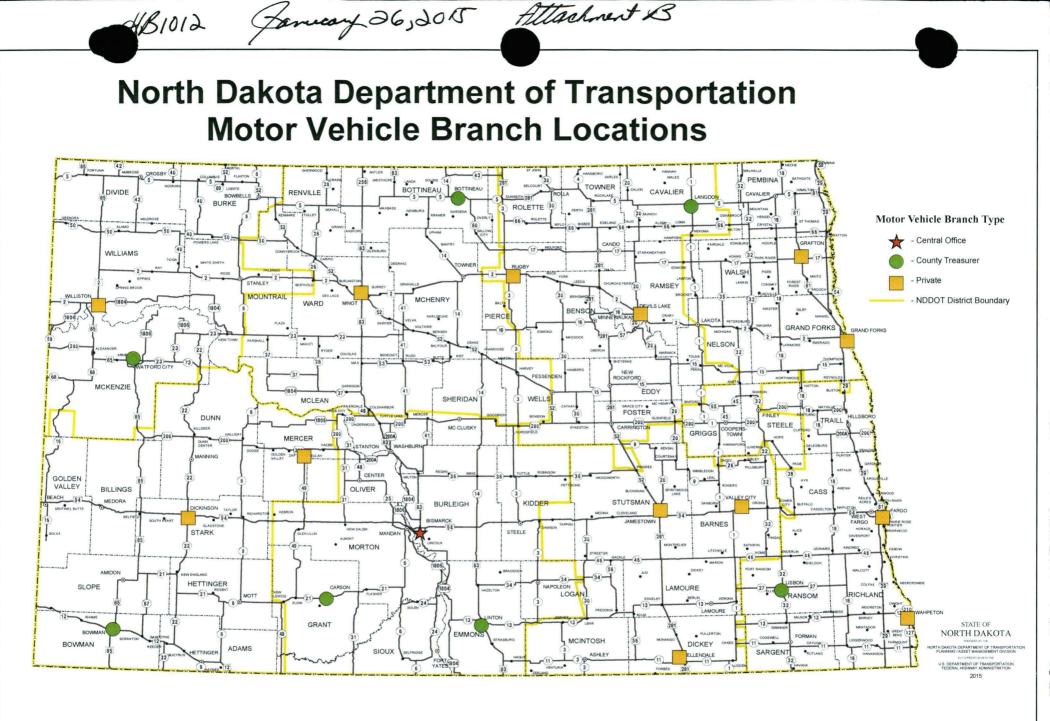
#### 39-02-03. Powers and duties of director and department

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Current branch office contracts entered into under this section may extend five years and may be renewed in accordance with this section. At the end of each current branch office contract term the department shall consider entering into contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter into direct negotiations and contract with qualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department."

Renumber accordingly.







Notice of Discitaimer The North Dahota Department of Transportation (NDDOT) makes this map available on an "as is" basis as a public service. Under no circumstances dels NDDOT warrent or centity the information to be the of error or deforancies of any kind NDDOT specifically disclams all warrantes, express or implied polyciclo bet or to limited to the warrentize of machinethility and fibrains for a particular unrowa

FIPLANNING\Steve\_Nelson/MXDS\2015Motor Vehicle Branch Lo

AB1012 February 2, 2015. Attachment A

#### Department of Transportation - Budget No. 801 House Bill No. 1012 Base Level Funding Changes

	Executive Budget Recommendation				House Version				
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	
2015-17 Biennium Base Level	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	
2015-17 Ongoing Funding Changes									
Base payroll changes			\$1,909,645	\$1,909,645				\$0	
Salary increase - Performance			9,441,399	9,441,399				0	
Salary increase - Market equity			364,295	364,295				0	
Retirement contribution increase			973,898	973,898				0	
Health insurance increase			4,684,832	4,684,832				0	
New FTE - Archaeologist I	1.00		182,280	182,280				0	
New FTE - Environmental Scientist III	1.00		195,143	195,143				0	
Operating expenses increases			8,748,743	8,748,743				0	
Contract patching increase			35,713,309	35,713,309				0	
Grants adjustment			(16,870,000)	(16,870,000)				0	
Information technology - Maintenance management system			589,000	589,000				0	
Remove capital assets Line item transfer			(159,439,821)	(159,439,821) 0				0	
				0				0	
Other change				0				0	
Other change				0				0	
Other change Other change				0				0	
Other change				0				0	
Other change				0				0	
Other change				0				0	
Other change				0				0	
Other change				0				0	
Other change				0				0	
Other change				0				0	
Total ongoing funding changes	2.00	\$0	(\$113,507,277)	(\$113,507,277)	0.00	\$0	\$0	\$0	
One-time funding items									
Enhanced state infrastructure investments			\$904,115,558	\$904,115,558				\$0	
Recreational road access funding			5,000,000	5,000,000				0	
Loss on discontinuation of motor coaches		1,000,000	0,000,000	1.000.000				0	
Motor vehicle registration and titling system		.,	2,500,000	2,500,000				0	
Other one-time funding item			2,000,000	0				0	
Other one-time funding item				0				0	
Other one-time funding item				0				0	
Other one-time funding item				0				0	
Other one-time funding item				0				0	
Other one-time funding item				0				0	
Other one-time funding item				0				0	
Total one-time funding changes	0.00	\$1,000,000	\$911,615,558	\$912,615,558	0.00	\$0	\$0	\$0	
Total Changes to Base Level Funding	2.00	\$1,000,000	\$798,108,281	\$799,108,281	0.00	\$0	\$0	\$0	
2015-17 Total Funding	1,081.50	\$1,000,000	\$2,177,287,715	\$2,178,287,715	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	

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#### Other Sections in House Bill No. 1012

- 1	Sther Sections in House Bill No. 1012	
		Executive Budget Recommendation
	Line item transfers	Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.
	Exemption - Highway-rail grade crossing safety projects	Section 4 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11.
	Carryover authority - Enhanced state highway investments	Section 5 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2017-19 biennium.
	Exemption - State disaster relief fund - Road grade raising	Section 6 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.
	Payback and reallocation of federal aid	Section 7 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.

House Version

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HB1012 February 2, 2015 attachment B

#### House Appropriations Government Operations Division February 2, 2015 - Medora Room

#### North Dakota Department of Transportation Grant Levi, P.E. - Director

#### HB 1012

Mr. Chairman and members of the committee, I'm Grant Levi, Director of the North Dakota Department of Transportation (DOT) and am here today to provide you with the additional information you requested.

Attachment 1 provides an updated Motor Vehicle amendment for your consideration.

<u>Attachment 2</u> provides a summary of transportation resources discussed by the legislative body for state, cities, counties and townships.

<u>Attachment 3</u> provides budget information. The attachment includes an update on expenditures to date, which includes a comparison between the 2013-15 biennium and 2015-17 biennium base budgets, highlights of the one-time budget requests, and the 2015-17 Executive Budget recommendation. Also includes supporting documentation for the budget.

<u>Attachment 4</u> provides detailed information requested on expenditures and adjustments to the base budget.

<u>Attachment 5</u> provides information on the balance of funds remaining at the end of the 2013-15 biennium.

Attachment 6 is a chart showing project cost difference between the west and east regions.

Seven of 53 counties have registered professional engineers on staff serving as the county engineer.

**Depending on the configuration of the axles on the 18 wheeler, carrying 105,500: One 18 wheeler = 11,000 to 15,000 cars.** *Information is from the American Association of State Highway Transportation Officials (AASHTO) Guide for Design of Pavement Structure.* 

#### Highway 2 bond information and DOT current list of large projects:

The 2005 bond issue funded the four – laning of Highway 2 and the replacement of Memorial Bridge. These two projects were not bonded individually. The debt service schedule for the bond issue is shown on <u>Attachment 7</u>. A GARVEE bond was secured for these projects based on projected state and federal revenue. We don't believe a GARVEE bond would be available for DOT projects at this time based on the current uncertainty of federal funding. We defer additional bonding questions to the Industrial Commission due to their expertise on bonding and bonding capabilities.



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Below is a list of some of the planned large projects:

		nated Cost nillions)**	Biennium*
US Highway 85 - 4-laning			
Phase I:	Environmental I-94 to Watford City,		
	Long X Design, Long X Construction	\$ 81	2015-2017
Phase II:	4-lane I-94 to Watford City	\$ 735	î
Phase III:	4-lane SD border to I-94	\$ 825	Ĩ
	Subtotal	\$ 1,641	
ND Highway 23 - Enhance	ed Load Carrying and Roadway Capacity		
Jct ND 73 1	o near Jct ND 22	\$ 71	2015-2017
CO Line Ea	st to Jct ND 28	\$ 15	2015-2017
Jct ND 28 I	East to Jct US 83	\$ 55	2015-2017
	Subtotal	\$ 141	
<u>Bypasses</u>			
Killdeer		\$ 51	2015-2017
New Town	NW	\$ 54	2015-2017
Dickinson	Permanent	\$ 52	2015-2017
Williston N	IE		
Phase I:	Environmental (PE and R/W)	\$ 39	2015-2017
Phase II:	Construction	\$ 112	Ĩ
	Subtotal	\$ 308	
City Projects			
West Farg	o Main - I-94 to Morrison St	\$ 20	2015-2017
ND 23 (Ma	in St in New Town)	\$ 11	2015-2017
US 85 Busi	ness Route Watford City	\$ 42	2015-2017
ND 23 - 7t	n St Watford City East to 1 Mile East of ND 1806	\$ 25	2015-2017
Dickinson	- Villard I-94 to State Ave (includes interstate bridge)	\$ 88	Ĩ
Williston -	Dakota Parkway US 85 to Co Rd 6	\$ 194	
	Subtotal	\$ 380	
Major Projects Upcomin	g		
Grant Mar	sh Bridge Replacement - Bismarck	\$ 100	1
	Subtotal	\$ 100	
	TOTAL	\$ 2,570	

Attachment 8 shows a map of wetland bank sites by region.

<u>Attachments 9 and 9-A</u> are maps showing traffic crash data on highway corridors throughout the state.





#### Alcohol related and drug related crash information:

An alcohol related fatal crash is determined by a positive (.01 or greater) blood alcohol test as received from the State Toxicology Office of the Attorney General on a driver or pedestrian involved in the crash or from the death certificate of a driver/pedestrian indicating a contributing factor of acute ethanol (alcohol) intoxication.

Sixty-two, or 46 percent, of the traffic fatalities in North Dakota were alcohol related in 2014. The average blood alcohol content (BAC) of the 62 traffic fatalities was .162 and seven of the traffic fatalities were reported below .08 BAC.

In 2014 seven crashes were drug related, compared to six crashes in 2013.

#### **Temporary drivers license information:**

There are currently 5,593 individuals that have temporary status listed on their drivers license.

North Dakota averages approximately 800-1,200 temporary residents that have permanent status in the state at any given time. The permanent status designation is determined by the Department of Homeland Security.





AR1012 February 2, 2015 attachment C

### NDDOT Attachment 1

#### Proposed Motor Vehicle Amendment

#### PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 2, after "transportation" insert "; to amend and reenact section 39-02-03 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices"

Page 3, after line 17, insert:

"SECTION 8. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

#### 39-02-03. Powers and duties of director and department

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Current branch office contracts entered into under this section with private vendors may extend five years and may be renewed in accordance with this section. One year prior to the end of each current private vendor branch office contract term the department shall consider entering into contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter into direct negotiations and contract with qualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department."

Renumber accordingly.

... HB1012 February 2, 2018 attachment B

# NDDOT

# **Attachment 3**

# Budget Information and Supporting Documentation

#### **NDDOT Attachment 3**

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#### Executive Budget Recommendation North Dakota Department of Transportation Agency Total

	(December 31,	2014) 25% Bienniu	m Remaining					
Appropriation	2013-2015	2013-2015	%	2013-2015 Current	Base Budget	2015-2017 Proposed Base	2015-2017 One-Time	2015-2017 Executive
Line	Current Appropriation	Expenditures to Date	Remaining Budget	Appropriation less One-Time	Adjustment	Budget	Budget Adjustment	Recommendation
10 Salaries and Wages	190,860,765	143,070,038	25%	187,477,585	9,190,540	196,668,125	A 15,841,849 *	212,509,974
12 Accrued Leave Payments	7,280,897	528,839	93%	7,280,897	(7,280,897)			
30 Operating Expenses	251,137,753	161,303,606	36%	250,711,699	45,051,052	295,762,751	177,500,000	473,262,751
50 Capital Assets	858,421,223	632,653,031	26%	853,921,223	(159,439,821)	694,481,402	1,284,115,558	1,978,596,960
51 Capital Improvements-Carryover	13,323,437	7,102,017	47%					
55 Enhanced State Highway Investment	1,100,709,653	741,069,903	33%					
60 Grants	89,788,030	50,824,596	43%	78,648,030	(15,730,000)	62,918,030	1,000,000	63,918,030
65 County & Township Road Program	160,000,000	151,802,724	5%					
66 Non-Oil Producing Counties	120,000,000	96,120,734	20%					
78 General Fund Transfer	542,700,000	542,700,000	0%					
79 General License Plate Issue	6,820,000	-	100%					
	3,341,041,758	2,527,175,488	24%	1,378,039,434	(128,209,126)	1,249,830,308	1,478,457,407	2,728,287,715
General Fund	1,406,401,940	1,364,171,750	3%				1,000,000	1,000,000
Federal Fund	691,487,199	520,424,616	25%	691,487,199	(76,826,713)	614,660,486	1,801,245	616,461,731
Special Fund	1,243,152,619	642,579,123	48%	686,552,235	(51,382,413)	635,169,822	1,475,656,162	2,110,825,984
uteranitative control (199	3,341,041,758	2,527,175,488	24%	1,378,039,434	(128,209,126)	1,249,830,308	1,478,457,407	2,728,287,715
FTE	1,079.5			1,079.5		1,079.5	2.0	1,081.5

\* Salary adjustment contains approximately a \$15.1 million increase in compensation and benefits recommended in the Executive compensation package, \$364,295 for salary equity

adjustments, and two additional FTE.

A The Accrued Leave Payments are now a part of the Salaries and Wages Line.



**Recommended Total = \$2.7 billion total appropriation.** 

*Oil Producing Counties* (NDDOT Williston, Minot & Dickinson Districts) \$ 1.35 billion one time for enhanced state highway investments \$ 108.8 million - Federal Funds (state & local match) State/Cities/Counties \$ 4.6 million - Federal Carryover \$ 22.8 million - Federal Emergency Relief

Non-Oil Producing Counties, Cities and Townships (NDDOT Districts – Bismarck, Fargo, Devils Lake, Grand Forks, Valley City)
\$ 100 million - Distribution to cities, counties, & townships
\$ 508.2 million - Federal Funds (state & local match) State/Cities/Counties
\$ 57.8 million - Federal Carryover

\$ 5 million - Special Fund for roads leading to recreational areas in all counties

An Early Access bill (SB 2126) includes \$450 million of the \$1.35 billion for enhanced state infrastructure as well as the \$100 million for transportation distributions for non-oil producing counties, cities and townships.

Two new FTEs

1 Environmental Scientist

1 Archaeologist

\$ 2.5 million additional funding for the motor vehicle registration/titling system.

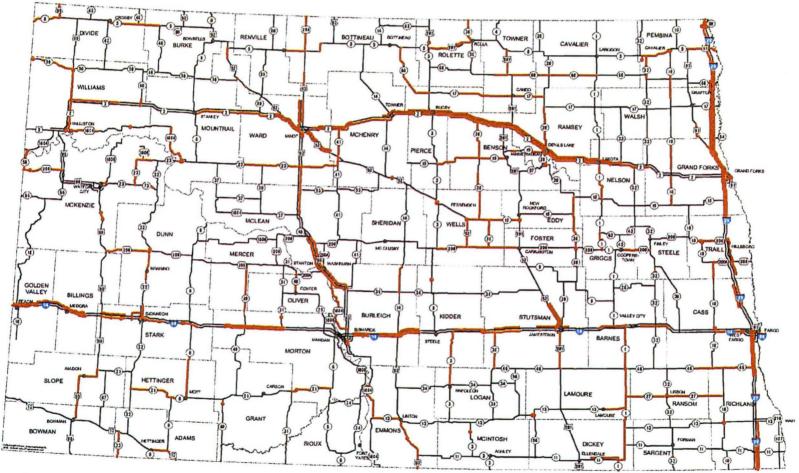
\$ 1 million reimbursement for state fleet motor coaches.

\$ 7.5 million Energy Impact Fund for DOT in OMB appropriation bill SB 2015.



# **Proposed Construction 2015-2017**

• Aggressive construction program planned.

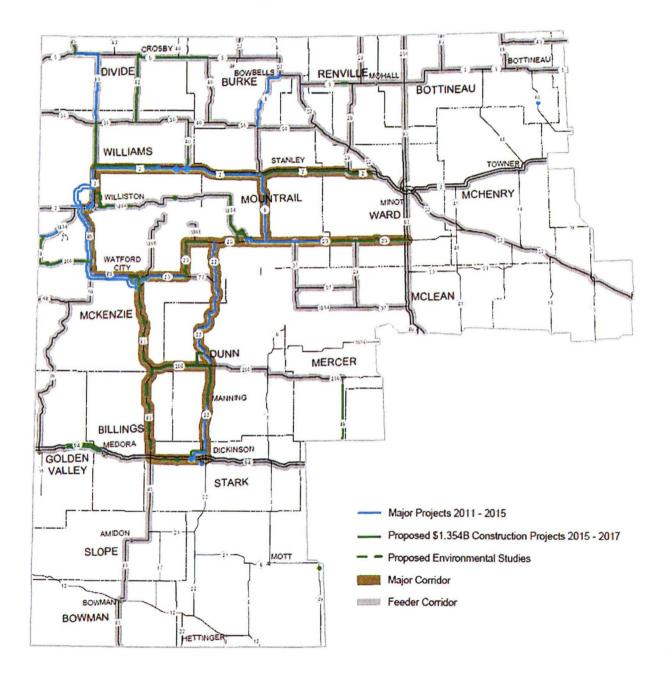




3

Energy Corridor Projects

2015-17





# Proposed Expenditures in Western North Dakota

# **\$1.354 Billion for Enhanced State Highway Investments**

Restore Pavement Infrastructure	\$ 332,538,246
Bypass Construction Work	\$ 192,269,229
Rebuilding Roads within Communities	\$ 363,891,601
Enhanced Load Carrying and Roadway Capacity (includes Environmental for US 85 from I-94 to Watford City)	\$ 465,416,482
Total	\$ 1,354,115,558

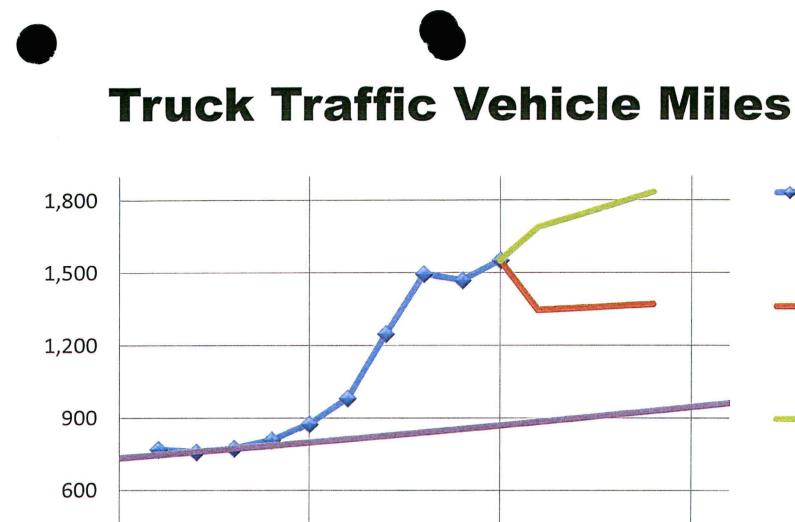


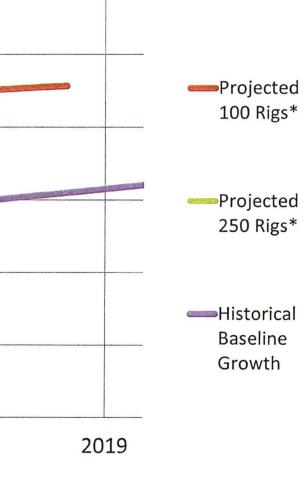
# Proposed Expenditures in Central and Eastern North Dakota

Restore Pavement Infrastructure	\$ 327.4 M
Bypass Work	\$ 0
Rebuilding Roads within Communities	\$ 76.3 M
Enhanced Load Carrying and Roadway Capacity	\$ <u>168.7 M</u>
Total	\$ 572.4 M

STIP (2015-2016) Federal funds with state and local match. Includes urban projects on state highways.

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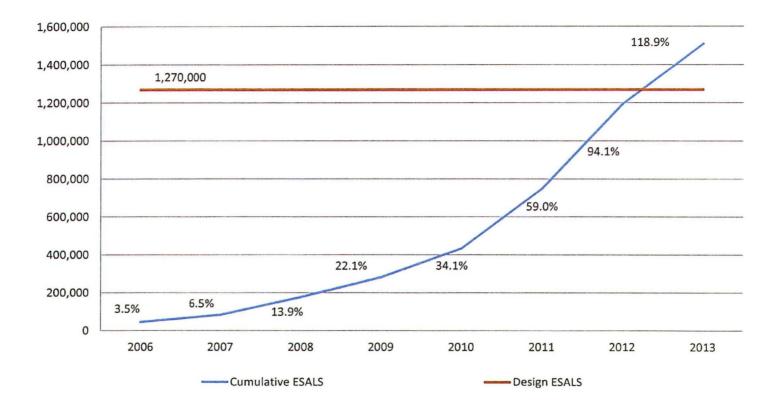


Measured



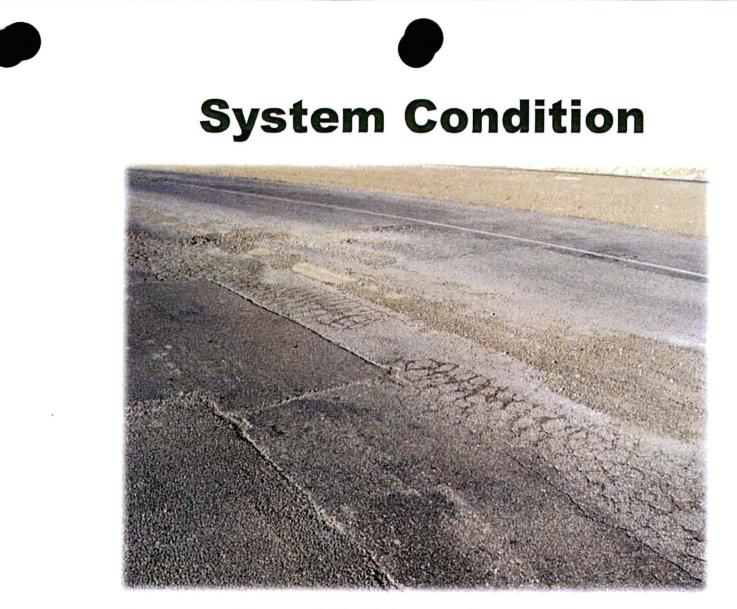
# **Roadway Design Life**

US 2 EB: Stanley East to Palermo 20 Year Design = 1,270,000 ESALS



Cumulative ESALS





Alligator cracking on ND Highway 23 near Johnson's Corner between Watford City and ND Highway 73.

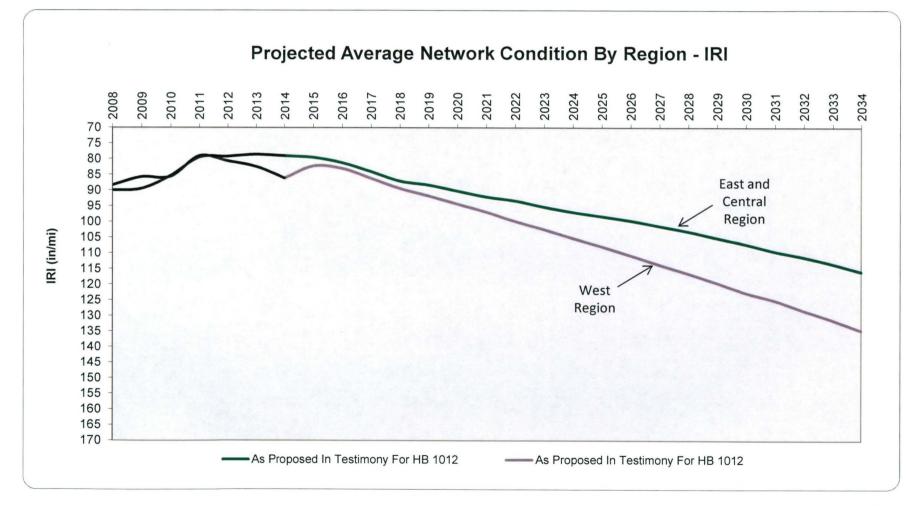




# **Pavement Management**

# **Ride Quality**

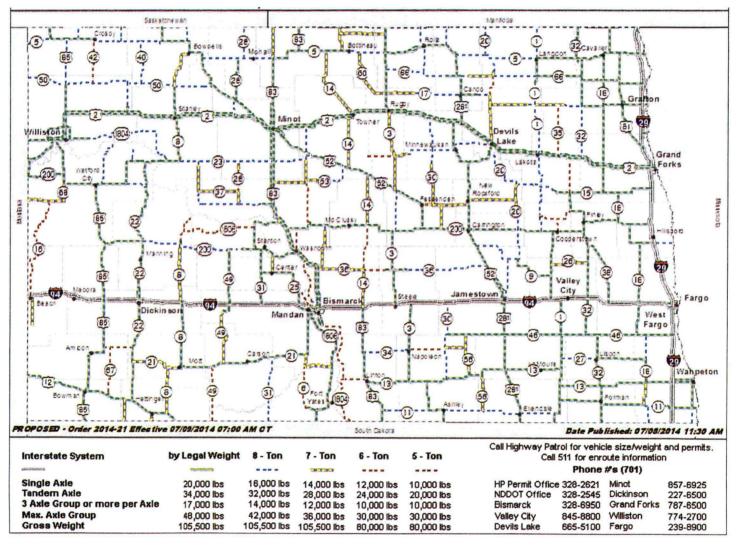
Graph displays pavement deterioration in east, central and west regions of the state.







# **Spring Load Restrictions**







# **NDDOT** justification for requested FTEs:

Federal oversight continues to increase on all types of construction projects throughout the state. As a result we are requesting 2 additional FTEs:

<u>Environmental Scientist</u> – There has been considerable growth in the NDDOT's storm program along with additional required federal regulations. Below are examples of fines assessed to DOTs by the EPA in recent years:

- Alaska DOT fined \$118,000 in 2014 for a 2009 incident involving mishandled highway paint.
- Hawaii DOT fined \$1.2 million and required to fix federal Clean Water Act storm water violations from 2008 and 2009 inspections.
- Georgia DOT and Contractor fined \$1.5 million and ordered to perform injunctive relief measures, including purchasing 16,920 mitigation credits at an estimated cost of \$1.35 million to offset the impacts to waters of the United States. Contractor filled in all or parts of 7 trout streams with DOT approval.
- Kansas DOT fined \$477,500 for violations from storm water inspections from 2008, 2010 and 2012. The EPA has assessed stipulated penalties of \$315,000 in 2013 which KDOT settled on paying \$140,000. For 2014, EPA will be assessing an additional \$250,000.
- These figures do not take into account all the other items required by the consent agreements signed by these states.

To ensure the NDDOT complies with federal regulations we are requesting one additional FTE to provide oversight on state, city and county projects.



# **NDDOT** justification for requested FTEs:

<u>Archaeologist</u> – To provide project management of system cultural resource projects and surveys, obtain section clearances, assist with tribal consultation and with material source review and approval, and maintain technical proficiency in this field of work.

- Regardless of the type of funding, if there is any federal nexus, the DOT and local governments are required to comply with the National Historic Preservation Act of 1966.
- Projects also need to comply with ND Administrative Rule 40-02, in accordance with State Law 23-06-27, protecting human burial sites, human remains, and burial goods.
- Compliance is achieved by surveying and identifying historic properties on a project, working to avoid, minimize, or mitigate for unavoidable impacts due to highway improvement projects. This is done in consultation with the State Historic Preservation Office and Tribal Historic Preservation Offices.

With the increased rebuilding of state and local roadways additional surveys, studies and consultation is needed with tribal governments, and as a result one additional position is being requested.







# **Special Road Fund**

Executive Budget Proposal includes \$5 million to be used on roads leading to recreational areas.

- Special Road Fund (SRF) program is to help finance highway projects identified by city, county or other state agencies that provide access to and within recreational, tourist and historical areas.
- The maximum award per project is \$250,000.
- Depending upon the proposed project's location, the application must be sponsored by either a county, a city with a population more than 5,000 or a state agency.







# **State Fleet Motor Coaches**

# Executive Budget Proposal includes \$1 million reimbursement for state fleet motor coaches.

In the past years, the State Fleet incurred very substantial capital and operating costs to provide a fleet of motor coaches for the higher education institutions. Unfortunately, as time progressed, most of the higher education institutions were unable to utilize the motor coaches enough to enable the fleet to recover the associated costs while maintaining a feasible usage rate.

It was decided among all parties of the state fleet group that it was in the best interest of the group to discontinue motor coach fleet services. Unfortunately, not all costs will be recovered in the sale of the motor coaches.

The State Fleet cannot pass this loss to any other vehicle groups; that is not allowed per federal regulations. Therefore, any ending deficit in the group must be covered by another source. Accordingly, the state fleet is requesting a transfer of \$1.0 million to cover the anticipated loss in the motor coach group.

· · AB1012 BFibruary 2, 2015 attachment E

# NDDOT

# **Attachment 4**

# **Budget Request Summary**

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### Executive Budget Recommendation North Dakota Department of Transportation Agency Total

	(December 31, 2014) 25% Biennium Remaining							
Appropriation	2013-2015	2013-2015	%	2013-2015 Current	Base Budget	2015-2017 Proposed Base	2015-2017 One-Time	2015-2017 Executive
Line	Current Appropriation	Expenditures to Date	Remaining Budget	Appropriation less One-Time	Adjustment	Budget	Budget Adjustment	Recommendation
10 Salaries and Wages	190,860,765	143,070,038	25%	187,477,585	9,190,540	196,668,125	15,841,849 •	212,509,974
12 Accrued Leave Payments	7,280,897	528,839	93%	7,280,897	(7,280,897)			
30 Operating Expenses	251,137,753	161,303,606	36%	250,711,699	45,051,052	295,762,751	177,500,000	473,262,751
50 Capital Assets	858,421,223	632,653,031	26%	853,921,223	(159,439,821)	694,481,402	1,284,115,558	1,978,596,960
51 Capital Improvements-Carryover	13,323,437	7,102,017	47%					
55 Enhanced State Highway Investment	1,100,709,653	741,069,903	33%					
60 Grants	89,788,030	50,824,596	43%	78,648,030	(15,730,000)	62,918,030	1,000,000	63,918,030
65 County & Township Road Program	160,000,000	151,802,724	5%					
66 Non-Oil Producing Counties	120,000,000	96,120,734	20%					
78 General Fund Transfer	542,700,000	542,700,000	0%					
79 General License Plate Issue	6,820,000		100%					
	3,341,041,758	2,527,175,488	24%	1,378,039,434	(128,209,126)	1,249,830,308	1,478,457,407	2,728,287,715
General Fund	1,406,401,940	1,364,171,750	3%				1,000,000	1,000,000
Federal Fund	691,487,199	520,424,616	25%	691,487,199	(76,826,713)	614,660,486	1,801,245	616,461,731
Special Fund	1,243,152,619	642,579,123	48%	686,552,235	(51,382,413)	635,169,822	1,475,656,162	2,110,825,984
	3,341,041,758	2,527,175,488	24%	1,378,039,434	(128,209,126)	1,249,830,308	1,478,457,407	2,728,287,715
FTE	1,079.5			1,079.5		1,079.5	2.0	1,081.5

\* Salary adjustment contains approximately a \$15.1 million increase in compensation and benefits recommended in the Executive compensation package, \$364,295 for salary equity

adjustments, and two additional FTE.

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A The Accrued Leave Payments are now a part of the Salaries and Wages Line.

	10:08:35	SR05 - B	udget Reque	hary - Reporting	g Level	were present to one of the second		
Agency Program Reporting Level	Department of Transportation 00 Dept of Transportation (Lvl 1) 00-000-000-00-00-00-00-000000000					NDDOT At	tachment 4-A	Page 1
	1 Object/Revenue		2 2013-15 First Year Expenditures	3 2013-15 Biennium Appropriation	4 2013-15 Biennium Balance	5 2015-17 Base Budget Changes	6 2015-17 Recommendation	7
Description		Code						
	PENDITURES							
Salaries - Permanent		511000	62,611,664	124,660,131	62,048,467	274,728	129,850,513	
Health Increase		511012	0	0	0	0	4,684,832	
Retirement Increase		511013	0	0	0	0	973,898	
Salary Budget Adjustme	ent	511900	0	0	0	364,295	364,295	
Salaries - Other		512000	236,237	236,300	63	0	40,000	(
Temporary Salaries		513000	2,024,849	4,354,304	2,329,455	0	4,576,004	(
Overtime		514000	4,212,222	8,368,681	4,156,459	102 605	8,343,280	(
Fringe Benefits		516000	25,221,783	51,397,381	26,175,598	102,695	54,235,749	(
Salary Increase		599110	0	0	0	0	7,894,914	(
Benefit Increase		599160	0	0	0	0	1,546,489 212,509,974	(
Salaries and Wag	jes	10	94,306,755	189,016,797	94,710,042	741,718	212,509,974	
Salaries - Permanent		511000	343,710	7,280,897	6,937,187	0	0	(
Accrued Leave P	ayments	12	343,710	7,280,897	6,937,187	0	0	(
Travel		521000	17,105,142	40,071,852	22,966,710	122,500	40,000,096	(
Supplies - IT Software		531000	316,968	2,088,537	1,771,569	124,300	2,212,837	(
Supply/Material-Profess	sional	532000	85,106	212,154	127,048	0	212,154	(
Food and Clothing		533000	71,820	71,900	80	0	71,900	(
Bldg, Ground, Maintena	ance	534000	26,376,319	82,935,780	56,559,461	35,713,309	118,649,089	(
Miscellaneous Supplies		535000	1,513,678	3,833,530	2,319,852	427,388	4,260,918	(
Office Supplies		536000	309,479	652,894	343,415	0	652,894	(
Postage		541000	844,859	1,894,651	1,049,792	185,000	2,079,651	C
Printing		542000	319,794	913,312	593,518	0	913,312	(
IT Equip Under \$5,000		551000	492,127	1,722,812	1,230,685	0	1,722,812	C
Other Equip Under \$5,0	000	552000	504,376	2,237,358	1,732,982	0	2,237,358	C
Utilities		561000	2,618,230	4,688,368	2,070,138	0	4,688,368	(
Insurance		571000	551,493	1,711,124	1,159,631	80,000	1,791,124	C
Rentals/Leases-Equip &	& Other	581000	530,711	597,062	66,351	15,000	612,062	C
Rentals/Leases - Bldg/L		582000	762,725	3,601,272	2,838,547	125,000	3,726,272	C
Repairs		591000	6,893,745	14,353,040	7,459,295	0	14,353,040	C
IT - Data Processing		601000	3,881,098	11,853,847	7,972,749	898,060	12,751,907	C
<b>IT - Communications</b>		602000	729,125	1,263,527	534,402	308,250	1,571,777	C
IT Contractual Srvcs an		603000	1,636,142	11,877,639	10,241,497	2,908,930	14,786,569	C
Professional Developme		611000	593,982	1,450,753	856,771	(100,000)	1,350,753	C
Operating Fees and Se		621000	1,585,741	4,027,906	2,442,165	180,000	4,207,906	C
Fees - Professional Ser		623000	31,899,611	58,846,637	26,947,026	181,563,315	240,409,952	C
Operating Expense	ses	30	99,622,271	250,905,955	151,283,684	222,551,052	473,262,751	C
Land and Buildings		682000	1,266,396	19,603,138	18,336,742	10,897,400	10,897,400	C
Other Capital Payments	3	683000	289,429,935	786,950,168	497,520,233	1,924,796,416	1,924,796,416	C
Extraordinary Repairs		684000	9,510	6,009,600	6,000,090	0		

•

4

Agency	Department of Transportation							
Program Reporting Level	00 Dept of Transportation (Lvl 1) 00-000-000-00-00-00-00-00000000			-		NDDOT At	achment 4-A,	Page 2
	1 Object/Revenue		2 2013-15 First Year Expenditures	3 2013-15 Biennium Appropriation	4 2013-15 Biennium Balance	5 2015-17 Base Budget Changes	6 2015-17 Recommendation	7
Description		Code						
Equipment Over \$5000	)	691000	113,791	534,780	420,989	534,780	534,780	(
Motor Vehicles		692000	18,500,305	45,110,037	26,609,732	42,110,037	42,110,037	(
T Equip/Sftware Over	\$5000	693000	76,975	213,500	136,525	258,327	258,327	(
Capital Assets		50	309,396,912	858,421,223	549,024,311	1,978,596,960	1,978,596,960	(
Other Capital Payment	s	683000	5,206,039	13,323,437	8,117,398	0	0	(
Capital Improver		51	5,206,039	13,323,437	8,117,398	0	0	(
Travel		521000	206,991	207,000	9	0	0	(
Viscellaneous Supplie	S	535000	101	200	99	0	0	Ċ
Office Supplies	-	536000	2,046	2,100	54	0	0	(
Rentals/Leases - Bldg/	Land	582000	9,425	9,500	75	0	0	(
T - Data Processing		601000	2,149	2,200	51	0	0	
Operating Fees and Se	ervices	621000	836,910	837,000	90	0	0	(
ees - Professional Se		623000	51,101,025	149,996,733	98,895,708	0	0	(
and and Buildings		682000	69,435,792	83,358,487	13,922,695	0	0	(
Other Capital Payment	s	683000	370,842,307	864,296,433	493,454,126	0	0	C
Extraordinary Repairs		684000	1,991,869	2,000,000	8,131	0	0	C
Road Reconstru	ction Program	55	494,428,615	1,100,709,653	606,281,038	0	0	(
Grants, Benefits & Clai	ms	712000	39,788,608	86,388,030	46,599,422	(14,280,000)	60,968,030	C
Fransfers Out		722000	755,490	3,400,000	2,644,510	(450,000)	2,950,000	C
Grants		60	40,544,098	89,788,030	49,243,932	(14,730,000)	63,918,030	C
Grants, Benefits & Clai	ms	712000	110,447,607	160,000,000	49,552,393	0	0	C
County & Towns	hip Road Program	65	110,447,607	160,000,000	49,552,393	0	0	C
Grants, Benefits & Clai	ms	712000	31,608,984	120,000,000	88,391,016	0	0	C
Non-Oil Producir		66	31,608,984	120,000,000	88,391,016	0	0	0
Other Capital Payment	s	683000	0	541,600,000	541,600,000	0	0	c
Transfers Out		722000	550,000	1,100,000	550,000	0	0	C
General Fund Tra	ansfer	78	550,000	542,700,000	542,150,000	0	0	0
Operating Fees and Se	ervices	621000	0	6,820,000	6,820,000	0	0	C
General License	Plate Issue	79	0	6,820,000	6,820,000	0	0	0
TOTAL EXPENDITUR		-	1,186,454,991	3,338,965,992	2,152,511,001	2,187,159,730	2,728,287,715	0

\$B 1012 February 2, 2015

Attachment 7

•	NDD	OT Attachment 5		
	NDDOT Projected End of 2013-2015 Biennium Balance			
	Government Operations Committee Request			
	February 2, 2015			
	Salaries and Wages	\$0		
	Accrued Leave Payments	\$5.5 – 6.5 million		
	Operating Expenses	?		
	Motor Vehicle VRTS	\$9.6 million ?		
	Capital Improvements			
	<ul> <li>Federal Funds carryover</li> <li>Capital Construction Carryover (State Funds)</li> </ul>	\$62.4 million \$10 – 15 million		
	Construction Carryover (General Funds)	\$3.2 million ?		
	<ul> <li>Devils Lake Roadways As Dams</li> </ul>			
	Grants			
	<ul> <li>NHTSA, FHWA, Federal Transit</li> <li>State Disaster Relief Funds (Road Grade Raising Grants)</li> </ul>	\$7 – 10 million \$2.144 million		
	<b>SB 2012 Carryover Authority</b> – Allows appropriation unspent a carry into the 2015-2017 biennium.	us of 6/30/2015 to		
	Enhanced State Highway Investment	\$150 – 180 million		
	<ul> <li>NDDOT Expenditure is made when the corr</li> </ul>	ntractor is paid.		
	County & Township Road Program	\$0		
	<ul> <li>NDDOT Expenditure is made at the time or</li> </ul>	f contract.		
	Non-Oil Producing Counties	\$0		
	<ul> <li>NDDOT Expenditure is made at the time or</li> </ul>	of contract.		
	General License Plate Issue	\$6.8 million		

|



NDDOT PROJECT COST HISTORY									
Per Mile Costs	Total Per	Mile Costs							
(today's dollars - must inflate for future years)	Western ND	Eastern & Central ND (Districts Bismarck, Valley City, Devils Lake,							
	(Districts Minot, Dickinson, Williston)	Grand Forks, Fargo)							
New Construction/New Alignment	12,000,000								
2-lane	9,200,000								
4-lane	12,000,000								
PCC Reconstruction	2,100,000	2,000,000							
Major Rehabilitation	2,900,000								
Mine & Blend w/Widening	2,900,000								
Mine & Blend	1,400,000								
Concrete Overlay/Widening	1,900,000	and the second							
HBP Overlay w/Widening	1,600,000								
Structural Improvement	1,400,000								
Concrete Overlay	1,400,000								
HBP Overlay >3"	870,000								
Mill & HBP Overlay >3"	980,000								
Crack/Seat or Break/Seat w/HBP Overlay	990,000								
Minor Rehabilitation	700,000	650,000							
Sliver Grading w/HBP Overlay	700,000	650,000							
HBP Overlay 2" > 3"	350,000	340,000							
Mill & HBP Overlay 2" > 3"	390,000	380,000							
Preventive Maintenance	300,000								
Thin Lift Overlay (TLO) ≤ 2"	260,000								
Mill & HBP Overlay ≤ 2"	300,000								
Microsurfacing	130,000								
Slurry Seal	61,000	46,000							
Chip Seal	47,000								
CPR/Grinding	150,000	150,000							
Urban									
Reconstruction	9,300,000								
Surfacing	1,600,000	1,100,000							

HB 1012 Februard, 2015 Altachment G





attachment H

Aug 17, 2005 3:20 pm Prepared by Citigroup

Page 22

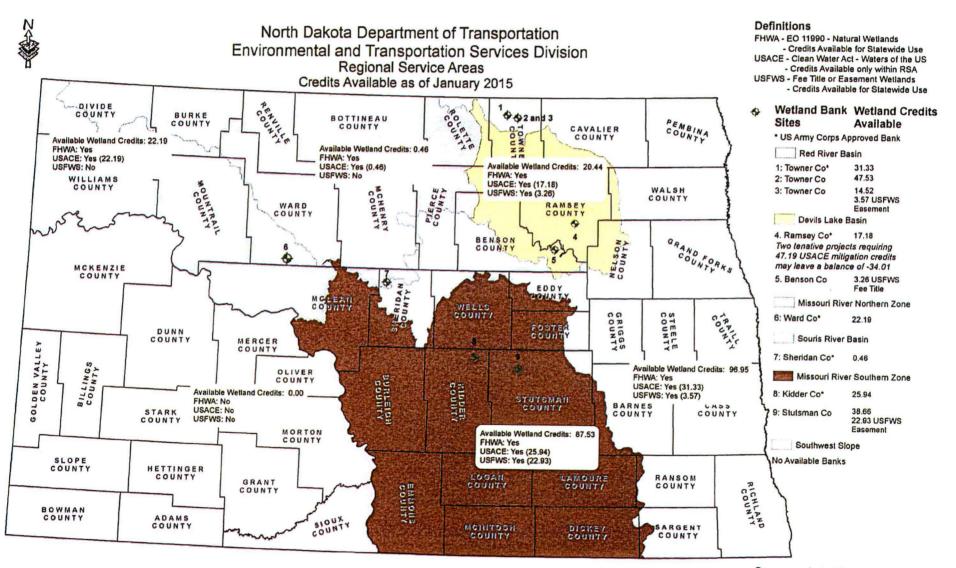
#### BOND DEBT SERVICE

#### North Dakota Department of Transportation Grant and Revenue Anticipation Bonds Series 2005 Final Numbers

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2005					
06/01/2006			1,654,390.96	1,654,390.96	1,654,390.96
12/01/2006			1,078,950.63	1,078,950.63	
06/01/2007			1,078,950.63	1,078,950.63	2,157,901.26
12/01/2007			1,078,950.63	1,078,950.63	
06/01/2008	3,160,000	3.000%	1,078,950.63	4,238,950.63	5,317,901.26
12/01/2008			1,031,550.63	1,031,550.63	
06/01/2009	3,255,000	3.200%	1,031,550.63	4,286,550.63	5,318,101.26
12/01/2009			979,470.63	979,470.63	
06/01/2010	3,355,000	3.250%	979,470.63	4,334,470.63	5,313,941.26
12/01/2010			924,951.88	924,951.88	
06/01/2011	3,465,000	**	924,951.88	4,389,951.88	5,314,903.76
12/01/2011			861,276.88	861,276.88	
06/01/2012	3,595,000	**	861,276.88	4,456,276.88	5,317,553.76
12/01/2012			796,564.38	796,564.38	
06/01/2013	3,725,000	**	796,564.38	4,521,564.38	5,318,128.76
12/01/2013			725,767.50	725,767.50	
06/01/2014	3,865,000	**	725,767.50	4,590,767.50	5,316,535.00
12/01/2014			651,535.00	651,535.00	
06/01/2015	4,015,000	3.800%	651,535.00	4,666,535.00	5,318,070.00
12/01/2015			575,250.00	575,250.00	
06/01/2016	4,165,000	5.000%	575,250.00	4,740,250.00	5,315,500.00
12/01/2016			471,125.00	471,125.00	
06/01/2017	4,375,000	5.000%	471,125.00	4,846,125.00	5,317,250.00
12/01/2017			361,750.00	361,750.00	
06/01/2018	4,590,000	5.000%	361,750.00	4,951,750.00	5,313,500.00
12/01/2018			247,000.00	247,000.00	
06/01/2019	4,820,000	5.000%	247,000.00	5,067,000.00	5,314,000.00
12/01/2019			126,500.00	126,500.00	
06/01/2020	5,060,000	5.000%	126,500.00	5,186,500.00	5,313,000.00
	51,445,000		21,475,677.28	72,920,677.28	72,920,677.28

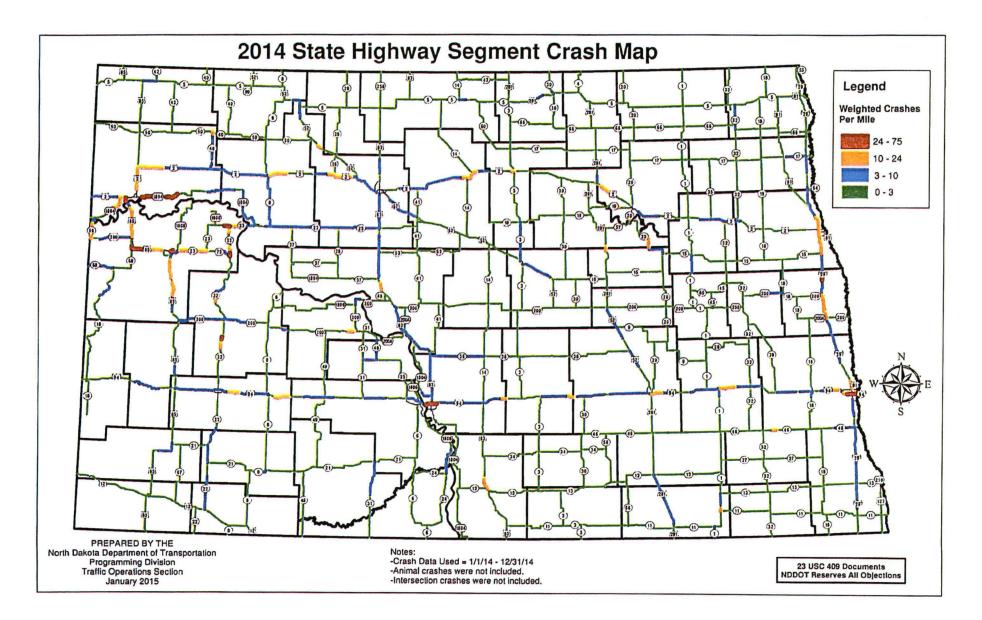


atta



On average for last 5 years, NDDOT mitigates 52 wetland credits per year.

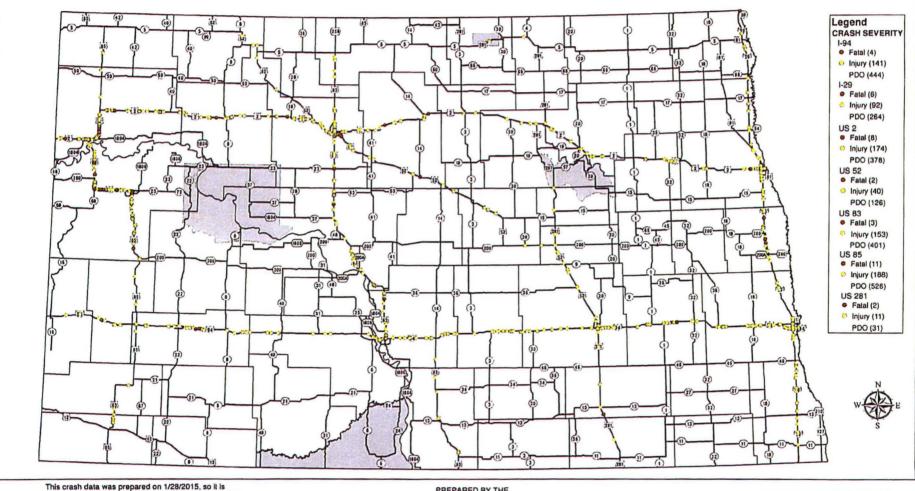






NDDOT Attachment 9-A

# 2014 Crashes on Select Major Highways (See Legend)



possible crashes that occurred in November and December have not yet been entered into the database. Property Damage Only (PDO) crashes are not shown on map. The study period used was 1/1/2014 to 12/31/2014. Traffic count data used was collected in 2014. PREPARED BY THE North Dakota Department of Transportation Programming Division Traffic Operations Section January 2015

23 USC 409 Documents NDDOT Reserves All Objections

# Proposed Transportation Funding 2015-2017 Biennium

	<b>Executive Budget</b>	t Request					Total Proposed	<b>UGPTI</b> Needs			
	HB 1012 *	*SB 2126	SB 2103	**HB 1176	***HTDF	****Mill Levy	Funding	Study			
State West Region	\$950,715,558	\$450,000,000	\$300,000,000		Included in Executive		\$1,250,715,558	\$3,543,000,00			
State Central and East Regions	\$449,600,000				Budget		\$449,600,000	\$3,543,000,00			
County Oil	\$13,410,000 -	-	\$300,000,000	\$344,832,744	\$14,960,000	\$17,638,686	\$709,847,106	\$598,000,00			
Township Oil				\$17,245,676	\$1,760,000		\$709,847,100				
County Non-Oil	\$61,090,000	<del>\$52,000,000</del>	\$140,800,000	\$125,008,112	\$60,170,000	\$58,590,028	\$489,583,816	\$575,000,00			
Township Non-Oil		<del>\$20,000,000</del>	\$19,200,000	\$17,245,676	\$7,480,000		\$409,585,810	\$375,000,00			
Cities Oil	\$10,320,000	<del>\$300,000,000</del>	****\$376,250,000	\$3,000,000	\$42,680,000		****\$565,750,000				
Cities Non-Oil	\$98,580,000	<del>\$28,000,000</del>			\$42,080,000		\$305,750,000				

\*Note SB 2126 failed in the Senate.

\*\*Note the County & Township Oil revenue is based on actual collections from July 2013 thru December 2014 plus re-using the actual figures from January 2014 thru June 2014 then increased to reflect the 60%/40% split. Those total collections were then reduced down proportionally based on the average price per barrel of oil over that time frame to the price today of \$45/barrel. That figure was then further reduced by the percentage of transportation needs vs the overall needs of the county. See calculations below.

\*\*\*Note These figures are based on a historic funding % of new projected revenues. Also the Cities, Counties and Township values have been reduced by 45% to account for the amount they send on routine maintenance, Snow and Ice control etc.

\*\*\*\*Note These figures are based on 2013 Mill Levy Collections

\*\*\*\*\*Note These dollars are not limited to Transportation needs.

### Additional Possible Impacts to Transportation Funding

HB 1031 Would place \$75,000,000 per Biennium into a fund for the purpose of 4-laning of US 85. These funds do not contain Appropriation Authority therefore the NDDOT would need to seek approval to utilize these funds.

HB 1171 Would increase funding by \$6.3 Million per Biennium by placing non-criminal traffic offense fees in the HTDF. This impacts the State, Counties, Cities and Townships.

HB 1324 Would require the NDDOT spend \$675 Million to 4-lane US Highway 52.

SB 2148 Would reduce the NDDOT's spending authority by \$800,000. (Enhanced Drivers License Bill)

SB 2175 Would reduce the NDDOT's revenues by \$2 Million. Would transfer these funds into the Agriculture Research Fund.

SB 2263 Would give the NDDOT \$2 Million per biennium to provide grants to Townships that Border Canada.

SB 2293 Would reduce funding by \$6 Million. (Creates Rail Safety Fund) Impacts the State, Counties, Cities and Townships.

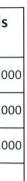
	Executive Budget I Transportation Imp HB 1012	
State West Region	\$950,715,558	\$450,000,000
State Central and East Regions	\$449,600,000	<i><i>ϕ</i> 100,000,000</i>
County Oil	\$45,400,000	
Township Oil		
County Non-Oil	\$29,100,000	\$52,000,000
Township Non-Oil		\$20,000,000
Cities Oil	\$21,500,000	*\$300,000,000
Cities Non-Oil	\$87,400,000	\$28,000,000
	\$67,400,000	

	Estimated Oil Tax	Todays Price of Oil is approximately 46% of what the Estimated Oil Tax	Transportations needs account for	Funde Demoining for
	on the 60%/40%	Distributions were based on.		Funds Remaining for Non-Transportation work.
Big 10 Counties	\$853,800,000	\$392,748,000	\$344,832,744	\$47,915,256
Remaining Counties	\$12,400,000	\$5,704,000	\$5,008,112	\$695,888
Big 10 Townships	\$42,700,000	\$19,642,000	\$17,245,676	\$2,396,324
Remaining Townships	\$42,700,000	\$19,642,000	\$17,245,676	\$2,396,324

\*Note this \$300 Million was not part of the NDDOT's Budget Request.

attachment R

# **NDDOT Attachment 2**



HB1012 Fabruary 2,2015

# **US 2 FOUR LANE MINOT TO WILLISTON**

OJECT NUMBER	PCN	LOCATION	BID OPEN	TYPE IMPR	LENGTH	EST #	COST	CHANGE ORDER	R/W	UTILITIES	PE	CE	PROJECT TOTAL	INFLATION	PROJECT TOTAL PLUS INFLATION
NH-7-002(051)032	12585	JCT US 85, E TO JCT US 52 CORRIDOR	YN 2002								\$2,274,003		\$2,274,003	\$5,953,754	\$8,227,757
AC-HPP-7-002(052)053	13125	RAY EAST TO TIOGA	4/16/04	GRADE	10.9	FINAL	\$3,841,335	\$19,219		\$67,500	\$30,812	\$406,493	\$4,365,359	\$11,749,752	\$16,115,111
HPP-7-002(054)053	13126	RAY EAST TO TIOGA	2/11/05	SURFACE	10.9	FINAL	\$2,342,215	\$14,825			\$44,970	\$195,877	\$2,597,886	\$6,740,461	\$9,338,347
NH-7-002(065)091	14794	E STANLEY E 9 MI	2/11/05	GRADE	9.2	FINAL	\$4,367,491	\$140,803		\$26,000	\$206,946	\$425,116	\$5,166,356	\$13,404,600	\$18,570,956
AC-NH-7-002(063)077	14796	12 MI E JCT 40 TO W STANLEY	3/24/05	GRADE	11.9	F-SUPP	\$5,168,837	\$64,025	\$40,000	\$77,000	\$177,104	\$500,038	\$6,027,003	\$15,637,630	\$21,664,634
AC-NH-7-002(061)065	14798	NEAR JCT 40 E 12 MI	4/22/05	GRADE	12.7	FINAL	\$6,014,440	\$39,249		\$21,400	\$428,380	\$698,166	\$7,201,634	\$18,685,321	\$25,886,956
AC-NH-7-002(057)033	14787	JCT US 85 E 10 MI	2/17/06	GRADE	11.4	FINAL	\$8,254,653	\$189,360	\$250,000	\$78,600	\$262,224	\$563,628	\$9,598,466	\$20,629,539	\$30,228,004
AC-NH-7-002(066)091	14795	E STANLEY E 9 MI	2/17/06	SURFACE	9.2	FINAL	\$2,587,703	\$50,768			\$22,473	\$191,687	\$2,852,630	\$6,131,026	\$8,983,656
AC-NH-7-002(070)020	15925	JCT 2ND AVE W & 26TH ST TO US 85-EB	2/17/05	HBP/TLO	11.6	FINAL	\$2,726,481	\$1,836			\$151,622	\$111,597	\$2,991,536	\$6,429,570	\$9,421,106
AC-NH-7-002(055)043	14785	10 MI E JCT 85 E TO RAY	3/17/06	GRADE	9.9	FINAL	\$6,369,172	\$189,687	\$260,000	\$113,272	\$164,281	\$495,315	\$7,591,727	\$16,316,548	\$23,908,276
AC-NH-7-002(064)077	14797	12 MI E JCT 40 TO W STANLEY	3/17/06	SURFACE	11.9	FINAL	\$4,292,540	\$123,579			\$22,157	\$316,981	\$4,755,257	\$10,220,254	\$14,975,511
AC-NH-7-002(062)065	14799	NEAR JCT 40 E 12 MI	3/17/06	SURFACE	12.5	FINAL	\$4,102,614	\$93,847			\$18,720	\$257,028	\$4,472,210	\$9,611,913	\$14,084,123
AC-NH-7-002(067)100	14792	9 MI E STANLEY TO 12 MI W BERTHOLD	11/17/06	GRADE	12.1	FINAL	\$5,709,600	\$29,620		\$11,500	\$191,544	\$507,513	\$6,449,777	\$12,810,592	\$19,260,369
BC-NH-7-002(060)033	14789	JCT US 85 E 10 MI	2/9/07	SURFACE	11.4	FINAL	\$3,098,159	\$47,509				\$2,500	\$3,148,168	\$6,252,913	\$9,401,080
AC-SNH-7-002(075)054	16302	RAY E TO 4 MI E JCT 40-WB	2/9/07	TLO	14.9	FINAL	\$1,400,599	\$2,500			\$19,740	\$80,987	\$1,503,825	\$2,986,908	\$4,490,734
BC-NH-7-002(071)111	14790	8 MI W BERTHOLD TO 2 MI W BERTHOLD	2/9/07	GRADE	6.0	INT 24	\$4,674,687	\$6,800	\$50,000		\$55,691	\$5,000	\$4,792,178	\$9,518,257	\$14,310,435
AC-NH-RSN-7-002(073)121	14783	2 MI W BERTHOLD TO 3 MI W JCT 52	3/16/07	GRADE	11.4	INT 17	\$6,601,829	\$35,880	\$1,000,000	\$269,900	\$4,000	\$21,500	\$7,933,109	\$15,756,795	\$23,689,904
BC-NH-7-002(056)043	14786	10 MI E JCT 85 E TO RAY	2/9/07	SURFACE	9.9	FINAL	\$2,574,210	\$122,765				\$2,500	\$2,699,474	\$5,361,715	\$8,061,189
AC-SNH-7-002(078)091	16383	E STANLEY E 9 MI-WB	11/16/07	TLO	8.8		\$745,000					\$3,000	\$748,000	\$1,313,561	\$2,061,561
-SNH-7-002(077)032	16339	JCT 85 E TO RAY-WB	11/16/07	TLO	20.8		\$3,596,000					\$5,000	\$3,601,000	\$6,323,707	\$9,924,707
c-SNH-7-002(068)100	14793	9 MI E STANLEY TO 12 MI W BERTHOLD	3/28/08	SURFACE	11.3		\$3,108,000					\$2,000	\$3,110,000	\$5,461,463	\$8,571,463
AC-SNH-7-002(072)111	14791	12 MI W BERTHOLD TO 2 MI W BERTHOLD	3/28/08	SURFACE	7.7		\$2,122,000					\$5,000	\$2,127,000	\$3,735,220	\$5,862,220
BC-SNH-7-002(074)121	14784	2 MI W BERTHOLD TO 3 MI W JCT 52	3/28/08	SURFACE	10.0		\$2,747,000					\$2,000	\$2,749,000	\$4,827,512	\$7,576,512
AC-SNH-7-002(079)100	16440	9 MI E STANLEY TO 4 MI W BERTHOLD-WB	3/20/09	TLO/HBP	17.5		\$4,378,455						\$4,378,455	\$6,707,420	\$11,085,875
AC-SNH-7-002(080)120		4 MI W BERTHOLD TO 3 MI W JCT 52-WB	3/20/09	TLO	10.8		\$1,278,835						\$1,278,835	\$1,959,066	\$3,237,901
			1		FOUR LA		\$80,702,965	\$1,169,771	\$1,600,000	\$665,172	\$4,054,928	\$4,709,938	\$92,902,774	\$205,234,835	\$298,137,609
						XISTING	\$11,398,889	\$2,500	\$0		\$19,740	\$88,987	\$11,510,115	\$19,290,664	\$30,800,779
					GRAND	TOTALS	\$92,101,854	\$1,172,271	\$1,600,000	\$665,172	\$4,074,668	\$4,798,925	\$104,412,890	\$224,525,498	and the second se

\* Inflation calculated per ND Overall Construction Cost Index



attachment m

AB1012 Library 2,2015 attachment N



SF 9049 Buyer: Darin Fritz ( reabus@hotmail.com ) Company: Reading Bus Line Address: 19771 McCall Ave , Reading , MN 56165 Phone: (507) 926-5404

### SF 9057

Buyer: Ryan Lagasse ( Ryan.Lagasse@msd1.org ) Company: Mandan Public School District Address: 901 Division St NW , Mandan , ND 58554 Phone: (701) 751-6541

#### SF 9051

Buyer: William Stevenson ( thejakestevenson@gmail.com ) Company: Stevenson Angus Ranch Address: 310 JRS Lane , Hobson , MT 59452 Phone: (406) 570-4799 Mobile: (406) 570-4799

#### SF 9093

Buyer: Marty Merrick (marty@lasvegasbussales.com) Company: Las Vegas Bus Sales Address: 4530 E Carey Ave, Las Vegas Bus Sales, NV 89115 Phone: (702) 358-3636

#### SF 9056

Buyer: Randy Ammerman ( randy@aamotorcoach.com ) Company: A & A Motorcoach, Inc Address: 2410 So. 26th Ave , Yakima , WA 98903 Phone: (509) 969-7966

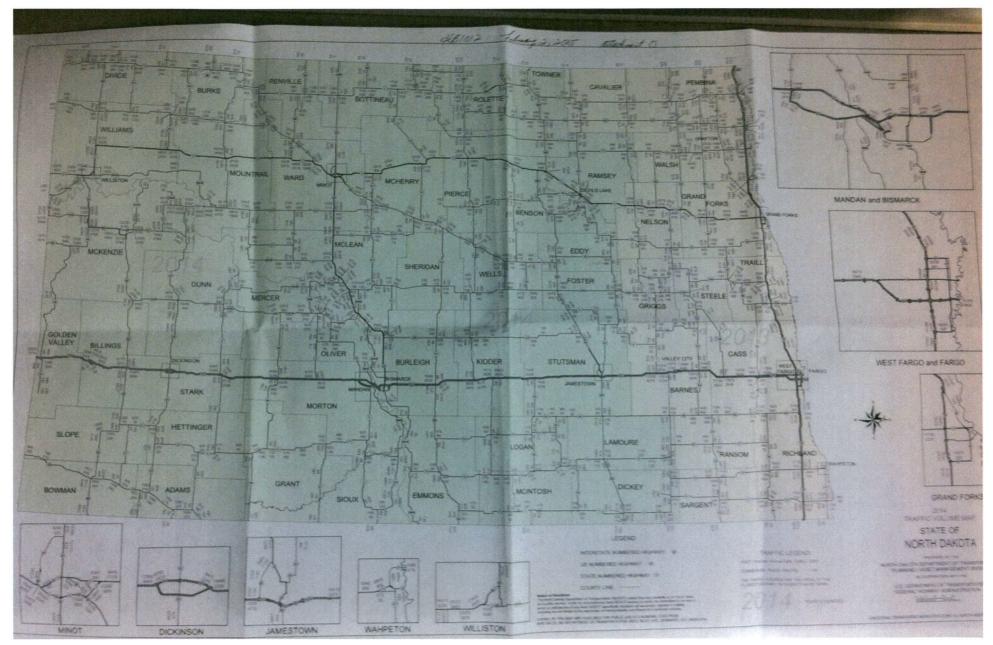
SF 9050 Buyer: Bruce Krug (brucekrug1961@gmail.com) Company: Krug Bus Address: 549 Billings Ave, Medford, WI 54451 Phone: (715) 748-3194 Mobile: (715) 965-0557

SF 9059 Buyer: Bismarck State College

SF 9060 Buyer: Williston State College



1-2-2 2, 2-15



Fibruary 2, 2015 Attachment P AB1012

# Highway 23 Moved 2 Years to Accommodate Funding Constraints

											Revised Bid	
Dis	st Hw	y	Dir	Length	Location	County	Type of Work	PCN	<b>Bid Opening</b>	Total Cost	Opening	Revised Cost
7	23	3	E	19.11	Jct. ND 73 to Near Jct ND 22	McKenzie	Super 2, PCC, Widening, Turn Lanes	19844	3/13/2015	\$70,578,731.00	3/13/2017	\$80,812,647.00

February 23,2015

attachment A

15.8120.01001 Title.

JB1012

Fiscal No. 1

Prepared by the Legislative Council staff for House Appropriations - Government Operations Division Committee February 21, 2015

### PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 1, replace "an appropriation" with "appropriations"

Page 1, line 2, replace "a transfer" with "transfers; to provide legislative intent; to provide for legislative management studies"

Page 1, replace lines 12 through 20 with:

"Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
Accrued leave payments	7,280,897	(7,280,897)	0
Operating expenses	376,721,715	15,952,036	392,673,751
Capital assets	727,911,207	376,307,253	1,104,218,460
Grants	<u>79,788,030</u>	<u>(16,870,000)</u>	<u>62,918,030</u>
Total special funds	\$1,379,179,434	\$389,017,942	\$1,768,197,376
Full-time equivalent positions	1,079.50	0.00	1,079.50"
Page 2, replace lines 2 through 16	with:		
"General fund transfer to highway f		\$541,600,000	\$0
Enhanced state highway investmer		1,161,600,000	504,115,558
TIGER III federal railroad program		10,000,000	0
General license plate issue		6,820,000	0
Contingent general fund transfer to		1,100,000	0
public transportation fund Airplane replacement Transportation distribution to oil-pro Transportation distribution to non-o Recreational road access Total all funds Total special fund Total general fund		$\begin{array}{r} 4,500,000\\ 160,000,000\\ 120,000,000\\ \underline{0}\\ \$2,005,620,000\\ \underline{541,600,000}\\ \$1,464,020,000\end{array}$	0 0 <u>1,000,000</u> \$505,115,558 <u>505,115,558</u> \$0"

Page 2, after line 25, insert:

### "SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO

**HIGHWAY FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$504,115,558, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the state highway fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

SECTION 5. APPROPRIATION - TRANSFER - GENERAL FUND TO

**SPECIAL ROAD FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the special road fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds



provided under this section to the special road fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

**SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of one-time funding for the department of transportation's short line railroad program, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 7. LEGISLATIVE INTENT - CONTINGENT FUNDING FOR BUILDING AND MAJOR INFORMATION TECHNOLOGY PROJECTS. It is the intent of the legislative assembly that the department of transportation refrain from using funds appropriated to the department of transportation in section 1 of this Act for construction or improvements to buildings and major information technology projects during the biennium beginning July 1, 2015, and ending June 30, 2017, unless the department receives at least the amount of federal highway construction funds that was anticipated by the sixty-fourth legislative assembly."

Page 3, line 2, replace "\$904,115,558" with "\$504,115,558"

Page 3, after line 17, insert:

"SECTION 12. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD INFRASTRUCTURE. During the 2015-16 interim, the legislative management shall consider studying short line railroad expansion, spurs, switches, or other infrastructure enhancements and the effect of short line railroads on reducing commercial traffic on the state highway system. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 13. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES.** During the 2015-16 interim, the legislative management shall consider studying the potential effect high-efficiency vehicles may have on the revenue generated from motor vehicle registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol taxes. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - AUTOMATED MOTOR VEHICLE. During the 2015-16 interim, the legislative management shall consider studying potential statutory changes that may be necessary to accommodate the introduction or testing of automated motor vehicles in North Dakota and any automated corridors affecting North Dakota. "Automated motor vehicle" means a vehicle capable of operating in a full automation mode where full automation is defined by the Society of Automotive Engineers Standard, J3016, section 5.6 issued January 2014, as the unconditional, full-time performance by an automated driving system of all aspects of the dynamic driving task. The study may include research into the degree that automated motor vehicles could reduce traffic fatalities and crashes by reducing or eliminating driver error and the degree that automated motor vehicles could reduce congestion and improve fuel economy through better utilization of existing highway capacity and more efficient operation of the vehicles' acceleration and braking controls. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Page No. 2

15.8120.01001

### Renumber accordingly

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### STATEMENT OF PURPOSE OF AMENDMENT:

### House Bill No. 1012 - Department of Transportation - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
Operating expenses	376,721,715	15,952,036	392,673,751
Capital assets	727,911,207	376,307,253	1,104,218,460
Grants	79,788,030	(16,870,000)	62,918,030
Accrued leave payments	7,280,897	(7,280,897)	
General fund transfer to highway fund		504,115,558	504,115,558
General fund transfer to special road		1,000,000	1,000,000
Short line railroad program		2,000,000	2,000,000
Total all funds	\$1,379,179,434	\$896,133,500	\$2,275,312,934
Less estimated income	1,379,179,434	391,017,942	1,770,197,376
General fund	\$0	\$505,115,558	\$505,115,558
FTE	1079.50	0.00	1079.50

#### Department No. 801 - Department of Transportation - Detail of House Changes

	Adds Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Adjusts Base Level Funding <sup>3</sup>	Adds One-Time Funding for Enhanced State Infrastructure Investments <sup>4</sup>	Adds One-Time Funding for Recreational Road Access Improvements⁵	Adds One-Time Funding for Short Line Railroad Program <sup>6</sup>
Salaries and wages Operating expenses Capital assets Grants Accrued leave payments	\$9,190,542 (7,280,897)	\$11,719,008	(81,547,964) (31,308,305) (16,870,000)	97,500,000 406,615,558	1,000,000	
General fund transfer to highway fund General fund transfer to specia road Short line railroad program	( )					2,000,000
Total all funds Less estimated income	\$1,909,645 1,909,645	\$11,719,008 11,719,008	(\$129,726,269) (129,726,269)	\$504,115,558 504,115,558	\$1,000,000 1,000,000	\$2,000,000 2,000,000
General fund	<u>1,505,045</u> \$0	\$0	(123,720,203) \$0	\$0	\$0	
General lund	20		<b>Φ</b> 0	<b>D</b>	<b>D</b> O	20
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	Transfers General Fund to Highway Fund <sup>7</sup>	Transfers General Fund to Special Road Fund <sup>8</sup>	Total House Changes			
Salaries and wages Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund	504,115,558		\$20,909,550 15,952,036 376,307,253 (16,870,000) (7,280,897) 504,115,558			
General fund transfer to specia road Short line railroad program		1,000,000	1,000,000 2,000,000			
Total all funds Less estimated income	\$504,115,558 0	\$1,000,000 0	\$896,133,500 391,017,942			
General fund	\$504,115,558 0.00	\$1,000,000 0.00	\$505,115,558 0.00			





FTE

<sup>1</sup> Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance		\$7,042,812	\$7,042,812
Health insurance increase		4,676,196	4,676,196
Total	\$0	\$11,719,008	\$11,719,008

<sup>3</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Increase funding for operating expenses		\$8,748,743	\$8,748,743
Increase funding for contract patching from \$82,935,780 to		35,713,309	35,713,309
\$118,649,089 Adjust funding for grants		(16.870.000)	(16,870,000)
Remove 2013-15 biennium capital assets funding		(157,318,321)	(157,318,321)
Total	\$	0 (\$129,726,269)	(\$129,726,269)

<sup>4</sup> One-time funding is added from the highway fund for enhanced state infrastructure investments.

<sup>5</sup> One-time funding is added from the special road fund for improvements to roads that lead to recreational areas.

<sup>6</sup> A section is added providing a one-time strategic investment and improvements fund appropriation for the Department of Transportation's short line railroad program.

<sup>7</sup> A section is added providing a one-time general fund transfer to the highway fund to be used for enhanced state infrastructure investments.

<sup>8</sup> A section is added providing a one-time general fund transfer to the special road fund for improvements to roads that lead to recreational areas.

This amendment also:

- Provides legislative intent that the Department of Transportation refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly.
- Provides for a Legislative Management study regarding short line railroad infrastructure.
- Provides for a Legislative Management study regarding high-efficiency vehicles.
- · Provides for a Legislative Management study regarding automated motor vehicles.

HB 1012

15.8120.01001

Sixty-fourth Legislative Assembly of North Dakota

Introduced by

Appropriations Committee

(At the request of the Governor)

February 23, 2015 attachment B

HOUSE BILL NO. 1012

1 A BILL for an Act to provide an appropriation appropriations for defraying the expenses of the

2 department of transportation; to provide for a transfertransfers; to provide legislative intent; to

3

### provide for legislative management studies; and to provide exemptions.

### 4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

5 SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds 6 as may be necessary, are appropriated out of any moneys in the general fund in the state 7 treasury, not otherwise appropriated, and from special funds derived from federal funds and 8 other income, to the department of transportation for the purpose of defraying the expenses of 9 the department of transportation, for the biennium beginning July 1, 2015, and ending June 30, 10 2017, as follows:

11			Adjustments or	
12		Base Level	Enhancements	<u>Appropriation</u>
13	Salaries and wages	\$187,477,585	\$25,032,389	<del>\$212,509,974</del>
14	Accrued leave payments	7,280,897	(7,280,897)	0
15	Operating expenses	376,721,715	96,541,036	473,262,751
16	Capital assets	727,911,207	700,685,753	1,428,596,960
17	Grants	79,788,030	<u>(15,870,000)</u>	<u>63,918,030</u>
18	Total all funds	<del>\$1,379,179,434</del>	\$799,108,281	<del>\$2,178,287,715</del>
19	Less estimated income	1,379,179,434	798,108,281	2,177,287,715
20	Total general fund	\$0	\$1,000,000	\$1,000,000
21	Full-time equivalent positions	1,079.50	2.00	1,081.50
22	Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
23	Accrued leave payments	7,280,897	(7,280,897)	0
24	Operating expenses	376,721,715	15,952,036	392,673,751

15.8120.01001

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1 Capital assets 727,911,207 376,307,253 1,104,218,460 2 62,918,030 79,788,030 (16, 870, 000)Grants 3 \$389,017,942 \$1,768,197,376 Total special funds \$1,379,179,434 4 Full-time equivalent positions 1,079.50 0.00 1,079.50

### SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

6 SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding

7 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the

8 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

9	One-Time Funding Description	<u>2013-15</u>	<u>2015-17</u>
10	General fund transfer to highway fund	\$541,600,000	<del>\$0</del>
11	Enhanced state highway investments	1,161,600,000	904,115,558
12	TIGER III federal railroad program	10,000,000	0
13	General license plate issue	6,820,000	0
14	Contingent general fund transfer to	1,100,000	0
15	<u>—public transportation fund</u>		
16	Airplane replacement	4,500,000	0
17	Transportation distribution to oil-producing counties	160,000,000	0
18	Transportation distribution to non-oil-producing countient	es 120,000,000	0
19	Recreational road access	0	5,000,000
20	Vehicle registration and titling system replacement	0	2,500,000
21	Motor coach reimbursement	0	1,000,000
22	Total all funds	<del>\$2,005,620,000</del>	<del>\$912,615,558</del>
23	Total special fund	541,600,000	911,615,558
24	Total general fund	\$1,464,020,000	\$1,000,000
25	General fund transfer to highway fund	\$541,600,000	\$0
26	Enhanced state highway investments	1,161,600,000	504,115,558
27	TIGER III federal railroad program	10,000,000	0
28	General license plate issue	6,820,000	0
29	Contingent general fund transfer to	1,100,000	0
30	public transportation fund		
31	Airplane replacement	4,500,000	0

1	Transportation distribution to oil-producing counties	160,000,000	0
2	Transportation distribution to non-oil-producing counties	120,000,000	0
3	Recreational road access	0	1,000,000
4	Total all funds	\$2,005,620,000	\$505,115,558
5	Total special fund	541,600,000	505,115,558
6	Total general fund	\$1,464,020,000	\$0

The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19
biennium. The department of transportation shall report to the appropriations committees of the
sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning
July 1, 2015, and ending June 30, 2017.

SECTION 3. LINE ITEM TRANSFERS. The director of the department of transportation may transfer between the salaries and wages, operating, capital assets, and grants line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the office of management and budget of any transfers made under this section.

SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND.
There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
appropriated, the sum of \$504,115,558, or so much of the sum as may be necessary, which the
office of management and budget shall transfer to the highway fund during the biennium
beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall
transfer the funds provided under this section to the state highway fund at the request of the
director of the department of transportation. This appropriation is a one-time funding item.

23 SECTION 5. APPROPRIATION - TRANSFER - GENERAL FUND TO SPECIAL ROAD 24 **FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not 25 otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, 26 which the office of management and budget shall transfer to the special road fund during the 27 biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and 28 budget shall transfer the funds provided under this section to the special road fund at the 29 request of the director of the department of transportation. This appropriation is a one-time 30 funding item.

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1	SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the strategic	
2	investment and improvements fund in the state treasury, not otherwise appropriated, the sum of	
3	\$2,000,000, or so much of the sum as may be necessary, to the department of transportation	
4	for the purpose of one-time funding for the department of transportation's short line railroad	
5	program, for the biennium beginning July 1, 2015, and ending June 30, 2017.	
6	SECTION 7. LEGISLATIVE INTENT - CONTINGENT FUNDING FOR BUILDING AND	
7	MAJOR INFORMATION TECHNOLOGY PROJECTS. It is the intent of the legislative assembly	
8	that the department of transportation refrain from using funds appropriated to the department of	
9	transportation in section 1 of this Act for construction or improvements to buildings and major	
10	information technology projects during the biennium beginning July 1, 2015, and ending	
11	June 30, 2017, unless the department receives at least the amount of federal highway	
12	construction funds that was anticipated by the sixty-fourth legislative assembly.	
13	SECTION 8. EXEMPTION - HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS	
14	FUND. The amount appropriated to the department of transportation from the highway-rail	
15	grade crossing safety projects fund, as contained in section 4 of chapter 43 of the 2013 Session	
16	Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this	
17	appropriation are available to the department highway-rail grade crossing safety projects during	
18	the biennium beginning July 1, 2015, and ending June 30, 2017.	
19	SECTION 9. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER	
20	AUTHORITY. Section 54-44.1-11 does not apply to funding of \$904,115,558\$504,115,558 in the	
21	capital assets line item relating to enhanced state highway investments in section 1 of this Act.	
22	Any funds not spent by June 30, 2017, must be continued into the biennium beginning July 1,	
23	2017, and ending June 30, 2019, and may be expended only for enhanced state highway	
24	investments.	
25	SECTION 10. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE	
26	RAISING GRANTS. The amount appropriated to the department of transportation from the state	
27	disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of	
28	the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended	
29	funds from this appropriation are available to the department to provide road grade raising	
30	grants during the biennium beginning July 1, 2015, and ending June 30, 2017.	

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SECTION 11. PAYBACK AND REALLOCATION OF FEDERAL AID. Notwithstanding any
 other provisions of law, the department of transportation may repay the United States
 department of transportation for previous related expenditures out of current biennium
 appropriations so that the department may re-obligate the federal aid to other federal aid
 projects.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD
 INFRASTRUCTURE. During the 2015-16 interim, the legislative management shall consider
 studying short line railroad expansion, spurs, switches, or other infrastructure enhancements
 and the effect of short line railroads on reducing commercial traffic on the state highway system.
 The legislative management shall report its findings and recommendations, together with any
 legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 13. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES.
During the 2015-16 interim, the legislative management shall consider studying the potential
effect high-efficiency vehicles may have on the revenue generated from motor vehicle
registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol
taxes. The legislative management shall report its findings and recommendations, together with
any legislation required to implement the recommendations, to the sixty-fifth legislative

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - AUTOMATED MOTOR VEHICLE.

20 During the 2015-16 interim, the legislative management shall consider studying potential 21 statutory changes that may be necessary to accommodate the introduction or testing of 22 automated motor vehicles in North Dakota and any automated corridors affecting North Dakota. 23 "Automated motor vehicle" means a vehicle capable of operating in a full automation mode 24 where full automation is defined by the Society of Automotive Engineers Standard, J3016, 25 section 5.6 issued January 2014, as the unconditional, full-time performance by an automated 26 driving system of all aspects of the dynamic driving task. The study may include research into 27 the degree that automated motor vehicles could reduce traffic fatalities and crashes by reducing 28 or eliminating driver error and the degree that automated motor vehicles could reduce 29 congestion and improve fuel economy through better utilization of existing highway capacity and 30 more efficient operation of the vehicles' acceleration and braking controls. The legislative

- 1 management shall report its findings and recommendations, together with any legislation
- 2 required to implement the recommendations, to the sixty-fifth legislative assembly.

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Feb y 23, 2015

attachment C.

### Department of Transportation - Budget No. 801 House Bill No. 1012 Base Level Funding Changes

		Executive Budg	get Recommendati	on		Hou	se Version		1	House Changes	s to Executive Bud	lget
	FTE				FTE				FTE	General		
	Positions	General Fund	Other Funds	Total	Positions	General Fund	Other Funds	Total	Positions	Fund	Other Funds	Total
2015-17 Biennium Base Level	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	0.00	\$0	\$0	\$0
2015-17 Ongoing Funding Changes												
Base payroll changes			\$1,909,645	\$1,909,645			\$1,909,645	\$1,909,645				\$0
Salary increase - Performance			9,441,399	9,441,399			7,042,812	7,042,812			(2,398,587)	(2,398,587)
Salary increase - Market equity			364,295	364,295				0			(364,295)	(364,295)
Retirement contribution increase			973,898	973,898				0			(973,898)	(973,898)
Health insurance increase			4,684,832	4,684,832			4,676,196	4,676,196			(8,636)	(8,636)
New FTE - Archaeologist I	1.00		182,280	182,280				0	(1.00)		(182,280)	(182,280)
New FTE - Environmental Scientist III	1.00		195,143	195,143				0	(1.00)		(195,143)	(195,143)
Operating expenses increases			8,748,743	8,748,743			8,748,743	8,748,743				0
Contract patching increase			35,713,309	35,713,309			35,713,309	35,713,309				0
Grants adjustment			(16,870,000)	(16,870,000)			(16,870,000)	(16,870,000)				0
Information technology - Maintenance management system			589,000	589,000				0			(589,000)	(589,000)
Remove capital assets			(159,439,821)	(159,439,821)			(157,318,321)	(157,318,321)			2,121,500	2,121,500
Total ongoing funding changes	2.00	\$0	(\$113,507,277)	(\$113,507,277)	0.00	\$0	(\$116,097,616)	(\$116,097,616)	(2.00)	\$0	(\$2,590,339)	(\$2,590,339)
One-time funding items												
Enhanced state infrastructure investments			\$904,115,558	\$904,115,558			\$504,115,558	\$504,115,558			(\$400,000,000)	(\$400,000,000)
Recreational road access funding			5,000,000	5,000,000			1,000,000	1,000,000			(4,000,000)	(4,000,000)
Loss on discontinuation of motor coaches		1,000,000	0 500 000	1,000,000				0		(1,000,000)	10 500 0001	(1,000,000)
Motor vehicle registration and titling system			2,500,000	2,500,000			0.000.000	0			(2,500,000)	(2,500,000)
Short line railroad program	0.00	£1 000 000	CO11 C1E EEO	010 015 550		0.1	2,000,000	2,000,000		(\$1,000,000)	2,000,000	2,000,000
Total one-time funding changes	0.00	\$1,000,000	\$911,615,558	\$912,615,558	0.00	\$0	\$507,115,558	\$507,115,558	0.00	(\$1,000,000)	(\$404,500,000)	(\$405,500,000)
Total Changes to Base Level Funding	2.00	\$1,000,000	\$798,108,281	\$799,108,281	0.00	\$0	\$391,017,942	\$391,017,942	(2.00)	(\$1,000,000)	(\$407,090,339)	(\$408,090,339)
2015-17 Total Funding	1,081.50	\$1,000,000	\$2,177,287,715	\$2,178,287,715	1,079.50	\$0	\$1,770,197,376	\$1,770,197,376	(2.00)	(\$1,000,000)	(\$407,090,339)	(\$408,090,339)

#### Other Sections in House Bill No. 1012

Line item transfers

Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.

Executive Budget Recommendation

#### House Version

Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.

Section 4 provides a \$504,115,558 appropriation and transfer from the general fund to the highway fund to be used for enhanced state infrastructure investments.

Appropriation - Transfer - General fund to special road fund

Appropriation - Transfer - General fund to highway fund

Section 5 provides a \$1,000,000 appropriation and transfer from the general fund to the special road fund to be used for improvements to roads that lead to recreational areas.

	Executive Budget Recommendation	House Version	
Appropriation		Section 6 provides a \$2,000,000 appropriation from the strategic investement and improvements fund to the Department of Transportation for the purpose of increasing the department's short line railroad program.	
Legislative Intent - Contingent on federal funds		Section 7 provides legislative intent that the Department of Transportation will refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or information technology improvements unless the departments receives federal funding at a level that was made known to the sixty-fourth legislative assembly.	
Exemption - Highway-rail grade crossing safety projects	Section 4 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11.	Section 8 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11.	
Carryover authority - Enhanced state highway investments	Section 5 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2017-19 biennium.	Section 9 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2017-19 biennium.	
Exemption - State disaster relief fund - Road grade raising	Section 6 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.	Section 10 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.	
Payback and reallocation of federal aid	Section 7 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.	Section 11 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.	
Legislative Management study - Short line railroa infrastructure	d	Section 12 provides for a legislative management study regarding short line railroad infrastructure.	
Legislative Management study - High efficiency vehicles		Section 13 provides for a legislative management study regarding high efficiency vehicles.	
Legislative Management study - Automated motor vehicle		Section 14 provides for a legislative management study regarding automated motor vehicles.	

4B1012 February 23, 2015

**NDDOT - Attachment D** 

#### PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

Page 1, line 2, after "transportation" insert "; to amend and reenact section 39-02-03 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices"

Page 3, after line 17, insert:

"SECTION 8. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

#### 39-02-03. Powers and duties of director and department

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Current branch office contracts entered into under this section may extend five years and may be renewed in accordance with this section. At the end of each current branch office contract term the department shall consider entering into contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter into direct negotiations and contract with gualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department."

Renumber accordingly.

#### 15.8120.01001

Sixty-fourth Legislative Assembly of North Dakota

lettachment # 1 2/23/15

#### HOUSE BILL NO. 1012

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation appropriations for defraying the expenses of the

2 department of transportation; to provide for a transfertransfers; to provide legislative intent; to

3 provide for legislative management studies; and to provide exemptions.

### 4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds 6 as may be necessary, are appropriated out of any moneys in the general fund in the state 7 treasury, not otherwise appropriated, and from special funds derived from federal funds and 8 other income, to the department of transportation for the purpose of defraying the expenses of 9 the department of transportation, for the biennium beginning July 1, 2015, and ending June 30, 10 2017, as follows:

11			Adjustments or	
12		Base Level	Enhancements	<u>Appropriation</u>
13	Salaries and wages	\$187,477,585	\$25,032,389	<del>\$212,509,974</del>
14	Accrued leave payments	7,280,897	(7,280,897)	0
15	Operating expenses	376,721,715	96,541,036	47 <del>3,262,751</del>
16	Capital assets	727,911,207	700,685,753	<del>1,428,596,960</del>
17	Grants	79,788,030	(15,870,000)	<u>63,918,030</u>
18	Total all funds	<del>\$1,379,179,434</del>	\$799,108,281	<del>\$2,178,287,715</del>
19	Less estimated income	<u>1,379,179,434</u>	<u>798,108,281</u>	2,177,287,715
20	Total general fund	\$0	\$1,000,000	\$1,000,000
21	Full-time equivalent positions	1,079.50	2.00	1,081.50
22	Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
23	Accrued leave payments	7,280,897	(7,280,897)	0
24	Operating expenses	376,721,715	15,952,036	392,673,751

15.8120.01001

Sixty-fourth

Legislative Assembly

1	Capital assets	727,911,207	376,307,253	1,104,218,460
2	Grants	79,788,030	(16,870,000)	62,918,030
3	Total special funds	\$1,379,179,434	\$389,017,942	\$1,768,197,376
4	Full-time equivalent positions	1,079.50	0.00	1,079.50
5	SECTION 2. ONE-TIME FUND	DING - EFFECT ON BAS	SE BUDGET - REP	ORT TO

6 SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding

items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 7

8 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

9	One-Time Funding Description	<u>2013-15</u>	<u>2015-17</u>
10	General fund transfer to highway fund	<del>\$541,600,000</del>	<del>\$0</del>
11	Enhanced state highway investments	1,161,600,000	904,115,558
12	TIGER III federal railroad program	10,000,000	0
13	General license plate issue	6,820,000	0
14	Contingent general fund transfer to	1,100,000	0
15	<u>public transportation fund</u>		
16	Airplane replacement	4,500,000	0
17	Transportation distribution to oil-producing counties	160,000,000	0
18	Transportation distribution to non-oil-producing counties	120,000,000	0
19	Recreational road access	0	5,000,000
20	Vehicle registration and titling system replacement	0	2,500,000

21	Motor coach reimbursement	0	1,000,000
22	Total all funds	\$2,005,620,000	<del>\$912,615,558</del>
23	Total special fund	541,600,000	911,615,558
24	Total general fund	\$1,464,020,000	\$1,000,000
25	General fund transfer to highway fund	\$541,600,000	\$0
26	Enhanced state highway investments	1,161,600,000	504,115,558
27	TIGER III federal railroad program	10,000,000	0
28	General license plate issue	6,820,000	0
29	Contingent general fund transfer to	1,100,000	0
30	public transportation fund		
31	Airplane replacement	4,500,000	0

1	Transportation distribution to oil-producing counties	160,000,000	0
2	Transportation distribution to non-oil-producing counties	120,000,000	0
3	Recreational road access	0	1,000,000
4	Total all funds	\$2,005,620,000	\$505,115,558
5	Total special fund	541,600,000	505,115,558
6	Total general fund	\$1,464,020,000	\$0

7 The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19
8 biennium. The department of transportation shall report to the appropriations committees of the
9 sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning
10 July 1, 2015, and ending June 30, 2017.

SECTION 3. LINE ITEM TRANSFERS. The director of the department of transportation may transfer between the salaries and wages, operating, capital assets, and grants line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the office of management and budget of any transfers made under this section.

SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND.
There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
appropriated, the sum of \$504,115,558, or so much of the sum as may be necessary, which the
office of management and budget shall transfer to the highway fund during the biennium
beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall
transfer the funds provided under this section to the state highway fund at the request of the
director of the department of transportation. This appropriation is a one-time funding item.

23 SECTION 5. APPROPRIATION - TRANSFER - GENERAL FUND TO SPECIAL ROAD 24 FUND. There is appropriated out of any moneys in the general fund in the state treasury, not 25 otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, 26 which the office of management and budget shall transfer to the special road fund during the 27 biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and 28 budget shall transfer the funds provided under this section to the special road fund at the 29 request of the director of the department of transportation. This appropriation is a one-time 30 funding item.

1	SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the strategic
2	investment and improvements fund in the state treasury, not otherwise appropriated, the sum of
3	\$2,000,000, or so much of the sum as may be necessary, to the department of transportation
4	for the purpose of one-time funding for the department of transportation's short line railroad
5	program, for the biennium beginning July 1, 2015, and ending June 30, 2017.
6	SECTION 7. LEGISLATIVE INTENT - CONTINGENT FUNDING FOR BUILDING AND
7	MAJOR INFORMATION TECHNOLOGY PROJECTS. It is the intent of the legislative assembly
8	that the department of transportation refrain from using funds appropriated to the department of
9	transportation in section 1 of this Act for construction or improvements to buildings and major
10	information technology projects during the biennium beginning July 1, 2015, and ending
11	June 30, 2017, unless the department receives at least the amount of federal highway
12	construction funds that was anticipated by the sixty-fourth legislative assembly.
13	SECTION 8. EXEMPTION - HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS
14	FUND. The amount appropriated to the department of transportation from the highway-rail
15	grade crossing safety projects fund, as contained in section 4 of chapter 43 of the 2013 Session
16	Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
17	appropriation are available to the department highway-rail grade crossing safety projects during
18	the biennium beginning July 1, 2015, and ending June 30, 2017.
19	SECTION 9. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER
20	AUTHORITY. Section 54-44.1-11 does not apply to funding of \$904,115,558 \$504,115,558 in the
21	capital assets line item relating to enhanced state highway investments in section 1 of this Act.
22	Any funds not spent by June 30, 2017, must be continued into the biennium beginning July 1,
23	2017, and ending June 30, 2019, and may be expended only for enhanced state highway
24	investments.
25	SECTION 10. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE
26	RAISING GRANTS. The amount appropriated to the department of transportation from the state
27	disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of
28	the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended
29	funds from this appropriation are available to the department to provide road grade raising
30	grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

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1 SECTION 11. PAYBACK AND REALLOCATION OF FEDERAL AID. Notwithstanding any 2 other provisions of law, the department of transportation may repay the United States 3 department of transportation for previous related expenditures out of current biennium 4 appropriations so that the department may re-obligate the federal aid to other federal aid 5 projects. 6 SECTION 12. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD 7 **INFRASTRUCTURE.** During the 2015-16 interim, the legislative management shall consider 8 studying short line railroad expansion, spurs, switches, or other infrastructure enhancements 9 and the effect of short line railroads on reducing commercial traffic on the state highway system. 10 The legislative management shall report its findings and recommendations, together with any 11 legislation required to implement the recommendations, to the sixty-fifth legislative assembly. 12 SECTION 13. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES. 13 During the 2015-16 interim, the legislative management shall consider studying the potential 14 effect high-efficiency vehicles may have on the revenue generated from motor vehicle 15 registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol 16 taxes. The legislative management shall report its findings and recommendations, together with 17 any legislation required to implement the recommendations, to the sixty-fifth legislative 18 assembly. 19 SECTION 14. LEGISLATIVE MANAGEMENT STUDY - AUTOMATED MOTOR VEHICLE. 20 During the 2015-16 interim, the legislative management shall consider studying potential 21 statutory changes that may be necessary to accommodate the introduction or testing of 22 automated motor vehicles in North Dakota and any automated corridors affecting North Dakota. 23 "Automated motor vehicle" means a vehicle capable of operating in a full automation mode 24 where full automation is defined by the Society of Automotive Engineers Standard, J3016, 25 section 5.6 issued January 2014, as the unconditional, full-time performance by an automated 26 driving system of all aspects of the dynamic driving task. The study may include research into 27 the degree that automated motor vehicles could reduce traffic fatalities and crashes by reducing 28 or eliminating driver error and the degree that automated motor vehicles could reduce

- 29 congestion and improve fuel economy through better utilization of existing highway capacity and
- 30 more efficient operation of the vehicles' acceleration and braking controls. The legislative

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- 1 management shall report its findings and recommendations, together with any legislation
- 2 required to implement the recommendations, to the sixty-fifth legislative assembly.

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littaliment #2 2/3/15

**NDDOT - Attachment D** 

#### **PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012**

Page 1, line 2, after "transportation" insert "; to amend and reenact section 39-02-03 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices"

Page 3, after line 17, insert:

"SECTION 8. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

#### 39-02-03. Powers and duties of director and department

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Current branch office contracts entered into under this section may extend five years and may be renewed in accordance with this section. At the end of each current branch office contract term the department shall consider entering into contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter into direct negotiations and contract with qualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department."

Renumber accordingly.

Prepared by the Legislative Council staff for 2/23/15

15.8120.01001 Title.

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#### PROPOSED AMENDMENTS TO HOUSE BILL NO. 1012

House Appropriations - Government Operations Division Committee

February 21, 2015

Page 1, line 1, replace "an appropriation" with "appropriations"

Page 1, line 2, replace "a transfer" with "transfers; to provide legislative intent; to provide for legislative management studies"

Page 1, replace lines 12 through 20 with:

"Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
Accrued leave payments	7,280,897	(7,280,897)	0
Operating expenses	376,721,715	15,952,036	392,673,751
Capital assets	727,911,207	376,307,253	1,104,218,460
Grants	<u>79,788,030</u>	<u>(16,870,000)</u>	<u>62,918,030</u>
Total special funds	\$1,379,179,434	\$389,017,942	\$1,768,197,376
Full-time equivalent positions	1,079.50	0.00	1,079.50"
Page 2, replace lines 2 through 16 w	vith:		
"General fund transfer to highway fu		\$541,600,000	\$0
Enhanced state highway investment		1,161,600,000	504,115,558
TIGER III federal railroad program		10,000,000	0
General license plate issue		6,820,000	0
Contingent general fund transfer to		1,100,000	0
public transportation fund Airplane replacement Transportation distribution to oil-prod Transportation distribution to non-oil Recreational road access Total all funds Total special fund Total general fund	-	$\begin{array}{r} 4,500,000\\ 160,000,000\\ 120,000,000\\ \underline{0}\\ \$2,005,620,000\\ \underline{541,600,000}\\ \$1,464,020,000\end{array}$	0 0 <u>1,000,000</u> \$505,115,558 <u>505,115,558</u> <u>\$0</u> "

Page 2, after line 25, insert:

### "SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO

**HIGHWAY FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$504,115,558, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the state highway fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

SECTION 5. APPROPRIATION - TRANSFER - GENERAL FUND TO SPECIAL ROAD FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the special road fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds



Page No. 1

provided under this section to the special road fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

**SECTION 6. APPROPRIATION.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of one-time funding for the department of transportation's short line railroad program, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 7. LEGISLATIVE INTENT - CONTINGENT FUNDING FOR BUILDING AND MAJOR INFORMATION TECHNOLOGY PROJECTS. It is the intent of the legislative assembly that the department of transportation refrain from using funds appropriated to the department of transportation in section 1 of this Act for construction or improvements to buildings and major information technology projects during the biennium beginning July 1, 2015, and ending June 30, 2017, unless the department receives at least the amount of federal highway construction funds that was anticipated by the sixty-fourth legislative assembly."

Page 3, line 2, replace "\$904,115,558" with "\$504,115,558"

Page 3, after line 17, insert:

"SECTION 12. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD INFRASTRUCTURE. During the 2015-16 interim, the legislative management shall consider studying short line railroad expansion, spurs, switches, or other infrastructure enhancements and the effect of short line railroads on reducing commercial traffic on the state highway system. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 13. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES. During the 2015-16 interim, the legislative management shall consider studying the potential effect high-efficiency vehicles may have on the revenue generated from motor vehicle registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol taxes. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - AUTOMATED MOTOR VEHICLE. During the 2015-16 interim, the legislative management shall consider studying potential statutory changes that may be necessary to accommodate the introduction or testing of automated motor vehicles in North Dakota and any automated corridors affecting North Dakota. "Automated motor vehicle" means a vehicle capable of operating in a full automation mode where full automation is defined by the Society of Automotive Engineers Standard, J3016, section 5.6 issued January 2014, as the unconditional, full-time performance by an automated driving system of all aspects of the dynamic driving task. The study may include research into the degree that automated motor vehicles could reduce traffic fatalities and crashes by reducing or eliminating driver error and the degree that automated motor vehicles could reduce congestion and improve fuel economy through better utilization of existing highway capacity and more efficient operation of the vehicles' acceleration and braking controls. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1012 - Department of Transportation - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
Operating expenses	376,721,715	15,952,036	392,673,751
Capital assets	727,911,207	376,307,253	1,104,218,460
Grants	79,788,030	(16,870,000)	62,918,030
Accrued leave payments	7,280,897	(7,280,897)	
General fund transfer to highway fund		504,115,558	504,115,558
General fund transfer to special road		1,000,000	1,000,000
Short line railroad program		2,000,000	2,000,000
Total all funds	\$1,379,179,434	\$896,133,500	\$2,275,312,934
Less estimated income	1,379,179,434	391,017,942	1,770,197,376
General fund	\$0	\$505,115,558	\$505,115,558
FTE	1079.50	0.00	1079.50

### Department No. 801 - Department of Transportation - Detail of House Changes

Salaries and wages Operating expenses Capital assets	Adds Funding for Base Payroll Changes <sup>1</sup> \$9,190,542	Adds Funding for Salary and Benefit Increases <sup>2</sup> \$11,719,008	Adjusts Base Level Funding <sup>3</sup> (81,547,964) (31,308,305)	Adds One-Time Funding for Enhanced State Infrastructure Investments <sup>4</sup> 97,500,000 406,615,558	Adds One-Time Funding for Recreational Road Access Improvements <sup>5</sup>	Adds One-Time Funding for Short Line Railroad Program <sup>6</sup>
Grants Accrued leave payments General fund transfer to highway fund General fund transfer to specia road Short line railroad program	(7,280,897) I		(16,870,000)	400,013,030	1,000,000	2,000,000
Total all funds	\$1,909,645	\$11,719,008	(\$129,726,269)	\$504,115,558	\$1,000,000	\$2,000,000
Less estimated income	1,909,645	11,719,008	(129,726,269)	504,115,558	1,000,000	2,000,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00
	Transfers General Fund to Highway Fund <sup>7</sup>	Transfers General Fund to Special Road Fund <sup>8</sup>	Total House Changes			
Salaries and wages Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund	504,115,558		\$20,909,550 15,952,036 376,307,253 (16,870,000) (7,280,897) 504,115,558			
General fund transfer to specia road Short line railroad program	l 	1,000,000	1,000,000 2,000,000			
Total all funds Less estimated income	\$504,115,558 0	\$1,000,000 0	\$896,133,500 391,017,942			
General fund	\$504,115,558 0.00	\$1,000,000 0.00	\$505,115,558 0.00			



15.8120.01001



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<sup>1</sup> Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance		\$7,042,812	\$7,042,812
Health insurance increase		4,676,196	4,676,196
Total	\$0	\$11,719,008	\$11,719,008

<sup>3</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Increase funding for operating expenses		\$8,748,743	\$8,748,743
Increase funding for contract patching from \$82,935,780 to		35,713,309	35,713,309
\$118,649,089			
Adjust funding for grants		(16,870,000)	(16,870,000)
Remove 2013-15 biennium capital assets funding		(157,318,321)	(157,318,321)
Total		\$0 (\$129,726,269)	(\$129,726,269)

<sup>4</sup> One-time funding is added from the highway fund for enhanced state infrastructure investments.

<sup>5</sup> One-time funding is added from the special road fund for improvements to roads that lead to recreational areas.

<sup>6</sup> A section is added providing a one-time strategic investment and improvements fund appropriation for the Department of Transportation's short line railroad program.

<sup>7</sup> A section is added providing a one-time general fund transfer to the highway fund to be used for enhanced state infrastructure investments.

<sup>8</sup> A section is added providing a one-time general fund transfer to the special road fund for improvements to roads that lead to recreational areas.

This amendment also:

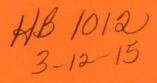
- Provides legislative intent that the Department of Transportation refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly.
- Provides for a Legislative Management study regarding short line railroad infrastructure.

Page No. 4

- Provides for a Legislative Management study regarding high-efficiency vehicles.
- · Provides for a Legislative Management study regarding automated motor vehicles.

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### THE SENATE APPROPRIATIONS # / COMMITTEE

### HB 1012

Prepared by NORTH DAKOTA DEPARTMENT OF TRANSPORTATION BISMARCK, NORTH DAKOTA

> DIRECTOR Grant Levi, P.E.

MARCH 12, 2015

Cover Speet



### March 12, 2015



# NDDOT 2013-15 Budget

### **\$2.84 billion total appropriation**

- \$1.16 billion one time for enhanced state highway investments.
  - (Early Funding=\$620 million SB 2176)
- State Funds Non-Oil Producing Counties \$120 million HB 1358
- State Funds Oil Producing Counties \$160 million HB 1358
- 16 new FTEs
  - 5 engineers
  - 4 equipment operators (trans techs)
  - 1 accounting/budget specialist
  - 2 drivers license supervisors
  - 4 motor vehicle licensing specialists
- \$10 million to match a federal TIGER III Grant to rebuild a 20-mile segment of track & 2 bridges near Churchs Ferry.
- \$9.7 million in special funds for a motor vehicle registration/title system information technology project.
- \$6 million in one-time special fund dollars for the final phase of asbestos abatement in central office building.
- \$6.8 million general funds for general license plate issue.



- In 2014 Overall Satisfaction remains high.
- Chart below shows % Satisfied or Very Satisfied.

	2014	2012	2010	2008	2006
Motorists	75%	79%	90%	80%	74%
Motor Carriers	72%	79%	90%	87%	78%
Govt. Officials	83%	80%	96%	90%	89%
Businesses	72%	76%	90%	77%	69%

## Accomplishments 2013 -14 Projects

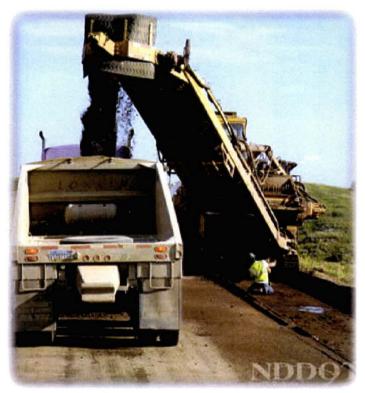


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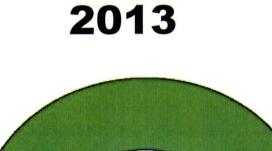
# Accomplishments

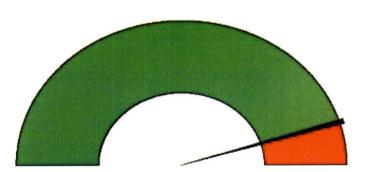
### **Record Road Construction:**

- 452 contracts covering approximately 2,945 miles of state highway to enhance movement of traffic by:
  - Building truck bypasses
  - Constructing a four lane highway
  - Reconstructing/widening roadways
  - Adding passing and turning lanes
  - Preserving existing investment state has made in its infrastructure



# Percentage of road work completed





90%

2014

91%

6

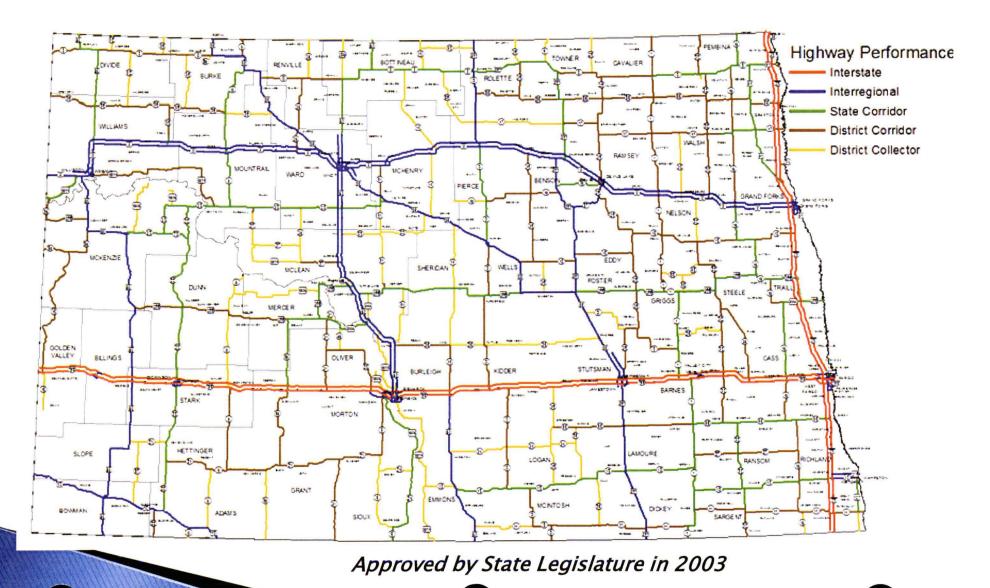
# Accomplishments

### Some of the projects completed this biennium:

- Watford City US 85 Southwest Bypass
- Watford City ND 23 Southeast Bypass
- Alexander Bypass
- New Town Truck Reliever Route
- US 85 Four Lane Phase 1 & 2 from Watford City to County Road 16 north of Alexander
- Dickinson Interim Bypass
- US 2 between Berthold and Surrey
- I-29 from Buxton to south of ND Highway 15
- Washington Street in Grand Forks
- 25<sup>th</sup> Street reconstruction in Fargo
- ND 21 widening/paving Elgin to Junction ND 31
- Bismarck Divide Avenue construction
- US 83 paving from Washburn to Underwood
- I-94 paving from Bismarck to Sterling
- ND 200 widening /paving from ND 1806 to US 83
- Bridge replacement on ND 26 at Sibley
- US 281 paving from Ellendale to Edgeley
- Valley City Frontage Road construction from 7<sup>th</sup> Street to 1-94 Business Loop

- I-94 eastbound paving near Valley City
- US 281 paving from Churchs Ferry to Cando
- US 2 westbound paving Devils Lake to Churchs Ferry
- Cando City section rehabilitation
- Bridge replacement north of New Rockford
- Devils Lake 5<sup>th</sup> Avenue paving
- ND 20 paving & culvert rehab Starkweather to Clyde
- ND 17 paving & culvert rehab Starkweather to Edmore
- Grand Forks 32<sup>nd</sup> Avenue rehabilitation
- Grand Forks Columbia Road reconstruction
- Grand Forks Gateway Drive rehabilitation
- US 2 eastbound from Niagara to near Larimore
- I-29 southbound paving from Drayton to Canada
- US 2 westbound paving from Niagara to near Arvilla
- ND 15 paving from near Northwood to Thompson
- ND 27 paving from Lisbon to junction ND 18
- ND 13 paving from Gwinner to junction ND 1
- Wyndmere rehabilitation
- West Fargo 13<sup>th</sup> Avenue Lighting
- I-94 rehabilitation in Fargo
- ND 46 widening and paving from west of Enderlin to near Sheldon
- ND 46 widening/ paving from near Leonard to I-29

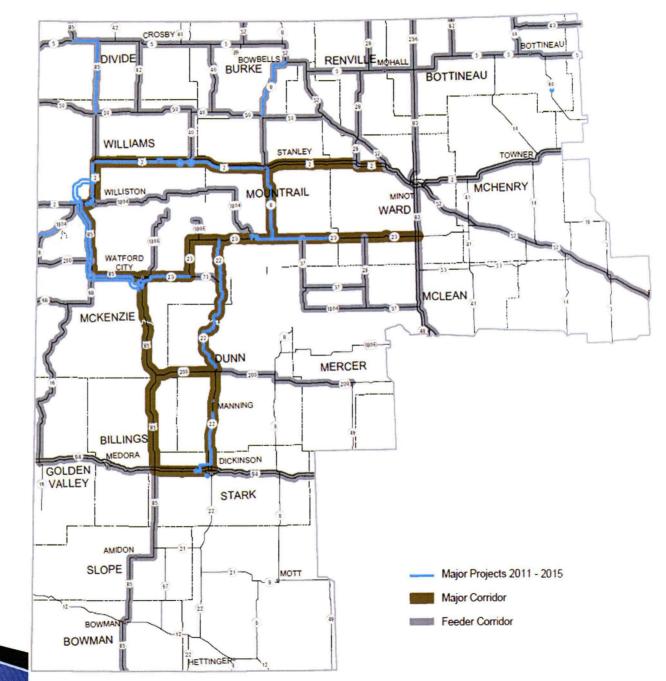
## State Highway Performance Classification System (HPCS)



# **Energy Corridors**

Western ND Highway Energy Corridors

Major projects completed or bid



# **County Road Expenditures**

Over 78% of projects completed with this funding increased local road load carrying capacity to 105,500 pounds.

\$280 Million HB 1358 County State Aid Road Program				
Allocation	Total Available	Total Requested	Remaining	% Remaining
Oil Producing	\$160,000,000	\$154,483,519	\$5,516,481	3.4%
Non-Oil Producing	\$120,000,000*	\$104,397,665	\$15,602,335	13.0%
Total	\$280,000,000	\$258,881,184	\$21,118,816	7.5%

\* Funds were not available until February 2014.

As of February 25, 2015

10

# Accomplishments

### **Drivers License**

 534,548 drivers license transactions were completed in 2014.

### **Driver's License Transactions**

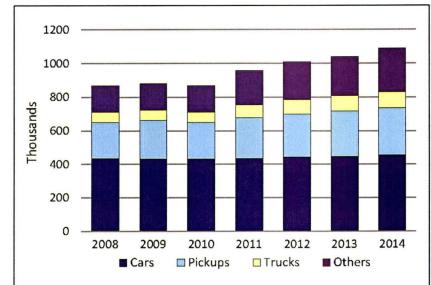


2008



### **Motor Vehicle**

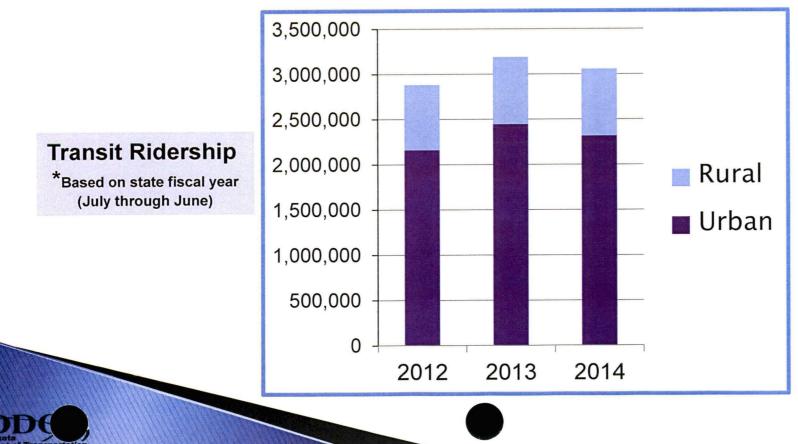
 In 2014, North Dakota processed a total of 1.15 million vehicle registrations compared to 870,000 in 2008.



# Accomplishments

### **Transit Services**

- Thirty-four transit service providers received federal funding and state continued appropriation funds.
- \$550,000 additional resources per year were provided this biennium.



## • Accomplishments

Thank you for the four equipment operators last session. They were placed to provide enhanced service in the Williston District.

Demands for enhanced snow and ice control continue to increase across the state. Our maintenance crews are stepping up to meet those challenges.

Additional miles maintained – Operations team has taken on more challenges as they maintain additional miles including new lanes on US 85 corridor, new turning and passing lanes on ND 23 and other highways, plus several miles of new truck bypasses in western North Dakota.



# Accomplishments

## Planning Activities

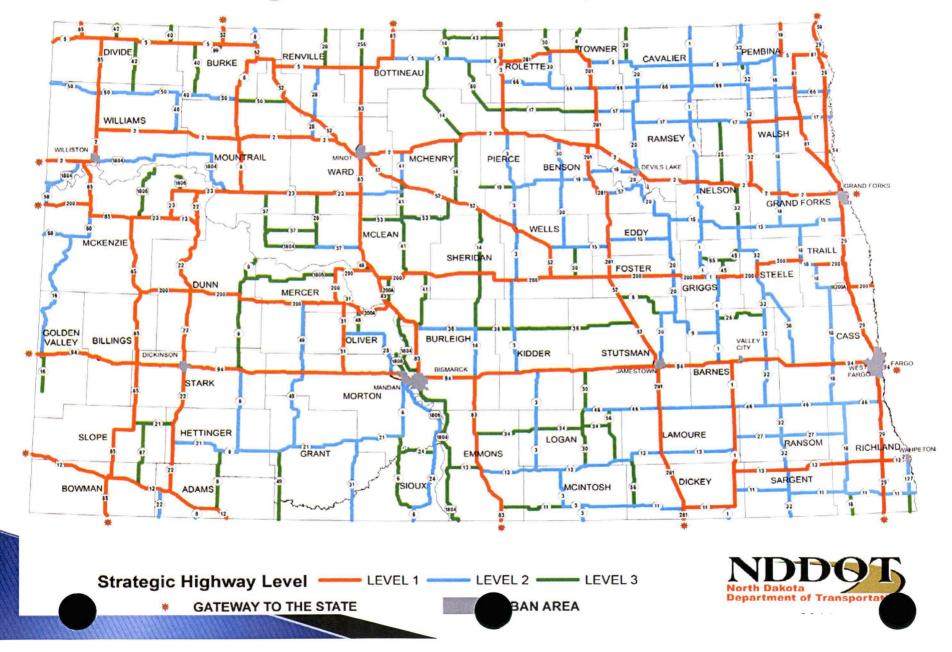
- Freight Plan
- Working with counties in Western ND
- Update State Rail Plan

# North Dakota Freight Plan

### **Transportation Infrastructure System**

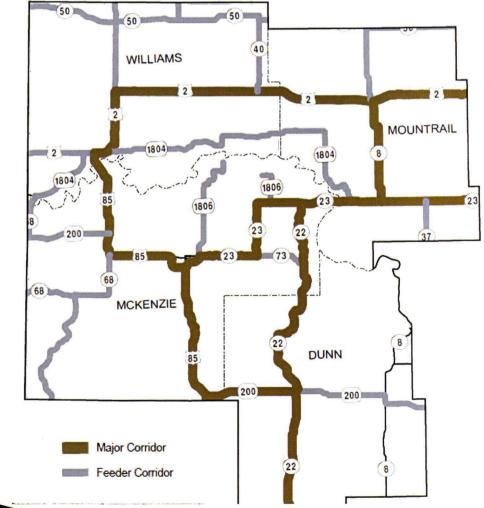
Freight Mode	<u>Level One</u> Critical Rural Freight Corridors International/Interstate	<u>Level Two</u> Regional/Intrastate	<u>Level Three</u> Local
Roads	Interstate & Interregional Highways Congressional Designated High Priority Corridors STRAHNET National Truck Network Energy/Agricultural Access Corridors High Truck Volume Segments Principal Arterials	State Corridors District Corridors County Major Collectors City Principal Arterials	District Collectors Other County, City, Township and Tribal Roads
Air	Commercial Airports Air Force Bases	General Aviation Airports	Public Use Airports Private Airports
Rail	Class 1 Mainlines STRACNET	Class 1, Regional Railroad branchlines <u>capable</u> of carrying 286K cars	Class 1, Regional Railroad branchlines <u>capable</u> of carrying 268K cars
Pipeline	Interstate Pipelines	Gathering Pipelines	Distribution Pipelines

### Draft Map of State Strategic Freight System for Highways





We are working with the four largest oil producing counties to establish a system of integrated energy corridors.



# **ND State Rail Study**

- DOT working with the Public Service Commission and Upper Great Plains Transportation Institute on updating the current rail plan.
- The plan will review:
  - Railroad condition including railroad crossings and rail lines
  - Train speeds
  - Existing railroad freight and passenger demands and future needs
  - Emergency response procedures in the state
  - Tank car specifications
  - Economic, safety, and environmental impacts on the State, include "tradeoffs" with other modes such as highways, pipeline, and air.

# Traffic Modeling, Transportation Needs Studies and Surveys

In addition to the County, Township and Tribal Transportation studies requested by the Legislature, the DOT worked with Upper Great Plains Transportation Institute on a traffic modeling program, several needs studies and surveys which include:

- State Needs
- Transit Needs
- Short Line Railroad Needs
- City Surveys



## County, Township and Tribal Needs Study

- The needs are based on the following objectives:
  - Paved Roads Maintain the existing levels of service for the projected increased traffic associated with agriculture, energy, and manufacturing. (This will involve reconstruction and widening of some roadways)
  - Gravel Roads Maintain and preserve the existing condition taking into consideration changing traffic patterns.
  - Bridges Replace all bridges that are functionally obsolete on the county major collector system in the next 20 years.

# 

Period	Unpaved (in millions)	Paved (in millions)	Bridges (in millions)	Final Total (in millions)
2015-16	\$633	\$453	\$86	\$1,172
2017-18	\$574	\$366	\$86	\$1,026
2019-20	\$573	\$322	\$86	\$981
2021-22	\$571	\$297	\$86	\$954
2023-24	\$567	\$143	\$86	\$796

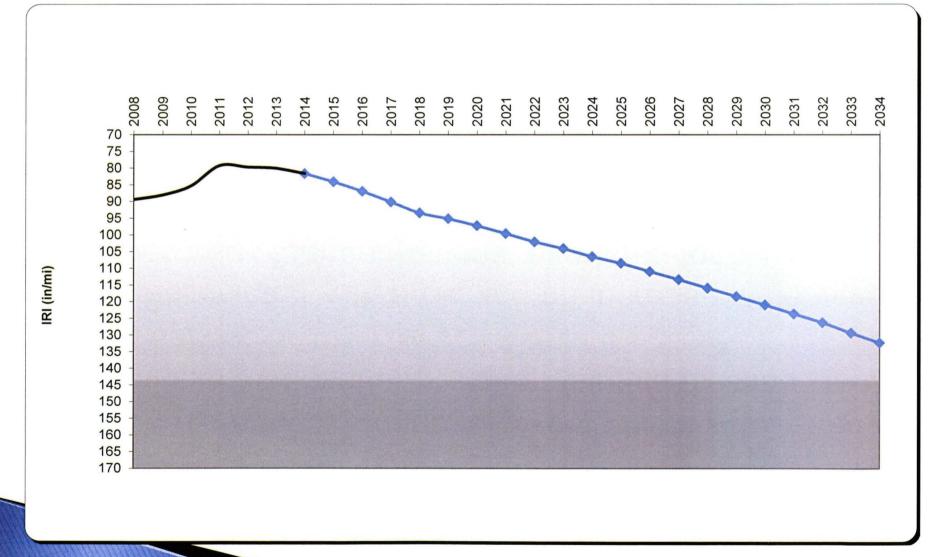
# **State Needs Study**

The State Needs Study identified resources necessary to take state highways up to HPCS guidelines. These guidelines allow continued seasonal load restrictions.

UGPTI State Highway & Bridge Needs		
Time Frame	Cost in Millions	
2015-2016	\$3,543	
2017-2018	\$1,878	
2019-2020	\$750	
2021-2022	\$604	
2023-2024	\$650	



#### Projected Average Network Ride Quality Federal Funding Only



# **Transit Needs Study**

- The needs are based on the following objectives:
  - Operational and capital costs to maintain existing transit service levels.
  - Costs associated with providing an increase in service trips per week to meet national averages for transit systems serving similar geographical regions.

Public Transit Needs Summary					
Biennium	2015-2017	2017-2019			
Transit Funding Program	UGPTI Needs	UGPTI Needs			
Total	\$44,271,900	\$39,576,663			

# 

- The needs are based on the following objective:
  - Capital infusion costs to build up a 1,210 mile rail system that would allow railroads to increase the load capacity.

	Minimum Rail Standard	Rehabilitation Mileage	Net Cost (Millions)
Option 1	90 lbs/yd	730	\$386
Option 2	100 lbs/yd	896	\$471

#### **Track Rehabilitation Needs\***

\*Any improvements proposed in the study will upgrade the rail to 115 lbs/yds.

According to information provided to UGPTI during a recent study of regional rail infrastructure, the current program funding level, terms and short-line balance sheets will support roughly four miles of rail rehabilitation, annually, on an approximately 1,210-mile system.



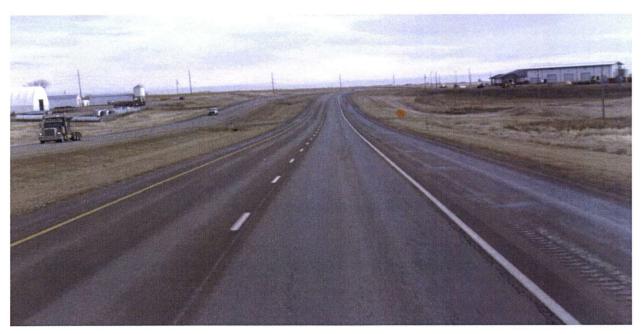
#### Surveyed all cities.

	Annual Maintenance	Annual Non- maintenance	Annual Total	Biennium Total
All Cities	\$96.24 M	\$186.5 M	\$282.74 M	\$565.48 M



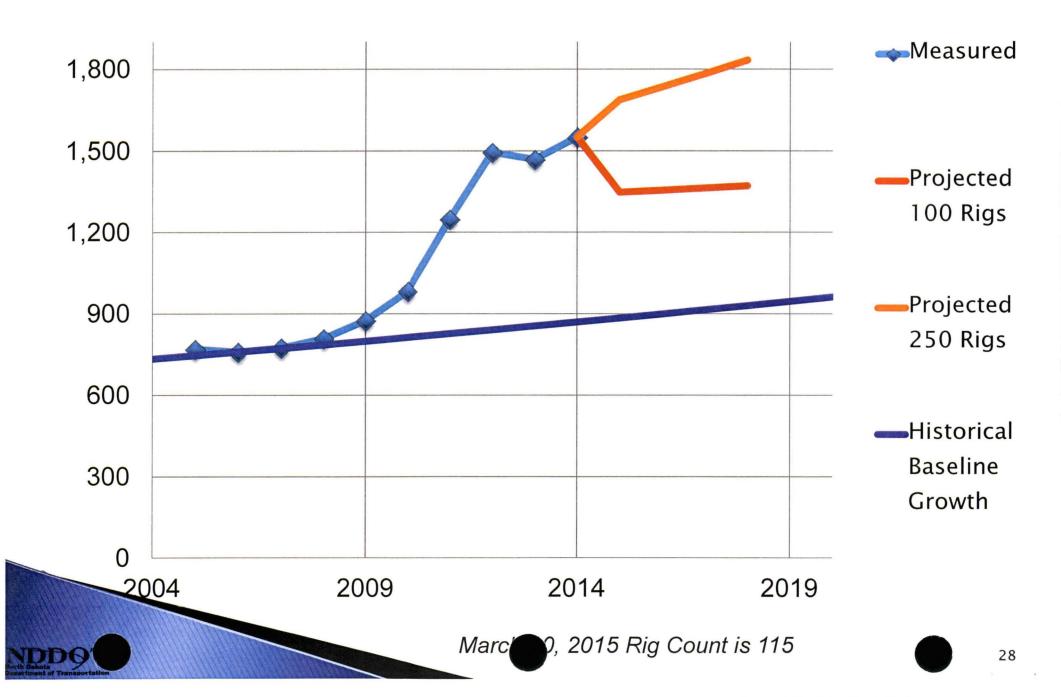


The majority of needs reported for the transportation system in 2015-2017 Biennium reflect impacts that have already occurred because of existing traffic conditions.



Rutting on US Highway 2 Eastbound Stanley to Palermo.

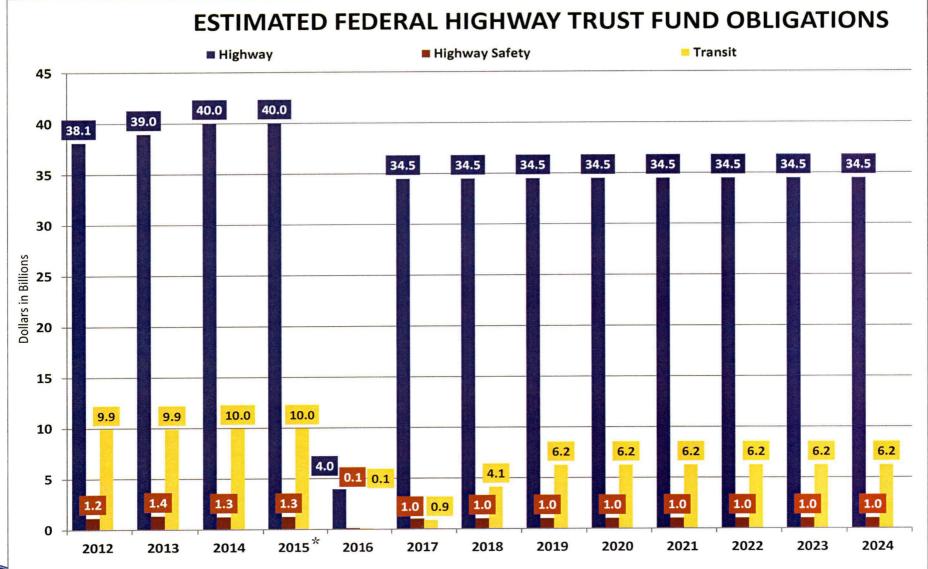
### **Truck Traffic Vehicle Miles**





- NDDOT's Executive Budget recommendation assumes approximately \$616.5 million in federal funding will be received.
- Congress recently passed legislation that appropriated funding for the 2015 federal fiscal year. Unfortunately, the current transportation funding program MAP-21 was extended to only May 31, 2015. This is a short-term extension of the program and as a result 2015 funding is still uncertain.

### **Federal Funding**



\* Assumes Congress will fully fund MAP21 proposed expenditures in 2015.

If no new revenues are found, federal highway obligations will fall by almost 100% in FY 2016.

# **NDDOT Base Budget Comparison**

Appropriation	2013-2015 Current	2013-2015 One-Time	2013-2015 Current	2015-2017 Proposed
ine	Appropriation (June 30, 2014)	Budget Adjustment	Appropriation less One-Time Base Budget	Based on traditional highway revenue sources Base Budget
0 Salaries and Wages	189,016,797	(1,539,212)	187,477,585	196,668,125
2 Accrued Leave Payments	7,280,897		7,280,897	
30 Operating Expenses	250,905,955	(194,256)	250,711,699	295,762,751
0 Capital Assets	858,421,223	(4,500,000)	853,921,223	694,481,402
1 Capital Improvements-Carryover	13,323,437	(13,323,437)	-	-
5 Enhanced State Highway vestment	1,100,709,653	(1,100,709,653)	-	-
) Grants	89,788,030	(11,140,000)	78,648,030	62,918,030
5 County & Township Road Program	160,000,000	(160,000,000)	-	-
6 Non-Oil Producing Counties	120,000,000	(120,000,000)		-
8 General Fund Transfer	542,700,000	(542,700,000)	-	-
9 General License Plate Issue	6,820,000	(6,820,000)		
	3,338,965,992	(1,960,926,558)	1,378,039,434	1,249,830,308
eneral Fund	1,406,401,940	1,406,401,940	-	-
ederal Fund	691,487,199		691,487,199	614,660,486
pecial Fund	1,241,076,853	554,524,618	686,552,235	635,169,822
	3,338,965,992	1,960,926,558	1,378,039,434	1,249,830,308
TE	1,079.5	-	1,079.5	1,079.5

### **2015-2017 Executive Budget Recommendation**

**Recommended Total = \$2.7 billion total appropriation.** 

#### **Oil Producing Counties**

\$ 1.35 billion one time for enhanced state highway investments
\$ 108.8 million - Federal Funds (state & local match) State/Cities/Counties
\$ 4.6 million Federal Carryover
\$ 22.8 million Federal Emergency Relief

#### Non-Oil Producing Counties, Cities and Townships

\$ 100 million - Distribution to cities, counties, & townships
\$ 508.2 million - Federal Funds (state & local match) State/Cities/Counties
\$ 57.8 million - Federal Carryover

\$ 5 million - Special Fund for roads leading to recreational areas in all counties

An Early Access bill (SB 2126) includes \$450 million of the \$1.35 billion for enhanced state infrastructure as well as the \$100 million for transportation distributions for non-oil producing counties (\$52 M), cities (\$28 M) and townships (\$20 M). Governor also proposed gross production tax formula change for oil producing counties.

#### Two new FTEs

- 1 Environmental Scientist
- 1 Archaeologist
- \$ 2.5 million additional funding for the motor vehicle registration/titling system.
- \$ 1 million reimbursement for state fleet motor coaches.
- \$ 7.5 million Energy Impact Fund for DOT in OMB appropriation bill SB 2015.

# Proposed 2015-17 Governor's Executive Budget for Roads & Bridges

FUNDING 2015-2017 BIENNIUM	WEST REGION		CENTRAL & EAST REGIONS		TOTAL	
	(\$ Millions)		(\$ Millions)		(\$ Millions)	
Enhanced State Highway Investments (Rural, city and state highways)	TOTAL	\$1,354.0	TOTAL	\$0.0	TOTAL	\$1,354.0
	State	\$46.6	State	\$449.6	State	\$496.1
STIP (2015 - 2016)	Urban	\$21.5	Urban	\$87.4	Urban	\$108.9
(Federal funds with state and local matches)	County	\$45.4	County	\$29.1	County	\$74.4
	TOTAL	\$113.4	TOTAL	\$566.0	TOTAL	\$679.4
	State	\$22.8	State	\$2.7	State	\$25.5
Emergency Relief (ER)	Urban	\$0.0	Urban	\$0.0	Urban	\$0.0
	County	\$0.0	County	\$7.2	County	\$7.2
	TOTAL	\$22.8	TOTAL	\$9.8	TOTAL	\$32.7
State Funds Non-Oil Producing Counties, Cities, & Townships <sup>(1)</sup>		\$0.0		\$100.0		\$100.0
TOTAL 2015 - 2017 BIENNIUM		\$1,490.2		\$675.8		\$2,166.1

(1)Includes \$52 M for Counties, \$28 M for Cities, & \$20 M for Townships

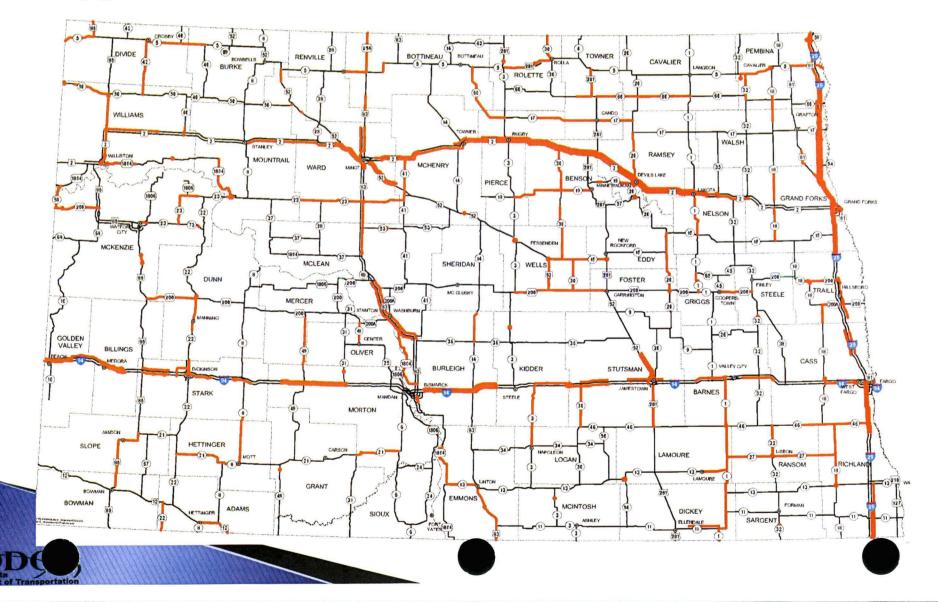
Governor's proposed gross production tax formula change for oil	Estimated Oil Tax Distributions based on the 60%/40% formula	approximately 46% of what		Funds Remaining for Non- Transportation work.
Big 10 Counties	\$853,800,000	\$392,748,000	\$344,832,744	\$47,915,256
Remaining Counties	\$12,400,000	\$5,704,000	\$5,008,112	\$695,888
Big 10 Townships	\$42,700,000	\$19,642,000	\$17,245,676	\$2,396,324
Remaining Townships	\$42,700,000	\$19,642,000	\$17,245,676	\$2,396,324

\*Total collections were reduced down proportionally based on the average price per barrel of oil when budgets were prepared to an estimated price of \$45/barrel. That figure was then further reduced by the percentage of transportation needs vs. the overall needs of the county.

## **Proposed Construction 2015-2017**

#### (Assuming Executive Budget is provided)

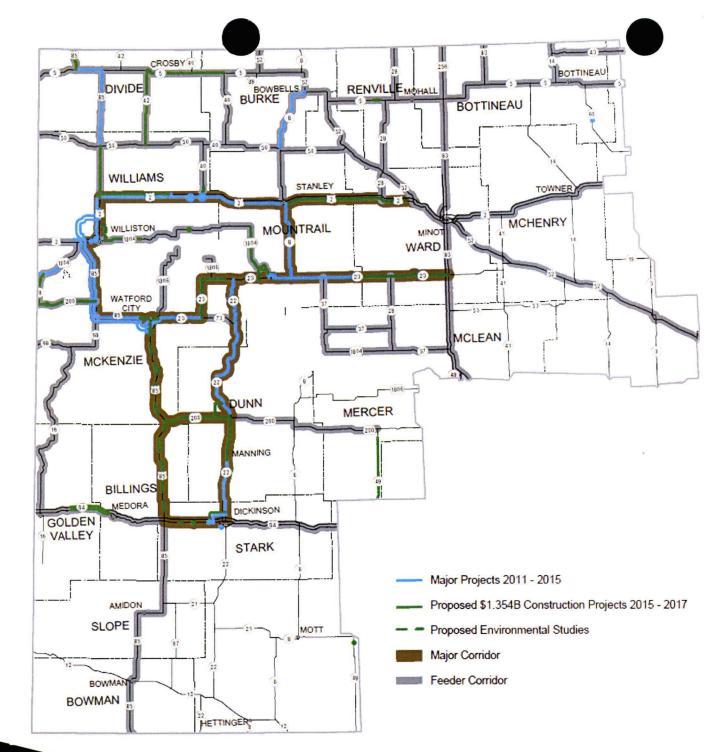
Aggressive construction program planned.



### Energy Corridor Projects

### 2015-17

(Assuming Executive Budget is provided)



### **Proposed Expenditures in Western North Dakota**

#### **\$1.354 Billion for Enhanced State Highway Investments**

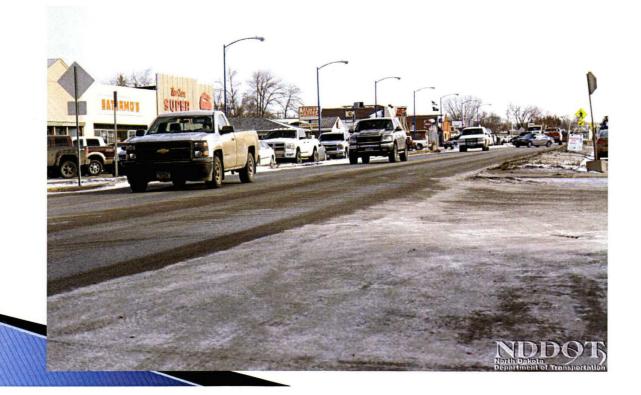
Restore Pavement Infrastructure	\$ 332,538,246
Bypass Construction Work	\$ 192,269,229
Rebuilding Roads within Communities	\$ 363,891,601
Enhanced Load Carrying and Roadway Capacity (includes Environmental for US 85 from I-94 to Watford City)	\$ 465,416,482
Total	\$ 1,354,115,558





Approximately \$1.875 billion of \$2.166 billion in budget recommendation is being spent on the state system, including state roadways within cities. The remaining funds are funds for local roadways.

 UGPTI study indicates approximately \$3.54 billion should be spent.



## **Project Requests**

- NDDOT receives many requests throughout the year that we are unable to fund. Examples of some requested projects include:
  - Interchanges
  - Railroad overpasses
  - Load restriction changes
  - Passing lanes
  - Four-lane roadways



The Executive Budget includes appropriations for Transit Services:

- \$15.3 Million Federal Funding
- \$9.3 Million State Funding (Continued Appropriation)



### Thank you for passing SB 2103

- Senate Bill 2103 provides \$450 million immediately for statewide highway and road improvement projects.
  - It is a portion of the \$1.354 billion for enhanced state highway investment apportionment as requested in HB 1012.
- \$352 million appropriated to the DOT and managed by the DOT for the counties:
  - \$240 million to 10 largest oil producing counties
  - \$112 million to remaining counties



# Executive Budget Proposal Comparison to Crossover Funding

Funding Comparison	Executive Recommendation	Amendments	Crossover Version
HB1012 (E)			
Total Provided to NDDOT via HB1012 (E)	\$2,178,287,715	(\$406,372,839)	\$1,771,914,876
SB2126 (E)			
Enhanced State Highway Investments - Early Funding (E)	\$450,000,000	(\$450,000,000)	\$0
Non-oil County Distributions - Early Funding (E)	\$100,000,000	(\$100,000,000)	\$0
Total Provided to NDDOT via SB2126 (E)	\$550,000,000	(\$550,000,000)	\$0
SB2103 (D)			
NDDOT - Enhanced State Highway Investments - Early Funding (D)		\$450,000,000	\$450,000,000
NDDOT Distributions to Oil Producing Counties		\$240,000,000	\$240,000,000
NDDOT Distributions to Non Oil Producing Counties		\$112,000,000	\$112,000,000
Total Provided to NDDOT via SB2103	\$0	\$802,000,000	\$802,000,000
Total NDDOT Appropriations Provided by Engrossed HB1012 & SB2103	\$2,728,287,715	(\$154,372,839)	\$2,573,914,876

(D) SB2103 as introduced was not a component of the Executive Budget Recommendation. However, after SB2126 failed to pass the Senate, the provisions of SB2103 were amended to provide the same appropriation amounts originally provided to NDDOT via SB2126 for early funded Enhanced State Highway Investments (\$450,000,000).

Items highlighted in blue are the components of the Executive budget recommendation as introduced in HB1012 and SB2126.

### Additional SB 2103 Funding for Local Use

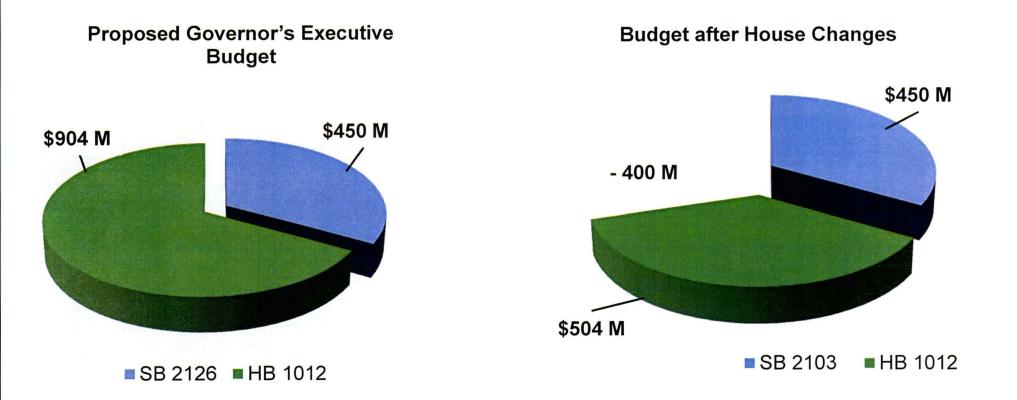
Other Funding Available for Local Uses	
SB2103 - Cities in Oil Producing Counties - via State Treasurer	\$100,000,000
SB2103 - Non-Oil Producing Townships - via State Treasurer	16,000,000
SB2103 - Cities - via State Treasurer	10,000,000
SB2103 - Hub Cities - via State Treasurer	172,000,000
Total Local Funding Provided via State Treasurer Distribution	\$298,000,000

# House Modifications to HB 1012

	Legislation as Introduced	Amendments	Crossover Version
HB1012			
Salaries	\$212,509,974		
Less:			
Reductions to Executive Compensation Package		(\$3,745,416)	
Elimination of 2 requested FTEs:			
Environmental Scientist		(\$195,143)	
Archaeologist		(\$182,280)	
Total Salary Changes		(\$4,122,839)	
House Salary Recommendation			\$208,387,135
Operating Expenses	\$473,262,751		
Less:			
Reduction in Enhanced State Highway Infrastructure Investment		(\$77,500,000)	
Elimination of Information Technology Project		(\$589,000)	
Total Operating Expense Changes		(\$78,089,000)	
House Operating Expense Recommendation			\$395,173,751
Capital Assets	\$1,428,596,960		
Plus:			
Reallocation of Information Technology Cut to Highway Projects		\$589,000	
Less:			
Reduction in Enhanced State Highway Infrastructure Investment		(\$322,500,000)	
Reduction in Recreational Access Road Funding (Special Roads Fund)		(\$4,000,000)	
Total House Capital Asset Changes		(\$325,911,000)	
House Capital Asset Recommendation			\$1,102,685,960
Grants	\$63,918,030		
Plus:	\$55,510,000		
Short Line Rail Program		\$2,000,000	
Less:			
Reduction in Funds for State Fleet Motor Coaches		(\$250,000)	
Total Grant Changes		\$1,750,000	
House Grant Recommendation	1 1		\$65,668,030
Total Provided for Transportation via HB1012	\$2,178,287,715	(\$406,372,839)	\$1,771,914,876

### **Executive Budget comparison to crossover** version for western North Dakota funding

\$ 1.354 billion one time funding for enhanced state highway investments.



\$1.875 billion intended to address \$3.54 billion need is reduced in engrossed HB 1012 to \$1.47 billion.

# **Staffing Needs**

The House version of the Budget eliminated our request for two FTEs.

- Federal oversight continues to increase on all types of construction projects throughout the state. As a result we are requesting 2 additional FTEs:
  - Environmental Scientist Considerable growth in the NDDOT's storm water program along with additional required federal regulations.
  - Archaeologist To provide project management of system cultural resource projects and surveys, obtain section clearances, assist with tribal consultation and with material source review and approval, and maintain technical proficiency in this field of work.

## **House Modifications**

- Section 8: Legislative intent- contingent funding for building and new major information technology projects. It is the intent of the legislative assembly that the department of transportation refrain from using funds appropriated to the department of transportation in section 1 of this Act for construction or improvement to buildings and any new major information technology projects during the biennium beginning July 1, 2015 and ending June 30, 2017, unless the department receives at least the amount of federal highway construction funds that was anticipated by the sixty-fourth legislative assembly.
- Restricts DOT from addressing important building needs for maintenance sections, public services (Drivers License building additions) and other projects, until all identified federal funding has been received.
  - Our base budget included \$10.9 million for buildings and radio towers, and \$589,000 for a large information technology project. We may not be able to use the funding as intended based on Section 8 in HB 1012.



#### Short Line Railroad Program

- House moved a portion of the Executive Budget requested resources to enhance short line railroads from the Industrial Commission budget (HB 1014) to DOT (HB 1012).
- Resources requested were reduced from \$10 million to \$2 million.



# **Short Line Railroad Program**

Originally came from a federal grant primarily intended to upgrade and enhance short line rail infrastructure that maintained or improved rail service.

Approximately \$39 million has been loaned out in support of over \$65 million in rail-infrastructure projects, since the loan program's first project in 1982.



# • Short line Rail Program •

Under the current program, loans are typically limited to \$5 million or less (though there are exceptions), with project proposals categorized in descending order of priority as:

- System Critical critical to a railroad's continued existence.
- Infrastructure Improvement typically, upgrade or maintain existing rail infrastructure.
- Economic Development typically, connect new customers to railroads or expand existing rail-loading facilities, such as upgrading an existing elevator to a unit-train loading facility.
  - Rail funds committed or under contract= \$13.6 million
  - Balance available for loan= \$195,000

# **Other bills impacting NDDOT**

# Additional Bills Having Potential Fiscal Impacts as of Crossover:

- HB1318 Ag Development Impact Fund
- HB1360 Patriotic License Plate
- SB2148 Enhanced Driver's License
- HB1011 HP Appropriation
- HB1171 Non-Criminal Traffic Offenses
- HB1176 Additional Non-Oil County Distributions



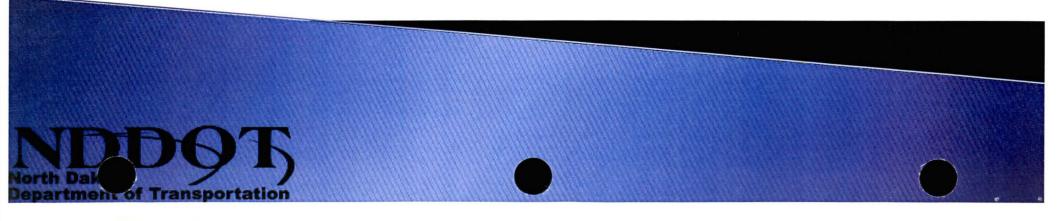
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We will now cover in more detail information in each of the DOT's Program Areas.

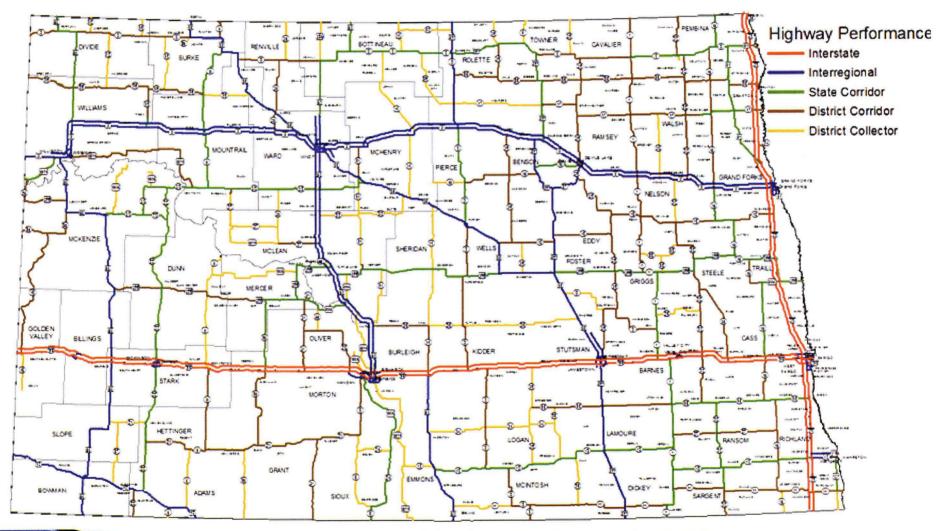
- Transportation
- Driver & Vehicle Services
- Business Support



# Ron Henke Deputy Director for Engineering



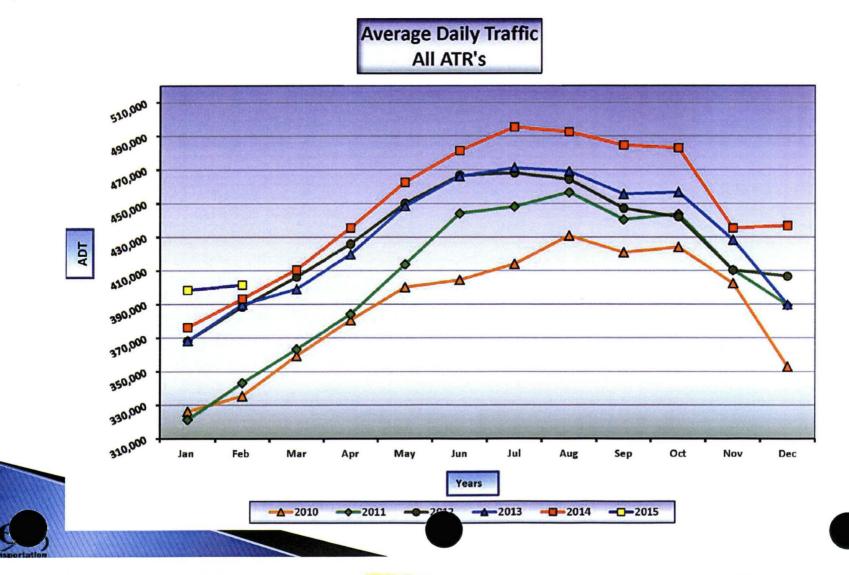
# State Highway Performance Classification System (HPCS)

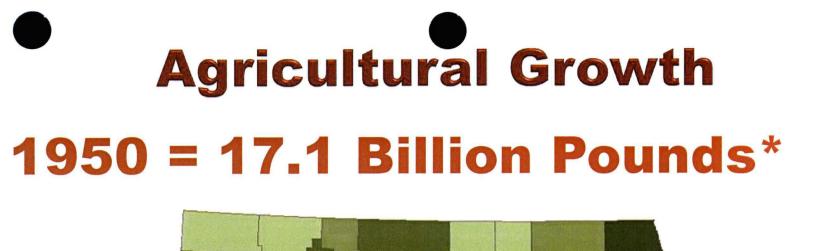


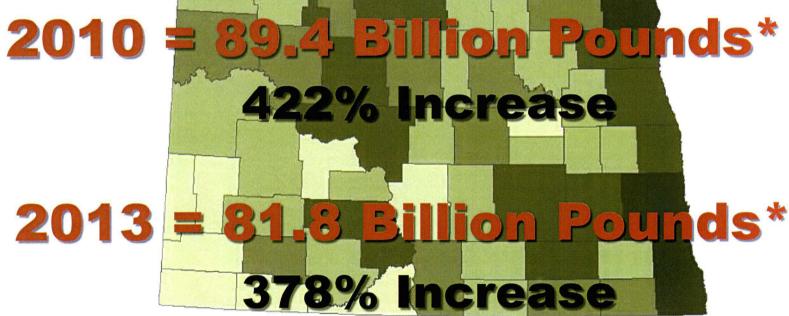
Approved by State Legislature in 2003

# **Traffic Growth**

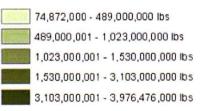
From 2010 to 2014 traffic increased 26% on all state highways across North Dakota and increased 71% in the oil impacted counties of western North Dakota.







Legend



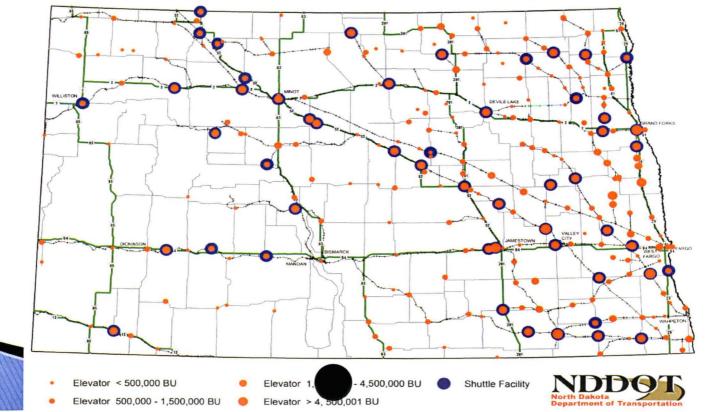
\* Approximate numbers

# **Agriculture Industry**

In 1950, the state had 1,025 grain elevators with a total licensed storage capacity of 60,791,000 bushels. By 2013, the number of elevators had dropped to 394 but licensed storage capacity had increased to 418,775,265 bushels; up nearly 680%.

Of the 394 licensed elevators in 2013, 52 are considered shuttle facilities capable of loading 75 to 110 car unit grain trains. It takes approximately 475 truckloads of grain to fill a 110 car unit.

Also since 1980, 1,751 miles of rail line in North Dakota has been abandoned.



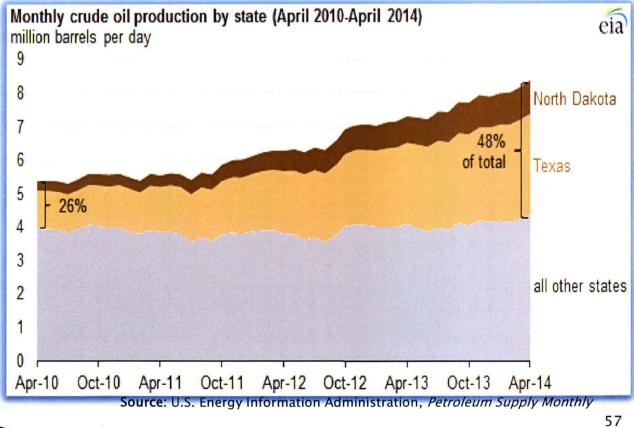
56

#### 2014 Licensed Grain Facilities



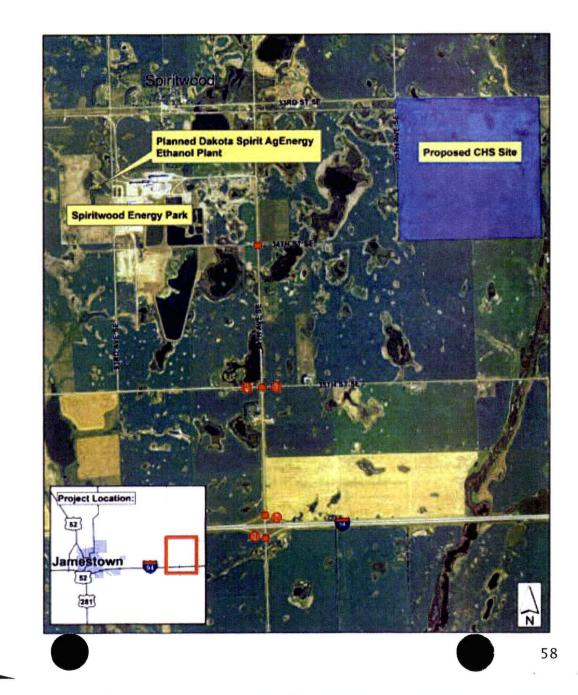
- Approximately 1.2 million barrels of oil produced daily in December 2014.
- Compared to 344,064 barrels per day in 2010.





# **Major Developments**

- Cenex Harvest
   States plant at
   Spiritwood near
   Jamestown.
- Large oversized loads.



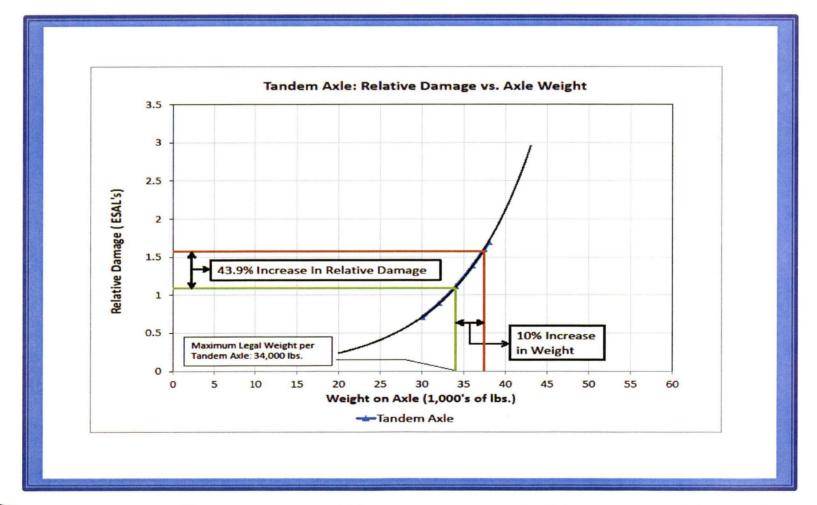


- A recent load weighing 609,000 lbs. transported equipment from South Dakota to Spiritwood near Jamestown.
- Pictured below is an oversized load that weighed nearly one million lbs., was 23 feet wide and 285 feet long that moved equipment to Spiritwood.



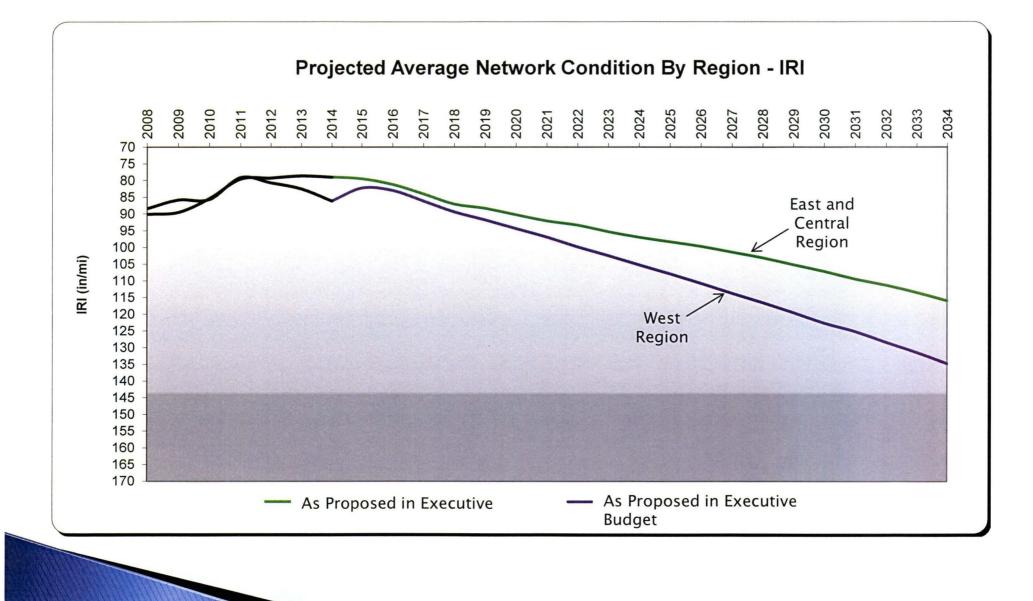
## **Truck Size and Weight**

 Damage from overweight loads not only affects pavements and roadways but it can also reduce bridge life.



 Illustrates how a 10% tandem axle overload increases road damage by nearly 44%, compared to a legal tandem of 34,000 pounds.





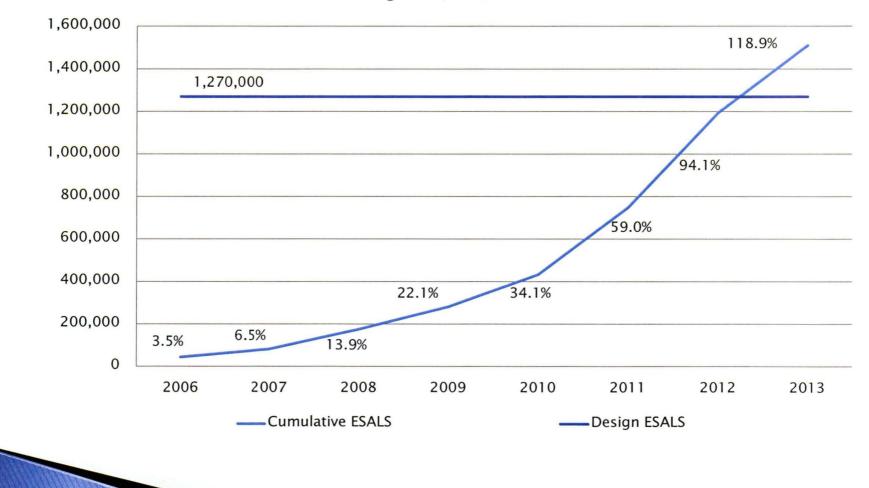
## **System Condition**



Alligator cracking on ND Highway 23 near Johnson's Corner between Watford City and ND Highway 73.



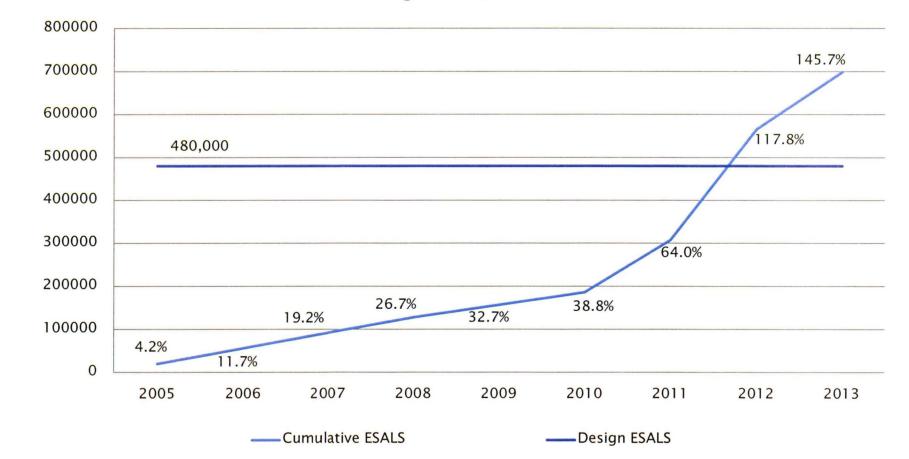
US 2 EB: Stanley East to Palermo 20 Year Design = 1,270,000 ESALS



**Cumulative ESALS** 

## **Roadway Design Life**

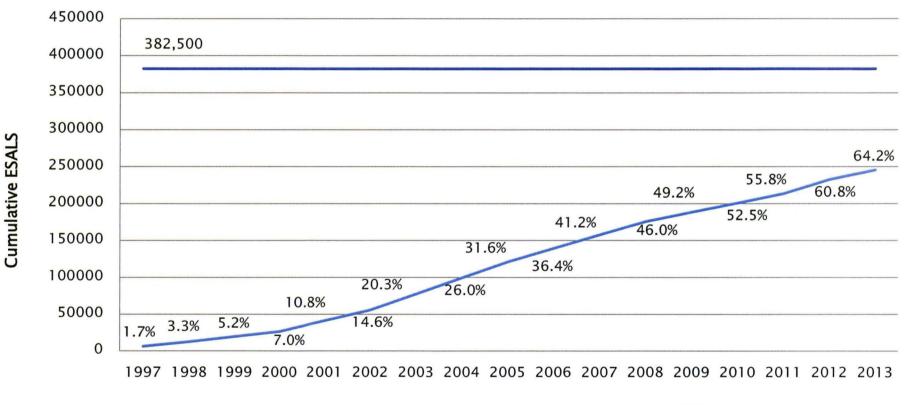
ND 200: Yellowstone Bridge to Jct US 85 20 Year Design = 480,000 ESALS



**Cumulative ESALS** 



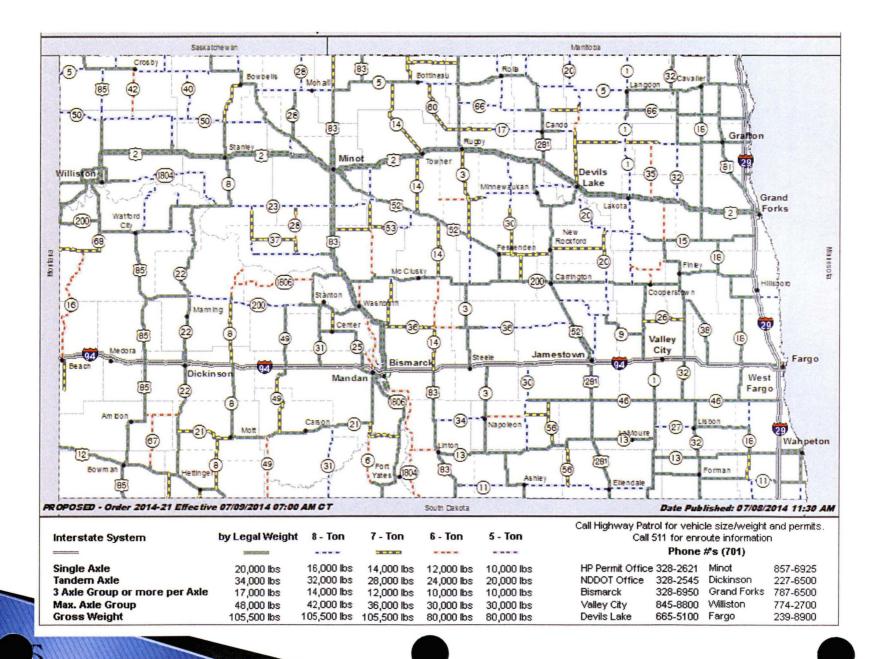
ND 8: Mott North to 1.4 Miles North of County Line 20 Year Design = 382,500 ESALS



Cumulative ESALS

Design ESALS

# **Spring Load Restrictions**





- Upper Great Plains did an analysis on load carrying capacity on the state system where NDDOT currently has load restrictions on ND 42, ND 50, ND 73, ND 1804, and ND 1806. The total miles analyzed on these segments was 133.2 miles.
- If these roadways were to be restriction free (legal weight at 105,500), this would reduce VMT by 8.1M annually. Over a 20-year period, this would save the trucking industry approximately \$352M. The 2014 cost to reconstruct these roadways (133.2 miles) is estimated to be \$280M. This will result in a net saving of approximately \$72M over twenty years.



# Commodities

- An average semi hauls approximately 850 bushels of wheat during unrestricted times of the year, which would cost about 47 cents/bushel for a 100-mile trip to get that wheat to the rail facility.
- Shippers have indicated that with the various load restrictions in place across the county and state roadways, they are hauling on average 20% less during load restriction time than unrestricted times.
- This means that it would cost about 12 cents per bushel more to haul the wheat to market during restricted times of the year. This is a 25% increase in transportation cost.

# **Load Carrying Capacity**

### ESAL

- Equivalent Single Axle Load (ESAL) concept measures effect of heavy vehicles on pavements.
- Conventional five-axle tractor-semitrailer operating at 80,000 pounds gross vehicle weight (GVW) is equivalent to about 2.4 ESALs.
- If the weight of this five-axle vehicle was increased to 90,000 pounds (a 12.5 percent increase), its ESAL value goes up to 4.1 (a 70.8 percent increase), because pavement damage increases at a geometric rate with weight increases.

# **Load Carrying Capacity**

### ESAL – con't

- However, a six-axle tractor-semitrailer at 90,000 pounds has an ESAL value of only 2.0, because its weight is distributed over six axles instead of five.
- An added pavement benefit of the 90,000-pound six-axle truck is that fewer trips are required to carry the same amount of payload, resulting in significantly less pavement damage.



# **Load Carrying Capacity**

### ESAL – con't

<ul> <li>Configuration</li> </ul>	Total ESALs
<ul> <li>Current 5-axle tractor-semitrailer at 80,000 lbs.</li> </ul>	2.4
<ul> <li>6-axle tractor-semitrailer at 90,000 lbs.</li> </ul>	2.0
<ul> <li>7-axle tractor-semitrailer at</li> </ul>	
97,000 lbs.	1.5
<ul> <li>8-axle double at 108,000 lbs.</li> </ul>	1.8

## **Proposed Construction 2015-2017** (Assuming Executive Budget is provided)

Aggressive construction program planned.



# Proposed Major Projects in Central and Eastern areas for 2015-17 Biennium

- Devils Lake Railroad Underpass
- I-94 Concrete Overlay (Valley City Area)
- Bismarck North Washington Street
- West Fargo Main
- I-29 (Fargo Area)
- Grand Forks Kennedy Bridge
- Pembina Border Crossing
- Fargo 12<sup>th</sup> Avenue North
- Grand Forks Columbia Road
- I-94 Paving from Sterling to County Line
- ND 3 widening and paving from junction ND 34 to Dawson
- ND 49 widening and paving from Glen Ullin to County Line

- US 52 paving from Jamestown to Buchanan
- ND 20 paving and widening from Jamestown to Junction ND 9
- US 52 from west junction ND 200 to Carrington
- US 2 paving from Devils Lake to Crary
- US 281 paving from Cando north to the west junction of ND 66
- Grand Forks Sorlie Bridge Project
- US 2 reconstruction and CPR from Lakota to Michigan
- Grand Forks Demers Avenue rehabilitation
- I-29 Reconstruction Argusville to Hunter
- ND 46 paving east junction ND 18 to I-29
- ND 27 paving from junction ND 1 to Lisbon

## Proposed Major Projects in Western ND for 2015-2017 Biennium

- ND 5 widening and paving from Crosby to Columbus
- US 85 widening and paving from US 2 to Appam
- US 83 paving from Minot to Air Force Base
- US 85 paving from near Slope/Stark county line to south of Belfield
- I-94 paving from west Dickinson interchange to west of Gladstone (Eastbound)
- I-94 paving from Belfield to South Heart (Eastbound/Westbound)
- New Town Northwest Bypass
- ND 1804 reconstruction from Williams Co Rd 9 to Epping
- Watford City US 85 Business Route reconstruction
- ND1804 widening and paving from New Town Truck Reliever Route north
- Northwest Minot US 83 Bypass 4-laning
- ND 49 widening and paving Morton/Oliver county line north to Beulah
- ND 58 widening and concrete overlay from ND 200 north to ND 1804
- I-94 reconstruction from 10 miles east of Beach to Little Missouri River (Eastbound/Westbound)
- US 85 Long X Bridge reconstruction
- ND 200 reconstruction from US 85 to Killdeer
- ND 42 reconstruction from ND 50 to Crosby
- ND 200 widening and paving from Yellowstone Bridge to US 85
- ND 23 reconstruction from east of Makoti to US 83

# March Bid Openings and County Meetings

The early funds from SB 2103 enable us to move forward with bid openings this month which will be held on the following dates:

- March 20
- March 24
- March 27

The total of the bid openings in March is \$285 million including some federal funds.

DOT has met with some counties to discuss projects eligible for early funding contained in SB 2103.



## Projects utilizing \$450 M provided by SB 2103

- ND 23 from Johnsons Corner to reservation boundary
- US 2 -between Williston and Minot
- ND 22 from Manning to Killdeer
- US 52 from US 2 to Sawyer
- ND 41 from Velva to Norwich
- ND 60 from Junction of ND 3 North to Junction of ND 5 by Willow City
- US 12 from Hettinger to the State Line
- I-94 from Taylor to Youngman's Butte
- US 52 from Junction 5 to North of Kenmare
- ND 200 from State Line to the Yellowstone Bridge
- US 83 near Garrison Corner to near the Junction of ND 23
- US 2 from Minot to Granville
- I-94 from State Line East 12 Miles
- I-94 from Little Missouri River East to Fryburg
- Dickinson Permanent Bypass. (No bid date for construction has been finalized)
- Killdeer Bypass ( Construction will be bid this spring.)
- New Town Northwest truck reliever route. (No bid date for construction has been finalized.)
- Williston Northeast truck reliever route. (No bid date for construction has been finalized.)
- New Town Main Street
- ND 23 in Watford City from city limits to ND 23 bypass to serve new school
- ND 40 from Junction of US 2 to Tioga overpass
- Funding resources will be used for environmental work on state highways in the communities of Williston and Watford City
- Dickinson State Avenue railroad overpass

Traffic signals at intersections in or near the communities of Dickinson, Alexander and Watford City

# **RDDOT** justification for requested FTE

Federal oversight continues to increase on all types of construction projects throughout the state. As a result we are requesting 2 additional FTEs:

<u>Environmental Scientist</u> – There has been considerable growth in the NDDOT's storm program along with additional required federal regulations. Below are examples of fines assessed to DOTs by the EPA in recent years:

- Alaska DOT fined \$118,000 in 2014 for a 2009 incident on mishandled highway paint.
- Hawaii DOT fined \$1.2 million and required to fix federal Clean Water Act storm water violations from 2008 and 2009 inspections.
- Georgia DOT and Contractor fined \$1.5 million and ordered to perform injunctive relief measures, including purchasing 16,920 mitigation credits at an estimated cost of \$1.35 million to offset the impacts to waters of the United States. Contractor filled in all or parts of 7 trout streams with DOT approval.
- Kansas DOT fined \$477,500 for violations from storm water inspections from 2008, 2010 and 2012. The EPA has assessed stipulated penalties of \$315,000 in 2013 which KDOT settled on paying \$140,000. For 2014, EPA will be assessing an additional \$250,000.
- These figures do not take into account all the other items required by the consent agreements signed by these states.

To ensure the NDDOT complies with federal regulations we are requesting one additional FTE to provide oversight on state, city and county projects.

## **NDDOT** justification for requested FTEs

<u>Archaeologist</u> – To provide project management of system cultural resource projects and surveys, obtain section clearances, assist with tribal consultation and with material source review and approval, and maintain technical proficiency in this field of work.

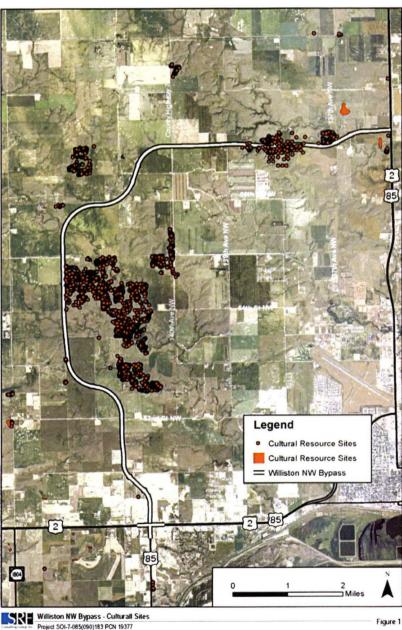
- Regardless of the type of funding, if there is any federal nexus, the DOT and local governments are required to comply with the National Historic Preservation Act of 1966.
- Projects also need to comply with ND Administrative Rule 40-02, in accordance with State Law 23-06-27, protecting human burial sites, human remains, and burial goods.
- Compliance is achieved by surveying and identifying historic properties on a project, working to avoid, minimize, or mitigate for unavoidable impacts due to highway improvement projects. This is done in consultation with the State Historic Preservation Office and Tribal Historic Preservation Offices.

With the increased rebuilding of state and local roadways additional surveys, studies and consultation is needed with tribal governments, and as a result one additional position is being requested.



Over 8,000 cultural sites were evaluated on the Williston Northwest Truck Bypass project.





Cultural sites on Williston NW Bypass

## **Federal Rules & Regulation Changes**

#### **Endangered Species**

- Interior Least Tern
- Whooping Crane
- Black–Footed Ferret
- Pallid Sturgeon
- Gray Wolf
- Poweshiek Skipperling (butterfly)

#### **Candidate Species**

- Sprague's Pipit
- Greater Sage Grouse

#### **Threatened Species**

- Piping Plover
- Western Fringed Prairie Orchid (Plant)
- Dakota Skipper (butterfly)

#### **Proposed Species**

- Northern Long Eared Bat
- Rufa Red Knot

# Planned Building Asbestos Abatement and Repair Projects

#### **Bismarck District**

- Asbestos Abatement and repair of Bismarck District building.
- Truck Barn Existing shop was built in 1939. Build truck barn to take employees out of asbestos environment. Shop will remain to store equipment. Also, there is a need for truck barn as there is snow/ice equipment being parked outside during the winter.

#### **Williston District**

- Asbestos Abatement and repair of Williston District building.
- Truck Barn Snow/ice equipment is being parked outside during the winter.

## **Bismarck District Building Asbestos**

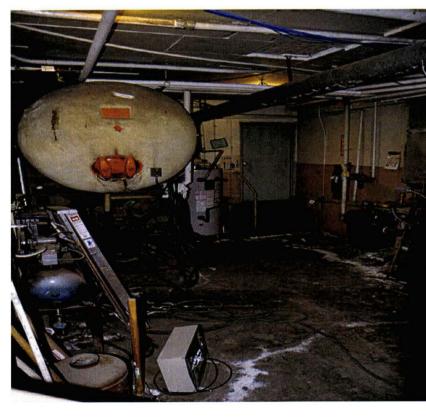
Asbestos located throughout the building including the ceiling, tile floor and pipes.





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Asbestos located throughout the building including the ceiling, tile floor and pipes.







## **Planned work for Section buildings**

## **NDDOT Section Buildings**

- Continue to work on building maintenance plan and replace four Section buildings (out of 64 buildings):
  - Cooperstown- built in 1969
  - Maddock- built in 1967
  - Mayville- built in 1968
  - Towner- built in 1973





Ceiling damage

Inadequate space for plows inside shop





#### Plow trucks kept outside



Ice forming on wall.



Inadequate space for plows inside

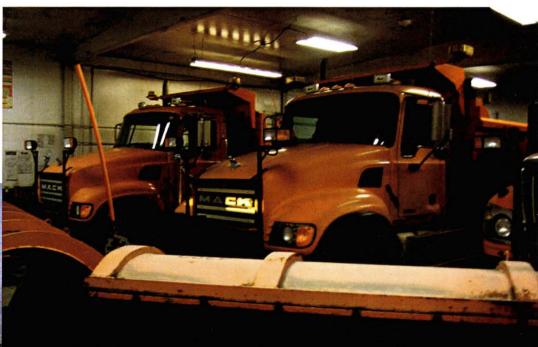


Plow trucks kept outside

# **Mayville Section Shop**

Rusting on inside of building.





Inadequate space for plows inside

## **Towner Section Shop**



Roof leaking resulted in sheet rock and insulation falling down.



Ice forming on wall.



# Plows stored outside need to be worked on before going on the road









# **Facility Needs**

#### **Salt Facilities**

To address environmental rules and regulations, it is advantageous to the state to provide salt facilities.

Fargo District is in need of a large salt shed to place salt under cover. This will complete our long standing goal of building 1 large salt shed for each district to address environmental concerns and will allow the department to purchase larger quantity of salt when prices are low.

Bismarck, Valley City, Devils Lake and Minot Salt Brine Facilities are needed as current facilities are at the end of their life or are inadequate.





# **Motor Vehicle**

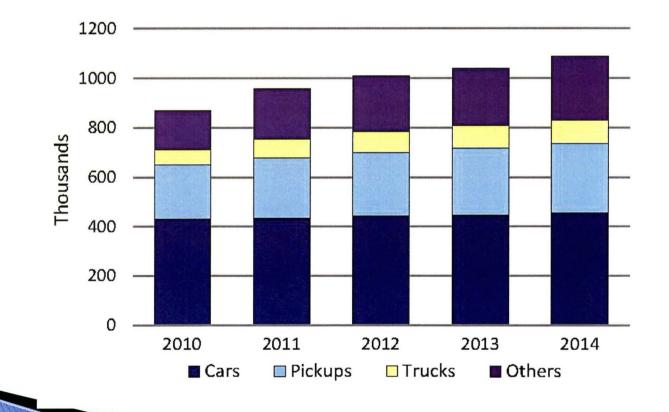
#### New License Plates

- A new design for the general issue plate has been approved by the Legislative Budget Committee.
- Issuance of the new plate will begin in the fall of 2015 and take approximately one year.





**Motor Vehicle** - In 2014, North Dakota processed a total of 1.15 million vehicle transactions compared to 870,000 in 2010.



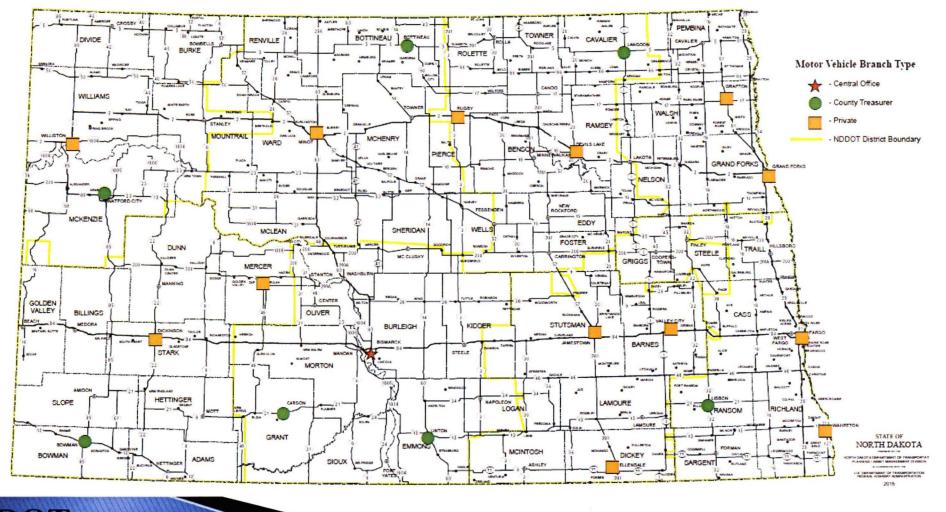
# **Motor Vehicle**

- Online Renewals currently at 25.74%.
- Collected \$270.9 million in registration fees and excise tax revenue for the state during state fiscal year 2014.
- Maintaining Branch review work at approximately a 2 week turnaround time.
  - Last session we reported the turn around time was approximately 12 weeks.

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## Branch offices that are privately owned.

**Motor Vehicle Branch Locations** 



## Motor Vehicle HB 1012 Section 13 Amendment

Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows: **39-02-03**. Powers and duties of director and department.

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms of requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Branch office contracts entered into under this section may extend five years and may be renewed in accordance with this section. At the end of each current branch office contract term, the department shall consider entering into contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter into direct negotiations and contract with gualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

## Motor Vehicle HB 1012 Section 13 Amendment House Intent

#### 39-02-03. Powers and duties of director and department

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Current branch office contracts entered into under this section with private vendors may extend five years and may be renewed in accordance with this section. One year prior to the end of each current private vendor branch office contract term the department shall consider entering into contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter into direct negotiations and contract with qualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department."



## **Drivers License**

- Record Number of Knowledge Tests
  - Knowledge Tests- 54,028, a 24.4% Increase Over CY12
- Record Number of ID Cards Issued
  - ID Cards 22,926, a 49% Increase Over CY12
- Record Number of Temporary Licenses Issued
  - 3,178 TRL's Issued, significantly increasing since 24/7 changes in 2013-15 Session

# **Drivers License**

The drivers license buildings in Grand Forks and Williston are too small to serve customers.

### **Grand Forks**

Driver's License Remodel – Examiner area is small and hard to work in. Waiting area is small and at times people have had to stand outside waiting for service.

### Williston

Driver's License Addition and Remodel – Existing building lacks space. There have been times where customers have had to wait outside so as not to exceed the number of people allowed by the fire code.

We need the ability to provide building improvements as provided in our base budget.

# **Drivers License**

- As population continues to grow there is a greater demand for drivers license services.
- To maintain service levels we have the following Legislative Recommendations:
  - Online DL Renewal and duplicate service (HB 1122)
  - Skills Test Waiver for commercial/public driving schools (HB 1123)





- Transportation projects have implemented several safety features including:
  - Turning lanes
  - Passing lanes
  - Signing
  - Rumble strips
  - Controlled access

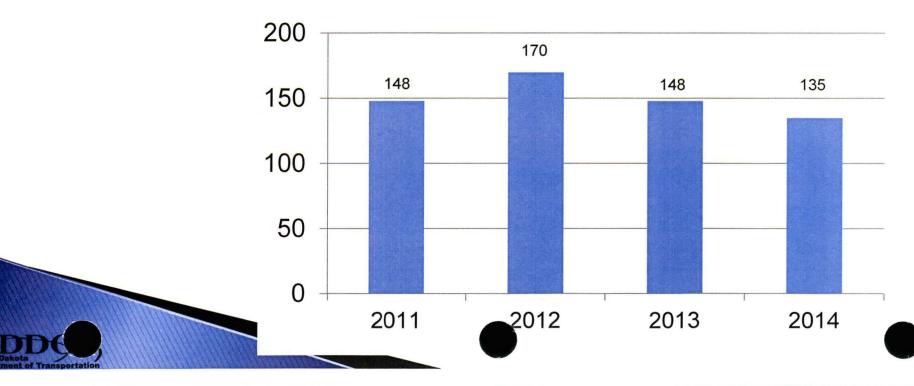




•Number of traffic related deaths in state declined from 148 in 2013 to 135 in 2014.

•Primary contributing factors to fatal crashes:

✓ Alcohol,
✓ Not using seatbelts,
✓ Speed



### **Traffic Fatalities**

# Darcy Rosendahl Deputy Director for Business Support

# Staffing

- Thank you for the 16 FTEs that you gave us last session to work in western North Dakota and various areas of the Department including engineering, maintenance, motor vehicle and driver's license.
- The additional staff members helped us to work with the increased demand for services and achieve many of the accomplishments discussed here today.







## Motor Vehicle App – "ND Renew"

- The application replicates the existing on-line renewal site <a href="https://apps.nd.gov/dot/mv/mvrenewal/renewal.htm">https://apps.nd.gov/dot/mv/mvrenewal/renewal.htm</a>) in a format that is usable on a smart device.
- The app allows users to renew their vehicle registration and in addition, will allow a user to update their permanent address, add a temporary address, and add/update their email address.
- The phone application also includes a push notification to alert users when their vehicles are up for renewal through their device.

## Technology

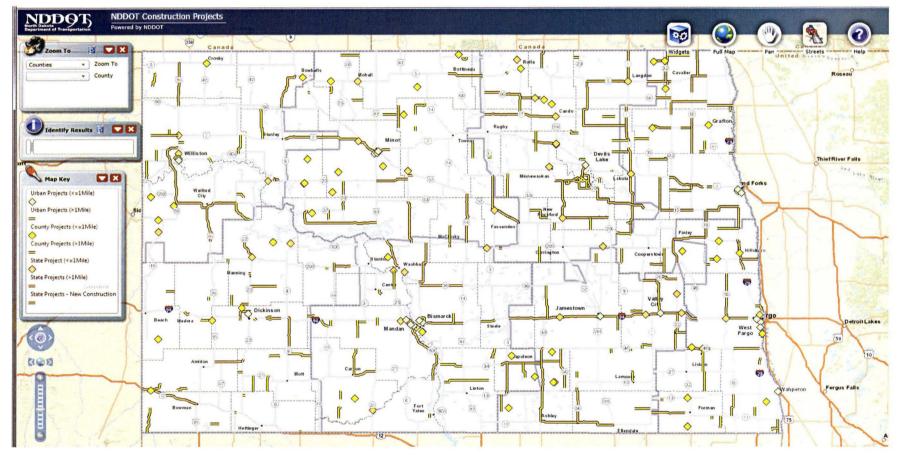
- NDDOT recently launched smartphone application for road conditions called NDRoads.
- To date, over 91,000 users have downloaded the application.







### **NDDOT 2014 Construction Projects Website Map**



Interactive map shows details of state, county and urban road construction projects.

Can be found under Maps section at <u>www.dot.nd.gov</u>

Direct link : <u>http://gis.dot.nd.gov/external/ge\_html/?viewer=constmap</u>

# **Department Awards**

- National Advisory Council on Historic Preservation (ACHP) Chairman's Award for Programmatic Agreement for work with tribal entities.
- American Association of State Highway Transportation Officials (AASHTO) President's Award for NDDOT Local Roads Safety Program
- AASHTO Transportation Communications Award for Mobile/Web Application (ND Roads)
- North Dakota Library Association (NDLA) Notable
   State Document (Liberty Memorial Bridge Video)

# Challenges – Staffing

We continue to experience a large number of vacancies with 33 open statewide, 16 in western North Dakota.

### **Greatest Employment Challenges at NDDOT**

- Equipment operators (CDL) and Mechanics, Engineering positions (engineers and technicians) in western ND
- Drivers License Service
- Motor Vehicle Service



## Recruitment and Retention of Employees

- The Department is concerned about recruitment and retention of employees.
- It is essential that the Governor's proposed salary plan be reinstated in order for us to remain competitive in hiring new employees and keeping current staff.



- NDDOT Equipment Operator Trans Tech 1 = \$16.18/hour
  - Compared to 3P Trucking Inc.= \$27/hour
- NDDOT Maintenance Mechanic in Williston = \$18.46/hour
  - Compared to Williams County Highway Depart. = \$29-\$32/hour
- NDDOT Williston Engineer/Engineer Techs 5 of 9 positions vacant.
- Vacancy numbers have remained high.



# **Addressing Challenges**

- Temporarily moved employees in other Districts to Oil Patch to give added support.
- Hired liaison for western ND transportation development to work with city and county officials in western North Dakota.
- Utilize new online recruitment system.

Thank you for your support to the energy development impact options program as requested in OMB's Senate Bill 2015.

# House Modifications- Technology Project

#### **Maintenance Management Information Technology**

 This project will enable the DOT to develop software to enhance its asset management capabilities by allowing the costs for snow removal, roadway patching, right of way work, etc., to be included in decision making process.



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## **House Modifications- Capital Projects**

#### **Radio Towers**

The existing buildings at the radio tower sites house the electronics for the DOT, DES, and in some instances the National Guard, FBI, BCI, FAA, USF&WS and other state and federal agencies that utilize our towers. The existing buildings are located right next to the base of the towers.

- Over the years ice that has built up on the towers and cables has fallen on and damaged the structural integrity of the buildings. Many buildings have had two or three roofs replaced over the last number of years. Damaged, leaky roofs put the electronics at risk, and made the buildings susceptible to mice and rodent infestation which has also damaged equipment.
- Fencing is installed around the entire site, to include the tower, building, propane tank, and guy wires. The fence installation is for security and safety.
- Initially there were approximately 37 tower sites that needed upgrading. This will be the third phase of a four phase replacement process. We have completed 18 upgrades through the first two phases.

# **House Modifications- Motor Coaches**

# Executive Budget Proposal included \$1 million reimbursement for state fleet motor coaches.

- In the past years, the State Fleet incurred very substantial capital and operating costs to provide a fleet of motor coaches for the higher education institutions. Unfortunately, as time progressed, most of the higher education institutions were unable to utilize the motor coaches enough to enable the fleet to recover the associated costs while maintaining a feasible usage rate.
- It was decided among all parties of the state fleet group that it was in the best interest of the group to discontinue motor coach fleet services. Unfortunately, not all costs will be recovered in the sale of the motor coaches.
- The State Fleet cannot pass this loss to any other vehicle groups; that is not allowed per federal regulations. Therefore, any ending deficit in the group must be covered by another source.
- The House reduced the \$1 million request to \$750,000, we are requesting the amount be restored to the full \$1 million.

## **Engrossed HB 1012 Bill Sections Overview**

Section 1 shows the base level, adjustments or enhancements, and the total appropriation contained in this bill.

**Section 2** shows the one time funding items for the 2013-2015 and 2015-2017 biennial appropriations.

**Section 3** provides the NDDOT with the ability to transfer appropriation authority between various appropriation lines. This flexibility is necessary to enable us to best meet our construction and maintenance responsibilities.

**Section 4** provides for a transfer to the state highway fund from the general fund in the amount of \$504,115,558.

**Section 5** provides for a transfer to the special road fund from the general fund in the amount of \$1 million dollars.

**Section 6** appropriates \$2 million dollars out of the strategic investment and improvements fund to NDDOT for the short line railroad program.

**Section 7** appropriates \$8 million out of the general fund to the state treasurer for non-oil producing counties to allocate to or for the benefit of townships.

# Engrossed HB 1012 Bill Sections Overview

**Section 8** restricts the NDDOT from using funds for construction or improvements to buildings or any new major information technology projects unless the department receives all of the federal highway construction funding anticipated by the sixty-fourth legislative assembly.

**Section 9** allows the department to continue and complete highway rail grade crossing safety projects in accordance with the program appropriated by the 2013 Legislative Assembly.

**Section 10** allows the department to continue into the 2017-2019 biennium any portion of the enhanced state highway investment program that will be appropriated for the 2015-2017 biennium but not completed in that biennium.

**Section 11** allows the department to continue in the 2015-2017 biennium the road grade raising grant program appropriated by the 2011 Legislative Assembly and carried forward by the 2013 Legislative Assembly.

## **Engrossed HB 1012 Bill Sections Overview**

**Section 12** allows the department to repay the US Department of Transportation for previous expenditures from current appropriations. This will enable the department to advance projects under federal funding, later convert those projects to state funding as it becomes available, and re-commit the federal funds to other eligible projects. By doing so, we will be able to start some projects sooner that would otherwise be possible and also avoid some federal requirements that would otherwise be imposed on some projects.

**Section 13** pertains to NDDOT's ability to contract with private entities for the operation of motor vehicle branch offices.

Section 14 deals with a study of various aspects of short line railroads.

**Section 15** deals with a study of the effect that high efficiency vehicles may have on state revenues.

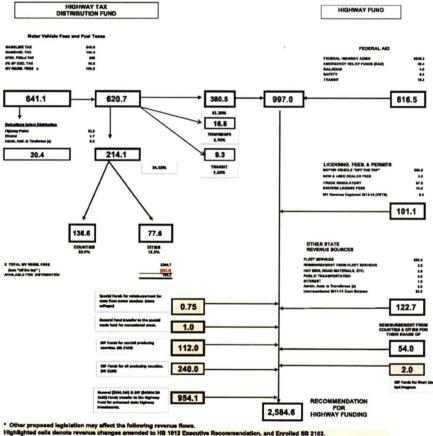
**Section 16** deals with a study of statutory changes that may be necessary as a result of automated motor vehicles.

**Revenue Charts** 

DEPARTMENT OF TRANSPORTATION HB 1012/SB 2126 EXECUTIVE RECOMMENDATION 2015 - 2017 BIENNIUM REVENUE DISLUGHS) HIGHWAY TAX HIGHWAY FUND Motor Vahicle Fees and Fuel Taxes GABOLINE TAX GABOHOL TAX SPEC PUBLIS TAX IN SPECT TAX FEDERAL AID -----Y NO. FT PUNCE (BAD RAL ROAD 641.1 620.7 380.5 997.0 616.5 61.30% 16.8 10.2 4.7 TOWNSHIPS 2.70% 214.1 20.4 9.3 LICENSING, FEES, & PERMI NOTOR VEHICLE "OFF THE TOP" 34.50N TRANSIT -------101.1 136.6 77.6 OTHER STATE CITIES X TOTAL MY REGIL FEE (mas "will the top") NAY BOB, ROAD MATERIALS, ETC. winds. Aport to Transference (s 1.0 122.7 5.0 100.0 54.0 1,354.1 fund for salance RECOMMENDATION 2,734.9 FOR SHWAY FUNDING

\* The \$100 million for non-oil producing counties, cities, and townships & \$450 million of the \$1.354 billion for the Ehanced State hway investments in SB 2126

DEPARTMENT OF TRANSPORTATION **ENGROSSED HB1012/ENROLLED SB2103** 2015 - 2017 BIENNIUM REVENUE \* THE L CHARTS

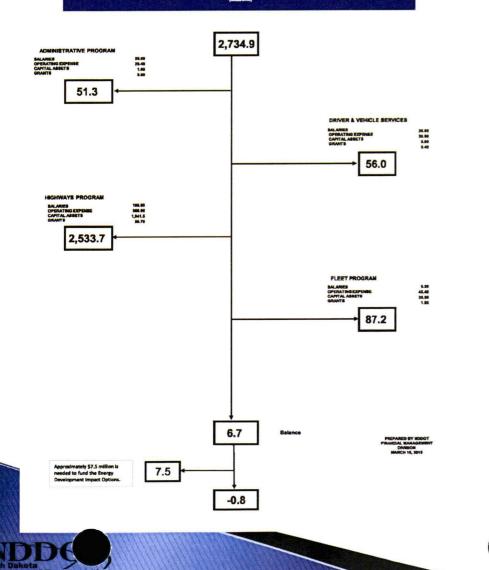


and Enrolled SB 2103.

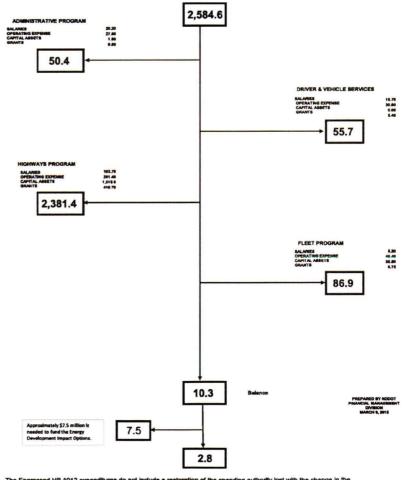


# **Expenditures Charts**

DEPARTMENT OF TRANSPORTATION HB 1012/SB 2126 EXECUTIVE RECOMMENDATION 2015 - 2017 BIENNIUM EXPENDITURES



#### DEPARTMENT OF TRANSPORTATION ENGROSSED HB1012/ENROLLED SB2103 2015 - 2017 BIENNIUM EXPENDITURES



The Engrossed HB 1012 expenditures do not include a restoration of the spending authority lost with the change in the Executive Recommended compensation package and requested FTE's, approximately \$4.1 million.



- Projects proposed to be funded in Executive Budget will need to be delayed if the funding removed in engrossed HB 1012 is not restored.
- Concerned about loss of 2 FTEs. If the 2 requested FTEs are not granted our ability to process environmental documents for state and county projects will be diminished. Also will decrease our ability to address storm water run off on projects thus increasing the risk of being fined.
- It is essential that the Governor's proposed salary plan be reinstated in order for us to remain competitive in hiring new employees and keeping current staff.
- It is imperative that we are given the ability to conduct asbestos abatement and other improvements on buildings and complete the major IT project.
- We respectfully request you to remove Section 8 and amend Section 13 of engrossed HB 1012.
- We appreciate the \$450 million in surge funding and we are available to answer any questions you have as we discuss HB 1012.

#### 15.8120.02000

#### FIRST ENGROSSMENT

Sixty-fourth Legislative Assembly of North Dakota

#### **ENGROSSED HOUSE BILL NO. 1012**

Introduced by

23

Appropriations Committee

(At the request of the Governor)

A BILL for an Act to provide appropriations for defraying the expenses of the department of transportation; to provide an appropriation to the state treasurer for allocations to townships in non-oil-producing counties; to provide for transfers; to amend and reenact section 39-02-03 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices; to provide legislative intent; to provide for legislative management studies; and to provide exemptions.

#### 7 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

8 SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds 9 as may be necessary, are appropriated out of any moneys in the general fund in the state 10 treasury, not otherwise appropriated, and from special funds derived from federal funds and 11 other income, to the department of transportation for the purpose of defraying the expenses of 12 the department of transportation, for the biennium beginning July 1, 2015, and ending June 30, 13 2017, as follows:

14			Adjustments or	
15		Base Level	<b>Enhancements</b>	Appropriation
16	Salaries and wages	\$187,477,585	\$20,909,550	\$208,387,135
17	Accrued leave payments	7,280,897	(7,280,897)	0
18	Operating expenses	376,721,715	18,452,036	395,173,751
19	Capital assets	727,911,207	374,774,753	1,102,685,960
20	Grants	<u>79,788,030</u>	(14,120,000)	<u>65,668,030</u>
21	Total special funds	\$1,379,179,434	\$392,735,442	\$1,771,914,876
22	Full-time equivalent positions	1,079.50	0.00	1,079.50

#### SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

24 SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding

15.8120.02000

- 1 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the
- 2 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

3	One-Time Funding Description	<u>2013-15</u>	2015-17
4	General fund transfer to highway fund	\$541,600,000	\$0
5	Enhanced state highway investments	1,161,600,000	504,115,558
6	TIGER III federal railroad program	10,000,000	0
7	General license plate issue	6,820,000	0
8	Contingent general fund transfer to	1,100,000	0
9	public transportation fund		
10	Airplane replacement	4,500,000	0
11	Transportation distribution to oil-producing counties	160,000,000	0
12	Transportation distribution to non-oil-producing counties	120,000,000	0
13	Recreational road access	0	1,000,000
14	Vehicle registration and titling system replacement	<u>0</u>	2,500,000
15	Motor coach reimbursement from colleges	<u>0</u>	750,000
16	Total all funds	\$2,005,620,000	\$508,365,558
17	Total special fund	<u>541,600,000</u>	508,365,558
18	Total general fund	\$1,464,020,000	\$0

The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19 biennium. The department of transportation shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. LINE ITEM TRANSFERS. The director of the department of transportation may transfer between the salaries and wages, operating, capital assets, and grants line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the office of management and budget of any transfers made under this section.

28

#### SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND.

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$504,115,558, or so much of the sum as may be necessary, which the

31 office of management and budget shall transfer to the highway fund during the biennium

beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall
 transfer the funds provided under this section to the state highway fund at the request of the
 director of the department of transportation. This appropriation is a one-time funding item.

4 SECTION 5. APPROPRIATION - TRANSFER - GENERAL FUND TO SPECIAL ROAD 5 FUND. There is appropriated out of any moneys in the general fund in the state treasury, not 6 otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary. 7 which the office of management and budget shall transfer to the special road fund during the 8 biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and 9 budget shall transfer the funds provided under this section to the special road fund at the 10 request of the director of the department of transportation. This appropriation is a one-time 11 funding item.

12 SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the strategic 13 investment and improvements fund in the state treasury, not otherwise appropriated, the sum of 14 \$2,000,000, or so much of the sum as may be necessary, to the department of transportation 15 for the purpose of one-time funding for the department of transportation's short line railroad 16 program, for the biennium beginning July 1, 2015, and ending June 30, 2017.

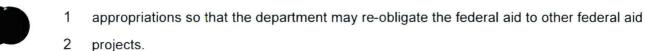
17 SECTION 7. APPROPRIATION - STATE TREASURER. There is appropriated out of any 18 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of 19 \$8,000,000, or so much of the sum as may be necessary, to the state treasurer for allocation to 20 counties for allocation to or for the benefit of organized and unorganized townships in 21 non-oil-producing counties, for the biennium beginning July 1, 2015, and ending June 30, 2017. 22 The funding provided in this section must be distributed in February 2016. The state treasurer 23 shall distribute the funds provided under this section to counties and the county treasurer shall 24 allocate the funds to or for the benefit of townships in non-oil-producing counties through a 25 one-time distribution of \$5,000 to each organized township and a one-time distribution of \$5,000 26 for each unorganized township to the county in which the unorganized township is located. For 27 unorganized townships within the county, the board of county commissioners may expend an 28 appropriate portion of revenues under this section for township roads or other infrastructure 29 needs in those townships. A township is not eligible for an allocation of funds under this section 30 if the township does not maintain any township roads. For the purposes of this section, a





1	"non-oil-producing county" means a county that has received an allocation of funding under
2	section 57-51-15 of less than \$5,000,000 in the state fiscal year ending June 30, 2014.
3	SECTION 8. LEGISLATIVE INTENT - CONTINGENT FUNDING FOR BUILDING AND
4	NEW MAJOR INFORMATION TECHNOLOGY PROJECTS. It is the intent of the legislative
5	assembly that the department of transportation refrain from using funds appropriated to the
6	department of transportation in section 1 of this Act for construction or improvements to
7	buildings and any new major information technology projects during the biennium beginning
8	July 1, 2015, and ending June 30, 2017, unless the department receives at least the amount of
9	federal highway construction funds that was anticipated by the sixty-fourth legislative assembly.
10	SECTION 9. EXEMPTION - HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS
11	FUND. The amount appropriated to the department of transportation from the highway-rail
12	grade crossing safety projects fund, as contained in section 4 of chapter 43 of the 2013 Session
13	Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
14	appropriation are available to the department highway-rail grade crossing safety projects during
15	the biennium beginning July 1, 2015, and ending June 30, 2017.
16	SECTION 10. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER
17	AUTHORITY. Section 54-44.1-11 does not apply to funding of \$504,115,558 in the capital
18	assets line item relating to enhanced state highway investments in section 1 of this Act. Any
19	funds not spent by June 30, 2017, must be continued into the biennium beginning July 1, 2017,
20	and ending June 30, 2019, and may be expended only for enhanced state highway
21	investments.
22	SECTION 11. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE RAISING
23	GRANTS. The amount appropriated to the department of transportation from the state disaster
24	relief fund for road grade raising grants, as contained in section 14 of chapter 579 of the 2011
25	Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds
26	from this appropriation are available to the department to provide road grade raising grants
27	during the biennium beginning July 1, 2015, and ending June 30, 2017.
28	SECTION 12. PAYBACK AND REALLOCATION OF FEDERAL AID. Notwithstanding any
29	other provisions of law, the department of transportation may repay the United States

department of transportation for previous related expenditures out of current biennium



3 SECTION 13. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is 4 amended and reenacted as follows:

5

24

39-02-03. Powers and duties of director and department.

6 The director, subject to the approval of the governor, may adopt and enforce such 7 administrative rules and designate such agencies and establish such branch offices as may be 8 necessary to carry out the laws applicable to the director's office and department. The director 9 shall provide suitable forms for applications, registration cards, license number plates, and all 10 other forms requisite for the operation of the director's office and department, and shall prepay 11 all transportation charges thereon. Branch office contracts entered into under this section may 12 extend five years and may be renewed in accordance with this section. At the end of each 13 current branch office contract term, the department shall consider entering into contracts with 14 new branch office vendors. Notwithstanding any other provision of law, the director may enter 15 into direct negotiations and contract with qualified vendors to provide branch office services. 16 The director may provide for a maximum fee schedule for the various services provided by the 17 branch offices, not to exceed ten dollars for each service provided. Any branch office may 18 establish a different fee schedule if the schedule does not contain a fee that exceeds a

19 maximum fee established by the director and is approved by the director. All branch office

20 managers must be bonded. The department may lease or provide office space or other costs as

21 necessary to independent motor vehicle branch managers. All rents collected under this section 22 must be deposited in the state highway fund. The department and the officers thereof shall

23 enforce the provisions of all laws pertaining to the director and the department.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD

25 INFRASTRUCTURE. During the 2015-16 interim, the legislative management shall consider studying short line railroad expansion, spurs, switches, or other infrastructure enhancements 26 27 and the effect of short line railroads on reducing commercial traffic on the state highway system. 28 The legislative management shall report its findings and recommendations, together with any 29 legislation required to implement the recommendations, to the sixty-fifth legislative assembly. 30 SECTION 15. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES.

31 During the 2015-16 interim, the legislative management shall consider studying the potential

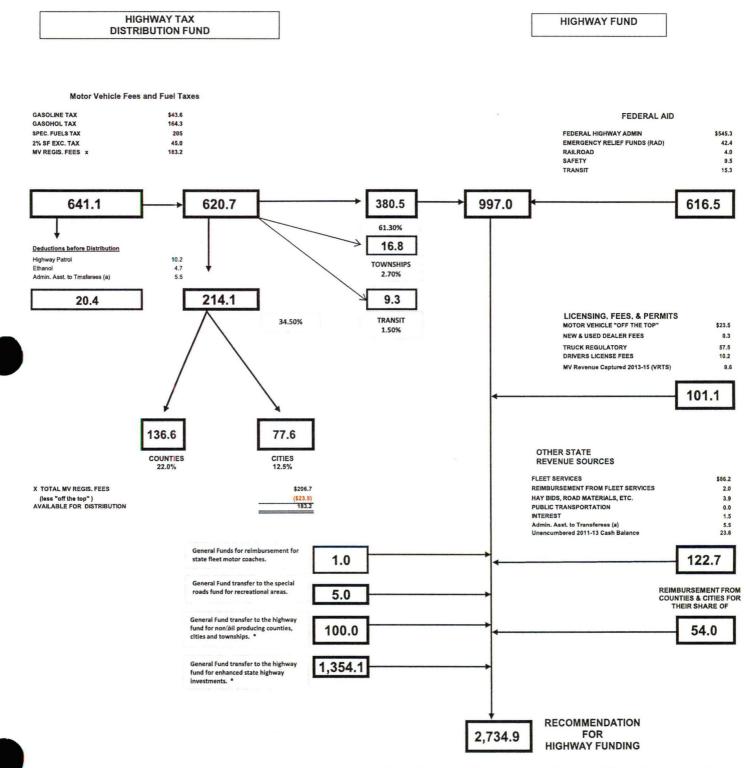
effect high-efficiency vehicles may have on the revenue generated from motor vehicle
registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol
taxes. The legislative management shall report its findings and recommendations, together with
any legislation required to implement the recommendations, to the sixty-fifth legislative
assembly.

6 SECTION 16. LEGISLATIVE MANAGEMENT STUDY - AUTOMATED MOTOR VEHICLE. 7 During the 2015-16 interim, the legislative management shall consider studying potential 8 statutory changes that may be necessary to accommodate the introduction or testing of 9 automated motor vehicles in North Dakota and any automated corridors affecting North Dakota. 10 "Automated motor vehicle" means a vehicle capable of operating in a full automation mode 11 where full automation is defined by the Society of Automotive Engineers Standard, J3016, 12 section 5.6 issued January 2014, as the unconditional, full-time performance by an automated 13 driving system of all aspects of the dynamic driving task. The study may include research into 14 the degree that automated motor vehicles could reduce traffic fatalities and crashes by reducing 15 or eliminating driver error and the degree that automated motor vehicles could reduce 16 congestion and improve fuel economy through better utilization of existing highway capacity and 17 more efficient operation of the vehicles' acceleration and braking controls. The legislative 18 management shall report its findings and recommendations, together with any legislation 19 required to implement the recommendations, to the sixty-fifth legislative assembly.



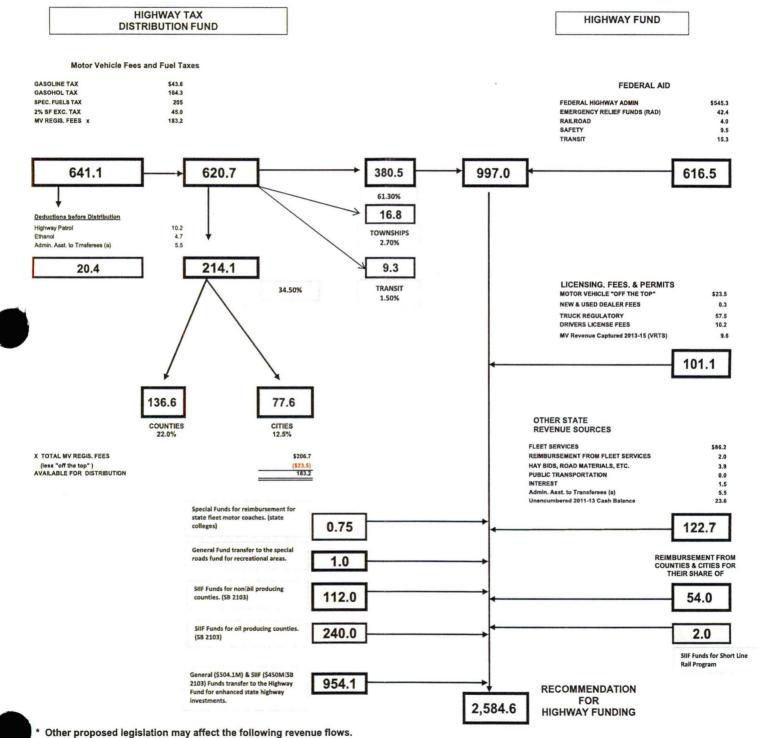
DEPARTMENT OF TRANSPORTATION HB 1012/SB 2126 EXECUTIVE RECOMMENDATION 2015 - 2017 BIENNIUM REVENUE

(MILLIONS)

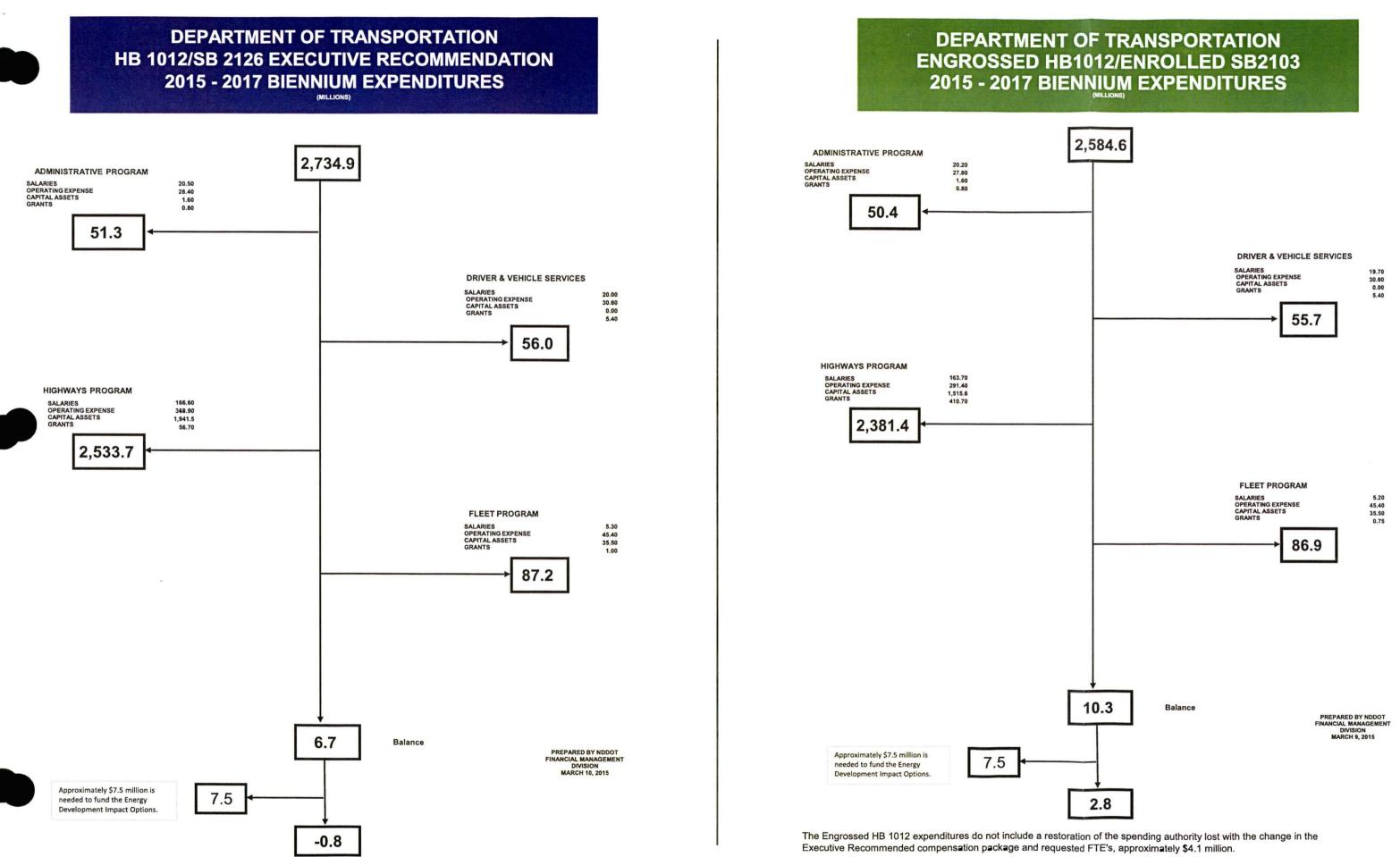


\* The \$100 million for non-oil producing counties, cities, and townships & \$450 million of the \$1.354 billion for the Ehanced State Highway Investments in St

#### DEPARTMENT OF TRANSPORTATION ENGROSSED HB1012/ENROLLED SB2103 2015 - 2017 BIENNIUM REVENUE \*



Highlighted cells denote revenue changes amended to HB 1012 Executive Recommendation, and Enrolled SB 2103.





3-12-13 HB 1012

P.O. Box 309 | Garrison, North Dakota | 58540 | friends@lakesakakawea.com | www.lakesakakawea.com

Senate Appropriations Committee Thursday, March 12, 2015 - In Support of HB-1012 Michael H. Gunsch, Vice Chairman FOLS Phone 701-527-2134 (cell)

Chairman Holmberg and members of the committee, I'm Michael Gunsch, Vice Chairman of the Friends of Lake Sakakawea (FOLS) and a registered professional engineer in North Dakota. Funding to construct and improve roadways to recreational, tourist and historical sites in North Dakota is inadequate to meet current and future needs, and has been for a number of years.

We here again to reinforce that the North Dakota Special Roads Fund, created under the ND Century Code 24-02-37 and 24-02-37.2, is an excellent vehicle to receive, review and provide funding for recreational roadway projects. However, available funding cannot begin to meet current needs. In the 2012/2014 funding cycle there were approximately \$2.8 million in requests with only \$675,000, or just over 24% being funded, which is a very poor result for eligible projects. The Special Roads Funds Committee currently limits funding to a \$250,000 maximum, based on a 60% participation in construction costs. At these funding levels you can't construct much, and larger projects cannot begin to be funded.

The interest and use in recreation areas around North Dakota has dramatically increased in recent years. As our state's population continues to grow so will the interest and need for recreational opportunities.

Outdoor recreation is the number one reason people visit our state, according to a study commissioned by the North Dakota Tourism Department. Whether we're accommodating residents or non-residents to fish, boat, hike, hunt, <u>we have an obligation as promoters our state</u> to provide them with a positive experience. This is becoming increasing difficult as roadways to our recreation sites continue to deteriorate with increased use, and we have been far behind the need for many years.

Although here representing the Friends of Lake Sakakawea, our efforts support "**statewide recreational road improvements**". The recreational roadway improvement needs around Lake Sakakawea are estimated at around \$84 Million, and the statewide need is far greater. The original \$5 million funding allocation was a beginning, and considerably more is necessary if there is to be any forward progress. The reduction in the House to \$1 million was a disappointment and we strongly encourage you to reinstate the \$5 million allocation into the Special Roads Fund. We understand the greater needs and would appreciate an even greater allocation. Even at \$5 million every two years it would take over 30 years to address current needs. At \$1 million per biennium, well the math is easy on the number of years, and that is without considering inflation. We understand the current budgeted revenues and the limitations that creates; however the recreational roadway needs have existed for too many years and it's time to take the initiative and be proactive. Thank you for your consideration and I stand for any questions.



2.2

## Lake Sakakawea Recreational Access Roadways

										and the second se
Map Location	Location	Managing Agency	Contact Person	Phone	Roadway Type	Updated Visitor Numbers 2012	Number of Visitors 2009	Miles of Gravel	Opinion of Probable Construction Cost	Priority Site Cost
4	Camp of the Cross	Lutheran Bible Camp Assc/Triangle Y Camp	Janis Sloka / ?	337-2246/?	County 13 - 6 miles	17,258	17,258	6	\$5,250,000	\$5,250,000.00
15	Indian Hills	Parks & Rec/Tribes	Kelly Sorge	743-4122	4 miles gravel	18132	18,276	4	\$3,500,000	\$3,500,000.00
8	Douglas Creek	Corps of Engineers	Linda Phelps	654-7411	County 11 - 8 miles	18893	21,947	8	\$7,000,000	
19	McKenzie Bay	McKenzie Marine Club	Keith Backes	570-1720	Paved road	23431	24,558	0	\$0	
5	Charging Eagle Bay	Three Affiliated Tribes	Jim Mossett	880-1203	10 miles gravel	26806	22,846	10	\$8,750,000	
23	Reunion Bay	Corps of Engineers	Linda Phelps	654-7411	8 miles gravel	3,448	3,448	8	\$7,000,000	\$7,000,000.00
13	Hale Marina	Three Affiliated Tribes	James Hale	759-3666	13 miles gravel	Visitors ?	Visitors ?	13	\$11,375,000	
32	White Earth Bay	Mountrail County Park Board	Greg Gunderson	755-3277	10 miles gravel	18737	7,048	10	\$8,750,000	\$8,750,000.00
26	Skunk Creek Recreation Area	Three Affiliated Tribes	Ken Danks	290-2841	9 miles gravel	11968	6,555	9	\$7,875,000	
34	Wolf Creek Recreation Area	Corps of Engineers	Linda Phelps	654-7411	5 miles gravel	11,746	11,746	5	\$4,375,000	\$4,375,000.0
11	Garrison Creek Cabin Site	Garrison Cabin Assc.	Percy Radke	337-2247	5 miles gravel	Visitors - Cabins	Visitors - Cabins	5	\$4,375,000	
27	Sportsmen's Centennial Park	McLean County	Les Korgel	462-8541	3 miles gravel	23059	15,365	3	\$2,625,000	
7	Deepwater Creek (cabin site/ G&F Ramp)	McLean County/ND Game & Fish	Les Korgel / Bob Frohlich	462-8541 / 326-6346	4 miles gravel	na	na	3	\$2,625,000	
33	Whitetail Bay (Lund's Landing)	Williams County WRD	Beth Innis	572-6373	1 mile gravel	30393	12,208	1	\$875,000	
17	Little Beaver Bay	Williams County WRD	Beth Innis	572-6373	3 miles gravel	18332	4,557	3	\$2,625,000	\$2,625,000.0
25	Sanish Bay (Aftem)	Aftem Lake Development	Gerald Aftem	852-2779	2 miles gravel	Visitors - Cabins	Visitors - Cabins	2	\$1,750,000	\$31,500,000.0
7	Deepwater Creek	Corps of Engineers	Linda Phelps	654-7411	1 mile gravel	3452	10,347	1	\$875.000	
28	Steinke Bay	North Dakota Game & Fish	Bob Frohlich	328-6346	2 miles gravel	No data	No data	2	\$1,750,000	
31	West Totten Trail	McLean County	Les Korgel	462-8541	1 mile gravel	4587	1,895	1	\$875,000	
10	Four Bears Park	Three Affiliated Tribes	Alan Chase	627-4018	1 mile gravel	No data	No data	1	\$875,000	
18	Littlefield Bay	North Dakota Game & Fish	Bob Frohlich	328-6346	1 mile gravel	No data	No data	1	\$875,000	
30	Van Hook	Mountrail County Park Board	Rick Folden	898-1157	Paved road	89063	86,907	0	\$0	
24	Sakakawea State Park	ND Parks & Rec	John Tunge	487-3315	Paved road	63791	59,984	0	\$0	
9	Fort Stevenson State Park	ND Parks & Rec	Dick Messerly	337-5576	Paved road	74823	55,348	0	\$0	
3	Beulah Bay	Beulah Park Board	Bev Sullivan	873-5852	Paved road	44252	45,903	0	\$0	
21	Parshall Bay	Mountrail County Park Board	Rick Folden	898-1157	Paved road	41854	42,857	0	\$0	
6	Dakota Waters Resort	Beulah Park Board	Kelvin Heinsen	873-5800	Paved road	38,438	38,438	0	\$0	
14	Hazen Bay	Hazen Park Board	Joe Amundson	748-5958	Paved road	40997	28,809	0	\$0	
12	Government Bay	Corps of Engineers	Linda Phelps	654-7411	Paved road	26335	24,834	0	\$0	
16	Lewis And Clark State Park	North Dakota Game & Fish	Al Larson	859-3071	Paved road	57124	16,397	0	\$0	
20	New Town	New Town Park Board	Dusty Rhoads	627-3900	Paved road	47639	13,947	0	\$0	
2	Beaver Bay	Zap Park Board	Bill Mindt	948-2817	Paved road	16952	13,671	0	\$0	
22	Pouch Point	Three Affiliated Tribes	Annette Youngbird	627-8204	Paved road	16741	12,995	0	\$0	
29	Tobacco Garden Creek Bay	McKenzie County Park Board	Frances Olson	444-3616	Paved road	40028	10,101	0	SO	
	American Legion Park (Raums)	American Legion			Paved road	1388	7,937	0	\$0	
1	Anterican Legion Faix (Nauna)	Anteriouri Legion								

Increase 2009-2012

10.14%

Theodore Roosevelt E X P R E S S W A Y PO Box 1306 · 22 E Broadway · Williston, ND 58802-1306 Phone: 701-577-8110 · Fax: 701-577-8880 attn: TRE contact@trexpressway.com · www.trexpressway.com

Chairman, Holmberg, Members of the Senate Appropriations Committee

#3 NB 1012

Good morning. I am Cal Klewin, Executive Director of the **Theodore Roosevelt** 3 - 12 - 15 **Expressway Association (TREA)**.

The **Theodore Roosevelt Expressway** (Highway 85) is a Federally-Designated High Priority Corridor on the National Highway System. It runs from Rapid City, SD, to Canada through western North Dakota to the Port of Raymond in Montana. On the southern end, it connects to the Heartland Expressway, which connects Rapid City, SD, to Denver, CO. The Heartland Expressway then links to the Ports-to-Plains Trade Corridor, which connects Denver, CO, to Laredo, TX. These three corridors are collectively known as the Ports-to-Plains Alliance.

The **Theodore Roosevelt Expressway**--separately and as part of the Ports-to-Plains Alliance--is critical to the economy and quality of life of North Dakota, of the Great Plains region, and of the Nation. The TRE serves as a major North South corridor for North Dakota's energy, agriculture, tourism and manufacturing economic sectors.

I know this Committee is fully aware of the immediate transportation infrastructure needs in our state. The Theodore Roosevelt Expressway Association supports long term sustanable state transportation funding for NDDOT. On the Federal level TREA and the Ports to Plains Alliance supports a long term Federal Transportation Bill.

Today, you have House Bill 1012 before you. HB 1012 can offer funding to help modernize North Dakota's surface transportation system. HB 1012 can contribute to the current and future prosperity of North Dakota and our Nation with a safe and efficient transportation system for industry, business and the traveling public.

Therefore, the Theodore Roosevelt Expressway Association and the Ports to Plains Alliance supports House Bill 1012.

That concludes my testimony, I will try to answer any questions you may have.

Thank You,

Cal Klewin

**Executive Director** 

**Theodore Roosevelt Expressway Association** 



Testimony House Bill 1012 – Department of Transportation State Aid for Public Transit Budget Senate Appropriation Committee March 12, 2015

\$+4 3.12.15

Chairman Holmberg and members of the committee, my name is Pat Hansen. I am the executive director of South Central Adult Services in Valley City. I am also a member of the North Dakota Senior Service Providers and Dakota Transit Association.

The State Aid for Public Transit funding we receive is used to match federal dollars for operating vehicles and as local match for purchasing vehicles for use in public transit. Replacing vehicles statewide is a priority since the average vehicle age in ND is 6.9 years (only 8 states in the country have older transit vehicle fleets) according to the 2014 Rural Transit Fact Book published by SURTC. If we do not receive adequate state funding for match, we may not be able to access all of the federal dollars we are appropriated.

I am going to talk about what is happening in my agency as an example of what is occurring statewide with public transit services in North Dakota.

Our Agency is seeing huge increases in demand for services. This increases miles driven, creates increases in fuel bills, personnel costs and vehicle maintenance costs. We currently have 10 vehicles with less than 100,000 miles, 13 vehicles with 100,000 -150,000 miles, 2 with 150,000 – 200,000 miles, 5 over 200,000 miles and 1 over 300,000 miles. Our ridership has increased by 87%, from 62,738 rides in FY 08/09 to 117,866 rides in FY 13/14. South Central Adult Services provides the same service in the very rural areas of North Dakota that are available in the larger cities. The very rural counties we service, which include LaMoure, Foster, Logan, McIntosh, Griggs and Emmons provided 50,910 rides this past fiscal year. Barnes County (which is our "urban" county) provided 66,965 rides. Local service is provided to communities within the counties, and transit is available from the southwestern counties to Bismarck 5 days per week, to Jamestown 3 days per week and to Fargo 5 days per week. We are transporting dialysis patients from

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Strasberg, Linton, Wishek, Ashley, Carrington and Valley City on a regular basis. We have made more than 100 trips to Fargo with patients for radiation treatments and chemotherapy in the last few months.

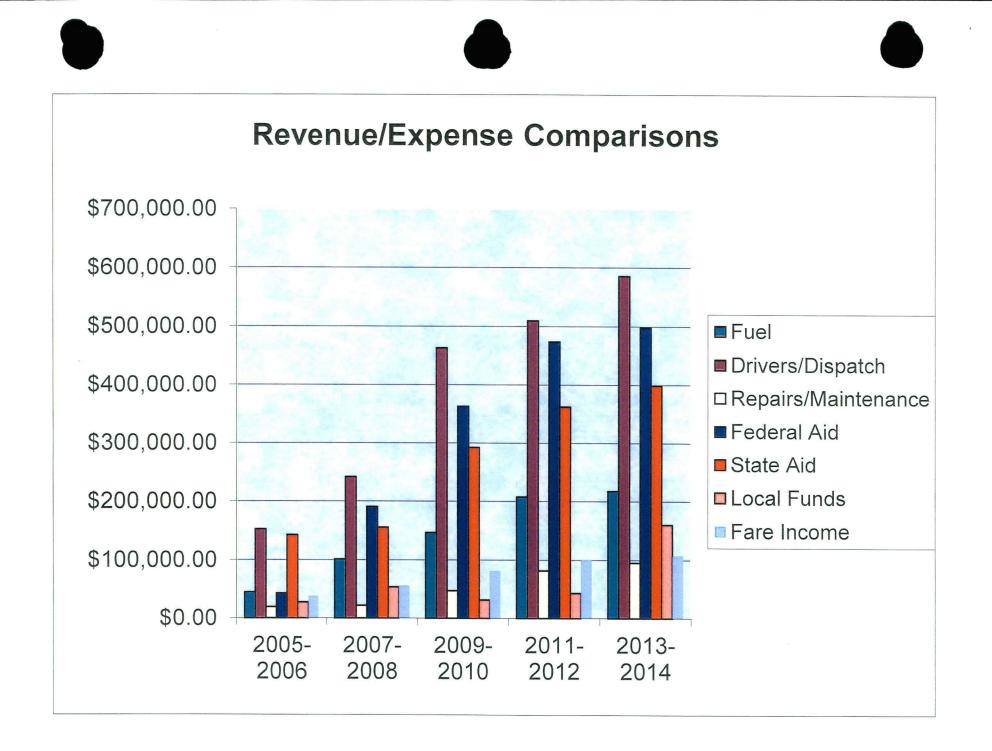
That is only the tip of the iceberg. We provide rides for local medical appointments, rides to work and school and many rides for local grocery shopping, hair appointments, rides to senior centers and rides for nursing homes and assisted living facilities. We currently have 15 full-time and 29 part-time transit employees. As you can see on the attached chart, the cost of personnel has increased dramatically over the past few years. We have had to increase wages in order to complete with other employers in our area and have increased hours to keep up with the demand for services. Even taking the impact on the residents of our counties out of the picture, if we do not receive adequate funding, the staff reductions in these rural counties would be devastating to our employees and to the small rural communities where there are very few jobs available.

I have attached charts indicating our federal and state funds, ride provision, total budgets and fuel costs for the past several years to show the huge increases we are experiencing.

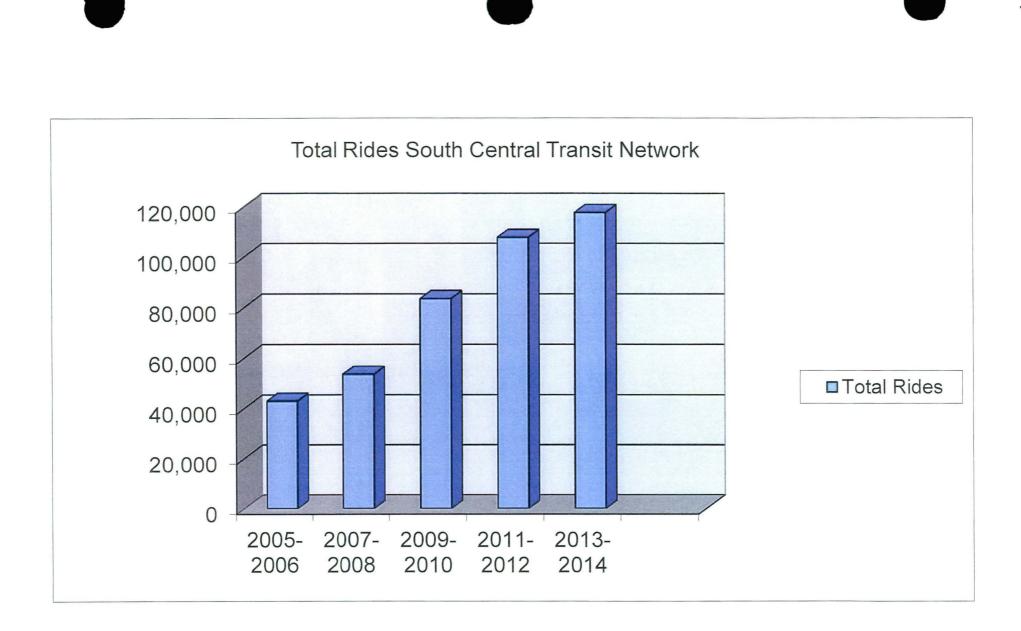
HB 1012 estimates there will be \$9.3 million available in the State Aid for Public Transit fund in the 2015-17 biennium. In the current biennium, the estimate was for \$8.9 million to which the 2013 Legislature added a \$1.1 million contingent appropriation making a total of \$10 million. Even at the \$10 million level, South Central had to provide \$160,000, or 13% of our budget in the July 2013-June 2014 fiscal year in local funds to maintain services. To meet the increasing demands for public transit services statewide, the transit providers are targeting a figure of \$12.5 million to be closer to what the actual needs are during the 2015-17 biennium. This will require the Legislature to add a \$3.2 million contingent appropriation to make the \$12.5 million funding level a reality.

I would also like to talk to you about what is happening in the world of Public Transit Capital Funding. The bottom line in North Dakota is currently there is need for more than \$23 million dollars of Capital Replacement and there are only \$2.3 million Federal dollars over the next biennium to fill the need. North Dakota has totally relied on Federal Funds for capital replacement (80% Federal dollars, 20% Local dollars). We realize that capital funding this session will likely not be realistic, but we feel you need to be aware of our future needs for capital funds. Due to the reduction in projected revenue this biennium we determined that fully funding the need for State Aid is more of a priority at this time than trying to get capital funding. It will not help us to get new vehicles that we cannot afford to operate.

Thank you for your consideration. I would be happy to answer any questions you may have.



H. J



X.J

## Krebsbach, Karen K.

From:	Greg Johnson <gjohnson@ndportservices.com> HB1012</gjohnson@ndportservices.com>
Sent:	Monday, March 09, 2015 1:11 PM
To:	Krebsbach, Karen K. 3-12-15
Cc:	Gene Griffin (gene.griffin@live.com)
Subject:	FW: ND DOT Amendment to Appropriations Bill
Attachments:	HC Resolution 3034.pdf; Junhke 2-17-15.pdf; HB 1012 Truck Study Ammendment
	2-28-15.docx; A coalition resolution urging Congress to authorize a compact agreement
	between member 2-25-15.docx; Gene Griffin

Senator Krebsbach,

Thank you for the return call this morning in regards to the DOT Amendment that Gene Griffin is working on. This will be very helpful with the continued development of intermodal in North Dakota.

Gene will be very helpful and the best to communicate with as he is leading the charge and would keep the communication process as streamlined as possible. His contact information is below. I have as well attached Gene's V-Card for your convenience.

Feel free to contact me if I can be of any assistance.

Thanks Karen for your assistance in this. It is much appreciated.

Gregory Johnson, CEO North Dakota Port Services, Inc. PO Box 1236 Minot, North Dakota 58702-1236 Phone: (701) 852-7678 Fax: (701) 852-3810

Email: gjohnson@ndportservices.com

From: Gene Griffin [mailto:gene.griffin@live.com]
Sent: Friday, March 06, 2015 2:52 PM
To: 'Greg Johnson'
Cc: Scott Rising (scott.rising@ndsoygrowers.com); Joel Gilbertson (jgilbertson@vogellaw.com); 'dean@ndto.com'
Subject: ND DOT Amendment to Appropriations Bill

HI Greg,

Great to talk to you this afternoon. As I mentioned, the ND Intermodal initiative program is working with several groups to form a coalition to increase trucking productivity and support Congressional action to allow the Western states Transportation Alliance (WSTA) to adopt and harmonize truck weights and lengths for the standard WSTA truck envelope of 129,000 lbs gross weight and 100 foot length. This is consistent with HCR 3034. It is the coalition's belief

#5.

that this *Will* reduce overall trucking costs for agriculture and also reduce drayage costs for container movements within ND by as much as 35%. Presumably this will give NDPS a competitive advantage over Minneapolis.

Additionally, the coalition would like the DOT to study the issue as well. We have drafted language to include in the DOT appropriations bill that would provide \$60,000 to conduct such a study. We would be very grateful if you would contact/ Senator Krebsbach and ask her to support this effort and consider introducing this amendment.

I've attached the following for your information:

- ✓ A short paper on this subject developed for Northstar Agri Industries
- ✓ HCR 3034
- ✓ A resolution by the coalition supporting increasing trucking productivity
- ✓ The suggested language for the amendment

Thanks for your help on this and please call if you have any questions.

Take care,

Gene

Gene Griffin Global Innovative Solutions 150 49<sup>th</sup> Ave East West Fargo, ND 58078 701.793.1081 gene.griffin@live.com

5.2

Proposed Amendment to HB 1012

**SECTION ??. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury the sum of \$60,000, or so much of the funds as may be necessary, to study the harmonization of truck weight and size regulations with states in the Western States Transportation Alliance (WSTA) and the WSTA standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and the implications thereof in collaboration with the Upper Great Plains Transportation Institute.

#### 15.3098.02000

#### Sixty-fourth Legislative Assembly of North Dakota

#### FIRST ENGROSSMENT

#### ENGROSSED HOUSE CONCURRENT RESOLUTION NO. 3034

Introduced by

Representatives Weisz, Owens, Ruby

Senator Oehlke

1 A concurrent resolution urging Congress to authorize a compact agreement between member

2 states and contiguous states of the Western States Transportation Alliance to lift the federal

3 freeze on commercial vehicle weight and size limitations.

WHEREAS, the Western States Transportation Alliance member states and contiguous
states consist of Colorado, Idaho, Kansas, Montana, Nebraska, New Mexico, Nevada, North
Dakota, Oklahoma, South Dakota, Texas, Utah, Washington, and Wyoming; and

WHEREAS, federal legislation placed a freeze on commercial vehicle weight and size
limitations in those 14 states in 1991; and

9 WHEREAS, the Western States Transportation Alliance approved a resolution to create a
10 compact agreement between the states on November 17, 2014; and

11 WHEREAS, the compact agreement would give the states voluntarily participating in the

12 agreement the authority to adopt routes and set restrictions on operations; and

13 WHEREAS, the compact agreement would set limits on the weight and size of commercial

14 vehicles in the participating states to not exceed 129,000 pounds gross vehicle combination

15 weight or 100 foot cargo carrying length;

16 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF
 17 NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

18 That the Sixty-fourth Legislative Assembly urges Congress to authorize a compact

19 agreement between member states and contiguous states of the Western States Transportation

20 Alliance to lift the federal freeze on commercial vehicle weight and size limitations; and

21 BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution

22 to each member of the North Dakota Congressional Delegation.

15.3098.02000

5.4



P.O Box 1091 Bismarck, ND 58502 (701) 355-4458 FAX (701) 223-4645

#### MEMBERS

AmeriFlax **BNSF** Railway Company Garrison Diversion Conservancy District Independent Beef Association of ND Landowners Association of ND Milk Producers Association of ND Minn-Dak Farmers Cooperative ND Ag Aviation Association ND Ag Consultants ND Agricultural Association ND Agri-Women ND Association of Agricultural Educators ND Association of Soil **Conservation Districts** ND Barley Council ND Beef Commission ND Corn Growers Association ND Corn Utilization Council mprovement and Seed Coalition ND Department of Agriculture ND Dry Bean Council

ND Dry Edible Bean Seed Growers ND Elk Growers ND Ethanol Council ND Farm Credit Council ND Farmers Union ND Grain Dealers Association ND Grain Growers Association ND Irrigation Association ND Lamb and Wool Producers ND Oilseed Council ND Pork Producers ND Sovbean Council ND Soybean Growers Association ND State Seed Commission ND Stockmen's Association ND Wheat Commission NDSU Agricultural Affairs Northern Canola Growers Association Northern Food Grade Soybean Association Northern Plains Potato Growers tion Pulse Growers on orthwest Landowners Association Red River Valley Sugarbeet

US Durum Growers Association

Growers

Fred Helbling North Dakota Ag Coalition Chairman In Support of HB 1012 March 12, 2015

Mr. Chairman and members of the committee, my name is Fred Helbling, and I am here today as the chairman of the North Dakota Ag Coalition. The Ag Coalition has provided a unified voice for North Dakota agricultural interests for over 30 years. Today, we represent more than 40 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Through the Ag Coalition, our members seek to enhance the climate for North Dakota's agricultural producers.

The Ag Coalition takes a position on a limited number of issues that have significant impact on North Dakota's agriculture industry. These issues are brought to us by our members, thoroughly discussed and then voted on to determine if the Ag Coalition should lend its support to an issue. The Ag Coalition unanimously supports the appropriations in HB 1012, specifically the funding for rural roads and bridges as identified in the Upper Great Plains Transportation Institute's report *Infrastructure Needs: North Dakota's County, Township and Tribal Roads and Bridges: 2015 - 2034.* 

By continuing to improve our state's rural roads and bridges, we will help to ensure that North Dakota's farmers and ranchers are able to plant, harvest and market their products safely and efficiently.

The Ag Coalition encourages your support of HB 1012.

## Testimony

## House Bill 1012 – Dept. of Transportation Budget Senate Appropriations Senator Holmberg, Chairman March 12, 2015

Chairman Holmberg and members of the Senate Appropriations Committee:

My name is Leon Dietrich. I am in support of the Department of Transportation budget, as it includes transportation services for people with disabilities. In Bismarck, we are fortunate to have a fixed bus route, known as the CAT bus, and also a door-to-door bus system. Both services are very important to people with disabilities who do not drive vehicles of their own. I use this transportation to get to and from work, for social activities and for other appointments that I may have. Without this service, I would lose a lot of my independence and involvement in my community. I would ask that you support the Department of Transportation budget, to include these necessary transportation services.

Thank you Committee members for your time and consideration in this matter. I would be happy to answer any questions that you may have.

7.1

#M HB1012 3-12-15 Senate Appropriations Testimony in support of HB 1012 Kelly Sorge, Indian Hills Resort, Garrison ND. March 12, 2015

AF 8 HB 1012 3-12-15

Good morning Chairman Holmberg and member of the Senate Appropriations Committee. I'm Kelly Sorge, owner of Indian Hills Resort. If you haven't been there, it's a beautiful spot nestled in lush hills, offering fantastic fishing and rich experiences.

That being said, first impressions are lasting and irreplaceable. I spend thousands of dollars and countless hours on advertising our beautiful oasis on the lake. Our resort offers fantastic camping, lodging, newly constructed world class mountain bike trails and North Dakota hospitality.

The first experience for our guests after traveling several hours or hundreds of miles is a primitive country road full of washboards and loose rock. A couple miles of travel on this road with campers and boats is often a battle with dust, potential damage to trailers and spilled cupboard goods. It can actually be quite embarrassing at times.

Our location is not the only one at the end of roads that need improving. I believe we have the opportunity to provide a better experience and we all want to be proud of our state in the eyes of our out of state guests.

Please support funding for improved recreational opportunities in North Dakota.



Sheyenne River Valley National Scenic Byway Rosebud Visitor Center 250 West Main, Street Suite 1 Valley City, ND 58072 www.hellovalley.com

9 7 HB1012 3-12-13

Thursday, March 12, 2015

Senate Appropriations Committee Chairman Holmberg and Committee Members In Support of HB1012

Chairman Holmberg and Committee Members,

We are writing in support of House Bill 1012. Improving access to our statewide amenities is important to our visitors and residents. It is very important to the Sheyenne River Valley National Scenic Byway. Our byway is bringing more visitors to spend time and money in the small towns along the byway. We know that by the increase in collected lodging taxes in the area.

The Sheyenne River Valley National Scenic Byway has been nationally recognized. One of our award winning interpretive sites is located alongside the Standing Rock State Historic Site. Because of a poor access road we only take busses up to the site during dry weather. Another site, Little Yellowstone, has become a popular rest area off Highway 46. Access roads are in bad shape. The same can be said for another increasingly popular byway site, Clausen Springs. Adding funding for special roads can make a difference.

Tourism ranks as one of the top three industries in the state. According to the data we receive from State Tourism about visitor requests for information, byways and historical sites rank at the top most every month. People want to drive and experience the beauty of North Dakota. They want access to the historic sites, recreational and tourist amenities.

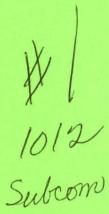
Please support HB 1012 and consider increasing the amount as the needs are great.

Sincerely,

Bobley Kolpplen

Bobby Koepplin, Chairperson Sheyenne River Valley National Scenic Byway Association Cell: 701-840- 0250

# SENATE APPROPRIATIONS SUBCOMMITTEE



3-26-15

HB 1012

Prepared by NORTH DAKOTA DEPARTMENT OF TRANSPORTATION BISMARCK, NORTH DAKOTA

> DIRECTOR Grant Levi, P.E.

March 26, 2015

Cover Sheet.

## Senate Appropriations Subcommittee March 26, 2015 - Harvest Room

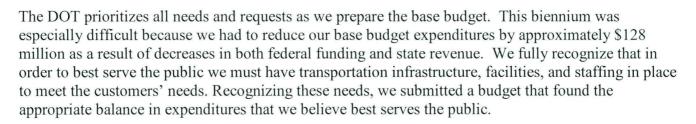
## North Dakota Department of Transportation Grant Levi, P.E. - Director

## HB 1012

Mr. Chairman and members of the committee, I'm Grant Levi, Director of the North Dakota Department of Transportation (DOT), per your request we are here to provide you with additional information on HB 1012.

It is essential that the Department has sufficient state funding to maintain the transportation infrastructure. The \$400 million removed in Engrossed HB 1012 from the Enhanced State Highway Infrastructure Investment funding request is crucial for the Department to address the state highway transportation needs across the entire state. As a result, after we discuss the facility and staffing needs you asked us to address, we have also included additional information on why it is essential to provide the transportation funding as requested in the Executive Budget:

- Amendment to HB 1012 to address the motor vehicle procurement .
- A summary statement that captures our suggested changes to Engrossed HB 1012.



### Requested list of facility needs included in DOT's base budget:

When developing our biennial budget request the DOT carefully scrutinizes each identified facility need. The needs that are most important to our continued efficient and safe operations are included in our biennial base budget request.

When we started our budget discussions last summer, we evaluated a list of approximately \$54 million in comprehensive facility projects.

• Many of these projects relate to facilities that were constructed 45-75 years ago.

We reduced the initial \$54 million list of proposed facility projects to just over \$10.9 million. The final request for facility projects was incorporated into our base budget; none of the facility projects have been requested as optional items.

Following is the list for facility projects that are essential to continue to meet our customers' needs which includes having equipment stored inside facilities so it is available for snow and ice control as well as adequate space for drivers license services.

#### • Bismarck District = \$2,635,000

 Asbestos Abatement and repair of Bismarck District facility. The existing equipment storage facility was built in 1939 and contains asbestos. A facility is needed for snow/ice equipment that is parked outside during the winter. When equipment is stored outside, components can get iced up which can damage electrical components and it can take many hours to remove the ice from the truck before it can go out and clear the road.

### • Williston District = \$2,695,400

- Asbestos Abatement and repair of Williston District facility. Equipment storage facility– Snow/ice equipment is parked outside during the winter.
- Driver's License Addition and Remodel The existing facility lacks space.
   Examiner area is small and hard to work in. Waiting area is small and at times people have to stand outside waiting for service.

### • Grand Forks Drivers License facility = \$400,000

Driver's License Remodel – Examiner area is small and hard to work in. Waiting area is small and at times people have to stand outside waiting for service.

### • Section Facilities = \$2,480,000

- Continue to work on facility plan and replace four out of 62 Section facilities. The facilities are needed to park equipment indoors.
  - Cooperstown built in 1969
  - Maddock built in 1967
  - Mayville built in 1968
  - Towner built in 1973.
- Radio Towers = \$1,200,000
  - The existing facilities at the radio tower sites house the electronics for the DOT, Department of Emergency Services, and in some instances the National Guard, FBI, Bureau of Criminal Investigation, Federal Aviation Administration, United States Fish and Wildlife Service and other state and federal agencies. The existing facilities are located right next to the base of the towers. Over the years ice that has built up on the towers and cables has fallen on and damaged the structural integrity of the buildings. Many buildings have had two or three roofs replaced over the last number of years. Damaged, leaky roofs put the electronics at risk, and made the buildings susceptible to mice and rodent infestation which has also damaged equipment.
  - Initially there were 37 tower sites that needed upgrading. This will be the third phase of a four phase replacement process. We have completed 18 upgrades through the first two phases, which cost approximately \$155,000 per site during the most recent phase.

### • Salt Storage Facilities = \$725,000

- To address environmental rules and regulations, it is advantageous to the state to provide salt facilities. Fargo District is in need of a large salt shed to place salt under cover to address environmental concerns.
- Bismarck, Valley City, Devils Lake and Minot Salt Brine Facilities are needed as current facilities are at the end of their life or are inadequate.

Please see <u>Attachment A</u> for more information on facilities. We need the ability to work on facility projects as contained in our base budget.

As written, Section 8 of HB 1012 not only prevents the Department from proceeding with the facility needs described above but it appears to also prevent us from making repairs to other facilities. The way it currently reads it would limit our ability to repair, make improvements or comply with ADA requirements on other facilities such as rest areas, drivers license offices, etc. For example, it raises the question - If a roof on a building became damaged during a storm, could we repair it?

### Requested information on FTE's included in DOT budget:

To minimize the need for additional staffing, the Department has always taken the approach to look for creative ways (outsourcing, law changes, process changes, etc.) to help complete the Department's work and to meet the transportation needs of our state.

- The construction program has tripled in size and as the Department worked to get all of the work completed, we outsourced 60-75% of the work on highway projects.
- To also meet the tremendous growth in motor vehicle services, we have outsourced motor vehicle work to assist with customer service and branch office paperwork.
- In driver's license we introduced two pieces of legislation;
  - HB 1121 allows driving schools that are certified to provide a portion of the skills testing for drivers. This bill has passed and is proceeding to the Governor's office for signature.
  - HB 1122 proposed legislation for an online drivers license renewal system, similar to what other states are doing. This bill did not pass.

Even with all of these efforts (outsourcing, etc.), it is necessary to request two FTEs. We have challenges complying with all environmental rules and regulations. We cannot outsource the Environmental Scientist or Archaeologist position because a DOT staff member is needed to provide guidance to consultants, county and city officials on environmental and cultural guidelines and regulations for state and local road projects.

- Environmental Scientist There has been considerable growth in federal regulations concerning storm water runoff. Below are examples of fines assessed to DOTs by the Environmental Protection Agency (EPA) in recent years:
  - A North Dakota contractor was fined \$40,000 in 2012. In addition to the fine the DOT was required to enhance its storm water runoff program. While the fine was relatively low, it should be noted it was North Dakota's first fine and it is in EPA's history to increase fines with each violation.



- <u>Attachment B</u> is a letter we recently received from EPA which indicates we have fulfilled the commitments made as part of their sanction, but it is advising us we have continued obligations under the Clean Water Act.
- Alaska DOT fined \$118,000 in 2014 for a 2009 incident on mishandled highway paint.
- Hawaii DOT fined \$1.2 million and required to fix federal Clean Water Act storm water violations from 2008 and 2009 inspections.
- Kansas DOT fined \$477,500 for violations from storm water inspections from 2008, 2010 and 2012.
- To ensure the NDDOT complies with federal regulations we are requesting one additional FTE to provide oversight on state, city and county projects.
- Archaeologist To provide project management of cultural resource projects and surveys, obtain section clearances, assist with tribal consultation and with material source review and approval, and maintain technical proficiency in this field of work.
  - Regardless of the type of funding, if there is any federal nexus, the DOT and local governments are required to comply with the National Historic
     Preservation Act of 1966. Projects also need to comply with ND
     Administrative Rule 40-02, in accordance with State Law 23-06-27, protecting human burial sites, human remains, and burial goods.
  - With the increased rebuilding of state and local roadways additional surveys, studies and consultation is needed with tribal governments, and as a result one additional position is being requested.

### **Enhanced State Highway Infrastructure Investment:**

The \$400 million removed in Engrossed HB 1012 from the Enhanced State Highway Infrastructure Investment funding request is crucial for the Department to address the state transportation needs in order to continue to provide service to the traveling public. The Executive Budget recommended a total investment in state highway work of \$1.875 billion, including work on state highways in cities. The Upper Great Plains Transportation Institute (UGPTI) needs study for work on the state highway system is \$3.54 billion for the 2015-17 biennium. The funding provided in SB 2103 (\$450 million) was a portion of the total investment requested. The additional funds to total the \$1.875 billion was federal funding and the \$904 million general funds transfer included in HB 1012 executive budget recommendation. Without this investment the state's infrastructure will continue to deteriorate and North Dakota's ability to move commerce will be diminished, thus affecting businesses ability to remain economically competitive. Please see <u>Attachment C</u>.

### Amendment:

As discussed in earlier testimony, we ask that you revisit Section 13 of Engrossed HB 1012 and amend the motor vehicle information as shown in <u>Attachment D.</u>



#### **Summary**

We appreciate the time you have taken to discuss the Department's budget. To ensure the Department can continue to address our customers' needs, we ask that you amend Engrossed HB 1012 as follows:

- Enable DOT to proceed with much needed facilities and the Maintenance IT project requested in our base budget. We respectfully request you to remove Section 8 of engrossed HB 1012 to reinstate these items.
- Provide two FTEs, which will enable the Department to process environmental documents for state and county projects, as well as addressing storm water runoff on projects and decreasing the risk of being fined.
- Restore the State Fleet request for motor coach expenses to \$1 million. This will allow DOT to recover substantial capital and operating costs incurred in providing a fleet of motor coaches for the higher education institutions. The State Fleet cannot pass this loss to any other vehicle group; that is not allowed per federal regulations. Therefore, any ending deficit in the group must be covered by another source of funding. We cannot use our traditional highway funding for this type of expenditure.
- Modify the language included in Section 13 to address the Motor Vehicle procurement concerns as requested.

It is essential to maintain transportation services for the public. The \$400 million removed in Engrossed HB 1012 is needed for enhanced state highway investments. Projects proposed to be funded in the Executive Budget will need to be delayed if the funding is unavailable. We ask that you amend Engrossed HB 1012 to restore the \$400 million as requested in the Executive Budget so the total enhanced state highway investment contained in HB 1012 is \$904,115,558. This would allow the Department to start to address the UGPTI 2015-17 biennial needs for state highways of \$3.54 billion.

In addition to what we have discussed here today, there are other bills that will have an impact on our budget. We would welcome the opportunity to discuss the impacts of those bills with you.

Mr. Chairman, that concludes my testimony and I will be happy to answer any questions the committee may have.

## **NDDOT District Facilities — March 2015**

## Attachment A



Inadequate space for plows inside shop





Plows stored outside need to be worked on before going on the road.





Water sedimentation in pipes.

Asbestos located throughout the building including the ceiling, tile floor and pipes.

## NDDOT Letter From EPA— March 2015

## **Attachment B**



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 8 1595 Wynkoop Street

> DENVER, CO 80202-1129 Phone 800-227-8917 http://www.epa.gov/region08 MAR 1 6 2015

Ref: 8ENF-W-NP

#### <u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

Grant Levi, P.E., Director North Dakota Department of Transportation 608 East Boulevard Avenue Bismarck, North Dakota 58505

> Re: Consent Agreement under the Clean Water Act Docket No. CWA-08-2011-0039

Dear Mr. Levi:

This letter concerns the subject Consent Agreement (Agreement) issued June 12, 2012, between the U.S. Environmental Protection Agency, the North Dakota Department of Transportation, and Gowan Construction, Inc. Under paragraphs 9-11 of the Agreement, the NDDOT agreed to take corrective actions and submit annual reports to the EPA through January 2015. On January 9 and March 6, 2015, the EPA received via postal mail and email the final submission required from the NDDOT under the Agreement. The EPA has reviewed this submission.

With this letter, the EPA notifies you that the NDDOT has satisfied its obligations under the Agreement. Although the NDDOT has no further obligations under the Agreement, please be advised that the NDDOT has continuing obligations under the Clean Water Act. We encourage you to continue implementing the measures that the NDDOT initiated under the terms of the Agreement, notwithstanding the fact that those measures are no longer required under the Agreement.

If you have any questions regarding this letter or the Agreement, please contact Mr. Michael Boeglin at 303-312-6250. Thank you for the cooperation of the NDDOT during the period of the Agreement.

Sincerely,

Gwenette C. Campbell, Unit Chief NPDES Enforcement Program Office of Enforcement, Compliance, and Environmental Justice

ce: Mr. Marty Haroldson, North Dakota Department of Health



2015 MAR 16 AM 9:31

FILED EPA REGION VIII HEARING CLERK





## **NDDOT House Modifications to HB 1012**

4

.

## **Attachment C**

	Legislation as Introduced	Amend- ments	Crossover Version
HB1012			
Salaries	\$212,509,974		
Less:			
Reductions to Executive Compensation Package		(\$3,745,416)	
Elimination of 2 requested FTEs:			
Environmental Scientist		(\$195,143)	
Archaeologist		(\$182,280)	
Total Salary Changes		(\$4,122,839)	
House Salary Recommendation			\$208,387,135
Operating Expenses	\$473,262,751		
Less:			
Reduction in Enhanced State Highway Infrastructure Investment		(\$77,500,000)	
Elimination of Information Technology Project		(\$589,000)	
Total Operating Expense Changes		(\$78,089,000)	
House Operating Expense Recommendation			\$395,173,751
Capital Assets	\$1,428,596,960		
Plus:			
Reallocation of Information Technology Cut to Highway Projects		\$589,000	
Less:			
Reduction in Enhanced State Highway Infrastructure Investment		(\$322,500,000)	
Reduction in Recreational Access Road Funding (Special Roads Fund)		(\$4,000,000)	
Total House Capital Asset Changes		(\$325,911,000)	
House Capital Asset Recommendation			\$1,102,685,960
Grants	\$63,918,030		
Plus:			
Short Line Rail Program		\$2,000,000	
Less:			
Reduction in Funds for State Fleet Motor Coaches		(\$250,000)	
Total Grant Changes		\$1,750,000	
House Grant Recommendation			\$65,668,030
Total Provided for Transportation via HB1012	\$2,178,287,715	(\$406,372,839)	\$1,771,914,876

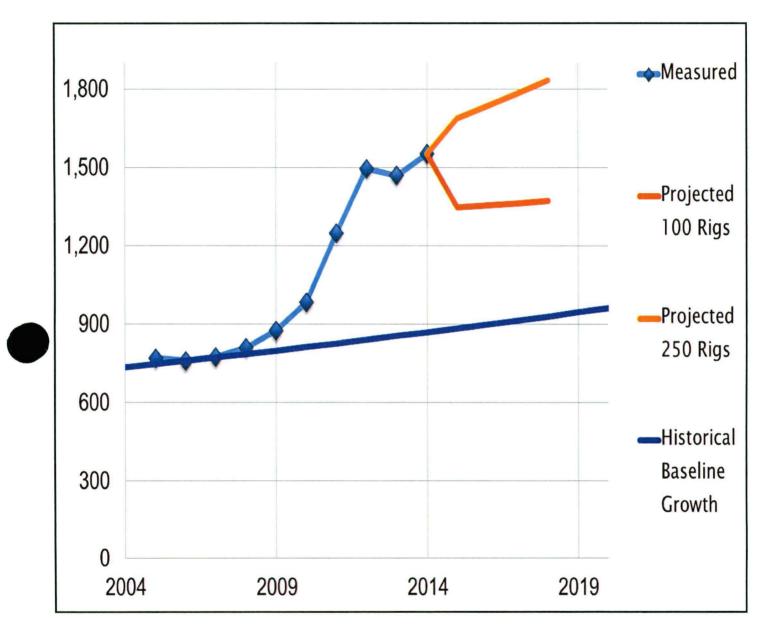


## **Traffic Growth**

From 2010 to 2014 traffic increase 26% on all state highways across North Dakota and increased 71% in the oil impacted counties of western North Dakota.



NDDOT — March 2015



## **Truck Traffic Vehicle Miles**

1.10

**Attachment C-3** 

## NDDOT — March 2015

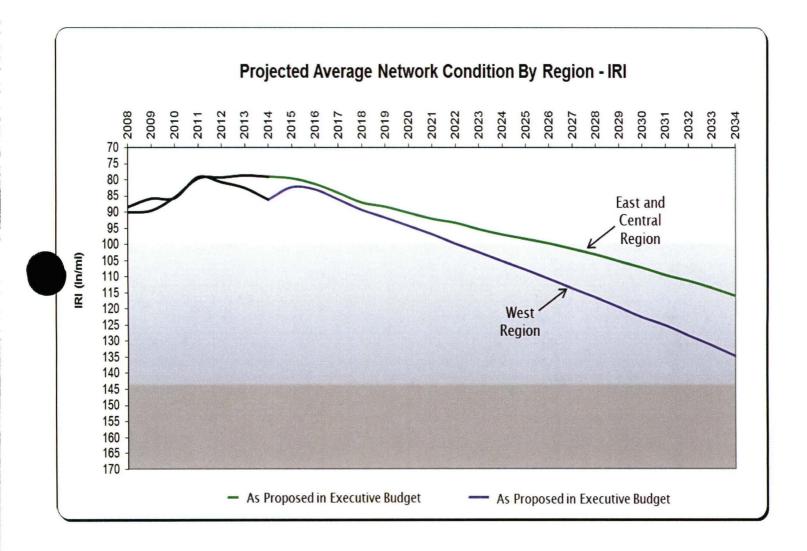
## **System Condition**



Alligator cracking on ND Highway 23 near Johnson's Corner between Watford City and ND Highway 73.

1. 11

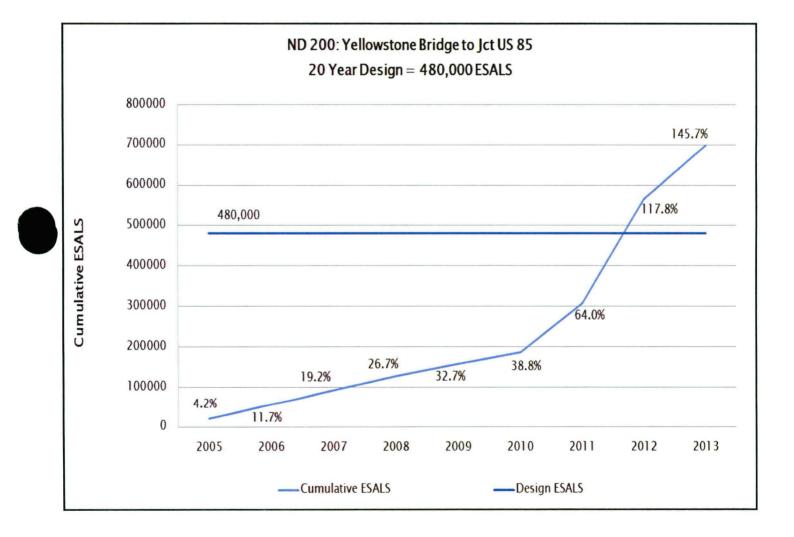
## **Pavement Management**



NDDOT — March 2015

**Attachment C-5** 

## **Roadway Design Life**



## Proposed 2015-17 Governor's Executive Budget for Roads & Bridges

FUNDING 2015-2017 BIENNIUM	WEST REC		CENTRAL & REGION (\$ Million	IS	TOTAL (\$ Millions)		
Enhanced State Highway Investments (Rural, city and state highways)	TOTALS	\$1,354.0	TOTAL	\$0.0	TOTAL	\$1,354.0	
	State	\$46.6	State	\$449.6	State	\$496.1	
STIP (2015 - 2016)	Urban	\$21.5	Urban	\$87.4	Urban	\$108.9	
(Federal funds with state and local matches)	County	\$45.4	County	\$29.1	County	\$74.4	
matches)	TOTAL	\$113.4	TOTAL	\$566.0	TOTAL	\$679.4	
	State	\$22.8	State	\$2.7	State	\$25.5	
Emergency Relief (ER)	Urban	\$0.0	Urban	\$0.0	Urban	\$0.0	
	County	\$0.0	County	\$7.2	County	\$7.2	
	TOTAL	\$22.8	TOTAL	\$9.8	TOTAL	\$32.7	
State Funds Non-Oil Producing Coun- ties, Cities, & Townships <sup>(1)</sup>		\$0.0		\$100.0		\$100.0	
TOTAL 2015 - 2017 BIENNIUM		\$1,490. <b>2</b>		\$675.8		\$2,166.1	

(1)Includes \$52 M for Counties, \$28 M for Cities, & \$20 M for Townships

- Approximately \$1.875 billion of \$2.166 billion in budget recommendation is being spent on the state system, including state roadways within cities. The remaining funds are funds for local roadways.
- UGPTI study indicates approximately \$3.54 billion should be spent.
- The Governor proposed a gross production tax formula change for oil producing counties.

## Motor Vehicle - HB 1012 Section 13 Amendment House Intent

## 39-02-03. Powers and duties of director and department

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Current branch office contracts entered into under this section with private vendors may extend five years and may be renewed in accordance with this section. One year prior to the end of each current private vendor branch office contract term the department shall consider entering into contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter into direct negotiations and contract with qualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department."

#### Department of Transportation - Budget No. 801 House Bill No. 1012 Base Level Funding Changes

		Executive Bud	get Recommendat	ion		Hou	se Version			House Changes	s to Executive Bud	get H	B1012
	FTE				FTE				FTE	General			BIUI
	Positions	General Fund	Other Funds	Total	Positions	General Fund	Other Funds	Total	Positions	Fund	Other Funds	Total	/
2015-17 Biennium Base Level	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	0.00	\$0	\$0	\$0	3-16-15
2015-17 Ongoing Funding Changes													1.00 -
Base payroll changes			\$1,909,645	\$1,909,645			\$1,909,645	\$1,909,645				\$0	
Salary increase - Performance			9,441,399	9,441,399			7,042,812	7,042,812			(2,398,587)	(2,398,587)	
Salary increase - Market equity			364,295	364,295				0			(364,295)	(364,295)	
Retirement contribution increase			973,898	973,898				0			(973,898)	(973,898)	
Health insurance increase			4,684,832	4,684,832			4,676,196	4,676,196			(8,636)	(8,636)	
New FTE - Archaeologist I	1.00		182,280	182,280				0	(1.00)		(182,280)	(182,280)	
New FTE - Environmental Scientist III	1.00		195,143	195,143				0	(1.00)		(195,143)	(195,143)	
Operating expenses increases			8,748,743	8,748,743			8,748,743	8,748,743				0	
Contract patching increase			35,713,309	35,713,309			35,713,309	35,713,309				0	
Grants adjustment			(16,870,000)	(16,870,000)			(16,870,000)	(16,870,000)				0	
Information technology - Maintenance management system			589,000	589,000				0			(589,000)	(589,000)	
Remove capital assets			(159,439,821)	(159,439,821)			(158,850,821)	(158,850,821)			589,000	589,000	
Total ongoing funding changes	2.00	\$0	(\$113,507,277)	(\$113,507,277)	0.00	\$0	(\$117,630,116)	(\$117,630,116)	(2.00)	\$0	(\$4,122,839)	(\$4,122,839)	
One-time funding items													
Enhanced state infrastructure investments			\$904,115,558	\$904,115,558			\$504,115,558	\$504,115,558			(\$400,000,000)	(\$400,000,000)	
Recreational road access funding			5,000,000	5,000,000			1,000,000	1,000,000			(4,000,000)	(4,000,000)	
Loss on discontinuation of motor coaches		1,000,000		1,000,000			750,000	750,000		(1,000,000)	750,000	(250,000)	
Motor vehicle registration and titling system			2,500,000	2,500,000			2,500,000	2,500,000			0	0	
Short line railroad program				0			2,000,000	2,000,000			2,000,000	2,000,000	
Total one-time funding changes	0.00	\$1,000,000	\$911,615,558	\$912,615,558	0.00	\$0	\$510,365,558	\$510,365,558	0.00	(\$1,000,000)	(\$401,250,000)	(\$402,250,000)	
Total Changes to Base Level Funding	2.00	\$1,000,000	\$798,108,281	\$799,108,281	0.00	\$0	\$392,735,442	\$392,735,442	(2.00)	(\$1,000,000)	(\$405,372,839)	(\$406,372,839)	
2015-17 Total Funding	1,081.50	\$1,000,000	\$2,177,287,715	\$2,178,287,715	1,079.50	\$0	\$1,771,914,876	\$1,771,914,876	(2.00)	(\$1,000,000)	(\$405,372,839)	(\$406,372,839)	

#### Other Sections in House Bill No. 1012

Line item transfers

#### Executive Budget Recommendation Section 3 authorizes the Department of Transportation to transfer

funds between the salaries and wages, operating, capital assets, and grants line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.

#### House Version

Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.

Section 4 provides a \$504,115,558 appropriation and transfer from the general fund to the highway fund to be used for enhanced state infrastructure investments.

Section 5 provides a \$1,000,000 appropriation and transfer from the general fund to the special road fund to be used for improvements to roads that lead to recreational areas.

Appropriation - Transfer - General fund to highway fund

Appropriation - Transfer - General fund to special road fund

#2 Sulcent

	Executive Budget Recommendation	House Version	
Appropriation		Section 6 provides a \$2,000,000 appropriation from the strategic investement and improvements fund to the Department of Transportation for the purpose of increasing the department's short line railroad program.	
Appropriation - State Tresurer		Section 7 provides a \$8,000,000 appropriation from the general fund to the State Treasurer for distributions to townships in non-oil-producing counties.	
Legislative Intent - Contingent on federal funds		Section 8 provides legislative intent that the Department of Transportation will refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the departments receives federal funding at a level that was made known to the sixty-fourth legislative assembly.	
Exemption - Highway-rail grade crossing safety projects	Section 4 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11.	Section 9 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11.	
Carryover authority - Enhanced state highway investments	Section 5 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2017-19 biennium.	Section 10 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2017-19 biennium.	
Exemption - State disaster relief fund - Road grade raising	Section 6 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.	Section 11 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.	
Payback and reallocation of federal aid	Section 7 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.	Section 12 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.	
Amendment		Section 13 amends Section 39-02-03 regarding contracts between the Department of Transportation and branch offices within the state.	
Legislative Management study - Short line railroad infrastructure	d	Section 14 provides for a legislative management study regarding short line railroad infrastructure.	
Legislative Management study - High efficiency vehicles		Section 15 provides for a legislative management study regarding high efficiency vehicles.	
Legislative Management study - Automated motor vehicle		Section 16 provides for a legislative management study regarding automated motor vehicles.	

## Senate Appropriations Subcommittee March 30, 2015 - Harvest Room

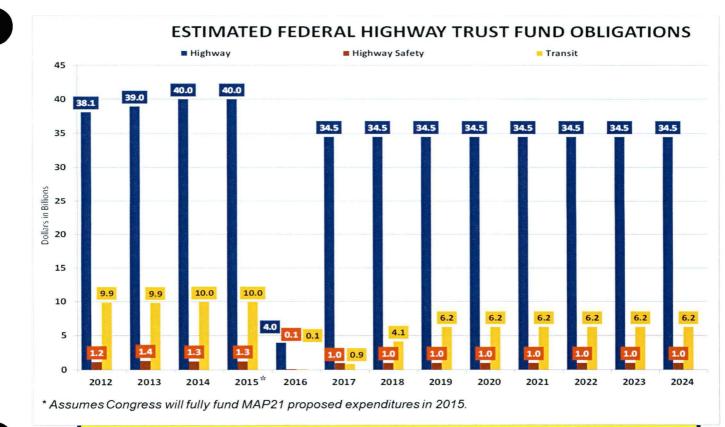
## North Dakota Department of Transportation Grant Levi, P.E. - Director

## HB 1012

Mr. Chairman and members of the committee, I'm Grant Levi, Director of the North Dakota Department of Transportation (DOT), per your request we are here to provide you with additional information on HB 1012.

### **Federal Funding**

- The uncertainty of federal funding affects the Department's budget. The DOT's Executive Budget recommendation assumes approximately \$616.5 million in federal funding.
- Congress recently passed legislation that appropriated a portion of funding for the 2015 federal fiscal year. Unfortunately, the current transportation funding program MAP-21 was extended to only May 31, 2015. This is a short-term extension of the program and as a result 2015 funding is still uncertain. As shown on the chart below the 2016 federal funding is also uncertain.



If no new revenues are found, federal highway obligations will fall by almost 100% in FY 2016.

\$1 Subcom 3.30-13 H 1012

### **Compensation Package (Energy Impact Funding Pool)**

In addition to the compensation package in Engrossed HB 1012, the budget includes \$7.5 million for Energy Impact Funding Pool. The budget authority for the \$7.5 million is included in SB 2015 (OMB Budget Bill); the revenue is part of HB 1012 and is shown on <u>Attachment 1</u>.

The Department continues to experience a large number of vacancies. The DOT currently has 31 openings statewide, 16 of the openings are in western North Dakota. The greatest employment challenges at the Department include:

- Equipment operators (CDL) and Mechanics, Engineering positions (engineers and technicians) in western North Dakota.
- Drivers License Service positions.
- Motor Vehicle Service positions.

Following is a list of salary challenges:

- NDDOT Equipment Operator Trans Tech 1 = \$16.18/hour
  - Compared to 3P Trucking Inc.= \$27/hour
- NDDOT Maintenance Mechanic in Williston = \$18.46/hour
  - Compared to Williams County Highway Depart. = \$29-\$32/hour
- NDDOT Williston Engineer/Engineer Techs 5 of 9 positions vacant

The Department is having real challenges retaining and competing for employees in a number of job areas. The Energy Impact Funding Pool, as requested in OMB's Senate Bill 2015, is essential to our ability to provide service.

#### Requested amendments to Engrossed HB 1012

Below is a summary of the requested amendments to Engrossed HB 1012:

- It is essential to maintain transportation services for state residents and motorists throughout North Dakota. Therefore, the \$400 million removed in Engrossed HB 1012 is needed for enhanced state highway investments. Projects proposed will need to be delayed if the funding is unavailable. We ask that you amend Engrossed HB 1012 to restore the \$400 million, so the total enhanced state highway investment contained in HB 1012 is \$904,115,558. This would allow the Department to start to address the Upper Great Plains Transportation Institutes' 2015-17 biennial needs for state highways of \$3.54 billion. Please see <u>Attachment 2</u>.
- The Department needs to proceed with the facilities plan and the Maintenance IT project as we discussed in previous testimony. The final budget request of \$10.9 million for facilities and \$589,000 for the Maintenance Data IT project was in our base budget and was not listed as optional requests. The funding for these two items is contained in Engrossed HB 1012. The limitation to spend those funds is in Section 8 of Engrossed HB 1012. We respectfully request that you remove Section 8 of Engrossed HB 1012. This would allow us to proceed with emergency repairs and facility improvements.
- The Department requests two FTEs to process environmental documents for state and county projects, as well as addressing storm water runoff on projects and decreasing the risk of being fined.

- While the original State Fleet request was for \$1million, the Department recently completed selling the motor coaches which has reduced the actual cost to \$983,565.07. This funding will allow the Department to recover substantial capital and operating costs incurred in providing a fleet of motor coaches for the university system.
  - The State Fleet cannot pass this loss to any other vehicle group; that is not allowed per federal regulations. Therefore, any ending deficit in the group must be covered by another source of funding. We cannot use our traditional highway funding for this type of expenditure, because of requirements in the North Dakota Constitution Article 10. The Department must charge each fleet user per requirements in state Century Code Section 24-02-03.5 which states, "Each entity using the central vehicle management system shall pay a user charge to the director. The user charge will be set by the director and must be based upon the actual cost of the service provided, including depreciation."
  - <u>Attachment 3</u> provides additional background information on motor coaches.
  - The Executive Budget requested using General Funds for the expenditure.
- Modification of the language included in Section 13 will address the Motor Vehicle procurement concerns as requested, as shown in <u>Attachment 4.</u>

We have provided budget charts for revenues and expenditures (Attachment 1) that compares enrolled SB 2012 for the 2013-15 Biennium to HB 1012 for 2015-17 Biennium and Engrossed HB 1012 for 2015-17 Biennium.

#### **Project Bid Openings**

- Per your request we are providing additional information on recent project bid openings. The early funds from SB 2103 allowed us to move forward with bid openings this month which were held on March 20, 24 and 27.
  - The prices for many of the projects in the bid openings came in below engineers estimates as illustrated below:
    - The Department bid 12 projects where a major item of work is hot bituminous paving. The engineers estimate for bids on these 12 projects was \$90 million. The low bids combined totaled \$74 million. This equates to the overall bid for these 12 projects being 18% less than the engineers estimate.
- We did not receive any bids on the West Fargo Main Avenue project and only one bid on the New Town Main Street project. In visiting with members of the construction industry, they've shared both projects had tight timeframes for completion of complex urban projects and they were bid late.

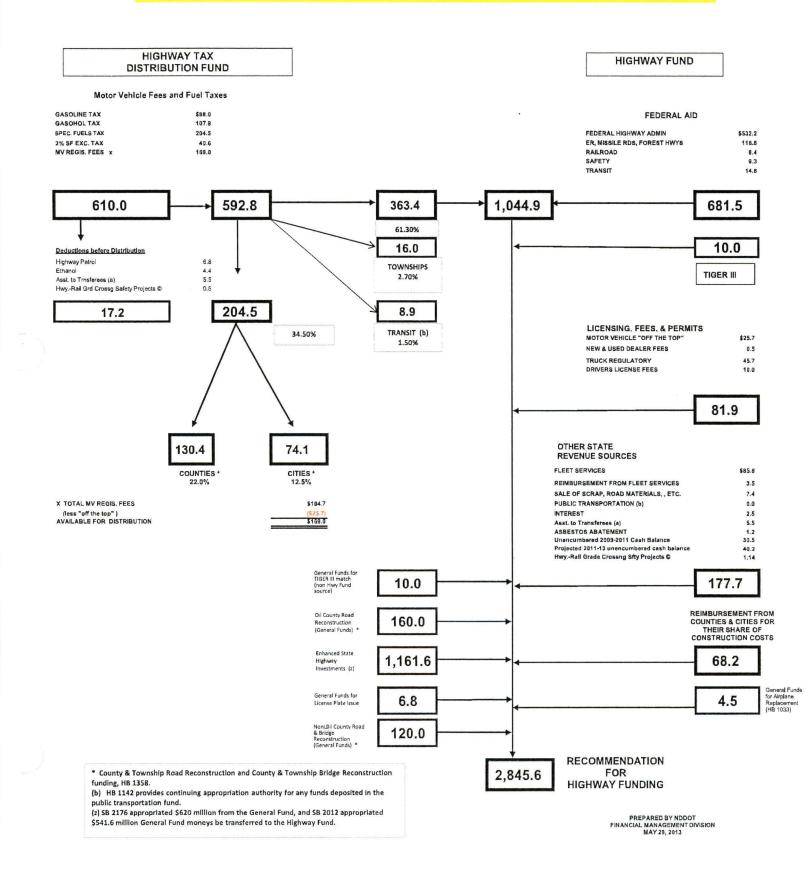
Mr. Chairman, that concludes my testimony and I will be happy to answer any questions the committee may have.



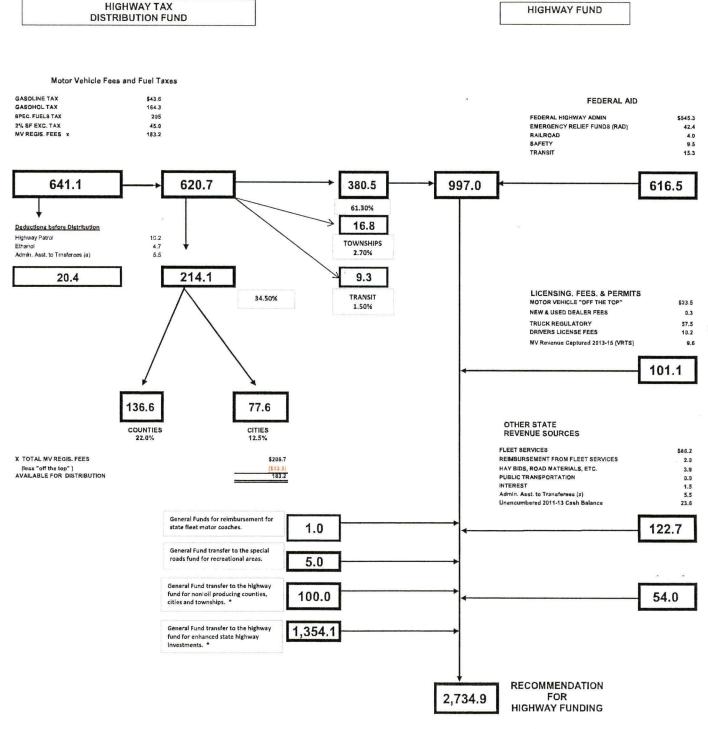


DEPARTMENT OF TRANSPORTATION ENROLLED SB 2012, SB 2176, HB 1358, & HB 1033 2013 - 2015 BIENNIUM REVENUE

(MILLIONS)



### DEPARTMENT OF TRANSPORTATION HB 1012/SB 2126 EXECUTIVE RECOMMENDATION 2015 - 2017 BIENNIUM REVENUE

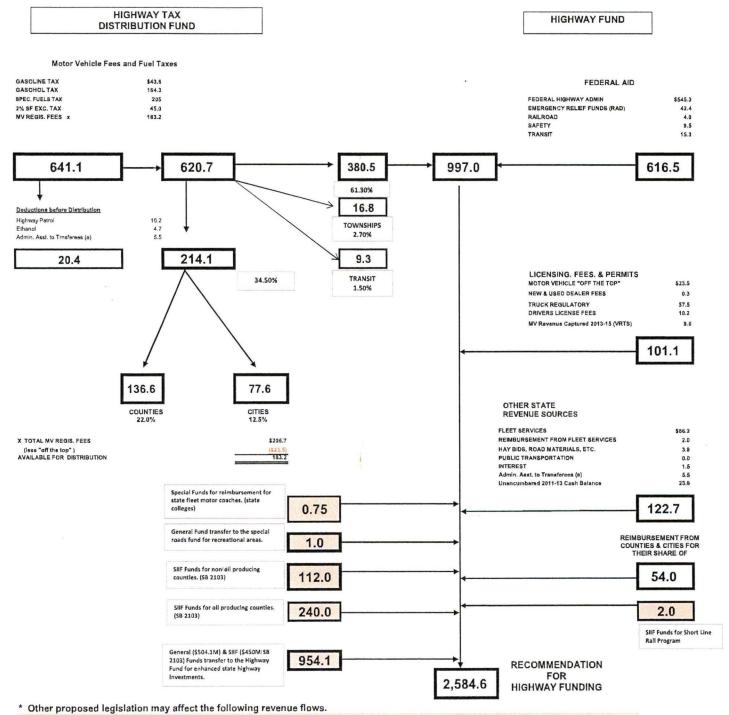


\* The \$100 million for non-oil producing counties, cities, and townships & \$450 million of the \$1.354 billion for the Ehanced State Highway Investments in

PREPARED BY NDDOT FINANCIAL MANAGEMENT DIVISION MARCH 10, 2015

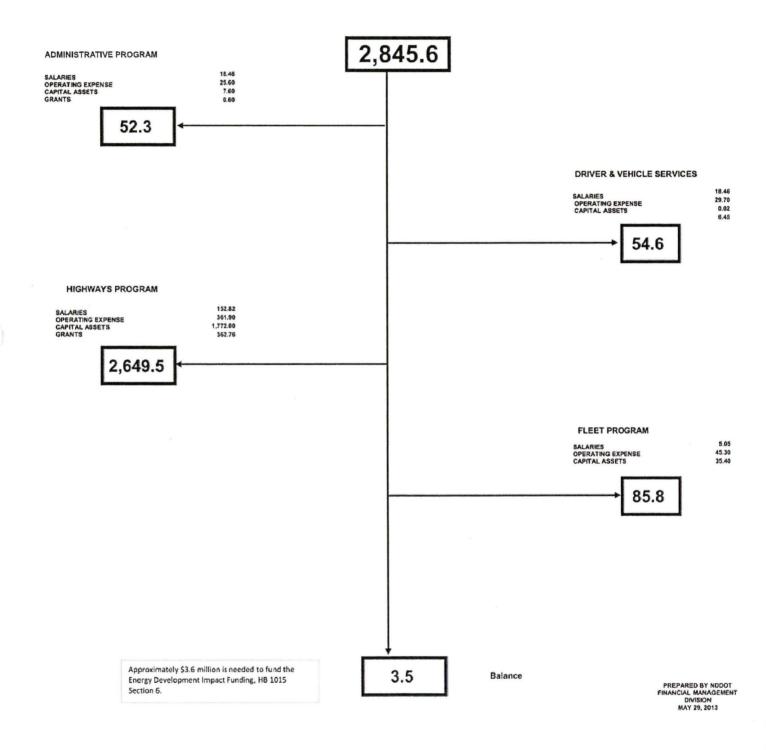
# Attachment 1

DEPARTMENT OF TRANSPORTATION ENGROSSED HB1012/ENROLLED SB2103 2015 - 2017 BIENNIUM REVENUE \*



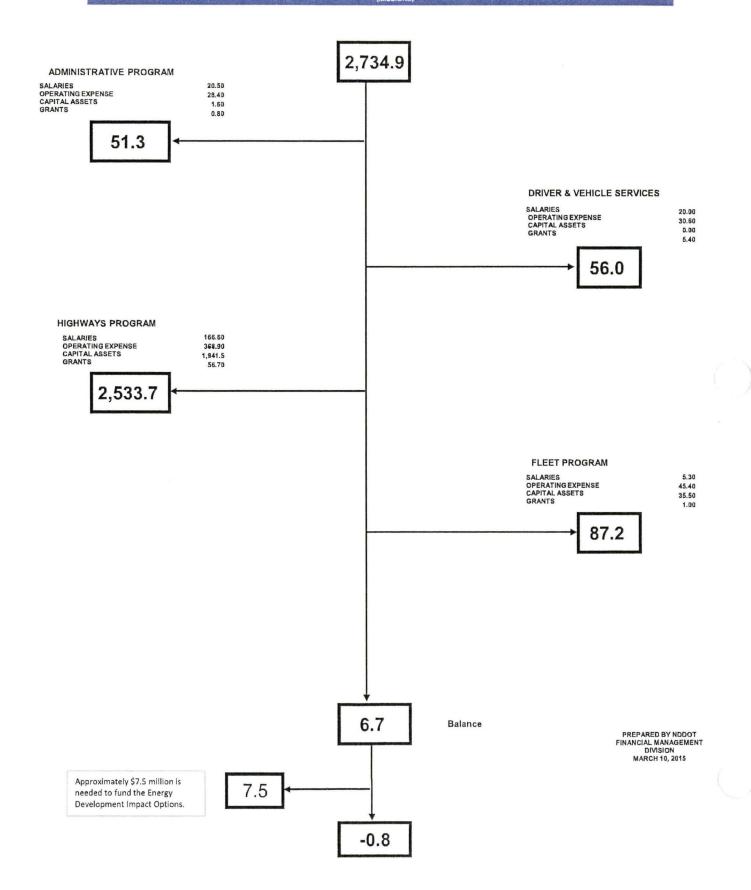
Highlighted cells denote revenue changes amended to HB 1012 Executive Recommendation, and Enrolled SB 2103.

### DEPARTMENT OF TRANSPORTATION ENROLLED SB 2012, SB 2176, HB 1358, & HB 1033 2013-2015 BIENNIUM EXPENDITURES (MILLIONS)



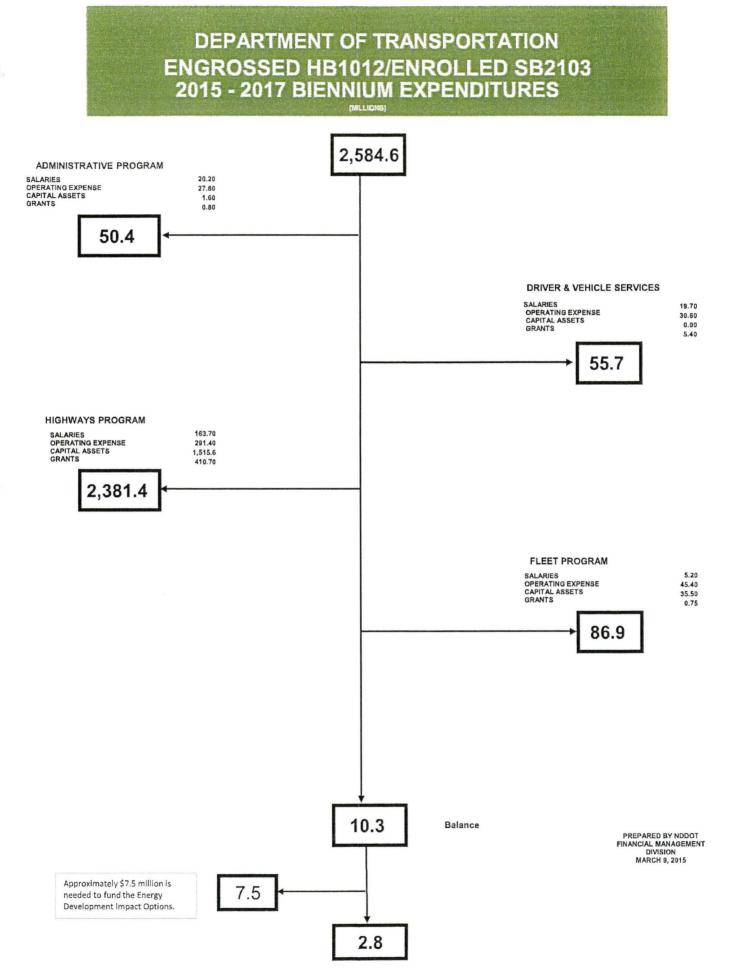
### DEPARTMENT OF TRANSPORTATION HB 1012/SB 2126 EXECUTIVE RECOMMENDATION 2015 - 2017 BIENNIUM EXPENDITURES





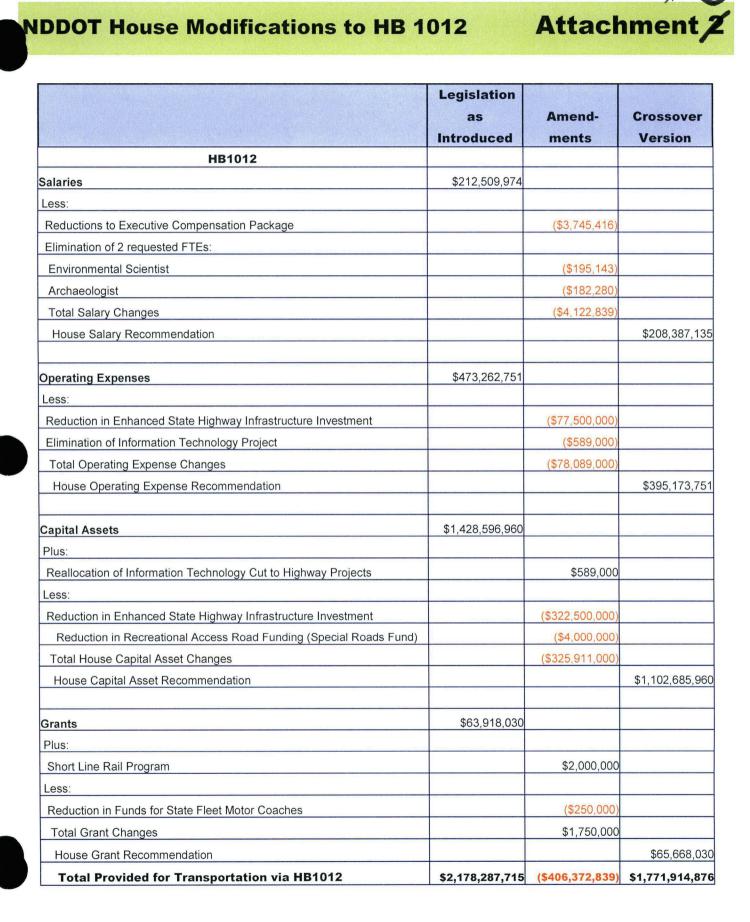
### Attachment 1

4



The Engrossed HB 1012 expenditures do not include a restoration of the spending authority lost with the change in the Executive Recommended compensation package and requested FTE's, approximately \$4.1 million.

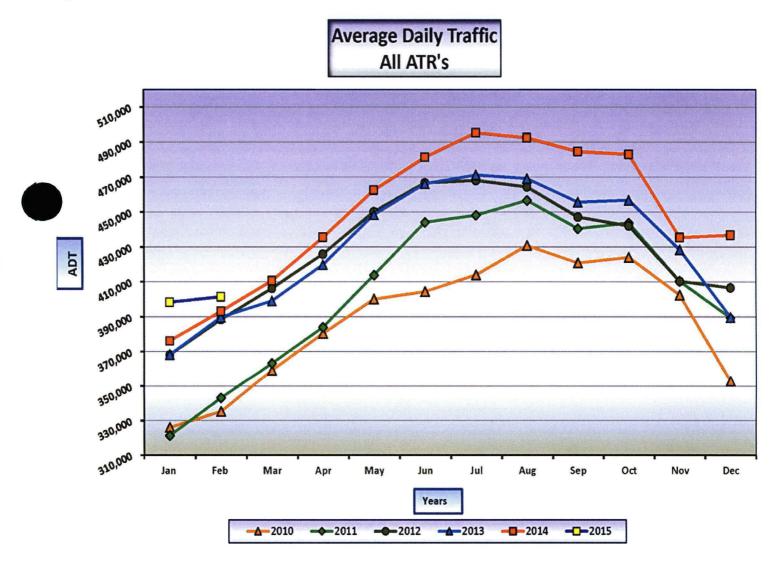
### NDDOT House Modifications to HB 1012



**Attachment A** 

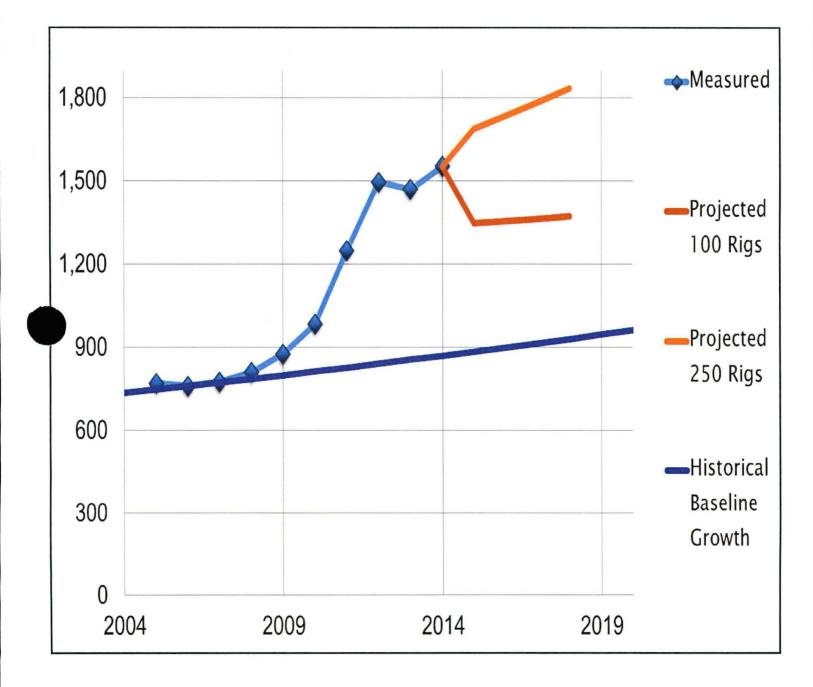
# **Traffic Growth**

From 2010 to 2014 traffic increase 26% on all state highways across North Dakota and increased 71% in the oil impacted counties of western North Dakota.



**Attachment B** 

# **Truck Traffic Vehicle Miles**



**Attachment C** 

# NDDOT — March 2015

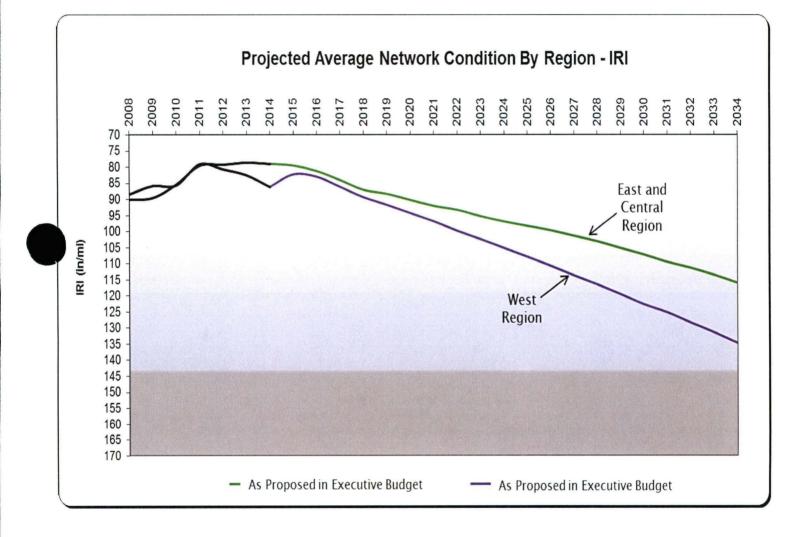
# **System Condition**



Alligator cracking on ND Highway 23 near Johnson's Corner between Watford City and ND Highway 73.

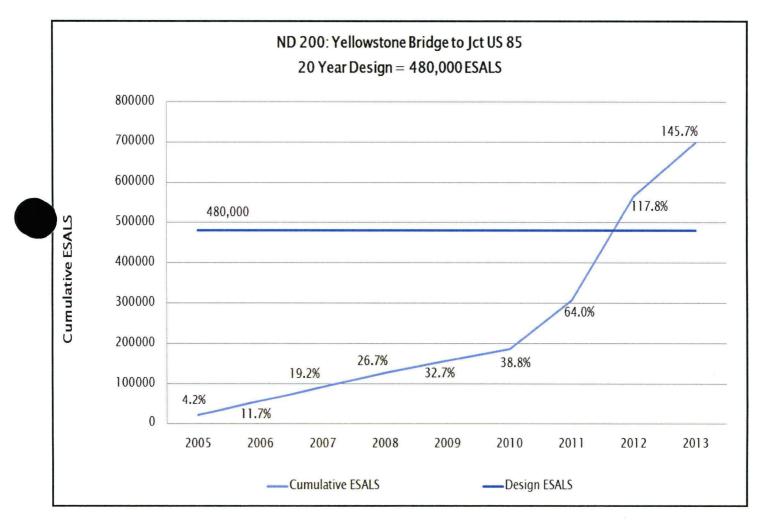
**Attachment D** 

# **Pavement Management**



**Attachment E** 

# **Roadway Design Life**



# Proposed 2015-17 Governor's Executive Budget for Roads & Bridges

FUNDING 2015-2017 BIENNIUM	WEST REGION (\$ Millions)		CENTRAL & REGION (\$ Million	IS	TOTAL (\$ Millions)	
Enhanced State Highway Investments (Rural, city and state highways)	TOTALS	\$1,354.0	TOTAL	\$0.0	TOTAL	\$1,354.0
	State	\$46.6	State	\$449.6	State	\$496.1
STIP (2015 - 2016)	Urban	\$21.5	Urban	\$87.4	Urban	\$108.9
(Federal funds with state and local	County	\$45.4	County	\$29.1	County	\$74.4
matches)	TOTAL	\$113.4	TOTAL	\$566.0	TOTAL	\$679.4
	State	\$22.8	State	\$2.7	State	\$25.5
Emergency Relief (ER)	Urban	\$0.0	Urban	\$0.0	Urban	\$0.0
	County	\$0.0	County	\$7.2	County	\$7.2
	TOTAL	\$22.8	TOTAL	\$9.8	TOTAL	\$32.7
State Funds Non-Oil Producing Coun- ties, Cities, & Townships <sup>(1)</sup>		\$0.0		\$100.0		\$100.0
TOTAL 2015 - 2017 BIENNIUM		\$1,490.2		\$675.8		\$2,166.1
(1) Includes \$52 M for Counties \$28 M for Cities & \$20 M for Townshins	•					

(1)Includes \$52 M for Counties, \$28 M for Cities, & \$20 M for Townships

- Approximately \$1.875 billion of \$2.166 billion in budget recommendation is being spent on the state system, including state roadways within cities. The remaining funds are funds for local roadways.
- UGPTI study indicates approximately \$3.54 billion should be spent.



11

#### NDDOT Motor Coach Information – March 2015

#### Who asked for the buses?

The university system became a part of State Fleet program in 1995. Additionally, requests were made to purchase more buses. <u>Please see Attachments A and B.</u>

#### What was the justification to purchase a motor coach?

Similar to other groups, when an agency wants a vehicle they request it through State Fleet with justification as to why they need it.

#### What were the terms?

If justified, the vehicle is purchased with the understanding it will comply with the usage and payment criteria established by State Fleet. In accordance with NDCC 24-02-03.3 all state agencies, institutions, departments, boards, bureaus, and commissions must use the system, and must reimburse state fleet based on the method provided by the director.



The method must follow state Century Code section 24-02-03.5. The method used to calculate rates is in compliance with 2 C.F.R. Part 225 – Cost Principles for State, Local, and Indian Tribal Governments. Compliance with this regulation allows State Fleet usage costs to be applied to federal programs as applicable. The rates are reviewed quarterly and, if necessary, adjusted to remain responsive to changing conditions.

#### Why was the motor coach program discontinued?

The universities were not using the buses enough. This caused a deficit for the group, therefore, the rental rate increased. At that time, we attempted to resolve the issue with the universities. We agreed to a lesser increase in the rental rate if they would increase their usage to a targeted level. They agreed to this. If followed, this arrangement would have resulted in elimination of the deficit.

However, usage actually decreased which further increased the deficit. We discussed payment of the deficit with the university system. They responded that they should not be held responsible for the deficit. The North Dakota University System then sent us a letter turning the buses back to State Fleet, effectively dissolving the group. <u>Please see Attachment C.</u>

We've also attached a spreadsheet which shows purchase and sale of the motor coaches. <u>Please see</u> <u>Attachment D.</u>

#### Sep. 11. 2008 9:07AM NDSU PHYSICAL FLANT

Attachment A

#### NORTH DAKOTA STATE UNIVERSITY

Office of the Vice President for Finance and Administration P.O. Box 5227 Fargo, ND 58105-5227 701.231.8411 Fax 701.231.6194 www.ndsu.edu

To:	Paul Hanson, Director State Fleet Services
From:	Paul Hanson, Director State Fleet Services John Adams, Vice President for Finance and Administration
Date:	August 26, 2008
Subject:	Passenger Coach Request for 2009-11 Biennium

North Dakota State University has achieved a number of milestones over the course of the past ten years, including attainment of full NCAA Division I intercollegiate athletics ranking. The image of the University has gone far beyond a small regional institution to that of a nationally ranked doctoral, research university. As a result, the continued reliance on locally-leased motor coaches without University recognition does not help promote the image we desire and deserve.

In anticipation of the 2009-11 biennium, North Dakota State University hereby requests a 55passenger motor coach in support of the University's operations. A variety of uses are anticipated, including intercollegiate athletics, "Conversations Across the Land" tours to various locations in North Dakota, field trips by academic units, and other trips. Expected annual mileage is approximately 55,000 miles.

I understand the purchase of a new coach is not realistic; however, our preference is a Prevost coach with the lowest number of miles as possible. Thank you for consideration of our needs here at NDSU, and I look forward to working with you in the months ahead.

4.2



or

#### NORTH DAKOTA STATE UNIVERSITY

Office of the Vice President for Finance and Administration NDSU Dept. 3000 PO Box 6050 Fargen, ND 58108-6050 701.231.8431 Fax 701.231.6194 www.ndsu.edu

Attachment B

To: Paul Hanson, Director State Fleet Services From: John Adams, Vice President for Finance and Administration

Date: December 18, 2008

Subject: Passenger Coach Request for 2009-11 Biennium - Revised

North Dakota State University has achieved a number of milestones over the course of the past ten years, including attainment of full NCAA Division I intercollegiate athletics ranking. The image of the University has gone far beyond a small regional institution to that of a nationally ranked doctoral, research university. As a result, the continued reliance on locally-leased motor coaches without University recognition does not help promote the image we desire and deserve.

In anticipation of the 2009-11 biennium, North Dakota Stale University hereby requests two (2) 55-passenger motor coaches in support of the University's operations. A variety of uses are anticipated, including intercollegiate athletics, "Conversations Across the Land" tours to various locations in North Dakota, field trips by academic units, and other trips. Expected annual mileage is approximately 55,000 miles per coach. An additional factor in this request is the need for wireless capability to be installed permanently on each coach, allowing our student-athletes to work on course work during road trips. NDSU often has two or more separate sports teams traveling on any given occasion to completely different locations, thus the need for a second coach.

Thank you for consideration of our needs here at NDSU, and I look forward to working with you in the months ahead.

RECEIVED

NOSU is an equal upportunity unstitution



### Attachment C

#### NORTH DAKOTA UNIVERSITY SYSTEM

July 19, 2013

Robin Rehborg State Fleet Services Division Director Department of Transportation 608 E Boulevard Ave Bismarck, ND 58505

Re: North Dakota University System Motor Coaches

Dear Ms. Rehborg,

The North Dakota University System (NDUS) institutions which currently have State Fleet motor coaches would like to relinquish them back to the Department of Transportation, with one exception. Williston State College would like to explore the possibility of purchasing its motor coach from the State Fleet. To discuss the sale of that motor coach, please contact James Foertsch, Vice President for Business Services, Williston State College, at james.foertsch@willistonstate.edu. The contact individuals for the other motor coaches are below:

- Minot State University Brian Foisy, Vice President for Administration and Finance, <u>brian.foisy@minotstateu.edu</u>
- University of North Dakota Peggy Lucke, Associate Vice President for Financial Operations, peggy.lucke@und.edu
- North Dakota State College of Sciences Dallas Fossum, Executive Director, Physical Plant, <u>dallas.fossum@ndscs.edu</u>
- Bismarck State College David Clark, Executive Vice President, david.clark@bismarckstate.edu

If you have additional questions, please call me anytime at 701-328-4159.

Sincerely,

Maine Mess

Claire Ness General Counsel

600 E. BOULEVARD AVE. • BISMARCK, ND 58505-0230 • PHONE: 701.328.2974 • FAX: 701.328.2961 • WWW.NDUS.EDU

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Bismarck State College • Dakota College at Bottineau • Dickinson State University • Lake Region State College • Mayville State University • Minot State University North Dakota State College of Science • North Dakota State University • University of North Dakota • Valley City State University • Williston State College



## **Motor Coach Information**

Equip	Model			Business		Actual in service		Sale		
ID	year	Manufacturer	Equipment description	Unit	Serial number		Purchase price		Sale price	Comments
9045	1998		98 57 PASS MOTORCOACH W/RESTROOM		YE2TC61B1W2043160	8/10/2007		10/16/ 2012	\$ 45,000.00	traded in on new
9059	2013		13 57 PASS MOTORCOACH W/RESTROOM	BSC	YE2CC1AB8D2047934	10/22/2012	\$ 455,059.00	10/29/ 2013	\$ 450,000.00	Purchased by BSC
9052	1997		97- 55 PASS MOTORCOACH W/RESTROOM			3/3/2005	\$ 139,467.00	7/11/ 2011	\$ 40,000.00	traded in on new
9060	2010	and the second by an and the second second	10 57 PASS MOTORCOACH W/RESTROOM	wsc	YE2CC15B4A2046222	10/19/2010	\$ 423,287.00	10/21/ 2013	\$ 375,000.00	Purchased by WSC
9049	2011		11 57 PASS MOTORCOACH W/RESTROOM	NDSCS	YE2CC1AB8B2047705	7/11/2011	\$ 438,287.00	10/15/ 2014	\$ 307,500.00	sold online auction*
9050	2000		00 55 PASS MOTORCOACH W/RESTROOM	UND	1M8PDMRA6YP052968	6/4/2003	\$ 185,000.00	10/15/ 2014	\$ 70,250.00	sold online auction*
9051	2000		00 55 PASS MOTORCOACH W/RESTROOM	UND	1M8PDMRA6YP052971	6/4/2003	\$ 185,000.00	10/15/ 2014	\$ 25,250.00	sold online auction*
9056	2000		00 55 PASS MOTORCOACH W/RESTROOM	UND	1M8PDMPA5YP052575	7/30/2007	\$ 200,000.00	10/15/ 2014	\$ 26,250.00	sold online auction*
9057	1998	and the second se	98 55 PASS MOTORCOACH W/RESTROOM	MSU	1M8PDMTA4WP050660	8/6/2008	\$ 135,000.00	10/15/ 2014	\$ 48,250.00	sold online auction*
9093	2002		02 55 PASS MOTORCOACH W/RESTROOM	UND	1M8TRMPA32P061749	6/19/2009	\$ 205,000.00	10/15/ 2014	\$ 66,850.00	sold online auction*
9071	1989	MCI	89 47 PASS MOTORCOACH			7/15/1995	\$ 112,410.00	5/26/ 2010	\$ 15,000.00	sold at live auction
9059	1997		97 55 PASS MOTORCOACH W/RESTROOM			8/18/2008	\$ 135,000.00	10/27/ 2010	\$ 50,000.00	traded in on new
9055	1997		96 -49 PASS MOTORCOACH W/RESTROOM			6/7/2005	\$ 107,117.00	10/27/ 2010	\$ 40,000.00	traded in on new

\* State Fleet offered to sell the motor coaches to the Universities. BSC and WSC purchased the respective buses that were assigned to them. None of the

remaining colleges purchased buses from Fleet.

State Fleet worked with Surplus Property in an attempt to sell the buses. Surplus Property advertised them to political subs in-state and nationwide for a period of time.

There were no interested parties.

H. 5

State Fleet then advertised them with the contracted online auction service. The bids that were received were quite low so all offers were rejected. The motor coaches were offered online a second time. The bids were higher and all offers were accepted and the buses were sold.

**NDDOT MV Amendment** 



## Motor Vehicle - HB 1012 Section 13 Amendment House Intent

#### 39-02-03. Powers and duties of director and department

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Current branch office contracts entered into under this section with private vendors may extend five years and may be renewed in accordance with this section. One year prior to the end of each current private vendor branch office contract term the department shall consider entering into contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter into direct negotiations and contract with qualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department."

#### SENATE APPROPRIATIONS SUBCOMMITTEE March 31, 2015 - 4:00 PM - Harvest Room

3-31-15 Hz /

# 1 Sub-Conc HB 1012

#### North Dakota Department of Transportation **Remaining Legislation with Substantial Fiscal Impacts to NDDOT** As of March 30, 2015

#### Bills creating a need for additional NDDOT appropriations

- HB1360 Patriotic license plate bill
  - Latest fiscal note shows that NDDOT MV Division would need additional appropriations for the 2015-2017 biennium of \$253,284.

#### Bills impacting NDDOT revenues through the Highway Tax Distribution Fund

- HB1011 Highway Patrol .
  - The House amendments to the HP appropriation result in approximately \$2.3 million additional revenue becoming available to NDDOT via the Highway Tax Distribution Fund.
- SB2008 PSC appropriation bill
  - The latest version of the bill transfers \$1 million of special fuels excise tax on fuel used by railroads to the Public Service Commission for a Rail Safety Fund to be administered by the PSC. This will reduce the funding available to NDDOT via the Highway Tax Distribution Fund by approximately \$628,000.

#### Other bills impacting NDDOT

- HB1176 .
  - Provides a general fund appropriation of \$112 million to NDDOT to provide for distributions to non-oil counties for county and township roadway reconstruction and rehabilitation projects.



# Engrossed HB 1012 Bill Sections Overview HB

Section 1 shows the base level, adjustments or enhancements, and the total appropriation contained in this bill.

**Section 2** shows the one time funding items for the 2013-2015 and 2015-2017 biennial appropriations.

**Section 3** provides the NDDOT with the ability to transfer appropriation authority between various appropriation lines. This flexibility is necessary to enable us to best meet our construction and maintenance responsibilities.

**Section 4** provides for a transfer to the state highway fund from the general fund in the amount of \$504,115,558.

**Section 5** provides for a transfer to the special road fund from the general fund in the amount of \$1 million dollars.

1.116

**Section 6** appropriates \$2 million dollars out of the strategic investment and improvements fund to NDDOT for the short line railroad program.

**Section 7** appropriates \$8 million out of the general fund to the state treasurer for non-oil producing counties to allocate to or for the benefit of townships.

# O O D → → Engrossed HB 1012 Bill Sections Overview

**Section 8** restricts the NDDOT from using funds for construction or improvements to buildings or any new major information technology projects unless the department receives all of the federal highway construction funding anticipated by the sixty-fourth legislative assembly.

**Section 9** allows the department to continue and complete highway rail grade crossing safety projects in accordance with the program appropriated by the 2013 Legislative Assembly.

**Section 10** allows the department to continue into the 2017-2019 biennium any portion of the enhanced state highway investment program that will be appropriated for the 2015-2017 biennium but not completed in that biennium.

**Section 11** allows the department to continue in the 2015-2017 biennium the road grade raising grant program appropriated by the 2011 Legislative Assembly and carried forward by the 2013 Legislative Assembly.

# **Engrossed HB 1012 Bill Sections Overview**

**Section 12** allows the department to repay the US Department of Transportation for previous expenditures from current appropriations. This will enable the department to advance projects under federal funding, later convert those projects to state funding as it becomes available, and re-commit the federal funds to other eligible projects. By doing so, we will be able to start some projects sooner that would otherwise be possible and also avoid some federal requirements that would otherwise be imposed on some projects.

**Section 13** pertains to NDDOT's ability to contract with private entities for the operation of motor vehicle branch offices.

Section 14 deals with a study of various aspects of short line railroads.

Section 15 deals with a study of the effect that high efficiency vehicles may have on state revenues.

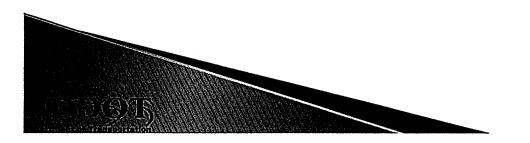
Section 16 deals with a study of statutory changes that may be necessary as a result of automated motor vehicles.

# Short line Rail Program

# 3 HB 1012 3-31-15 Subcom

Under the current program, loans are typically limited to \$5 million or less (though there are exceptions), with project proposals categorized in descending order of priority as:

- System Critical critical to a railroad's continued existence.
- Infrastructure Improvement typically, upgrade or maintain existing rail infrastructure.
- Economic Development typically, connect new customers to railroads or expand existing rail-loading facilities, such as upgrading an existing elevator to a unit-train loading facility.
  - Rail funds committed or under contract= \$13.6 million
  - Balance available for loan= \$195,000



2

# **Short Line Railroad Program**

Originally came from a federal grant primarily intended to upgrade and enhance short line rail infrastructure that maintained or improved rail service.

Approximately \$39 million has been loaned out in support of over \$65 million in rail-infrastructure projects, since the loan program's first project in 1982.

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Page 1, line 3, after the first semicolon insert "to provide an appropriation to the department of Subcom transportation for a truck size and weight harmonization study with the Upper Great Plains 3-31-15 Page 4, after line 2, insert:

foot cargo carrying length and the implications thereof.

#### LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT HARMONIZATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$60,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of collaborating with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100

In order to ensure the state of North Dakota can harmonize its truck size and weight regulations with the regulations of the states in the Western States Transportation Alliance, the legislative management, during the 2015-16 interim, shall study the truck size and weight provisions in NDCC Chapter 39-12 and shall utilize the findings of the collaboration between the department of transportation and the Upper Great Plains Transportation Institute provided for in this section to determine appropriate changes to state law."

Renumber accordingly.



15.8120.02002 Title. Prepared by the Legislative Council

# 5 HB1012 3-31-15 Subcom

March 30, 2015

#### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 6, after line 19, insert:

#### "SECTION 17. RAIL SAFETY REPORT TO LEGISLATIVE MANAGEMENT.

During the 2015-16 interim, the director of the department of transportation shall report to a committee designated by the legislative management regarding rail safety. The report must include:

- 1. Current railroad conditions, including crossings and rail lines;
- 2. A review of train speeds;
- 3. Existing railroad freight and passenger demands and future needs;
- 4. A review of emergency response procedures in the state;
- 5. A review of tank car specifications; and
- 6. A review of economic, safety, and environmental impacts on the state, including correlation with other modes of transportation, such as highways, pipelines, and air."

Renumber accordingly





**Proposed Amendments to** 

House Bill No. 1012

#6 HB 1012 3-31-15 Subcom.

Insert:

#### SECTION \_\_. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC

**TRANSPORTATION FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,200,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2015, and ending June 20, 2017. The office of management and budget shall transfer the sum of \$1,600,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$6,250,000 or less during the period beginning July 1, 2014, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$1,600,000 or less during the highway tax distribution fund are \$6,250,000 or less during the period beginning July 1, 2014, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$1,600,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$6,250,000 or less during the period beginning July 1, 2014, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$1,600,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$6,250,000 or less during the period beginning July 1, 2015, and ending June 30, 2016.





15.8120.02001 Title

or #1 3-31-15 HB 1012 Subcom Prepared by the Legislative Council staff for Senator Unruh

March 27, 2015

#### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 3, after line 16, insert:

**"SECTION 7. APPROPRIATION - STRATEGIC INVESTMENT AND** IMPROVEMENTS FUND - COAL MINE ACCESS GRANT PROGRAM. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of a coal mine access grant program, for the biennium beginning July 1, 2015, and ending June 30, 2017. The department shall award a grant to a county to pave a gravel road under five miles long which starts at a state highway and ends at a coal mine that received a mining permit from the public service commission after January 1, 2014. The funding provided in this section is considered a one-time funding item.

SECTION 8. APPROPRIATION - STRATEGIC INVESTMENT AND **IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$20,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing grants to eligible cities, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item. For purposes of this section, an "eligible city" means a city with a population of more than 563, but fewer than 581 according to the most recent official decennial federal census."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an appropriation of \$3 million from the strategic investment and improvements fund to the Department of Transportation for a grant to a county to pave a coal mine access road and provides an appropriation of \$20,000 from the strategic investment and improvements fund to the Department of Transportation for a grant to the city of Center.

Page 1, line 3, after the first semicolon insert "to provide an appropriation to the department of transportation for a truck size and weight harmonization study with the Upper Great Plains 4-1-15 Page 4, after line 2, insert:

"SECTION 8. APPROPRIATION - DEPARTMENT OF TRANSPORTATION -LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT HARMONIZATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$60,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of collaborating with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and the implications thereof.

In order to ensure the state of North Dakota can harmonize its truck size and weight regulations with the regulations of the states in the Western States Transportation Alliance, the legislative management, during the 2015-16 interim, shall study the truck size and weight provisions in NDCC Chapter 39-12 and shall utilize the findings of the collaboration between the department of transportation and the Upper Great Plains Transportation Institute provided for in this section to determine appropriate changes to state law."

Renumber accordingly.

1.1

# Engrossed HB 1012 Bill Sections Overview

**Section 1** shows the base level, adjustments or enhancements, and the total appropriation  $\frac{2}{1}$  = 15 contained in this bill.

**Section 2** shows the one time funding items for the 2013-2015 and 2015-2017 biennial appropriations.

**Section 3** provides the NDDOT with the ability to transfer appropriation authority between various appropriation lines. This flexibility is necessary to enable us to best meet our construction and maintenance responsibilities.

**Section 4** provides for a transfer to the state highway fund from the general fund in the amount of \$504,115,558.

**Section 5** provides for a transfer to the special road fund from the general fund in the amount of \$1 million dollars.

**Section 6** appropriates \$2 million dollars out of the strategic investment and improvements fund to NDDOT for the short line railroad program.

**Section 7** appropriates \$8 million out of the general fund to the state treasurer for non-oil producing counties to allocate to or for the benefit of townships.

# $\bigcirc$ $\bigcirc$ $\checkmark$ $\bigcirc$ $\checkmark$ $\checkmark$ $\checkmark$ Engrossed HB 1012 Bill Sections Overview

**Section 8** restricts the NDDOT from using funds for construction or improvements to buildings or any new major information technology projects unless the department receives all of the federal highway construction funding anticipated by the sixty-fourth legislative assembly.

**Section 9** allows the department to continue and complete highway rail grade crossing safety projects in accordance with the program appropriated by the 2013 Legislative Assembly.

**Section 10** allows the department to continue into the 2017-2019 biennium any portion of the enhanced state highway investment program that will be appropriated for the 2015-2017 biennium but not completed in that biennium.

**Section 11** allows the department to continue in the 2015-2017 biennium the road grade raising grant program appropriated by the 2011 Legislative Assembly and carried forward by the 2013 Legislative Assembly.

117 2.2

# **Engrossed HB 1012 Bill Sections Overview**

**Section 12** allows the department to repay the US Department of Transportation for previous expenditures from current appropriations. This will enable the department to advance projects under federal funding, later convert those projects to state funding as it becomes available, and re-commit the federal funds to other eligible projects. By doing so, we will be able to start some projects sooner that would otherwise be possible and also avoid some federal requirements that would otherwise be imposed on some projects.

**Section 13** pertains to NDDOT's ability to contract with private entities for the operation of motor vehicle branch offices.

Section 14 deals with a study of various aspects of short line railroads.

Section 15 deals with a study of the effect that high efficiency vehicles may have on state revenues.

Section 16 deals with a study of statutory changes that may be necessary as a result of automated motor vehicles.

15.8120.02001 Title.

HB 1012. Subcom Prepared by the Legislative Council staff for Senator Unruh

March 27, 2015

#### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 3, after line 16, insert:

**"SECTION 7. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - COAL MINE ACCESS GRANT PROGRAM.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of a coal mine access grant program, for the biennium beginning July 1, 2015, and ending June 30, 2017. The department shall award a grant to a county to pave a gravel road under five miles long which starts at a state highway and ends at a coal mine that received a mining permit from the public service commission after January 1, 2014. The funding provided in this section is considered a one-time funding item.

SECTION 8. APPROPRIATION - STRATEGIC INVESTMENT AND **IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$20,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing grants to eligible cities, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item. For purposes of this section, an "eligible city" means a city with a population of more than 563, but fewer than 581 according to the most recent official decennial federal census."

#### Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an appropriation of \$3 million from the strategic investment and improvements fund to the Department of Transportation for a grant to a county to pave a coal mine access road and provides an appropriation of \$20,000 from the strategic investment and improvements fund to the Department of Transportation for a grant to the city of Center.





**Proposed Amendments to** 

House Bill No. 1012

HB 1012. H-1-15 Subcom.

Insert:

#### SECTION \_\_. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC

**TRANSPORTATION FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of  $\frac{5}{3,200,000}$ , or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2015, and ending June 20, 2017. The office of management and budget shall transfer the sum of  $\frac{5}{4,600,000}$  on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are  $\frac{5}{6,250,000}$  or less during the period beginning July 1, 2014, and ending June 30, 2015. The office of management and budget shall transfer the sum of  $\frac{5}{1,000,000}$  on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are  $\frac{5}{6,250,000}$  or less during the period beginning July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are  $\frac{5}{6,250,000}$  or less during the period beginning July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are  $\frac{5}{6,250,000}$  or less during the period beginning July 1, 2015, and ending June 30, 2016.



4.1

15.8120.02002 Title. Prepared by the Legislative Council

# 5 HB1012

March 30, 2015

### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 6, after line 19, insert:

### "SECTION 17. RAIL SAFETY REPORT TO LEGISLATIVE MANAGEMENT.

During the 2015-16 interim, the director of the department of transportation shall report to a committee designated by the legislative management regarding rail safety. The report must include:

- 1. Current railroad conditions, including crossings and rail lines;
- 2. A review of train speeds;
- 3. Existing railroad freight and passenger demands and future needs;
- 4. A review of emergency response procedures in the state;
- 5. A review of tank car specifications; and
- 6. A review of economic, safety, and environmental impacts on the state, including correlation with other modes of transportation, such as highways, pipelines, and air."

Renumber accordingly





### Department of Transportation - Budget No. 801 House Bill No. 1012 Base Level Funding Changes

												4.2.15 #1
Department of Transportation - Budget No.	801											CLADIN
House Bill No. 1012												Sultan
Base Level Funding Changes		ц	Version		1	<b>S a</b>	to Version	1		Counte Chang	to House Version	# 1012
	FTE	Ho General	ouse Version	/	FTE	General	nate Version		FTE	Senate Chang General	es to House Version	1 77
	Positions	Fund	Other Funds	Total	Positions	Fund	Other Funds	Total	Positions	Fund	Other Funds	Total
2015-17 Biennium Base Level	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	0.00	\$0	\$0	\$0
2015-17 Ongoing Funding Changes				/				1	1			
Base payroll changes			\$1,909,645	\$1,909,645			\$1,909,645	\$1,909,645			\$0	\$0
Salary increase - Performance Salary increase - Market equity			7,042,812	7,042,812			7,042,812	7,042,812	1		0	0
Retirement contribution increase				0				õ	1			0
Health insurance increase			4,676,196	4,676,196			3,860,852	3,860,852	1		(815,344)	(815,344)
New FTE - Archaeologist I New FTE - Environmental scientist III				0				0	1			0
Operating expenses increase			8,748,743	8,748,743			8,748,743	8,748,743	1		0	0
Contract patching increase			35,713,309	35,713,309			35,713,309	35,713,309	1		0	0
Grants adjustment			(16,870,000)	1			(16,870,000)	(16,870,000)	1		0	0
Information technology - Maintenance management system Reduce capital assets			(158,850,821)	0 (158,850,821)			(158.850.821)	(158,850,821)			0	0
Total ongoing funding changes	0.00	\$0	(\$117,630,116)		0.00	\$0	(\$118,445,460)	(\$118,445,460)	0.00	\$0	(\$815,344)	(\$815,344)
One-time funding items									1			
Enhanced state infrastructure investments			\$504,115,558	\$504,115,558			\$504,115,558	\$504,115,558	1			\$0
Recreational road access funding			1,000,000	1,000,000			3,000,000	3,000,000	1		2,000,000	2,000,000
Loss on discontinuation of motor coaches Motor vehicle registration and titling system			750,000 2,500,000	750,000 2,500,000			750,000 2,500,000	750,000 2,500,000				0
Short line railroad program			2,000,000	2,000,000			10,000,000	10,000,000			8,000,000	8,000,000
Total one-time funding changes	0.00	\$0	\$510,365,558	\$510,365,558	0.00	\$0	\$520,365,558	\$520,365,558	0.00	\$0	\$10,000,000	\$10,000,000
Total Changes to Base Level Funding	0.00	\$0	\$392,735,442	\$392,735,442	0.00	\$0	\$401,920,098	\$401,920,098	0.00	\$0	\$9,184,656	\$9,184,656
2015-17 Total Funding	1,079.50	\$0	\$1,771,914,876	\$1,771,914,876	1,079.50	\$0	\$1,781,099,532	\$1,781,099,532	0.00	\$0	\$9,184,656	\$9,184,656

#### Other Sections in House Bill No. 1012

	House Version	Senate Version	
Line item transfers	Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.	No change	
Appropriation - Transfer - General fund to highway fund	Section 4 provides a \$504,115,558 appropriation and transfer from the general fund to the highway fund to be used for enhanced state infrastructure investments.	No change	
Appropriation - Transfer - General fund to special road fund	Section 5 provides a \$1 million appropriation and transfer from the general fund to the special road fund to be used for improvements to roads that lead to recreational areas.	Section 5 provides a \$3 million appropriation and transfer from the general fund to the special road fund to be used for improvements to roads that lead to recreational areas.	

	House Version	Senate Version	
Appropriation	Section 6 provides a \$2 million appropriation from the strategic investment and improvements fund to the Department of Transportation for the purpose of increasing the department's short line railroad program.	Section 6 provides a \$10 million appropriation from the strategic investment and improvements fund to the Department of Transportation for the purpose of increasing the department's short line railroad program.	
Appropriation - State Tresurer	Section 7 provides a \$8 million appropriation from the general fund to the State Treasurer for distributions to townships in non-oil-producing counties.	No change	
Appropriation - Strategic Investment and Improvement Fund		Section 8 provides a \$20,000 appropriation from the strategic investment and improvements fund to the Department of Transportation for the purpose of providing grants to eligible cities.	
Appropriation - Contingent Transfers - General Fund to Public Transportation Fund	c	Section 9 provides a \$1,900,000 appropriation and transfer from the general fund to the public transportation fund, and provides contingent transfers of \$950,000 if the deposits in the public transportation fund from the highway tax distribution fund are \$5,600,000 in each of the fiscal years of the 2015-17 biennium.	
Legislative intent - Contingent on federal funds	Section 8 provides legislative intent that the Department of Transportation refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives at least as much federal funding anticipated by the 64 <sup>th</sup> Legislative Assembly.	No change	
Exemption - Highway-rail grade crossing safety projects	Section 9 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11.	No change	
Carryover authority - Enhanced state highway investments	Section 10 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2017-19 biennium.	No change	
Exemption - State disaster relief fund - Road grade raising	Section 11 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.	No change	
Payback and reallocation of federal aid	Section 12 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.	No change	
Amendment	Section 13 amends Section 39-02-03 regarding contracts between the Department of Transportation and branch offices within the state.	No change	
Report to Legislative Management		Section 16 requires the Department of Transportation to report to the Legislative Management regarding rail safety.	





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weight or 100 foot cargo carrying length and the implications thereof.

	House Version	Senate Version	
Legislative Management study - Short line railroad infrastructure	Section 14 provides for a Legislative Management study regarding short line railroad infrastructure.	No change	
Legislative Management study - High efficiency vehicles	Section 15 provides for a Legislative Management study regarding high efficiency vehicles.	No change	
Legislative Management study - Automated motor vehicle	Section 16 provides for a Legislative Management study regarding automated motor vehicles.	Removed	
Appropriations and Legislative Management study - Truck size and weight harmonization	2	Section 19 provides for an appropriation from the general fund of \$60,000 to the Department of Transportation for the purpose of collaborating with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Tranportation Alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination	

# Department of Transportation - Budget No. 801 House Bill No. 1012 Base Level Funding Changes

Other Sections in House Bill No. 1012

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Department of Transportation - Budget No.	801					Actic	on as of 4/2/15						/
House Bill No. 1012												. )	01010
Base Level Funding Changes												K	DIDIZ
			ouse Version				nate Version				ges to House Version		
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General	Other Friedr	Total	SIDEM
2015-17 Biennium Base Level	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	1.079.50	s0	\$1,379,179,434	\$1,379,179,434	0.00	Fund \$0	Other Funds \$0	\$0	Jours
	1,070.00	φυ	\$1,070,170,404	\$1,070,170,404	1,070.00	φu	φ1,070,170, <del>4</del> 04	\$1,575,175,454	0.00	φυ	φυ	<b>\$</b> 0	Subcon H-1-15
2015-17 Ongoing Funding Changes													4-1-1
Base payroll changes			\$1,909,645	\$1,909,645			\$1,909,645	\$1,909,645			\$0	\$0	
Salary increase - Performance			7,042,812	7,042,812			7,050,591	7,050,591			7,779	7,779	
Salary increase - Market equity Retirement contribution increase				0				0				0	
Health insurance increase			4,676,196	4,676,196			3,864,417	3,864,417			(811,779)	(811,779)	
New FTE - Archaeologist I			4,070,130	4,070,130			5,004,417	0,004,417			(011,773)	(011,773)	
New FTE - Environmental scientist III				0	1.00		195.143	195,143	1.00		195,143	195,143	
Operating expenses increase			8,748,743	8,748,743			8,748,743	8,748,743			0	0	
Contract patching increase			35,713,309	35,713,309			35,713,309	35,713,309			0	0	
Grants adjustment			(16,870,000)	(16,870,000)			(16,870,000)	(16,870,000)			0	0	
Information technology - Maintenance management system				0			589,000	589,000			589,000	589,000	
Reduce capital assets		<u>^</u>	(158,850,821)	(158,850,821)			(159,439,821)	(159,439,821)			(589,000)	(589,000)	
Total ongoing funding changes	0.00	\$0	(\$117,630,116)	(\$117,630,116)	1.00	\$0	(\$118,238,973)	(\$118,238,973)	1.00	\$0	(\$608,857)	(\$608,857)	
One-time funding items													
Enhanced state infrastructure investments			\$504,115,558	\$504,115,558			\$504,115,558	\$504,115,558				\$0	
Recreational road access funding			1,000,000	1,000,000			3,000,000	3,000,000			2,000,000	2,000,000	
Loss on discontinuation of motor coaches			750,000	750,000			750,000	750,000				0	
Motor vehicle registration and titling system Short line railroad program			2,500,000 2,000,000	2,500,000 2,000,000			2,500,000 10,000,000	2,500,000 10,000,000			8,000,000	8,000,000	
Truck size and weight harmonization study			2,000,000	2,000,000		60,000	10,000,000	60,000		60,000	8,000,000	60,000	
Grants to eligible cities				0		00,000	20,000	20,000		00,000	20,000	20,000	
Total one-time funding changes	0.00	\$0	\$510,365,558	\$510,365,558	0.00	\$60,000	\$520,385,558	\$520,445,558	0.00	\$60,000	\$10,020,000	\$10,080,000	
Total Changes to Base Level Funding	0.00	\$0	\$392,735,442	\$392,735,442	1.00	\$60,000	\$402,146,585	\$402,206,585	1.00	\$60,000	\$9,411,143	\$9,471,143	
2015-17 Total Funding	1,079.50	\$0	\$1,771,914,876	\$1,771,914,876	1,080.50	\$60,000	\$1,781,326,019	\$1,781,386,019	1.00	\$60,000	\$9,411,143	\$9,471,143	

	House Version	Senate Version
Line item transfers	Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.	No change from House version
Appropriation - Transfer - General fund to highway fund	Section 4 provides a \$504,115,558 appropriation and transfer from the general fund to the highway fund to be used for enhanced state infrastructure investments.	No change from House version
Appropriation - Transfer - General fund to special road fund	Section 5 provides a \$1 million appropriation and transfer from the general fund to the special road fund to be used for improvements to roads that lead to recreational areas.	Section 5 provides a \$3 million appropriation and transfer from the general fund to the special road fund to be used for improvements to roads that lead to recreational areas.

	House Version	Senate Version	
Appropriation	Section 6 provides a \$2 million appropriation from the strategic investment and improvements fund to the Department of Transportation for the purpose of increasing the department's short line railroad program.	Section 6 provides a \$10 million appropriation from the strategic investment and improvements fund to the Department of Transportation for the purpose of increasing the department's short line railroad program.	
Appropriation - State Tresurer	Section 7 provides a \$8 million appropriation from the general fund to the State Treasurer for distributions to townships in non-oil-producing counties.	No change from House version	
Appropriation - Strategic Investment and Improvement Fund		Section 8 provides a \$20,000 appropriation from the strategic investment and improvements fund to the Department of Transportation for the purpose of providing grants to eligible cities.	
Appropriations and Legislative Management study - Truck siz and weight harmonization	re	Section 9 provides for an appropriation from the general fund of \$60,000 to the Department of Transportation for the purpose of collaborating with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and the implications thereof.	
Appropriation - Contingent Transfers - General Fund to Publ Transportation Fund	ic	Section 10 provides a \$1,900,000 appropriation and transfer from the general fund to the public transportation fund, and provides contingent transfers of \$950,000 if the deposits in the public transportation fund from the highway tax distribution fund are \$5,600,000 in each of the fiscal years of the 2015-17 biennium.	
Legislative intent - Contingent on federal funds	Section 8 provides legislative intent that the Department of Transportation refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives at least as much federal funding anticipated by the 64 <sup>th</sup> Legislative Assembly.	Removed	
Exemption - Highway-rail grade crossing safety projects	Section 9 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11.	No change from House version	
Carryover authority - Enhanced state highway investments	Section 10 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2017-19 biennium.	No change from House version	
Exemption - State disaster relief fund - Road grade raising	Section 11 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.	No change from House version	



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Payback and reallocation of federal aid	House Version Section 12 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.	Senate Version No change from House version
Amendment	Section 13 amends Section 39-02-03 regarding contracts between the Department of Transportation and branch offices within the state.	No change from House version
Report to Legislative Management		Section 16 requires the Department of Transportation to report to the Legislative Management regarding rail safety.
Legislative Management study - Short line railroad infrastructure	Section 14 provides for a Legislative Management study regarding short line railroad infrastructure.	No change from House version
Legislative Management study - High efficiency vehicles	Section 15 provides for a Legislative Management study regarding high efficiency vehicles.	No change from House version
Legislative Management study - Automated motor vehicle	Section 16 provides for a Legislative Management study regarding automated motor vehicles.	Removed



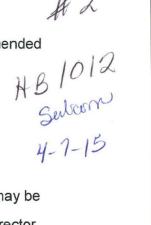
**SECTION 13. AMENDMENT.** Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

39-02-03. Powers and duties of director and department.

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Branch office contracts entered into-under this section may extend five years and may be renewed in accordance with this section. At least one year before the end of each current branch office contract term, the department shall consider entering into contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter into direct negotiations and contract with gualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

**SECTION 17. APPLICATION.** Section 13 of this Act applies to applicable contracts, regardless of whether entered before or after the effective date of this Act.





15.8120.02003 Title. Fiscal No. 1

#1 H-8-13

### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

Page 1, line 5, remove "and"

Page 1, line 6, after "exemptions" insert "; and to provide for application"

Page 1, replace lines 16 through 22 with:

"Salaries and wages	\$187,477,585	\$20,300,693	\$207,778,278			
Accrued leave payments	7,280,897	(7,280,897)	0			
Operating expenses	376,721,715	19,101,036	395,822,751			
Capital assets	727,911,207	376,185,753	1,104,096,960			
Grants	79,788,030	<u>(16,120,000)</u>	6 <u>3,668,030</u>			
Total all funds	\$1,379,179,434	\$392,186,585	\$1,771,366,019			
Less estimated income	1,379,179,434	<u>392,126,585</u>	1,771,306,019			
Total general fund	\$0	\$60,000	\$60,000			
Full-time equivalent positions	1,079.50	1.00	1,080.50"			
Page 2, replace lines 4 through 18 with:						

"Concred fund transfer to highway fund	¢E41 600 000	¢∩
"General fund transfer to highway fund	\$541,600,000	\$0
Enhanced state highway investments	1,161,600,000	504,115,558
TIGER III federal railroad program	10,000,000	0
General license plate issue	6,820,000	0
Contingent general fund transfer to	1,100,000	0
public transportation fund		
Airplane replacement	4,500,000	0
Transportation distribution to oil-producing counties	160,000,000	0
Transportation distribution to non-oil-producing counties	120,000,000	0
Recreational road access	0	3,000,000
Vehicle registration and titling system replacement	0	2,500,000
Motor coach reimbursement from colleges	0	750,000
Truck size and weight harmonization study	<u>0</u>	60,000
Total all funds	\$2,005,620,000	\$510,425,558
Total special fund	541,600,000	<u>510,365,558</u>
Total general fund	\$1,464,020,000	\$60,000"

Page 3, line 6, replace "\$1,000,000" with "\$3,000,000"

# Page 3, line 12, after "APPROPRIATION" insert "- STRATEGIC INVESTMENT AND IMPROVEMENTS FUND"

Page 3, line 14, replace "\$2,000,000" with "\$10,000,000"

Page 4, replace lines 3 through 9 with:

### **"SECTION 8. APPROPRIATION - STRATEGIC INVESTMENT AND**

**IMPROVEMENTS FUND.** There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$20,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing grants to eligible cities, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section



Page No. 1

15.8120.02003

is considered a one-time funding item. For purposes of this section, an "eligible city" means a city with a population of more than 563 but fewer than 581 according to the most recent official decennial federal census.

**SECTION 9. DEPARTMENT OF TRANSPORTATION - TRUCK SIZE AND WEIGHT HARMONIZATION.** The operating expenses line item in section 1 of this Act, includes the sum of \$60,000 from the general fund, for the department of transportation to collaborate with the upper great plains transportation institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the western states transportation alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and potential implications, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT HARMONIZATION. During the 2015-16 interim, the legislative management shall study the truck size and weight provisions under chapter 39-12 of North Dakota century code, related to size, width, and height restrictions, in order to ensure the state of North Dakota can harmonize its truck size and weight regulations with the regulations of the states in the western states transportation alliance, and shall utilize the findings of the collaborative study of the department of transportation and the upper great plains transportation institute to determine appropriate changes to state law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 11. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,900,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the sum of \$950,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5,600,000 or less during the period beginning July 1, 2014 and ending June 30, 2015. The office of management and budget shall transfer the sum of \$950,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5,600,000 or less during the period beginning July 1, 2015 and ending June 30, 2016."

Page 5, line 11, remove "into"

- Page 5, line 12, after "At" insert "least one year before"
- Page 5, line 13, remove "current"
- Page 5, line 13, remove "into"
- Page 5, line 15, remove "into"

Page 5, after line 23, insert:

### "SECTION 17. RAIL SAFETY REPORT TO LEGISLATIVE MANAGEMENT.

During the 2015-16 interim, the director of the department of transportation shall report to a committee designated by the legislative management regarding rail safety. The report must include:



Page No/2

- 1. Current railroad conditions, including crossings and rail lines;
- 2. A review of train speeds;
- 3. Existing railroad freight and passenger demands and future needs;
- 4. A review of emergency response procedures in the state;
- 5. A review of tank car specifications; and
- 6. A review of economic, safety, and environmental impacts on the state, including correlation with other modes of transportation, such as highways, pipelines, and air."

Page 6, replace lines 6 through 19 with:

"SECTION 20. APPLICATION. Section 16 of this Act applies to applicable contracts, regardless of whether entered before or after the effective date of this Act."

Renumber accordingly

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#### STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
State Treasurer	•			
Total all funds	\$0	\$8,000,000	\$0	\$8,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$8,000,000	\$0	\$8,000,000
Department of Transportation				
Total all funds	\$1,379,179,434	\$2,277,030,434	\$13,371,143	\$2,290,401,577
Less estimated income	1,379,179,434	1,771,914,876	9,411,143	1,781,326,019
General fund	\$0	\$505,115,558	\$3,960,000	\$509,075,558
Bill total				
Total all funds	\$1,379,179,434	\$2,285,030,434	\$13,371,143	\$2,298,401,577
Less estimated income	1,379,179,434	1,771,914,876	9,411,143	1,781,326,019
General fund	\$0	\$513,115,558	\$3,960,000	\$517,075,558

#### House Bill No. 1012 - Department of Transportation - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$187,477,585	\$208,387,135	(\$608,857)	\$207,778,278
Operating expenses	376,721,715	395,173,751	649,000	395,822,751
Capital assets	727,911,207	1,102,685,960	1,411,000	1,104,096,960
Grants	79,788,030	63,668,030		63,668,030
Accrued leave payments	7,280,897			
General fund transfer to highway fund		504,115,558		504,115,558
Short line railroad program		2,000,000	8,000,000	10,000,000
General fund trans. to special road fund		1,000,000	2,000,000	3,000,000
City grants			20,000	20,000
Contingent transfer			1,900,000	1,900,000
Total all funds	\$1,379,179,434	\$2,277,030,434	\$13,371,143	\$2,290,401,577
Less estimated income	1,379,179,434	1,771,914,876	9,411,143	1,781,326,019
General fund	\$0	\$505,115,558	\$3,960,000	\$509,075,558
FTE	1079.50	1079.50	1.00	1080.50



### Department No. 801 - Department of Transportation - Detail of Senate Changes

Quinting and surgery	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Adds Funding for New Environmental Scientist III <sup>2</sup>	Adjusts Funding for Maintenance Management System <sup>3</sup>	Adds One-Time Funding for Recreational Road Access Improvements <sup>4</sup>	Adds One-Time Funding for Short Line Railroad Program⁵	Adds One-Time Funding for Truck Size and Weight Harmonization Study <sup>6</sup>
Salaries and wages Operating expenses Capital assets Grants Accrued leave payments General fund transfer to highway fund	(\$811,779)	\$202,922	589,000 (589,000)	2,000,000		60,000
Short line railroad program General fund trans. to special road fund City grants Contingent transfer					8,000,000	
Total all funds Less estimated income	(\$811,779) (811,779)	\$202,922 202,922	\$0 0	\$2,000,000 2,000,000	\$8,000,000 8,000,000	\$60,000 0
General fund	\$0	\$0	\$0	\$0	\$0	\$60,000
FTE	0.00	1.00	0.00	0.00	0.00	0.00
Salaries and wages Operating expenses Capital assets	Adds One-Time Funding for Grants to Eligible Cities <sup>7</sup>	Transfers Funding to Special Road Fund <sup>8</sup>	Adds Contingent Transfer to Public Transportation Fund <sup>9</sup>	Total Senate Changes (\$608,857) 649,000 1,411,000		
Grants Accrued leave payments General fund transfer to highway fund Short line railroad program				8,000,000		

highway fund				
Short line railroad program				8,000,000
General fund trans. to special road fund		2,000,000		2,000,000
City grants	20,000			20,000
Contingent transfer			1,900,000	1,900,000
Total all funds	\$20,000	\$2,000,000	\$1,900,000	\$13,371,143
Less estimated income	20,000	0	0	9,411,143
General fund	\$0	\$2,000,000	\$1,900,000	\$3,960,000
FTE	0.00	0.00	0.00	1.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is added from other funds for a new environment scientist III full-time equivalent position (\$195,143) and related salary increase (\$7,779).

<sup>3</sup> Funding is adjusted from the capital assets line item to the operating expenses line item for the maintenance management system.

<sup>4</sup> One-time funding is increased from \$1,000,000 to \$3,000,000 from the special road fund for improvements to roads that lead to recreational areas.

<sup>5</sup> Funding from the strategic investment and improvements fund for the Department of Transportation's

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short line railroad program is increased from \$2,000,000 to \$10,000,000.



<sup>6</sup> Adds a section appropriating one-time funding from the general fund for the Department of Transportation to collaborate with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance.

<sup>7</sup> Adds a section appropriating one-time funding from the strategic investment and improvements fund to provide \$20,000 for grants to eligible cities.

<sup>8</sup> The one-time general fund transfer to the special road fund for improvements to roads that lead to recreational areas is increased from \$1,000,000 to \$3,000,000.

<sup>9</sup> A section is added providing an appropriation and contingent transfer from the general fund to the public transportation fund for making a \$950,000 transfer on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5,600,000 or less during fiscal year 2015 and another transfer of \$950,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5,600,000 or less during fiscal year 2015 and another distribution fund are \$5,600,000 or less during fiscal year 2015.

This amendment also:

- Provides for a Legislative Management study regarding truck size and weight harmonization.
- Adds a section requiring the Department of Transportation to report to the Legislative Management on rail safety.
- Removes a section that provided legislative intent for the Department of Transportation to refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly.





4B1812

april 16, 2015

Attachment A

15.8120.02004 Title. Prepared by the Legislative Council staff for Representative Brandenburg April 15, 2015

### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1498-1502 of the House Journal and pages 1290-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 6, after line 19, insert:

"SECTION 17. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION FUNDING DISTRIBUTIONS TO POLITICAL SUBDIVISIONS. During the 2015-16 interim, the legislative management shall study special transportation funding distributions to political subdivisions. The study must review the feasibility and desirability of using upper great plains transportation institute needs studies, county major collector miles, or a combination of both for future distributions and review options to ensure counties are reporting information consistently. The legislative management shall consider methods to ensure that road projects in each county are properly coordinated with state road projects and projects in adjacent counties. The study must also review the use of special transportation funding in comparison to the legislative assembly's intent. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for a Legislative Management study of special transportation funding distributions to political subdivisions.







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### Department of Transportation - Budget No. 801 House Bill No. 1012 Base Level Funding Changes

Base Level Funding Changes												
			ouse Version				nate Version				es to House Versio	n
	FTE	General			FTE	General			FTE	General		
	Positions	Fund	Other Funds	Total	Positions	Fund	Other Funds	Total	Positions	Fund	Other Funds	Total
2015-17 Biennium Base Level	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	1,079.50	\$0	\$1,379,179,434	\$1,379,179,434	0.00	\$0	\$0	\$0
2015-17 Ongoing Funding Changes												
Base payroll changes			\$1,909,645	\$1,909,645			\$1,909,645	\$1,909,645			\$0	\$0
Salary increase - Performance			7,042,812	7,042,812			7,050,591	7,050,591			7,779	7,779
Salary increase - Market equity				0				0				0
Retirement contribution increase				0				0				0
Health insurance increase			4,676,196	4,676,196			3,864,417	3,864,417			(811,779)	(811,779)
New FTE - Archaeologist I				0				0				0
New FTE - Environmental scientist III				0	1.00		195,143	195,143	1.00		195,143	195,143
Operating expenses increase			8,748,743	8,748,743			8,748,743	8,748,743			0	0
Contract patching increase			35,713,309	35,713,309			35,713,309	35,713,309			0	0
Grants adjustment			(16,870,000)	(16,870,000)			(16,870,000)	(16,870,000)			0	0
Information technology - Maintenance management system				0			589,000	589,000			589,000	589,000
Reduce capital assets			(158,850,821)	(158,850,821)			(159,439,821)	(159,439,821)			(589,000)	(589,000)
Total ongoing funding changes	0.00	\$0	(\$117,630,116)	(\$117,630,116)	1.00	\$0	(\$118,238,973)	(\$118,238,973)	1.00	\$0	(\$608,857)	(\$608,857)
One-time funding items												
Enhanced state infrastructure investments			\$504,115,558	\$504,115,558			\$504,115,558	\$504,115,558			and dependence and the	\$0
Recreational road access funding			1,000,000	1,000,000			3,000,000	3,000,000			2,000,000	2,000,000
Loss on discontinuation of motor coaches			750,000	750,000			750,000	750,000				0
Motor vehicle registration and titling system			2,500,000	2,500,000			2,500,000	2,500,000				0
Short line railroad program			2,000,000	2,000,000			10,000,000	10,000,000			8,000,000	8,000,000
Truck size and weight harmonization study				0		60,000		60,000		60,000		60,000
Grants to eligible cities				0			20,000	20,000			20,000	20,000
Total one-time funding changes	0.00	\$0	\$510,365,558	\$510,365,558	0.00	\$60,000	\$520,385,558	\$520,445,558	0.00	\$60,000	\$10,020,000	\$10,080,000
Total Changes to Base Level Funding	0.00	\$0	\$392,735,442	\$392,735,442	1.00	\$60,000	\$402,146,585	\$402,206,585	1.00	\$60,000	\$9,411,143	\$9,471,143
2015-17 Total Funding	1,079.50	\$0	\$1,771,914,876	\$1,771,914,876	1,080.50	\$60,000	\$1,781,326,019	\$1,781,386,019	1.00	\$60,000	\$9,411,143	\$9,471,143

Other Sections in House Bill No. 1012	House Version	Senate Version	
Line item transfers	Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.	Section 3 authorizes the Department of Transportation to transfer funds between the salaries and wages, operating, capital assets, and grants line items when it is cost-effective for the construction and maintenance of highways. The department must report transfers to the Office of Management and Budget.	
Appropriation - Transfer - General fund to highway fund	Section 4 provides a \$504,115,558 appropriation and transfer from the general fund to the highway fund to be used for enhanced state infrastructure investments.	Section 4 provides a \$504,115,558 appropriation and transfer from the general fund to the highway fund to be used for enhanced state infrastructure investments.	
Appropriation - Transfer - General fund to special road fund	Section 5 provides a \$1 million appropriation and transfer from the general fund to the special road fund to be used for improvements to roads that lead to recreational areas.	Section 5 provides a \$3 million appropriation and transfer from the general fund to the special road fund to be used for improvements to roads that lead to recreational areas.	

	House Version	Senate Version	
Appropriation	Section 6 provides a \$2 million appropriation from the strategic investment and improvements fund to the Department of Transportation for the purpose of increasing the department's short line railroad program.	Section 6 provides a \$10 million appropriation from the strategic investment and improvements fund to the Department of Transportation for the purpose of increasing the department's short line railroad program.	
Appropriation - State Tresurer	Section 7 provides a \$8 million appropriation from the general fund to the State Treasurer for distributions to townships in non-oil-producing counties.	Section 7 provides a \$8 million appropriation from the general fund to the State Treasurer for distributions to townships in non-oil-producing counties.	
Appropriation - Strategic Investment and Improvement Fund		Section 8 provides a \$20,000 appropriation from the strategic investment and improvements fund to the Department of Transportation for the purpose of providing grants to eligible cities.	
Appropriations and Legislative Management study - Truck siz and weight harmonization	9	Section 9 provides for an appropriation from the general fund of \$60,000 to the Department of Transportation for the purpose of collaborating with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and the implications thereof.	
Appropriation - Contingent Transfers - General Fund to Publi Transportation Fund	c	Section 10 provides a \$1,900,000 appropriation and transfer from the general fund to the public transportation fund, and provides contingent transfers of \$950,000 if the deposits in the public transportation fund from the highway tax distribution fund are \$5,600,000 in each of the fiscal years of the 2015-17 biennium.	
Legislative intent - Contingent on federal funds	Section 8 provides legislative intent that the Department of Transportation refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives at least as much federal funding anticipated by the 64 <sup>th</sup> Legislative Assembly.		
Exemption - Highway-rail grade crossing safety projects	Section 9 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11.	Section 11 provides that the amount appropriated to the Department of Transportation from the highway-rail grade crossing safety projects fund, as contained in Section 4 of Chapter 43 of the 2013 Session Laws, is not subject to the provisions of Section 54-44.1-11.	
Carryover authority - Enhanced state highway investments	Section 10 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2017-19 biennium.	Section 12 provides that unexpended 2015-17 biennium appropriations for enhanced state highway investments must be continued into the 2017-19 biennium.	
Exemption - State disaster relief fund - Road grade raising	Section 11 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.	Section 13 provides that the amount appropriated to the Department of Transportation from the state disaster relief fund for road grade raising grants, as contained in Section 14 of Chapter 579 of the 2011 Session Laws, is not subject to the provisions of Section 54-44.1-11.	

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	House Version	Senate Version	
Payback and reallocation of federal aid	Section 12 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.	Section 14 authorizes the Department of Transportation to repay the United States Department of Transportation for previous related expenditures out of 2015-17 biennium appropriations.	
Amendment	Section 13 amends Section 39-02-03 regarding contracts between the Department of Transportation and branch offices within the state.	Section 15 amends Section 39-02-03 regarding contracts between the Department of Transportation and branch offices within the state.	
Report to Legislative Management		Section 16 requires the Department of Transportation to report to the Legislative Management regarding rail safety.	
Legislative Management study - Short line railroad infrastructure	Section 14 provides for a Legislative Management study regarding short line railroad infrastructure.	Section 17 provides for a Legislative Management study regarding short line railroad infrastructure.	
Legislative Management study - High efficiency vehicles	Section 15 provides for a Legislative Management study regarding high efficiency vehicles.	Section 18 provides for a Legislative Management study regarding high efficiency vehicles.	
Legislative Management study - Automated motor vehicle	Section 16 provides for a Legislative Management study regarding automated motor vehicles.		
Application		Section 19 provides that Section 15 of this Act applies to applicable contracts, regardless of whether entered before or after the effective date of this Act.	

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AB1012

april 22, 2015 attackment A

### HB 1012 Conference Committee

The reference to Sections is using the 1<sup>st</sup> Engrossment with Senate Amendments (15.8120.0300).

At the 4/17/15 meeting, the Conference Committee agreed to the following

- House agreed to include Sections 9 & 10, which is the funding for truck size and weight study to look at 129,000 pound Gross Vehicle Weight and a Legislative Management Study of truck size and weight laws.
- House agreed with Sections 16 & 20 as proposed by Senate Branch Office Procurement Amendment requested by NDDOT
- Agreed to one new FTE Environmental Scientist

Need to discuss the following proposed Senate changes:

- Building & IT Projects
  - Senate removed the Section the House added which limited the NDDOT from proceeding with building and new major IT projects unless all federal funds are received. Buildings were included in NDDOT's budget using highway funds \$10.9M. \$589,000 of Highway funds were used for Maintenance Management IT Project.
- Special Roads Fund, Section 5
  - House provided \$1M. Senate is recommending \$3M. Difference, \$2M.
- Short Line Railroad Section 6
  - House provided \$2M. Senate is recommending \$10M. Difference, \$8M.
- City Center Funding Section 8
  - Senate added this section to provide City of Center \$20,000. Funds missed in previous legislation.
- Transit Funding Section 11
  - Senate recommending additional funding for Transit. If Transit's share of HTDF is less than \$5.6M as of June 2015, \$950,000 additional dollars will be provided to Transit for general fund. Another \$950,000 is provided if HTDF is less than \$5.6M on June 30, 2016, total General fund to transit is \$1.9M.
- Rail Safety Reporting Section 17
  - Senate added this section which requires NDDOT to report to Legislative Committees on the State Rail Plan..
- Motor Coach Reimbursement
  - Senate kept \$750,000 of the \$1M request for Motor Coach reimbursement, but removed the revenue for the reimbursement that was included in Higher Education Budget, HB 1003.
- Automatic Motor Vehicle Legislative Management Study
  - Senate removed this section because HB 1065, which passed, covers the studying of automatic vehicles.

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#### 15.8120.03000

Sixty-fourth Legislative Assembly of North Dakota

### FIRST ENGROSSMENT with Senate Amendments ENGROSSED HOUSE BILL NO. 1012

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide appropriations for defraying the expenses of the department of

2 transportation; to provide an appropriation to the state treasurer for allocations to townships in

3 non-oil-producing counties; to provide for transfers; to amend and reenact section 39-02-03 of

4 the North Dakota Century Code, relating to department of transportation motor vehicle branch

5 offices; to provide legislative intent; to provide for legislative management studies; to provide

6 exemptions; and to provide for application.

#### 7 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

8 SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds 9 as may be necessary, are appropriated out of any moneys in the general fund in the state 10 treasury, not otherwise appropriated, and from special funds derived from federal funds and 11 other income, to the department of transportation for the purpose of defraying the expenses of 12 the department of transportation, for the biennium beginning July 1, 2015, and ending June 30, 13 2017, as follows:

14			Adjustments or	
15		Base Level	Enhancements	Appropriation
16	Salaries and wages	\$187,477,585	\$20,300,693	\$207,778,278
17	Accrued leave payments	7,280,897	(7,280,897)	0
18	Operating expenses	376,721,715	19,101,036	395,822,751
19	Capital assets	727,911,207	376,185,753	1,104,096,960
20	Grants	79,788,030	(16,120,000)	6 <u>3,668,030</u>
21	Total all funds	\$1,379,179,434	\$392,186,585	\$1,771,366,019
22	Less estimated income	1.379.179.434	392,126,585	1.771.306.019
23	Total general fund	\$0	\$60,000	\$60,000
24	Full-time equivalent positions	1,079.50	1.00	1,080.50
		Page No. 🚬	15.8	8120.03000



### 1 SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

2 SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding

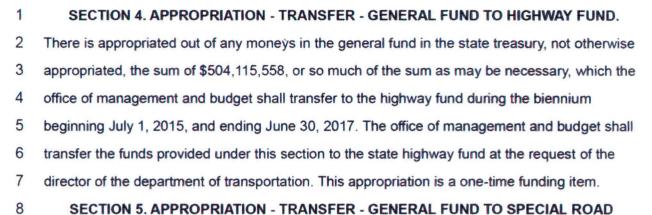
3 items approved by the sixty-third legislative assembly for the 2013-15 biennium and the

4 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

5	One-Time Funding Description	2013-15	<u>2015-17</u>
6	General fund transfer to highway fund	\$541,600,000	\$0
7	Enhanced state highway investments	1,161,600,000	504,115,558
8	TIGER III federal railroad program	10,000,000	0
9	General license plate issue	6,820,000	0
10	Contingent general fund transfer to	1,100,000	0
11	public transportation fund		
12	Airplane replacement	4,500,000	0
13	Transportation distribution to oil-producing counties	160,000,000	0
14	Transportation distribution to non-oil-producing counties	120,000,000	0
15	Recreational road access	0	3,000,000
16	Vehicle registration and titling system replacement	0	2,500,000
17	Motor coach reimbursement from colleges	0	750,000
18	Truck size and weight harmonization study	<u>0</u>	60.000
19	Total all funds	\$2,005,620,000	\$510,425,558
20	Total special fund	541,600,000	510,365,558
21	Total general fund	\$1,464,020,000	\$60,000
22	The 2015-17 one-time funding amounts are not part of t	he entity's hase h	udget for the 2017-19

The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19 biennium. The department of transportation shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. LINE ITEM TRANSFERS. The director of the department of transportation may transfer between the salaries and wages, operating, capital assets, and grants line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the office of management and budget of any transfers made under this section.



**FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the special road fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the special road fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

16

SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS

FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of one-time funding for the department of transportation's short line railroad program, for the biennium beginning July 1, 2015, and ending June 30, 2017.

22 SECTION 7. APPROPRIATION - STATE TREASURER. There is appropriated out of any 23 moneys in the general fund in the state treasury, not otherwise appropriated, the sum of 24 \$8,000,000, or so much of the sum as may be necessary, to the state treasurer for allocation to 25 counties for allocation to or for the benefit of organized and unorganized townships in 26 non-oil-producing counties, for the biennium beginning July 1, 2015, and ending June 30, 2017. 27 The funding provided in this section must be distributed in February 2016. The state treasurer 28 shall distribute the funds provided under this section to counties and the county treasurer shall 29 allocate the funds to or for the benefit of townships in non-oil-producing counties through a 30 one-time distribution of \$5,000 to each organized township and a one-time distribution of \$5,000 31 for each unorganized township to the county in which the unorganized township is located. For

unorganized townships within the county, the board of county commissioners may expend an
 appropriate portion of revenues under this section for township roads or other infrastructure
 needs in those townships. A township is not eligible for an allocation of funds under this section
 if the township does not maintain any township roads. For the purposes of this section, a
 "non-oil-producing county" means a county that has received an allocation of funding under
 section 57-51-15 of less than \$5,000,000 in the state fiscal year ending June 30, 2014.
 SECTION 8. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS

FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$20,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing grants to eligible cities, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item. For purposes of this section, an "eligible city" means a city with a population of more than 563 but fewer than 581 according to the most recent official decennial federal census.

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SECTION 9. DEPARTMENT OF TRANSPORTATION - TRUCK SIZE AND WEIGHT

HARMONIZATION. The operating expenses line item in section 1 of this Act, includes the sum of \$60,000 from the general fund, for the department of transportation to collaborate with the upper great plains transportation institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the western states transportation alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and potential implications, for the biennium beginning July 1, 2015, and ending June 30, 2017.

23 SECTION 10. LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT 24 HARMONIZATION. During the 2015-16 interim, the legislative management shall study the 25 truck size and weight provisions under chapter 39-12 of North Dakota century code, related to 26 size, width, and height restrictions, in order to ensure the state of North Dakota can harmonize 27 its truck size and weight regulations with the regulations of the states in the western states 28 transportation alliance, and shall utilize the findings of the collaborative study of the department 29 of transportation and the upper great plains transportation institute to determine appropriate 30 changes to state law. The legislative management shall report its findings and

recommendations, together with any legislation required to implement the recommendations, to
 the sixty-fifth legislative assembly.

3 SECTION 11, APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO 4 PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general 5 fund in the state treasury, not otherwise appropriated, the sum of \$1,900,000, or so much of the 6 sum as may be necessary, which the office of management and budget shall transfer to the 7 public transportation fund pursuant to this section during the biennium beginning July 1, 2015. 8 and ending June 30, 2017. The office of management and budget shall transfer the sum of 9 \$950,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax 10 distribution fund are \$5,600,000 or less during the period beginning July 1, 2014 and ending 11 June 30, 2015. The office of management and budget shall transfer the sum of \$950,000 on 12 July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund 13 are \$5,600,000 or less during the period beginning July 1, 2015 and ending June 30, 2016. 14 SECTION 12. EXEMPTION - HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS 15 FUND. The amount appropriated to the department of transportation from the highway-rail 16 grade crossing safety projects fund, as contained in section 4 of chapter 43 of the 2013 Session 17 Laws, is not subject to the provisions of section 54-44,1-11. Any unexpended funds from this 18 appropriation are available to the department highway-rail grade crossing safety projects during

19 the biennium beginning July 1, 2015, and ending June 30, 2017.

20 SECTION 13. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER

AUTHORITY. Section 54-44.1-11 does not apply to funding of \$504,115,558 in the capital
assets line item relating to enhanced state highway investments in section 1 of this Act. Any
funds not spent by June 30, 2017, must be continued into the biennium beginning July 1, 2017,
and ending June 30, 2019, and may be expended only for enhanced state highway
investments.

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### SECTION 14. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE

27 RAISING GRANTS. The amount appropriated to the department of transportation from the state 28 disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of 29 the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended 30 funds from this appropriation are available to the department to provide road grade raising 31 grants during the biennium beginning July 1, 2015, and ending June 30, 2017.



1 SECTION 15. PAYBACK AND REALLOCATION OF FEDERAL AID. Notwithstanding any 2 other provisions of law, the department of transportation may repay the United States 3 department of transportation for previous related expenditures out of current biennium 4 appropriations so that the department may re-obligate the federal aid to other federal aid 5 projects. 6 SECTION 16. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is 7 amended and reenacted as follows: 8 39-02-03. Powers and duties of director and department. 9 The director, subject to the approval of the governor, may adopt and enforce such 10 administrative rules and designate such agencies and establish such branch offices as may be 11 necessary to carry out the laws applicable to the director's office and department. The director 12 shall provide suitable forms for applications, registration cards, license number plates, and all 13 other forms requisite for the operation of the director's office and department, and shall prepay 14 all transportation charges thereon. Branch office contracts entered under this section may 15 extend five years and may be renewed in accordance with this section. At least one year before 16 the end of each branch office contract term, the department shall consider entering contracts 17 with new branch office vendors. Notwithstanding any other provision of law, the director may 18 enter direct negotiations and contract with qualified vendors to provide branch office services. 19 The director may provide for a maximum fee schedule for the various services provided by the 20 branch offices, not to exceed ten dollars for each service provided. Any branch office may 21 establish a different fee schedule if the schedule does not contain a fee that exceeds a 22 maximum fee established by the director and is approved by the director. All branch office 23 managers must be bonded. The department may lease or provide office space or other costs as 24 necessary to independent motor vehicle branch managers. All rents collected under this section 25 must be deposited in the state highway fund. The department and the officers thereof shall 26 enforce the provisions of all laws pertaining to the director and the department. 27 SECTION 17. RAIL SAFETY REPORT TO LEGISLATIVE MANAGEMENT. During the 28 2015-16 interim, the director of the department of transportation shall report to a committee 29 designated by the legislative management regarding rail safety. The report must include: 30 Current railroad conditions, including crossings and rail lines; 1. 31 2. A review of train speeds;

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3. Existing railroad freight and passenger demands and future needs;

4. A review of emergency response procedures in the state;

- 5. A review of tank car specifications; and
- 6. A review of economic, safety, and environmental impacts on the state, including

correlation with other modes of transportation, such as highways, pipelines, and air.

### SECTION 18. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD

7 INFRASTRUCTURE. During the 2015-16 interim, the legislative management shall consider

- 8 studying short line railroad expansion, spurs, switches, or other infrastructure enhancements
- 9 and the effect of short line railroads on reducing commercial traffic on the state highway system.
- 10 The legislative management shall report its findings and recommendations, together with any
- 11 legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

### 12 SECTION 19. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES.

- 13 During the 2015-16 interim, the legislative management shall consider studying the potential
- 14 effect high-efficiency vehicles may have on the revenue generated from motor vehicle
- 15 registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol
- 16 taxes. The legislative management shall report its findings and recommendations, together with
- 17 any legislation required to implement the recommendations, to the sixty-fifth legislative
- 18 assembly.
- 19 SECTION 20. APPLICATION. Section 16 of this Act applies to applicable contracts,
- 20 regardless of whether entered before or after the effective date of this Act.



4B1012

april 22, 2015 attachment B.



### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012 (with Senate Amendments) (Bill Version 15.8120.03000)

Page 1, line 3, after the first semicolon insert "to provide an appropriation to the department of transportation to offset costs incurred from motor coach operations:"

Page 3, line 3, replace "\$504,115,558" with "\$503,115,558"

Page 4, after line 14, insert:

"SECTION 9. APPROPRIATION - DEPARTMENT OF TRANSPORTATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of offsetting costs incurred from motor coach operations, for the biennium beginning July 1, 2015 and ending June 30, 2017."

Page 5, line 21, replace "\$504,115,558" with "\$503,115,558"

Renumber accordingly.

B1012

april 22, 2015

Attackment A

15.8120.02005 Title. Prepared by the Legislative Council staff for Representative Thoreson April 16, 2015

### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1498-1502 of the House Journal and pages 1290-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 5, after the third semicolon inert "to provide for a report to the legislative council;"

Page 5, after line 23, insert:

"SECTION 14. RAIL SAFETY REPORT. The director of the department of transportation shall post the department's updated North Dakota state rail plan report on the department's public website and provide an electronic copy to the legislative council for placement on the legislative branch public website for the biennium beginning July 1, 2015, and ending June 30, 2017."

Renumber accordingly

### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section requiring the Department of Transportation and the Legislative Council to make available on each agency's website a report prepared by the Department of Transportation on railroad safety.





4(B1012

april 22, 2015

Attachment B

15.8120.02006 Title. Prepared by the Legislative Council staff for Representative Glassheim April 17, 2015

### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1498-1502 of the House Journal and pages 1290-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 5, after the first semicolon insert "to report to legislative management;"

Page 5, after line 23, insert:

### "SECTION 14. RAIL SAFETY - REPORT TO LEGISLATIVE MANAGEMENT. The department of transportation shall report to a committee designated by legislative management, regarding the department's updated North Dakota state rail plan for the biennium beginning July 1, 2015, and ending June 30, 2017."

Renumber accordingly

### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds a section requiring the Department of Transportation to report to a committee designated by Legislative Management regarding the department's updated North Dakota state rail plan report.





4B1012

april 22,2015 attachment C

15.8120.02008 Title.

Prepared by the Legislative Council staff for Representative Skarphol April 20, 2015

### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1498-1502 of the House Journal and pages 1290-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 3, after the semicolon insert "to create and enact a new section to chapter 38-08 of the North Dakota Century Code, relating to an exemption to flaring restrictions for certain governmental delay:"

Page 5, after line 2, insert:

"SECTION 13. A new section to chapter 38-08 of the North Dakota Century Code is created and enacted as follows:

### Exemption from flaring restrictions on permit delay.

If a state governmental entity with an easement or right-of-way procedure for the use of state property or right of way by gas pipelines does not accept, deny, or provide an explanation of the reason for delay as to a completed application within forty-five days, the industrial commission may not impose oil production restrictions based on flaring on the operator of a well that is affected by the delayed application process. The application process is not delayed if the reason for the delay is an extenuating circumstance as determined by the industrial commission."

Renumber accordingly



HBIOIZ

april 23, 2015

attachment A

15.8120.02012 Title. Prepared by the Legislative Council staff for Representative Brandenburg April 23, 2015

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1498-1502 of the House Journal and pages 1290-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 5, after the third semicolon insert "to provide for a department of transportation study; to provide a report to legislative management;"

Page 4, after line 21, insert:

"SECTION 11. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the sum of \$100,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the period beginning July 1, 2014, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$100,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5,200,000 or less during the period beginning July 1, 2015, and ending June 30, 2016.

SECTION 12. DEPARTMENT OF TRANSPORTATION STUDY - REPORT TO LEGISLATIVE MANAGEMENT. The department of transportation shall study state funding distributions and allocations to public transportation providers. The study must include a review of distributions and allocations including contingent funding provided, a review of distribution 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 department of transportation shall report to the legislative management regarding the results of its study by June 30, 2016."

Renumber accordingly

### STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides an appropriation and contingent transfer from the general fund to the public transportation fund for making a \$100,000 transfer on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5.2 million or less during fiscal year 2015 and another transfer of \$100,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5.2 million or less during fiscal year 2016. This amendment also adds a section requiring the Department of Transportation to study the public transportation funding system and report to the Legislative Management.



4B1012

april 23, 2015

Attachment of

15.8120.02010 Title. Fiscal No. 1 Prepared by the Legislative Council staff for Representative Brandenburg April 23, 2015

### PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1012

That the Senate recede from its amendments as printed on pages 1498-1502 of the House Journal and pages 1290-1294 of the Senate Journal and that Engrossed House Bill No. 1012 be amended as follows:

Page 1, line 5, after the third semicolon insert "to provide for a department of transportation study; to provide a report to legislative management;"

Page 1, line 5, remove "and"

Page 1, line 6, after "exemptions" insert "; and to provide for application"

Page 1, replace lines 16 through 22 with:

"Salaries and wages	\$187,477,585	\$20,300,693	\$207,778,278
Accrued leave payments	7,280,897	(7,280,897)	0
Operating expenses	376,721,715	19,101,036	395,822,751
Capital assets	727,911,207	379,785,753	1,107,696,960
Grants	<u>79,788,030</u>	(16,120,000)	63,668,030
Total all funds	\$1,379,179,434	\$395,786,585	\$1,774,966,019
Less estimated income	1,379,179,434	395,726,585	1,774,906,019
Total general fund	\$0	\$60,000	\$60,000
Full-time equivalent positions	1,079.50	1.00	1,080.50"

Page 2, replace lines 4 through 18 with:

"General fund transfer to highway fund Enhanced state highway investments TIGER III federal railroad program General license plate issue	\$541,600,000 1,161,600,000 10,000,000 6,820,000	\$0 503,115,558 0 0
Contingent general fund transfer to public transportation fund	1,100,000	0
Airplane replacement	4,500,000	0
Transportation distribution to oil-producing counties	160,000,000	0
Transportation distribution to non-oil-producing counties	120,000,000	0
Recreational road access	0	2,000,000
Vehicle registration and titling system replacement	0	2,500,000
Truck size and weight harmonization study	<u>0</u>	60,000
Total all funds	\$2,005,620,000	\$507,675,558
Total special funds	541,600,000	507,615,558
Total general fund	\$1,464,020,000	\$60,000"

Page 2, line 30, replace "\$504,115,558" with "\$503,115,558"

Page 3, after line 3, insert:



"SECTION 5. APPROPRIATION - DEPARTMENT OF TRANSPORTATION -MOTOR COACH REIMBURSEMENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of transportation for the

Page No. 1

purpose of reimbursing costs incurred from motor coach operations, for the biennium beginning July 1, 2015, and ending June 30, 2017."

Page 3, line 6, replace "\$1,000,000" with "\$2,000,000"

Page 3, line 12, after "APPROPRIATION" insert "- STRATEGIC INVESTMENT AND IMPROVEMENTS FUND"

Page 3, line 14, replace "\$2,000,000" with "\$7,000,000"

Page 4, replace lines 3 through 9 with:

"SECTION 9. DEPARTMENT OF TRANSPORTATION - TRUCK SIZE AND WEIGHT HARMONIZATION. The operating expenses line item in section 1 of this Act, includes the sum of \$60,000 from the general fund, for the department of transportation to collaborate with the upper great plains transportation institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the western states transportation alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and potential implications, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT HARMONIZATION. During the 2015-16 interim, the legislative management shall study the truck size and weight provisions under chapter 39-12, related to size, width, and height restrictions, in order to ensure the state of North Dakota can harmonize its truck size and weight regulations with the regulations of the states in the western states transportation alliance, and shall utilize the findings of the collaborative study of the department of transportation and the upper great plains transportation institute to determine appropriate changes to state law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

Page 4, line 17, replace "\$504,115,558" with "\$503,115,558"

- Page 5, line 11, remove "into"
- Page 5, line 12, after "At" insert "least one year before"

Page 5, line 13, remove "current"

- Page 5, line 13, remove "into"
- Page 5, line 15, remove "into"

Page 6, replace lines 6 through 19 with:

"SECTION 19. APPLICATION. Section 16 of this Act applies to applicable contracts, regardless of whether entered before or after the effective date of this Act."

Renumber accordingly

### STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Conference Committee Action

Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
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2

State Treasurer	••			** *** ***	** *** ***	
Total all funds	\$0	\$8,000,000	\$0	\$8,000,000	\$8,000,000	\$0
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$8,000,000	\$0	\$8,000,000	\$8,000,000	\$0
Department of Transportation						
Total all funds	\$1,379,179,434	\$2,277,030,434	\$11,051,143	\$2,288,081,577	\$2,290,401,577	(\$2,320,000)
Less estimated income	1,379,179,434	1,771,914,876	9,991,143	1,781,906,019	1,781,326,019	580,000
General fund	\$0	\$505,115,558	\$1,060,000	\$506,175,558	\$509,075,558	(\$2,900,000)
Bill total						
Total all funds	\$1,379,179,434	\$2,285,030,434	\$11,051,143	\$2,296,081,577	\$2,298,401,577	(\$2,320,000)
Less estimated income	1,379,179,434	1,771,914,876	9,991,143	1.781.906.019	1.781.326.019	580.000
General fund	\$0	\$513,115,558	\$1,060,000	\$514,175,558	\$517.075.558	(\$2,900,000)
Ochoral land	40	ψυ τυ, ττυ, υυυ	φ1,000,000	\$514,175,550	\$011,010,000	(\$2,000,000)

### House Bill No. 1012 - State Treasurer - Conference Committee Action

The Senate did not change the House version.

4

### House Bill No. 1012 - Department of Transportation - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages Operating expenses Capital assets Grants Accrued leave payments	\$187,477,585 376,721,715 727,911,207 79,788,030 7,280,897	\$208,387,135 395,173,751 1,102,685,960 63,668,030	(\$608,857) 649,000 5,011,000	\$207,778,278 395,822,751 1,107,696,960 63,668,030	\$207,778,278 395,822,751 1,104,096,960 63,668,030	3,600,000
General fund transfer to highway fund	7,200,097	504,115,558	(1,000,000)	503,115,558	504,115,558	(1,000,000)
Short line railroad program General fund trans. to special road fund		2,000,000 1,000,000	5,000,000 1,000,000	7,000,000 2,000,000	10,000,000 3,000,000	(3,000,000) (1,000,000)
City grants Contingent transfer Motor coach reimbursement			1,000,000	1,000,000	20,000 1,900,000	(20,000) (1,900,000) 1,000,000
Total all funds Less estimated income	\$1,379,179,434 1,379,179,434	\$2,277,030,434 1,771,914,876	\$11,051,143 9,991,143	\$2,288,081,577 1,781,906,019	\$2,290,401,577 1,781,326,019	(\$2,320,000) 580,000
General fund	\$0	\$505,115,558	\$1,060,000	\$506,175,558	\$509,075,558	(\$2,900,000)
FTE	1079.50	1079.50	1.00	1080.50	1080.50	0.00

### Department No. 801 - Department of Transportation - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Adds Funding for New Environmental Scientist III <sup>2</sup>	Adjusts Funding for Maintenance Management System <sup>3</sup>	Adds Funding for Highway Projects⁴	Adds Funding for Motor Coach Reimbursement s	Reduces One- Time Funding for Enhanced State Infrastructure Investments <sup>6</sup>
Salaries and wages Operating expenses Capital assets Grants	(\$811,779)	\$202,922	589,000 (589,000)	5,600,000		(1,000,000)
Accrued leave payments General fund transfer to highway fund Short line railroad program General fund trans. to special road fund						(1,000,000)
City grants Contingent transfer Motor coach reimbursement					1,000,000	
Total all funds Less estimated income	(\$811,779) (811,779)	\$202,922 202,922	\$0 0	\$5,600,000 5,600,000	\$1,000,000 0	(\$2,000,000) (1,000,000)
General fund	\$0	\$0	\$0	\$0	\$1,000,000	(\$1,000,000)

Page No. 3

15.8120.02010

FTE	0.00	1.00	0.00	0.00	0.00
	Adds One-Time Funding for Recreational Road Access Improvements <sup>7</sup>	Adds One-Time Funding for Short Line Railroad Program <sup>8</sup>	Adds One-Time Funding for Truck Size and Weight Harmonization Study <sup>9</sup>	Transfers Funding to Special Road Fund <sup>10</sup>	Total Conference Committee Changes
Salaries and wages Operating expenses Capital assets Grants	1,000,000		60,000		(\$608,857) 649,000 5,011,000
Accrued leave payments General fund transfer to highway fund Short line railroad program General fund trans. to special road fund City grants		5,000,000		1,000,000	(1,000,000) 5,000,000 1,000,000
Contingent transfer Motor coach reimbursement					1,000,000
Total all funds Less estimated income	\$1,000,000 1,000,000	\$5,000,000 5,000,000	\$60,000 0	\$1,000,000	\$11,051,143 9,991,143
General fund	\$0	\$0	\$60,000	\$1,000,000	\$1,060,000
FTE	0.00	0.00	0.00	0.00	1.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is added from other funds for a new environment scientist III full-time equivalent position (\$195,143) and related salary increase (\$7,779), the same as the Senate version.

<sup>3</sup> Funding is adjusted from the capital assets line item to the operating expenses line item for the maintenance management system, the same as the Senate version.

<sup>4</sup> The conference committee added funding to the capital assets line due to additional revenues available in the highway tax distribution fund to the Department of Transportation for highway projects.

<sup>5</sup> The conference committee added a section providing a \$1 million appropriation from the general fund to the Department of Transportation for offsetting costs incurred from motor coach operations.

<sup>6</sup> The conference committee removed \$1 million in enhanced state infrastructure investments and reduced the general fund transfer to the highway fund by \$1 million.

<sup>7</sup> The conference committee increased one-time funding from \$1 million to \$2 million from the special road fund for improvements to roads that lead to recreational areas. The Senate provided \$3 million.

<sup>8</sup> Funding from the strategic investment and improvements fund for the Department of Transportation's short line railroad program is increased by the conference committee from \$2 million to \$7 million. The Senate provided \$10 million.

<sup>9</sup> A section is added appropriating one-time funding from the general fund for the Department of Transportation to collaborate with the Upper Great Plains Transportation Institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the Western States Transportation Alliance, the same as the Senate version.

<sup>10</sup> The one-time general fund transfer to the special road fund for improvements to roads that lead to recreational areas is increased by the conference committee from \$1 million to \$2 million. The Senate provided for a \$3 million transfer.

0.00



This amendment also:

- Reduces the appropriation and transfer from the general fund to the highway fund from \$504,115,558 to \$503,115,558.
- Provides for a Legislative Management study regarding truck size and weight harmonization, the same as the Senate version.
- Removes a section that provided legislative intent for the Department of Transportation to refrain from using any of the funds appropriated to the department for the 2015-17 biennium for construction or repair of buildings or any new information technology improvements unless the department receives federal funding of at least the amount anticipated by the 64th Legislative Assembly, the same as the Senate version.
- Reduces the enhanced state highway investments carryover authority from \$504,115,558 to \$503,115,558.

Sections added by the Senate that are not included in this amendment include:

- A section appropriating one-time funding from the strategic investment and improvements fund to provide \$20,000 for grants to eligible cities.
- A section providing an appropriation and contingent transfer from the general fund to the public transportation fund for making a \$950,000 transfer on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are \$5.6 million or less during fiscal year 2015 and another transfer of \$950,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are \$5.6 million or less during fiscal year 2016.
- A section requiring the Department of Transportation to report to the Legislative Management on rail safety.



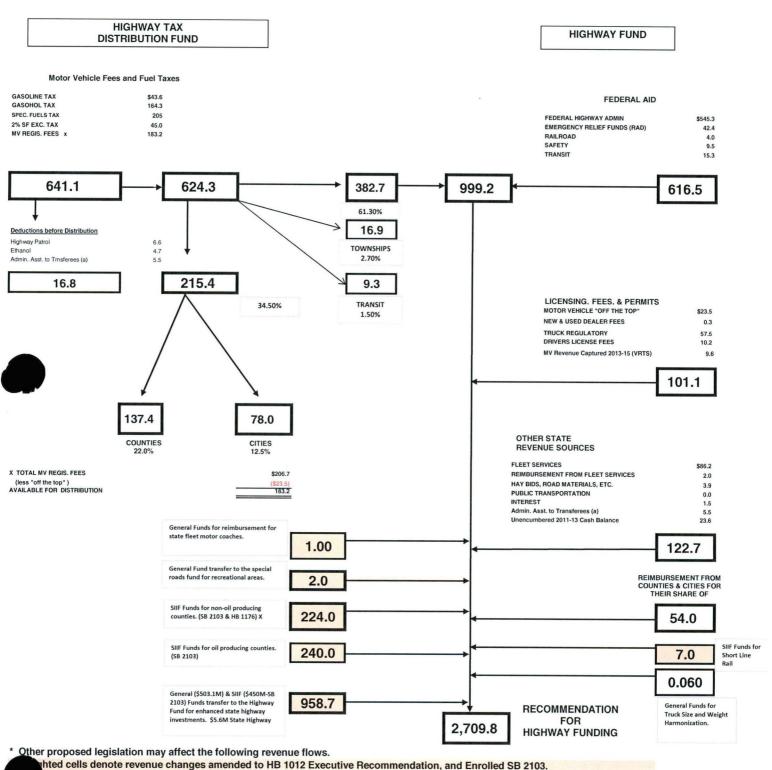


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april 23, 2015 attackment A

## **DEPARTMENT OF TRANSPORTATION** ENGROSSED HB1012 & HB 1176/ENROLLED SB2103 2015 - 2017 BIENNIUM REVENUE \*

(MILLIONS)



des \$112 million appropriated in HB 1176.

Fransit state funding is not included as it is a continuing appropriation.

PREPARED BY NDDOT APRIL 23, 2015