

Good morning, Mr. Chairman and members of the Committee. My name is Ron Henke, director for the North Dakota Department of Transportation (NDDOT). I am here to oppose HB 1202.

House Bill 1202 proposes to have the NDDOT provide a \$3 million one-time grant from the Flexible Transportation Fund (Flex Fund) for the purpose of providing dollars to a county for costs associated with a drainage project.

The Flexible Transportation Fund was established by the 68<sup>th</sup> Legislative Assembly (NDCC 24-02-37.3) and the current law laid out criteria to help determine eligibility for these funds. It was created in part to assist with road and bridge projects on and off the state system and work towards building a better-connected transportation system throughout the state. The Flex Fund has a dedicated set-aside of 25% of 50% of the motor vehicle excise tax dedicated to county and township road and bridge projects in non-oil producing counties. That amounts to about \$43 million per biennium. In addition to the set-aside, state law also required the NDDOT to establish criteria to distribute the funds.

As a result, the NDDOT established criteria and guidelines, created an application process and website, developed a scoring process, and stood up a committee to evaluate and score the applications. The committee had representation from the NDDOT, ND Department of Commerce, ND Township Officers Association, ND Association of Counties, ND League of Cities, ND Indian Affairs Commission, and the Greater ND Chamber.

Overall, we feel the process was a success as we received 165 applications totaling \$205.5 million in Flex Fund requests for the set-aside.

Having a process and guidelines helps to ensure things are fair and transparent for those requesting dollars for their needed projects, as often the dollars are not enough to cover all the requested needs. The NDDOT is tasked to be the accountable party to independently lead the distribution of funds. HB 1202 does not follow the Flexible Transportation Fund language passed by the 68<sup>th</sup> Legislative Assembly or the criteria, guidelines and process established by the NDDOT to distribute the funds. Therefore, the NDDOT is opposed to HB 1202.

This concludes my testimony - I would be happy to answer any questions. Thank you.