



# Transportation Committee

January 10, 2013

# Introduction

- Accomplishments
- Challenges
- Budget Information
- Legislation
- Questions

# Record breaking biennium

The 2011-2013 biennium is one that can be called record breaking in many ways.

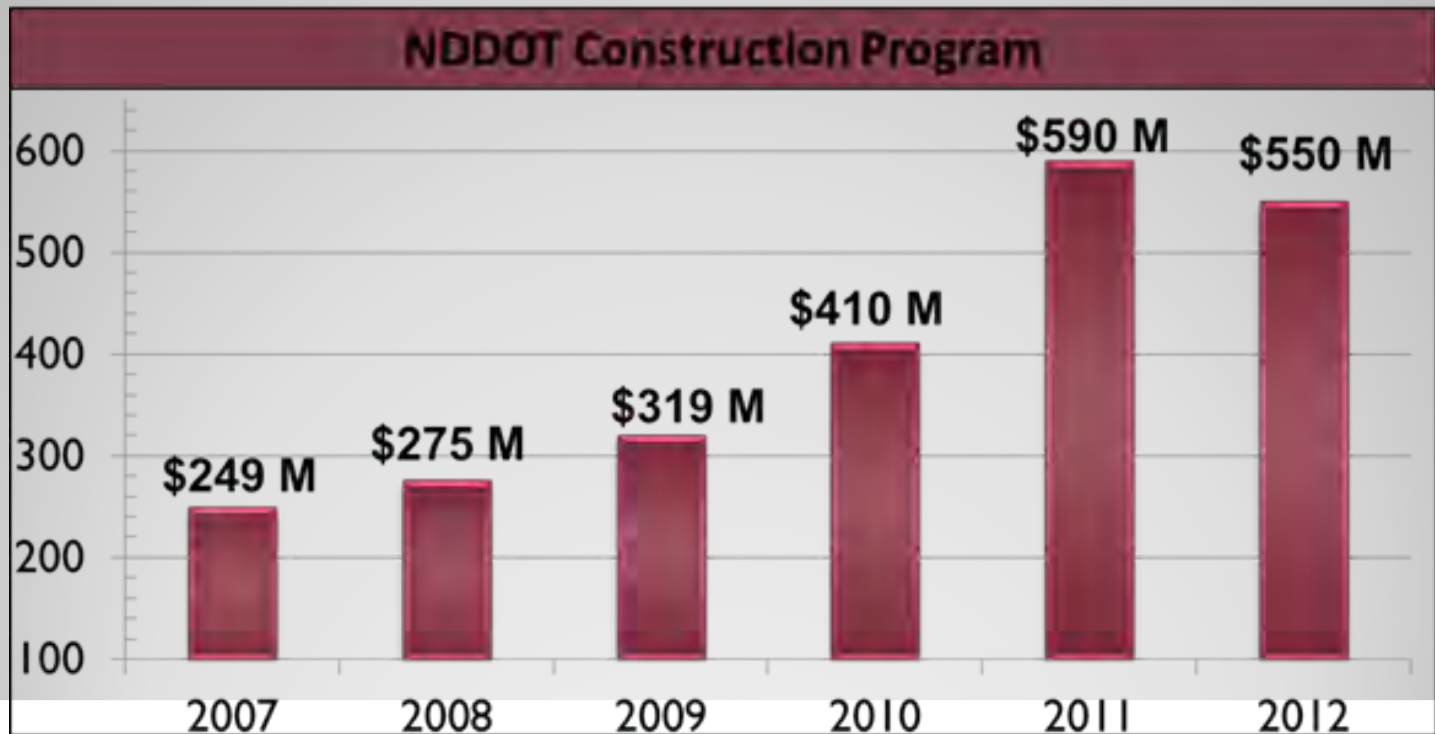
- Record energy production
- Record agricultural production
- Record manufacturing & tourism
- Record flooding
- Record traffic
- Record motor vehicle registrations
- Record drivers license renewals



Thanks to you the state has successfully handled a large number of historic records. Your legislation and funding has helped the NDDOT to accomplish a great deal.

# Accomplishments

- The Department had the two largest construction programs in state's history, delivering over \$1 billion in projects.



# Accomplishments

## Record Road Construction:

- NDDOT bid out 444 contracts covering 1,780 miles of state highway to enhance movement of traffic and safety by:
- Reconstructing and widening roadways.
- Adding passing and turning lanes.
- Using concrete and asphalt surfaces.



# Accomplishments

## Provided quality services during statewide flooding.

- The NDDOT brought in equipment and employees from throughout the state to assist with flood fighting efforts in Fargo, Minot and Bismarck/Mandan areas.





# Accomplishments - Emergency Work

In 2011-12, North Dakota received \$316.74 million in federal Emergency Relief funding, an historic amount for the state.



## Devils Lake Basin projects:

From 1994 to 2012, we have spent approximately \$550 million on roadways in the Devils Lake Basin (includes state highways, county roadways, and BIA roads.)



*ND Highway 57 grade raise – Devils Lake*

# Accomplishments

Techniques to enhance road strength & traffic flow:

## Concrete improvement projects:

- Concrete intersections – short term projects to stop rutting.
- Concrete overlay on highways – long term projects to prolong the life of the road.

**Roundabout Project on ND 22 near Killdeer** – to enhance traffic movement.

- Traffic can be viewed on our website on the Travel Information Map camera at <http://www.dot.nd.gov/travel-info-v2/>





# Accomplishments

## Senate Bill 2147 (61<sup>st</sup> Legislative Session)

### Design Build:

- Planning and Programming, Environmental and Right of Way are required prior to using the Design/Build process.
- Box Culvert Project on ND 1804 east of Williston:
  - Design/Bid/Build was \$98,500 less on a \$863,000 project.
  - Project completion time is difficult to compare.

# Accomplishments - Safety

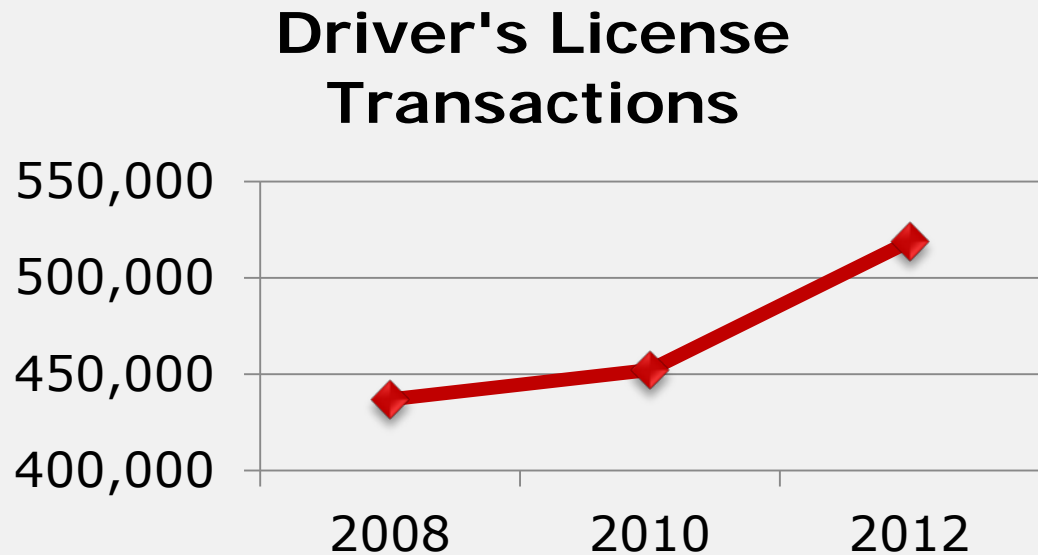
## **Safety continues to be number one priority:**

- A new North Dakota Strategic Highway Safety Plan (SHSP) was completed. It includes goals and emphasis areas to promote traffic safety in North Dakota.
- Some of the goals include:
  - ✓ Reduce impaired (alcohol & drug) driving
  - ✓ Increase seat belt use
  - ✓ Curb aggressive driving
  - ✓ Enhance intersection safety
  - ✓ Inform younger driver/older driver about safety



# Accomplishments – Drivers License

- Over 518,000 transactions were processed for more than 509,000 drivers.
- This is the first time the state has exceeded half a million licensed drivers.



# Accomplishments – Drivers License

- The wait time for CDLs has improved from an average of 32 days in 2010, to a current statewide average of 19 days.
- We are partnering with Bismarck State College, Williston State College and private oil companies for 3<sup>rd</sup> party CDL testing.



# Accomplishments – Motor Vehicle

- Again over one million registration renewals were processed in 2012. The trend continues to grow.
- eDealer program implemented.
- Temporary motor vehicle registrations exceeded 11,650 in the first 18 months of the biennium, generating \$3.35 million.





# Challenges – Service Expectations

Increased public expectations for service:

- **Safety**
  - Maintain safety on all highways.
- **Snow and Ice Control**
  - 24 Hour demand for service.
- **Motor Vehicle & Drivers License**
  - Demand for driver related testing continues to increase.
  - Title turnaround time approx. two months.

## Road Expansion/Improvement

- Adding miles to system/paved roadways/wider roads/load carrying capacity.

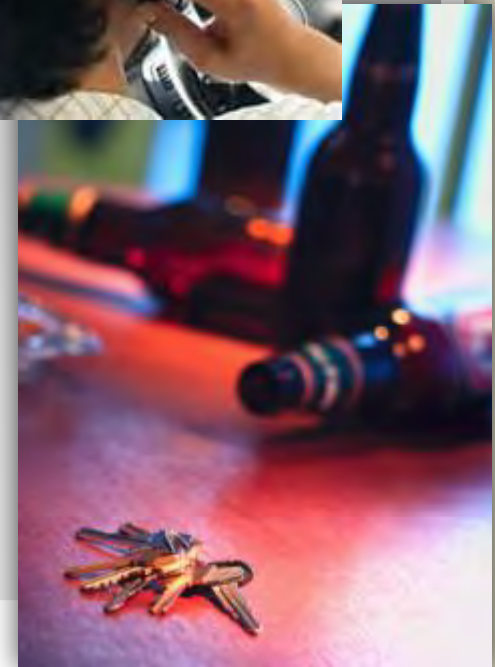
- **Staffing**

- Difficulty in hiring and retaining experienced staff due to higher salaries offered by other companies & increased housing costs.
- We continue to experience a large number of vacancies with 31 open statewide and 7 in the Williston District.



# Challenges - Safety

- In 2012 there were 169 fatalities compared to 148 in 2011.
- Traffic fatalities in 2012:
  - 50% alcohol related
  - 66% unrestrained (no seat belts)
  - 29% speed related



# Challenges - Drivers License

- Continue delivering effective customer service in a timely manner at all sites.
- Managing the growth of third party testing to ensure high quality program continues to meet federal guidelines.



# Motor Vehicle

- Unlike Drivers License offices, the 20 Motor Vehicle branch offices are operated by independent contractors (not state employees.)
- Branch fees have remained the same for approximately 7 years.



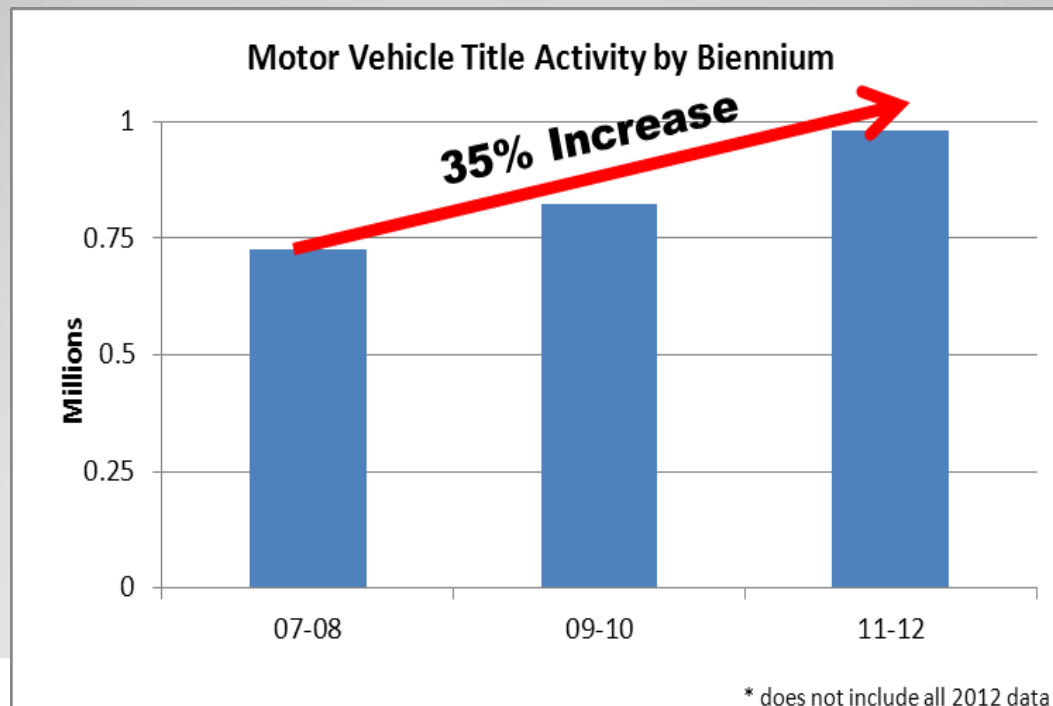
# Challenges - Motor Vehicle

- Strong economy has made it difficult for MV branches and DOT to retain employees.
  - Because of that more training is required which takes staff time away from production.
- Increased complexity of transactions:
  - Out of state titling growth.
  - Fraud increase.
  - Communication because of several different languages.



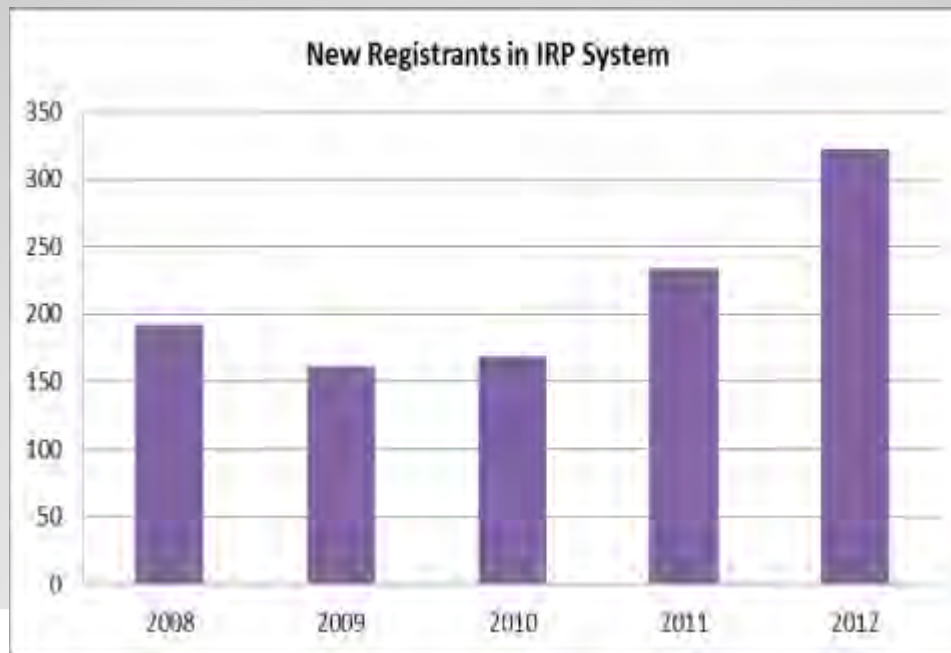
# Challenges - Motor Vehicle

Titling activity has increased 35% when comparing the 2007 Biennium to the 2011 Biennium.



# Challenges - Motor Vehicle

- 91% increase of new companies in the International Registration Plan (IRP) from 2010-2012.



# Challenges - Motor Vehicle

- The number of licensed dealers has increased 12% from 2010 to 2012.
- Approaching 1,100 dealers in the state.
- Each new dealer needs to be inspected and trained by our staff.



# Challenges - Traffic

- **Increases in traffic:**

- Increased traffic volumes (particularly heavy trucks), accelerated the deterioration of county, township, tribal roads and state highways in the oil impact areas.
- In 2011, North Dakota saw a 10% increase in traffic statewide, and a 25% increase in traffic in western N.D.
- US 85 west of Watford City averaged 11,051 vehicles a day in 2012 compared to 2,322 in 2006.
- I-94 near Fargo area averaged 68,000 vehicles a day in 2012.



# Challenges - System Condition



**ND Highway 1806 on September 2, 2010**



**ND Highway 1806 on April 28, 2011**



# Cost Of Doing Business

- One of the major challenges facing city, state, county and township levels of government as they try to provide transportation infrastructure is the rising cost of doing business.
- The chart illustrates inflation is averaging more than 11% per year since 2001. Construction cost inflation is eating up growth in revenues.



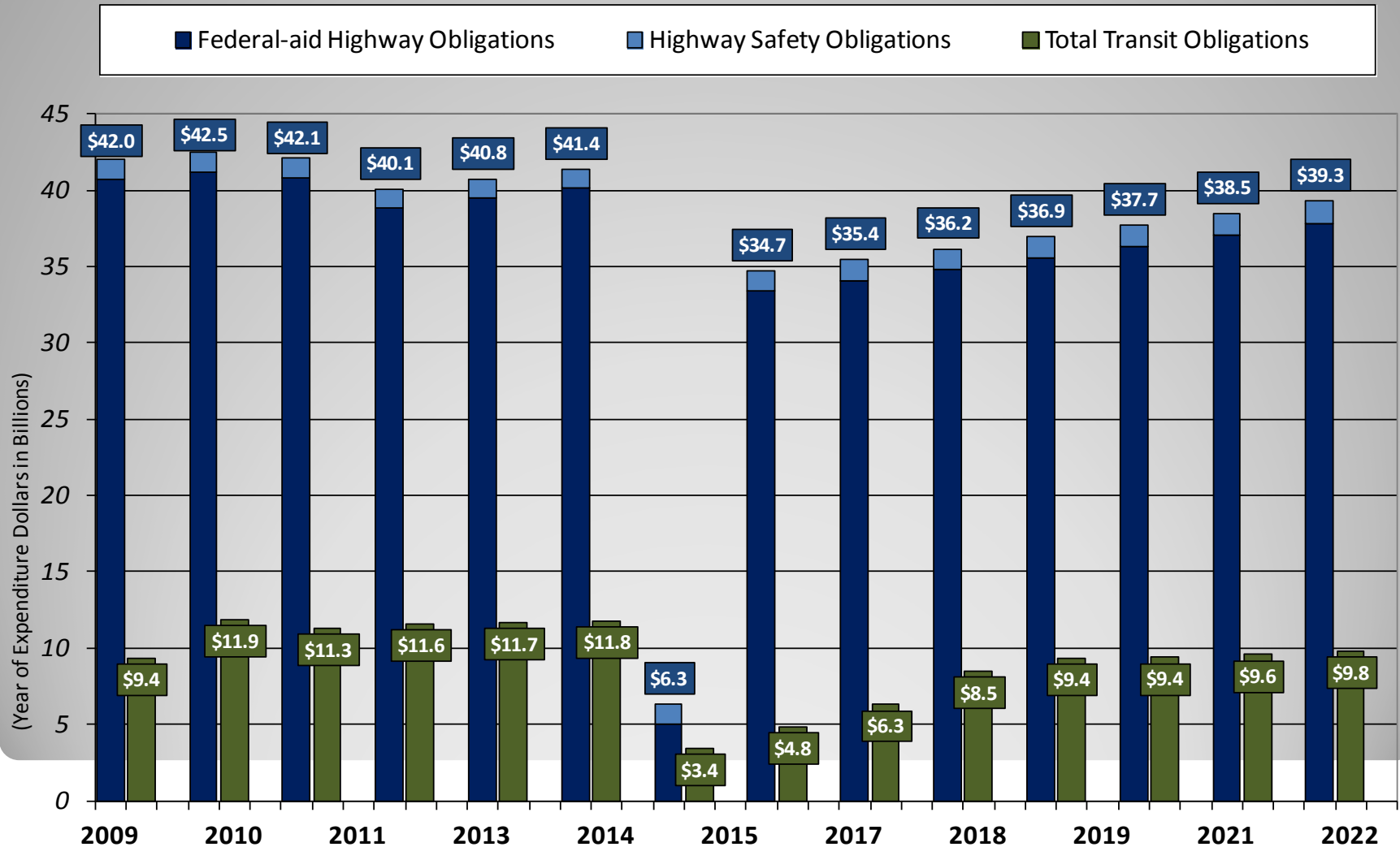
# Federal Funding MAP-21 Bill

- The bill states North Dakota has an apportionment of:
  - \$240.5 million in 2012 and 2013.
  - \$242.5 million in 2014.
- Bill provides an obligational authority of \$234.5 million for 2012 and unknown for 2013.
- Currently operating under a Continuing Resolution that runs through March 27, 2013. The NDDOT anticipates receiving about \$108 Million in federal funds through March.
- Over the past five years, DOT received an average of approximately \$245 million in obligational authority a year.

# Uncertainty of Federal Funding

## Federal Highway and Transit Needs and Obligations Through 2022

Assumes a minimum balance of \$2 billion for the Highway Account and \$.25 billion for the Mass Transit Account



# UGPTI Needs Study

Biennium	Roadways	Needs Total \$\$\$ In Millions
2013-2015	State Highways	\$2,414.7
2015-2017	State Highways	\$1,352.9
2013-2015	County & Township Roads	\$ 834.0
2015-2017	County & Township Roads	\$ 772.0

# Highway Tax Distribution Fund *Revenue*

## Highway Tax Distribution Fund Revenue (millions)

	<u>Enrolled 2011-2013</u>	<u>Forecasted 2013-2015</u>	<u>Difference</u>
Gasoline Tax	\$ 65.2	\$ 88.0	\$ 22.8
Gasohol Tax	\$104.5	\$107.9	\$ 3.4
Special Fuels Tax	\$106.0	\$204.5	\$ 98.5
Two Percent SF Excise Tax	\$ 21.0	\$ 40.6	\$ 19.6
Motor Vehicle Registration Fees	<u>\$130.2</u>	<u>\$169.0</u>	<u>\$ 38.8</u>
	\$426.9	\$610.0	\$183.1



# Highway Tax Distribution Fund

## *Distributions*

### Highway Tax Distribution Fund Distributions (millions)

	<u>Enrolled 2011-2013</u>	<u>Forecasted 2013-2015</u>	<u>Difference</u>
Highway Patrol	\$ 5.0	\$ 7.2	\$ 2.2
Ethanol	\$ 3.9	\$ 4.4	\$ 0.5
Assistant to Transferees	\$ 5.5	\$ 5.5	\$ 0.0
Counties	\$ 90.8	\$130.4	\$ 39.6
Cities	\$ 51.5	\$ 74.1	\$ 22.6
Transit	\$ 6.2	\$ 8.9	\$ 2.7
Townships	\$ 11.1	\$ 16.0	\$ 4.9
NDDOT	<u>\$252.9</u>	<u>\$363.5</u>	<u>\$110.6</u>
	\$426.9	\$610.0	\$183.1

### **Annual**

### Amount of one cent of fuel tax generates (millions)

Gasoline and Gasohol	\$3.8
Special Fuel Tax	<u>\$2.6</u>
Total	\$6.4

# Comparison of Appropriation Highlights

## 2011-2013 Biennium vs. 2013-2015 Proposal

### 2011-2013 Approp. Highlights

- \$1.67 billion total appropriation.
- \$228.6 million one time for extraordinary state highway maintenance.
- \$142.0 million one time for county and township road reconstruction program.
- Nine new FTEs
  - 2 MV licensing specialists
  - 4 drivers license examiners
  - 3 equipment operators (transportation technicians)
- \$15.6 million increase for roadway maintenance safety items such as lighting, snow and ice removal, pothole patching, and pavement marking.
- \$2.5 million in one-time special fund authority for asbestos abatement in the central office building.
- \$530,886 to convert the agency's entire radio network to digital.

### 2013-2015 Approp. Highlights

- \$2.7 billion total appropriation.
- \$1.16 billion one time for enhanced state highway investments.
- \$142.0 million one time for county & township road reconstruction program.
- 16.0 new FTEs.
  - 5 engineer positions to provide management and oversight of preliminary and construction consultant engineering services.
  - 4 equipment operators (trans techs) to enhance road maintenance & snow removal in western N.D.
  - 1 accounting/budget specialist to meet the demand of increased accounting volume as a result of the growth in the transportation program.
  - 2 drivers license supervisors to meet the demands of the growth for licensing and testing in western N.D.
  - 4 motor vehicle licensing specialists to meet the demand in the growth of motor vehicle services.
- \$10.0 million to match a federal TIGER III grant to rebuild a 20-mile segment of railroad track & 2 bridges near Churchs Ferry.
- \$9.7 million in special funds for a motor vehicle registration/ titling system information technology project.
- \$6.0 million in one-time special fund dollars for the final phase of asbestos abatement in central office building.

# Comparison of Revenue Highlights

## 2011-2013 Biennium vs. 2013-2015 Proposal

### 2011-2013 Revenue Highlights

- \$681 million in Federal Aid (includes \$24.1 million federal stimulus funding.)
- \$228.6 million in one-time funding from the general fund for extraordinary state highway maintenance needs in oil impact areas.
- \$142.0 million in one-time funding for county and township road reconstruction needs in oil impact areas.
- \$83 million in transportation funding distributions to non-oil producing counties, cities & townships.
- Provided \$200.0 million in borrowing authority for additional emergency relief program.
- Provided a one-time general fund transfer of \$5.85 million to complete the ND 20 roads acting as dams project.
- Provided \$6 million from disaster relief fund for road grade raises.

### 2013-2015 Revenue Highlights

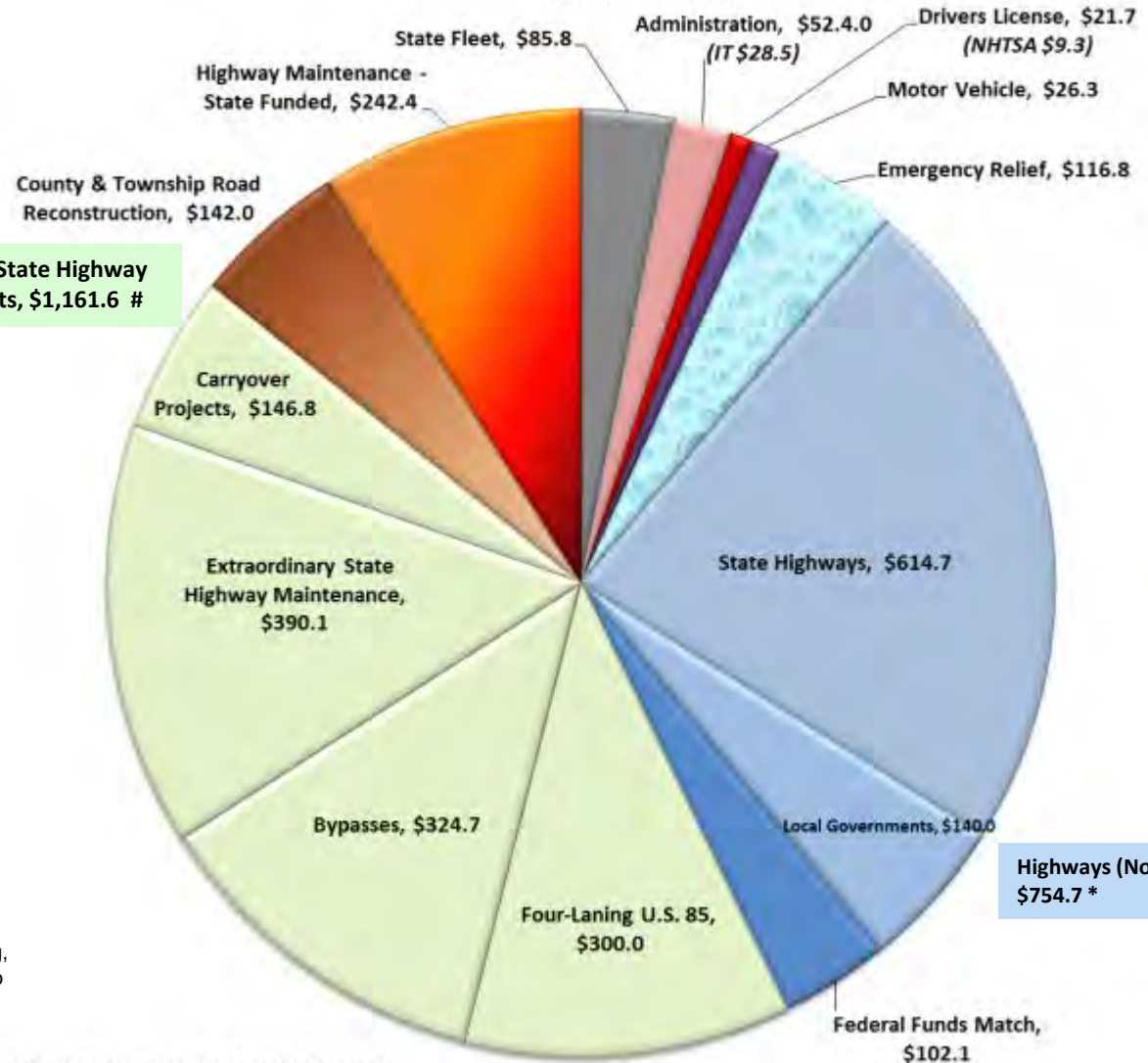
- \$691.5 million in Federal Aid (includes \$10 million TIGER III grant to rebuild a 20-mile segment of railroad track and two bridges near Churchs Ferry).
- Provides \$1.16 billion in one-time funding from the general fund for enhanced state highway investments: including extraordinary state highway maintenance and repair, truck reliever routes around cities, upgrading two-lane highways to four-lane highways, and constructing underpasses.
- Provides \$142.0 million in one-time funding from the general fund to address extraordinary county road reconstruction needs in counties impacted by increased oil and gas production.
- \$100 million in transportation funding distributions to non-oil producing counties, cities & townships

# NDDOT Budget

## NDDOT 2013-2015 Executive Budget (millions)

\$2,705.7 billion total

Enhanced State Highway  
Investments, \$1,161.6 #



\* Approximately \$140.0 million of this funding goes toward local governments

# 20% of this funding will be used for engineering, additionally utilities and right of way costs are also included in this fund.

PREPARED BY NDDOT FINANCIAL MANAGEMENT  
DIVISION JANUARY 9, 2013

# History of Highway Investments

- This table provides a breakdown of the dollars spent on state highways from 1995 - 2010 in the oil impact areas compared to the rest of the state. It shows that from 1995 – 2010 just over \$4 billion was invested in state highways.

Years	Oil Impact Area (Minot, Williston, & Dickinson Districts)	Other State District Areas (Bismarck, Valley City, Devils Lake, Grand Forks & Fargo Districts)	Total Investments
1995 – 2010**	\$1.2 B	\$2.9 B*	\$4.1 B

*\*Includes \$273,428,000 in E.R. funding in the Devils Lake District. \*\* Some of the 2010 projects were not completed and were carried over into 2011.*

This shows that about 29 percent of the funds were invested in the three districts in the oil impact areas and 71 percent of the funds were invested in the rest of the state.



# Highway Investments

Eastern and western roadway investments utilizing state and federal funding

Funding	Oil Impact Area (Minot, Williston & Dickinson Districts) (\$ Millions)	Bismarck, Valley City, Devils Lake, Grand Forks, & Fargo Districts (\$ Millions)	Total (\$ Millions)
Oil Impact Funds for State Highways ( <b>HB 1012</b> )	\$228.6 M <sup>(1)</sup>	---	\$228.6 M
Oil Impact Funds for County Roads ( <b>HB 1012</b> )	\$142.0 M <sup>(1)</sup>	---	\$142.0 M
Bid Openings (2011 – 2012) (Fed funds, state & local match)	\$316.7 M <sup>(2)</sup>	\$347.6 M <sup>(2)</sup>	\$664.3 M
Emergency Relief (ER)	\$86.4 M	\$197.7 M	\$284.1 M
<b>Total 2011- 2013 Biennium</b>	<b>\$773.7 M</b>	<b>\$545.3 M</b>	<b>\$1,319.0 M</b>
Projected Oil Impact Funds for State Highways	\$1,161.6 M <sup>(1)</sup>	---	\$1,161.6 M
Projected Oil Impact Funds for County Roads	\$142.0 M <sup>(1)</sup>	---	\$142.0 M
STIP (2013 -2014) <sup>(4)</sup> (Fed funds, state & local match)	\$148.8 M <sup>(3)</sup>	\$450.0 M <sup>(3)</sup>	\$598.8 M
ER Carryover (from 2011-2013 biennium)	\$31.1 M	\$77.0 M	\$108.1 M
<b>Total 2013- 2015 Biennium</b>	<b>\$1,483.5 M</b>	<b>\$527.0 M</b>	<b>\$2,010.5 M</b>
<b>Grand Total 2011 - 2014</b>	<b>\$2,257.2 M</b>	<b>\$1,072.3 M</b>	<b>\$3,329.5 M</b>

# Proposed DOT Bills



- **HB 1121:** Impacts to Right of Ways –  
Permission from highway authority required.
- **HB 1122:** Amendment to distribution of funds –  
Relating to public transportation (Transit) funding.
- **HB 1125:** Certificate of notary showing compliance with registration –  
Relating to notarized certificates for vehicle registration. Extends vehicle title sticker from 45 days to 60 days when purchasing a vehicle.

# Questions?