

**HB 1012**  
**North Dakota Department of Transportation**  
 Senate Appropriations | Government Operations Division

**NORTH Dakota** | Transportation  
 Be Legendary.

March 7, 2023

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**NORTH Dakota** | Transportation  
 Be Legendary.

**MISSION**  
*Safely move people and goods.*

**VISION**  
 North Dakota's transportation leader promoting safe ways, superior service & economic growth.

**VALUES | PRIDE**  
 Professionalism | Respect | Integrity  
 Dedication | Excellence

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# AGENCY OVERVIEW

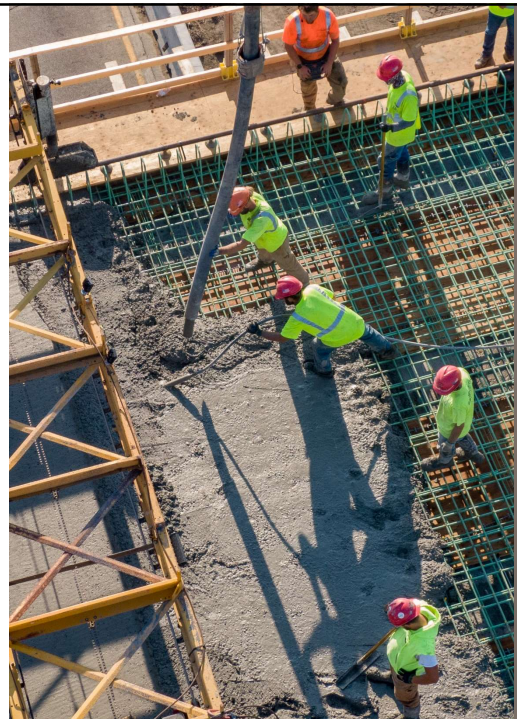
- NDDOT follows primarily North Dakota Century Code Chapters 24 and 39.
- Originally called the State Highway Department, the North Dakota Department of Transportation (NDDOT) was established in 1917. The NDDOT is an innovative and progressive organization that has a talented team of employees who work hard across the state to carry out the department's mission to safely move people and goods.
- The NDDOT strives to build and maintain an efficient transportation system consisting of over 106,000 miles of roadways and nearly 5,000 bridges. We oversee the development of surface transportation including highways, bridges, transit, pedestrian and bicycle paths across the state.
- We also oversee Motor Vehicle and Driver License operations for ND. We process over one million vehicle registrations every year and serve over 500,000 licensed drivers at offices located across the state.

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## SUCCESS!

- Construction contracts totaling \$500M+
- 7,655 driver license online knowledge tests completed
- Completed major Motor Vehicle & Driver License System Upgrade to better serve customers (*Licensing Enterprise Gateway Endpoint for North Dakota | LEGEND*)
- \$224.5M in American Rescue Plan Act (ARPA) funds committed | \$105M spent
- \$35M bond for bridges has been committed | \$12.5M spent



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## AWARDS & ACCOLADES

THIS BIENNIUM

- **ND ROADS – RANKED #1** - According to the *Reason Foundation*, North Dakota leads the nation in highway performance and cost effectiveness.
- **TEAM NDDOT** – Bismarck-Mandan Young Professionals Network 2022 Best Places to Work
- **BEULAH RETROFIT ROUNDABOUT** – America’s Transportation Award for Best Use of Technology & Innovation
- **LONG X BRIDGE** – Regional American Association of Highway and Transportation Officials (AASHTO) Award
- **MOTOR VEHICLE & DRIVER LICENSE** – American Assoc. of Motor Vehicle Administrators (AAMVA) Reinventing the Customer Service Award
- **LOCAL GOVERNMENT** – Dakota Transit Association ND Friend of Transit Award
- **COMMUNICATIONS** – AASHTO Transportation Communications Award in the categories of external publication, event and crisis communications.
- **VISION ZERO** – AAMVA Public Affairs and Consumer Education Award

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### CHALLENGE

## MEET THE NEEDS OF NORTH DAKOTANS

- NDDOT is currently one of the smallest DOTs in the country. We have optimized our processes, procedures, and use of outside contracted services to achieve award winning efficiencies, unification of services, introduced new technology, and do more with fewer people (-98 FTEs since 2016).
- Infrastructure Investment and Jobs Act (IIJA) established new project demands, new funding opportunities, and expanded our existing workload (+30%).
- In addition to stopping certain tasks and transferring more tasks to consultants/contractors - some limited, additional staffing resources are needed to continue service and meet expectations of citizens, the legislature, and other agencies.

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## CHALLENGE

# RE-ESTABLISH BASIC OPERATIONAL BUDGET

- ND prioritized construction over operations for the last several biennia.
- This has also led to a reduction in operational focus (buildings and equipment), services to citizens, safety programs, workforce retention/recruitment, as well as reduced chances to leverage funding and saying “yes” to emerging opportunities.



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# RE-ESTABLISH BASIC OPERATIONAL BUDGET

Leverage current level of increased federal/state construction funding to begin replenishing the former, basic operational capacity of NDDOT.

- Capital Improvements
- Mobile Wallet
- UAS Program
- Vision Zero
- Transportation Technology Research Initiative (TTRI) at UND
- Equipment Backlog



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# EQUIPMENT BACKLOG & BUILDING NEEDS

## *EQUIPMENT* | \$32M in equipment backlog

- There is a replacement schedule for all equipment and a base fleet inventory for all districts
- Experiencing supply chain issues and costs have increased 20-25% since last biennium

## *DISTRICT/SECTION BUILDINGS* | \$33M new \$15.5M maintenance deficiencies

- **Capital Improvement Plan** – proactive approach that identifies capital projects based on (future) needs, necessities, and priorities within the DOT



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## *CHALLENGE*

# INCREASE FLEXIBILITY

- Improve timely response to unanticipated local government needs, economic development support, federal grant wins, and other federal/state funding needs.
- Transition state funding policies away from “federal-connected only” policies to state transportation funding with some federal support.
- Focusing on federal discretionary and state flexible fund.



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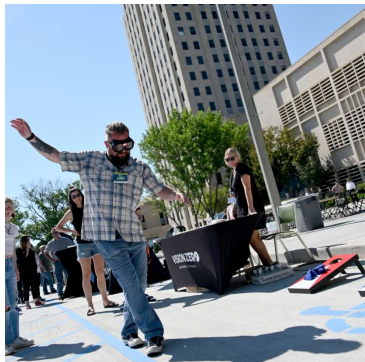
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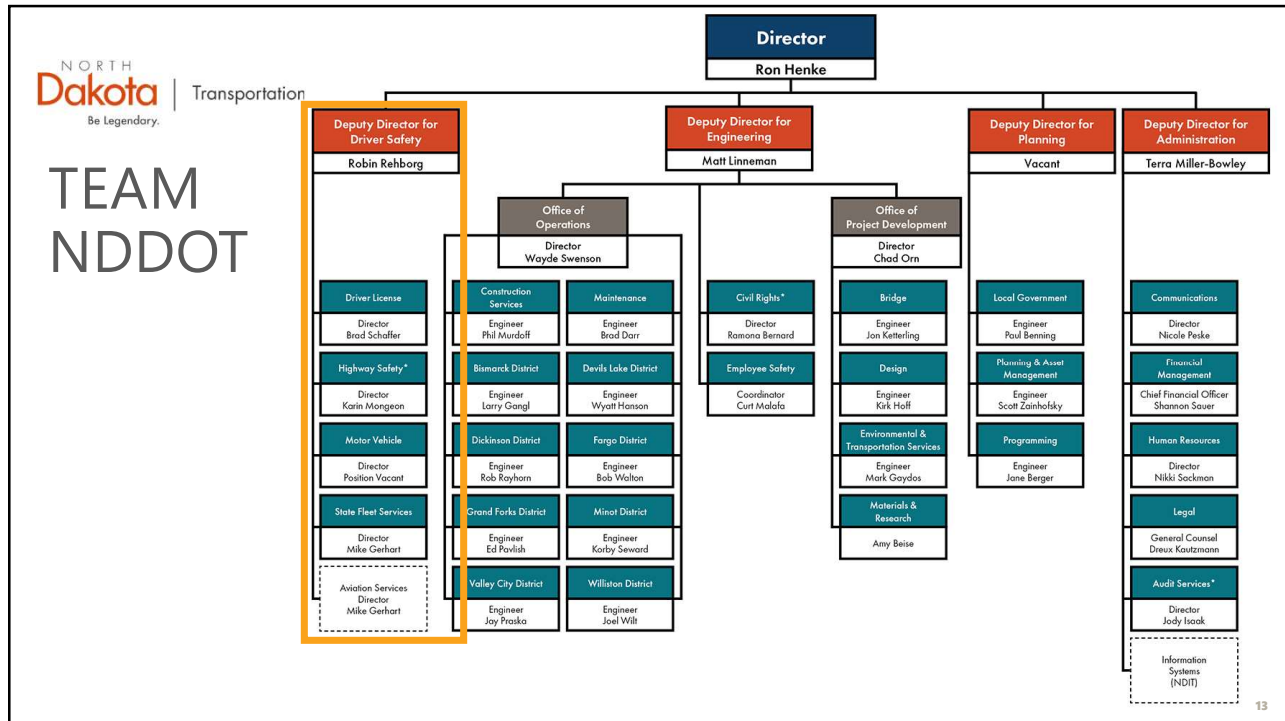
# HOW WE SERVE NORTH DAKOTA

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# DRIVER SAFETY



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## DRIVER LICENSE | *AT A GLANCE*



- 8 Fulltime Sites
- 11 Parttime Sites



- Class D: 532K
- CDL: 49K
- Real ID: 54%



- 8 Tribal ID Days
- Assisted 160 tribal members

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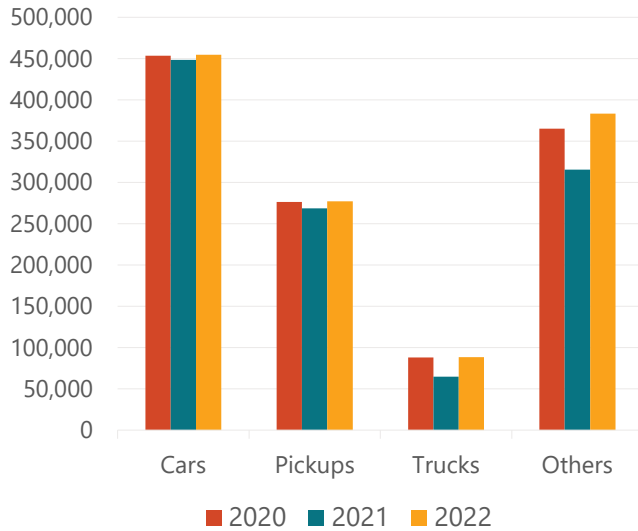
## MOTOR VEHICLE

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# MOTOR VEHICLE | AT A GLANCE

Motor Vehicle Registrations



## LOCATIONS

- 1 Central Office Site
- 18 Contracted MV Offices

## VEHICLES PROCESSED

- 1,203,810 vehicle registrations (2022)

## PROCESSING TIME

- Goal: 4 weeks or less

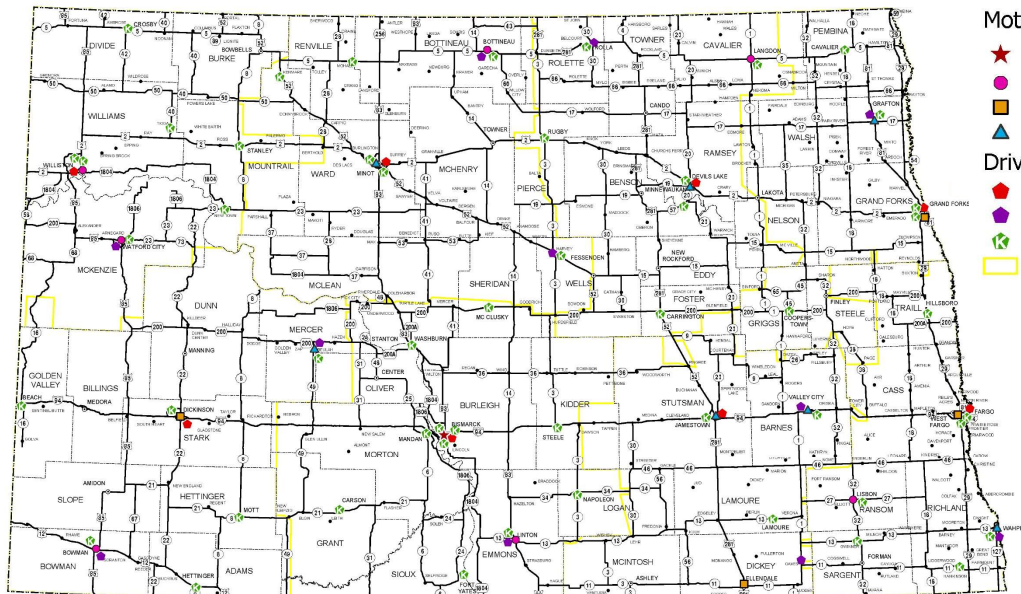
## PARTNERS

- 1092 licensed auto dealers

## ELECTRIC VEHICLES (EV)

- 580 EVs
- 511 Plug-in Hybrid
- 6K Hybrid vehicles registered (2023)

# MOTOR VEHICLE & DRIVER LICENSE LOCATIONS



## Motor Vehicle Branch Type

- ★ Central Office
- County Treasurer
- Private
- ▲ Chamber

## Driver License Location

- ◆ Full Time
- ◇ Part Time
- ⊕ Kiosk
- NDDOT District Boundary

# AGENCY COLLECTIONS

- The Driver's License & Motor Vehicle Divisions collect many fees in accordance with rates established by the Legislature. These fees are ultimately deposited in a wide variety of funds, both special and general, as directed in North Dakota Century Code.
- NDDOT will be providing extensive information on these fees no later than July 1, 2024 pursuant to a fee study as directed by the 2021 legislative assembly in HB1031.



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# HIGHWAY SAFETY



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## HIGHWAY SAFETY | AT A GLANCE



- Coordinates the development, implementation, and evaluation of the Strategic Highway Safety Plan (SHSP)– North Dakota’s Vision Zero Plan.
- Works with law enforcement statewide to collect and maintain traffic records data (primarily crash data).
- Applies for and receives annual funding through the National Highway Traffic Safety Administration (NHTSA) to develop and implement the Highway Safety Plan.

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## VISION ZERO

Zero fatalities. Zero excuses.

- **Mission:** Eliminate motor vehicle crash fatalities and serious injuries in ND.
- 2022: **97 fatalities** (*preliminary*)  
2021: **101 fatalities**
- Motor vehicle crashes are largely preventable if everyone takes personal responsibility.
- **Vision Zero Schools** – 8 schools engaged (Kidder Cty., Flasher, Wing, Oakes, Killdeer, Des Lacs/Burlington, Cando & LaMoure).
- **Regional Coordinators** – Four across the state, extends the work of Vision Zero into the heart of the community.

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# SAFETY CORRIDORS



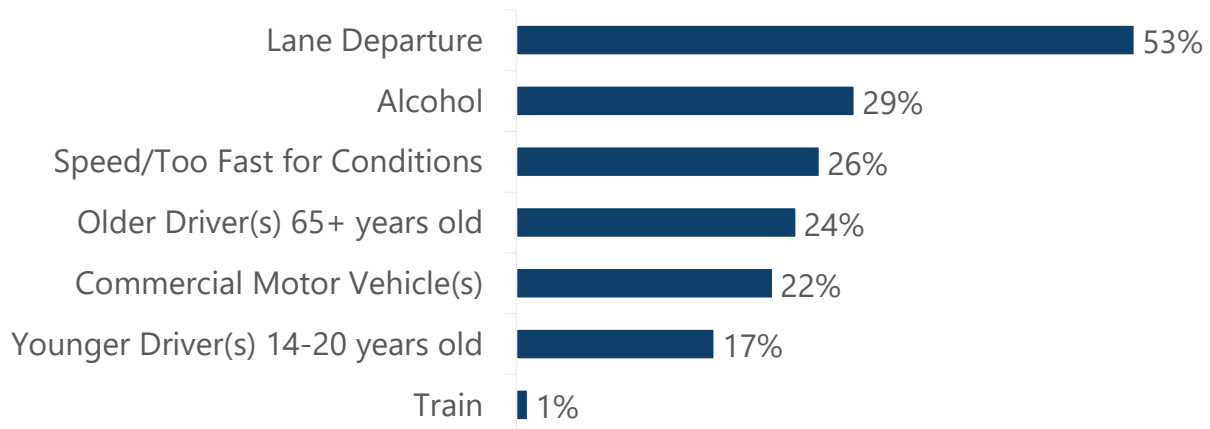
- A Vision Zero solution in which engineering, enforcement, emergency response and education work together.
- Total crashes **decreased by 30%**.
- Locations are selected based on highways with a higher number of vehicle crashes.
- Locations:
  - US 85 Watford City to ND 68
  - US 52 Brooks Junction to Velva
  - US 83 Bismarck to Washburn

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# 2022 CRASH DATA

## FATAL CRASHES BY FACTOR



*Fatal crash totals/percentages will not equal 100% due to multiple factors per crash and varying denominators. Alcohol involvement may be higher than currently reported due to pending investigations. All 2022 data is preliminary and subject to change as additional information is received.*

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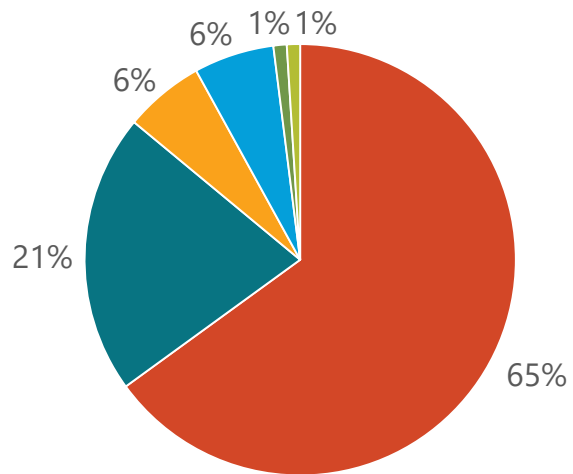
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# 2022 CRASH DATA

## FATAL CRASHES BY VEHICLE

- Car/Pickup/SUV/Van/CMV
- Motorcycle
- Pedestrian
- ATV/Recreational Vehicles
- Bicycle
- Other



*All 2022 data is preliminary and subject to change as additional information is received.*

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## STATE FLEET



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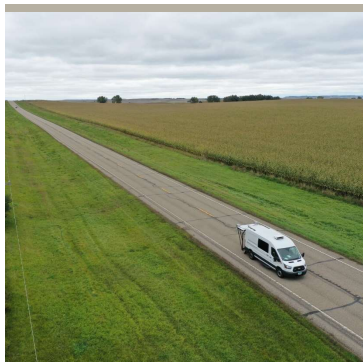
## STATE FLEET | *AT A GLANCE*

- Provides quality vehicles for all state agencies and institutions.
- Purchases and maintains vehicles.
- Operates a total of 13 state-owned fuel sites.
- Provide driver safety training.
- State Fleet Crash Review Board reviews all fleet crashes to identify trends and training needs.
- Manages flight operations and provides flight service to the NDDOT, Governor's Office, and other state agencies.



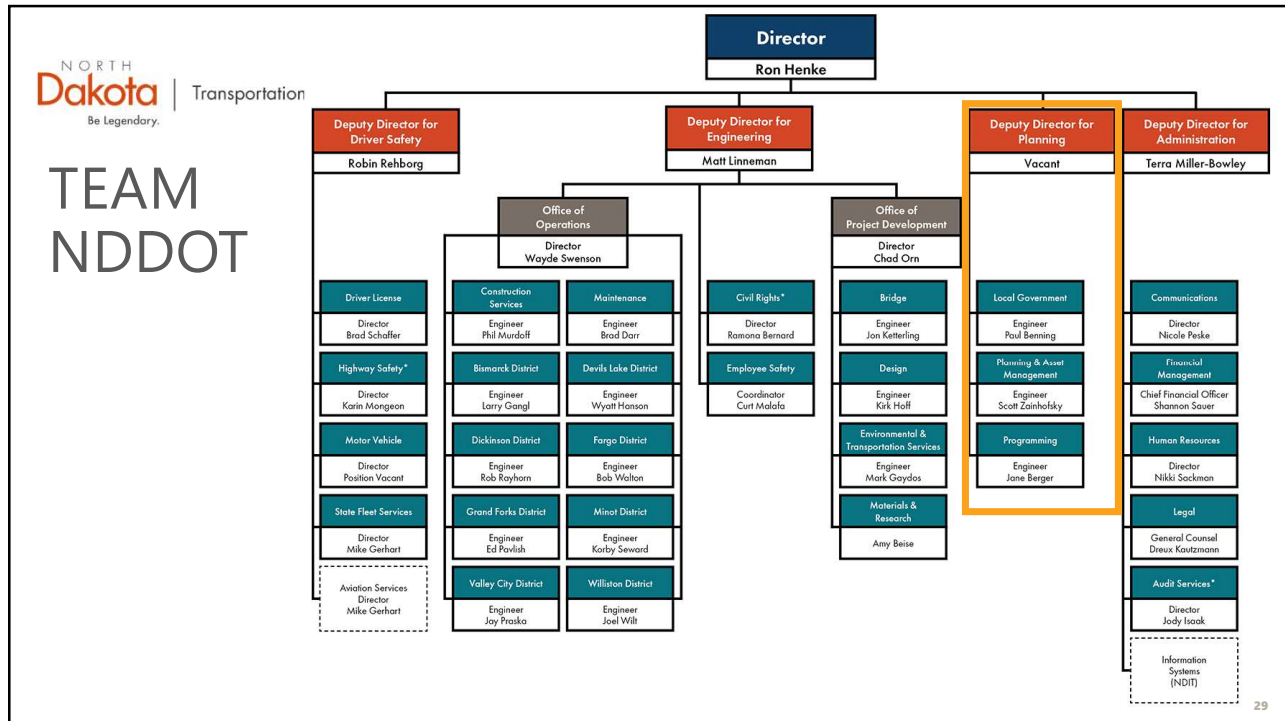
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## PLANNING

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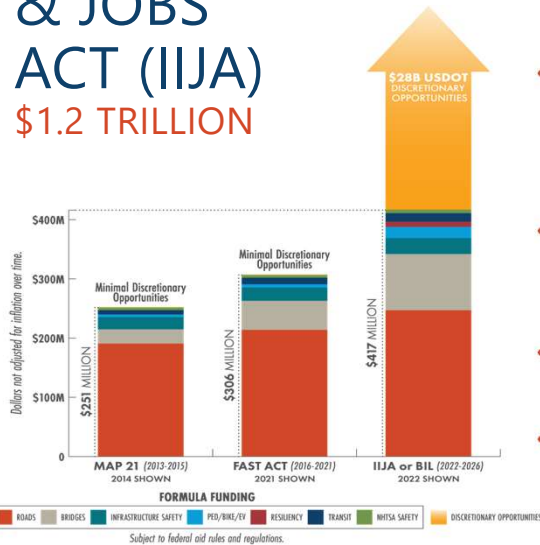
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# INFRASTRUCTURE INVESTMENT & JOBS ACT (IIJA)

## \$1.2 TRILLION



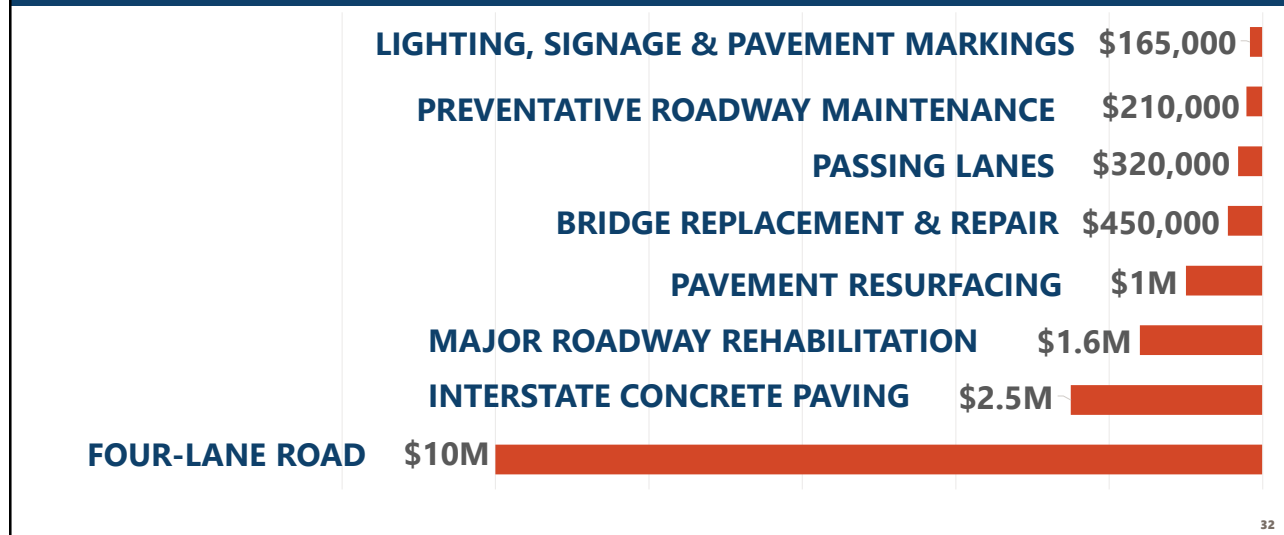
- Includes a 30% increase in total federal formula funding for the next 5 years.
- Funding amounts designated for roads is similar to previous bills. There is a 15% increase in roadway funding which is about equal to the inflation.
- The \$1.2T IIJA funding includes other items like power and grid, broadband, ports and waterways, airports, water infrastructure, and resiliency. This funding is not accessible by the NDDOT.
- Greatest increase in funding is for bridge work, as well as resources for pedestrian/bike, and electric vehicle charging stations.
- Increases much needed funding for transit and highway safety programs.
- Includes historic amount of funding for competitive discretionary programs; award success and the funding timing are unknown.

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# TRANSPORTATION SYSTEM COSTS

Per Mile



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## PLANNING & ASSET MANAGEMENT



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## DISCRETIONARY FUNDING *(Federal Dollars)*

2021-2023 BIENNIUM | *As of Feb. 28*

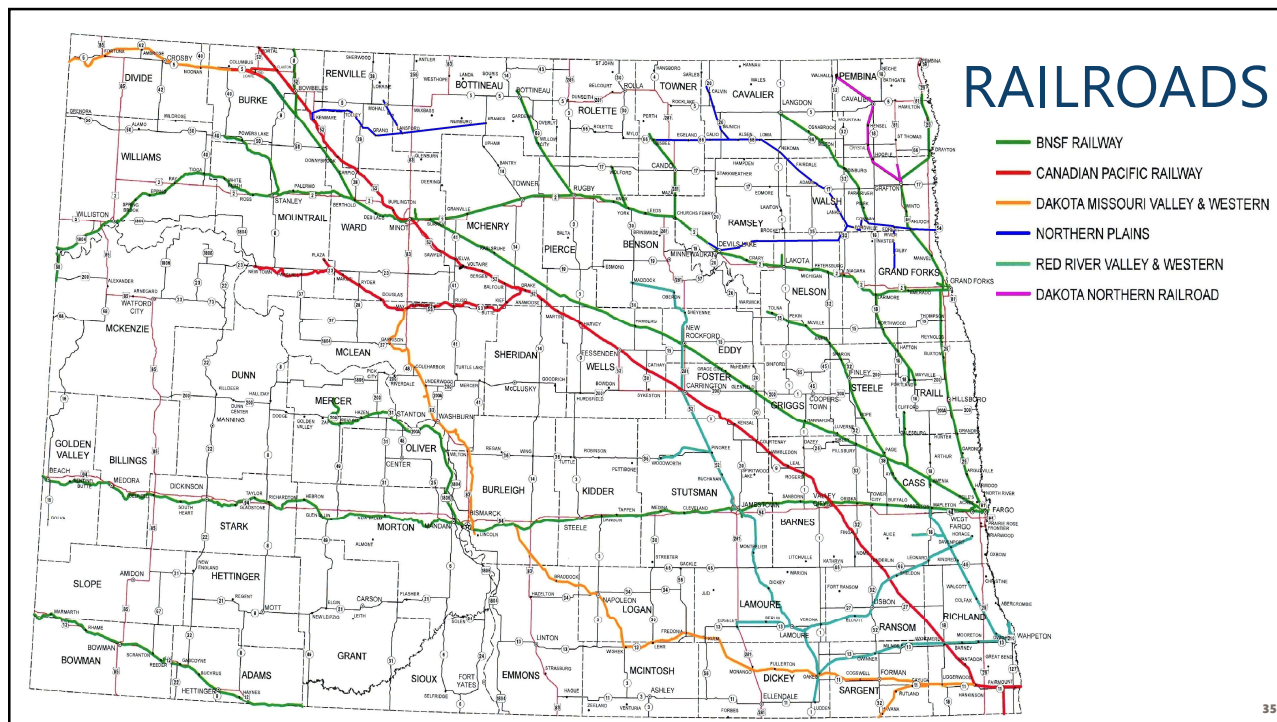
- **Awarded** \$138M
- **Applied** \$556M
- **Awaiting** award announcement \$113M

2023-2025 BIENNIUM | *Projected*

- **Expected** to apply for \$1.2B
- **Potential** award amount \$315M
- **State match** needed \$226M

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# LOCAL GOVERNMENT




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# LOCAL GOVERNMENT

## Partners with Local Public Agencies (LPAs).

- 12 largest cities, +1 in 2024
- 53 counties
- 3 Metropolitan Planning Organizations (MPOs), +1 in 2024
- 30+ transit agencies/providers
- Townships
- Other small cities

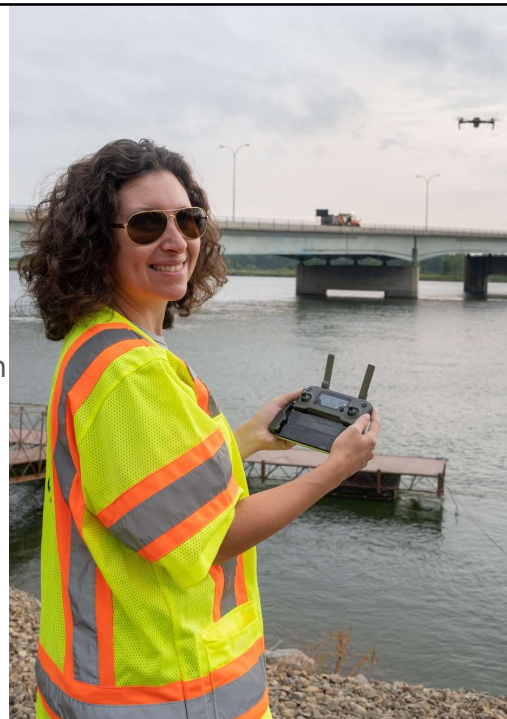


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## UNCREWED AERIAL SYSTEMS (UAS)

- Key uses:
  - Construction Inspection
  - Structure Inspection
  - Emergency Response
- A lead participant in the Federal Aviation Administration UAS Beyond Program.
- UND Transportation Technology Research Initiative (TTRI) – UAS
  - Assist with designing and building sustainable and intelligent infrastructure.
  - Advance workforce development
  - Real-life student experiences



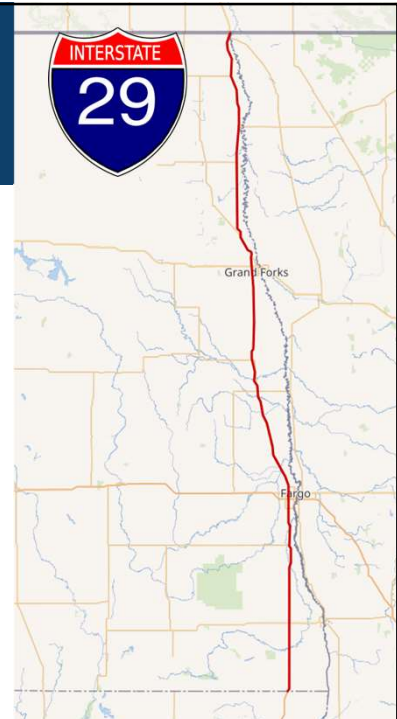
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## The *FUTURE* of SMART CORRIDOR

- Increase efficiency & safety of motorists & freight haulers
- Incorporate new and existing ITS devices and sensors
- Integrate operating strategies and technologies to dynamically manage traffic
- Continuously monitor traffic and roadway conditions
- Incorporate connected and automated vehicles
- Recommend new ITS devices
- Plan & implement deployment of advanced technologies
  - Variable Speed Limits
  - Automated anti-icing
- Integrate Canadian land ports of entry



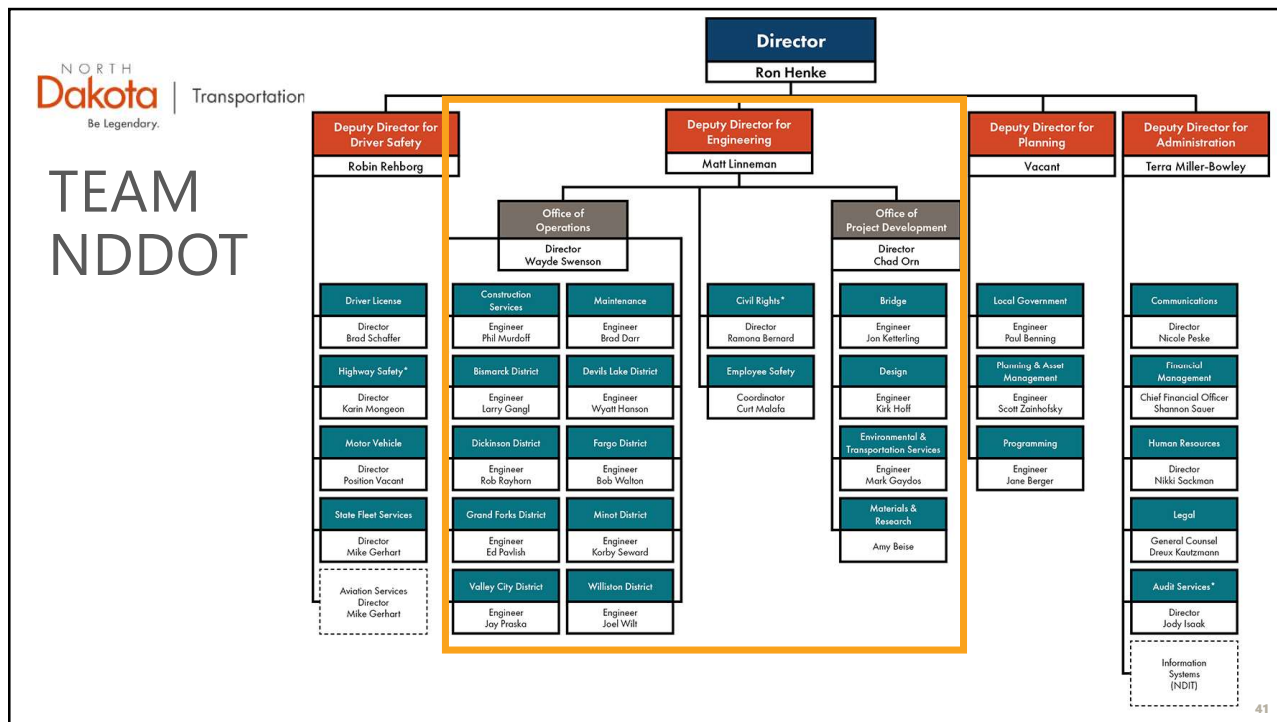
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## ENGINEERING



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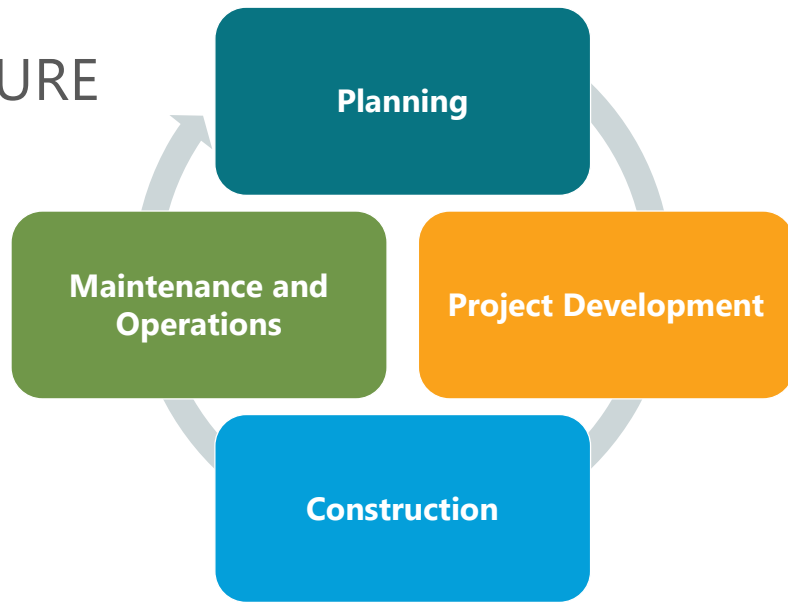
# EMPLOYEE SAFETY

**Ensure the health, safety, and wellbeing of all team members.**

- Distracted driving is a major concern for the safety of our team.
  - Field Work/Data Collection
  - Construction Work Zones
  - Maintenance Work
  - Snow & Ice Control

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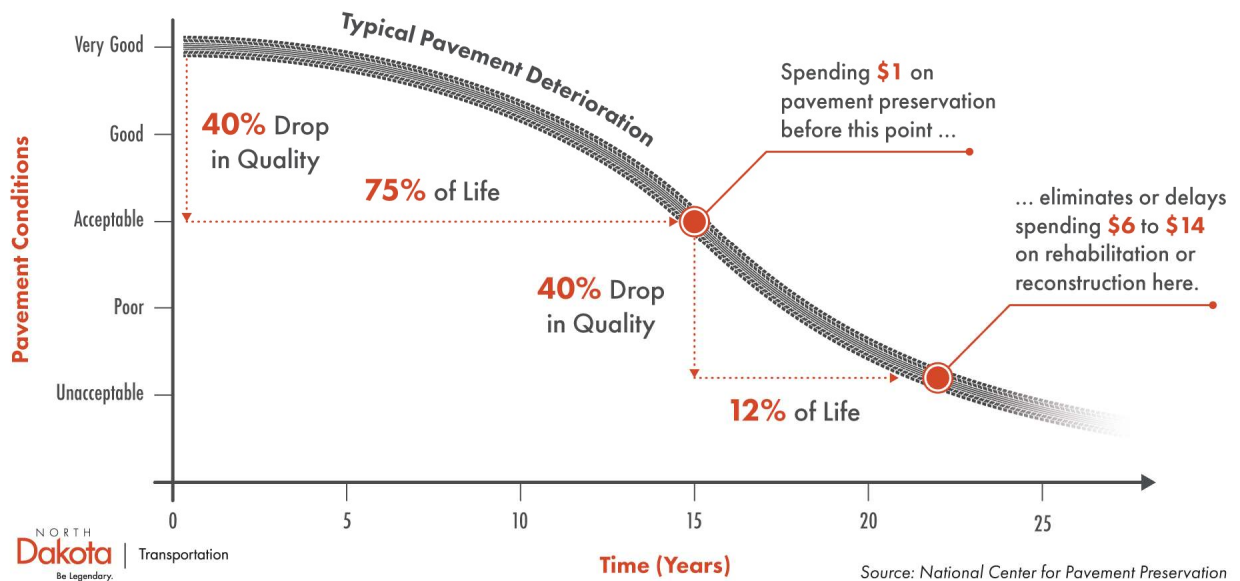
# HIGHWAY INFRASTRUCTURE LIFE CYCLE



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## PAVEMENT PRESERVATION IS COST EFFECTIVE



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# PROJECT DEVELOPMENT

- Bridge
- Design
- Environmental & Transportation Services
- Materials & Research

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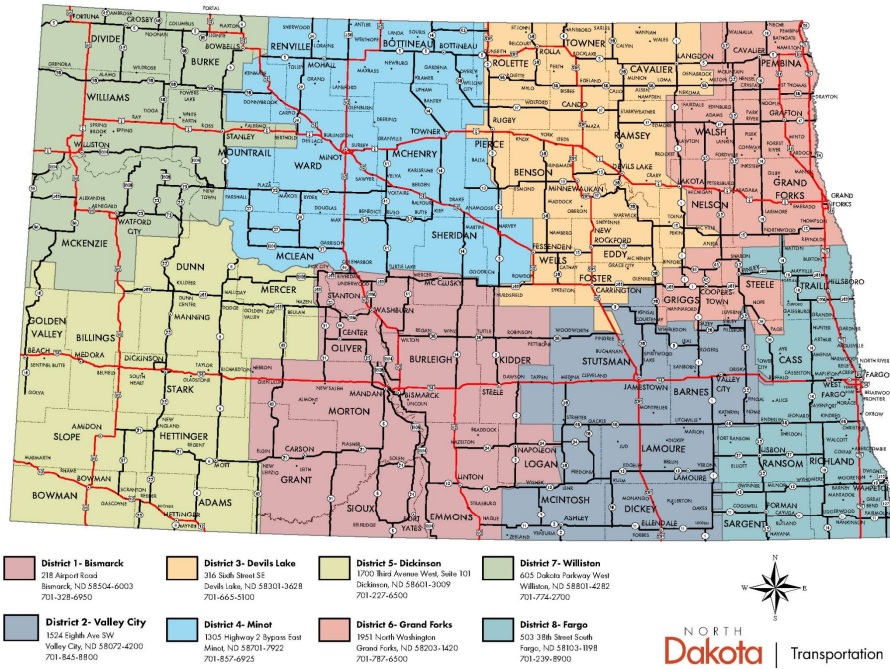
# CONSTRUCTION

- Construction Services Division
- Districts:
  - Bismarck
  - Devils Lake
  - Dickinson
  - Fargo
  - Grand Forks
  - Minot
  - Valley City
  - Williston



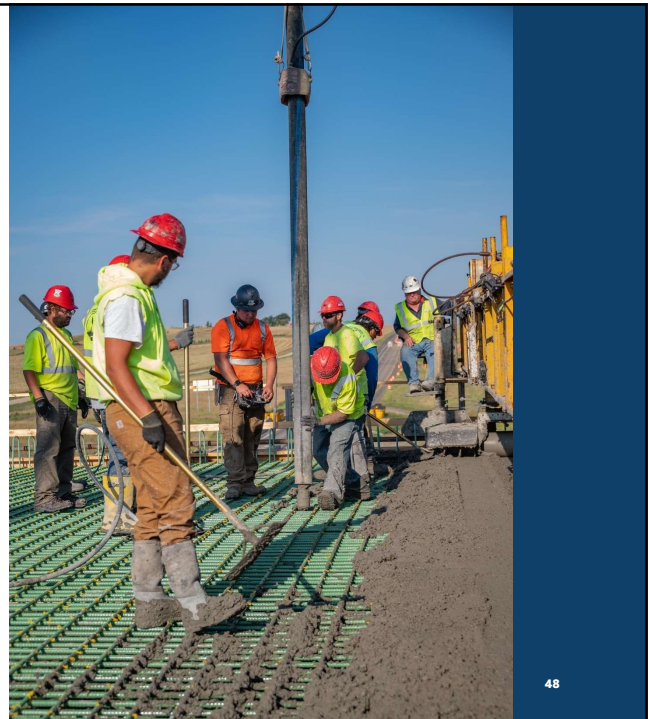
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# NDDOT DISTRICTS



# CONSTRUCTION RECAP

- **2021** = 182 projects and \$362M
- **2022** = 209 projects and \$564M
- Bid out 217 jobs and awarded 209 of them in 2022.





# CONSTRUCTION RECAP

- The following is a breakdown of the awarded contracts for projects bid October 2021 through September 2022

Owner	Number of Awarded Jobs	Contract Amount	Engineer's Estimate
NDDOT	151	\$443,432,777	\$418,181,792
County	40*	\$63,704,853	\$62,152,914
City	18*	\$57,119,516	\$51,921,269
<b>TOTAL</b>	<b>209</b>	<b>\$564,257,146</b>	<b>\$532,255,975</b>



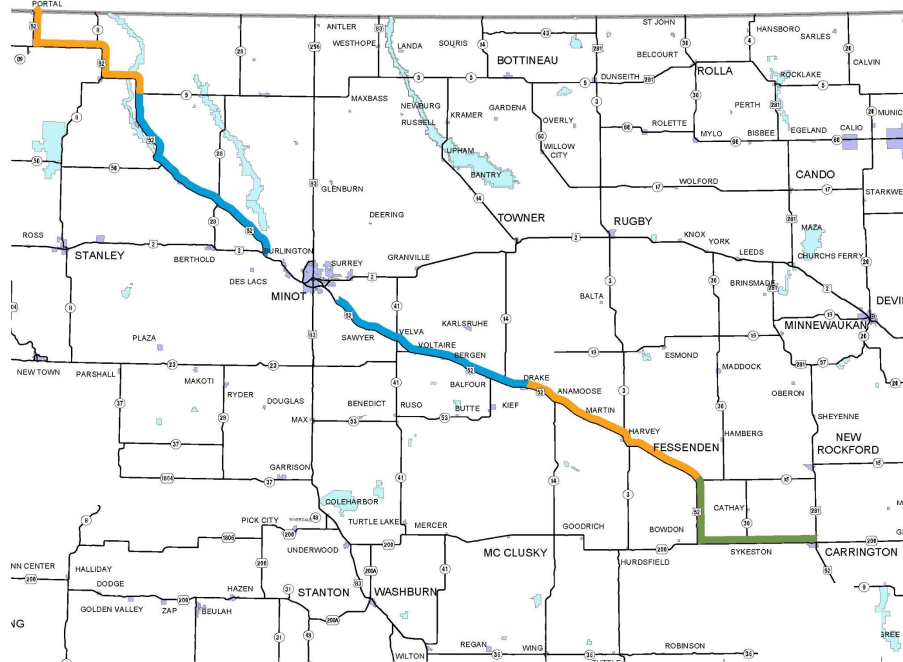
Average Number of Bidders



# US 52 PASSING LANE PROJECT

## Proposed Year

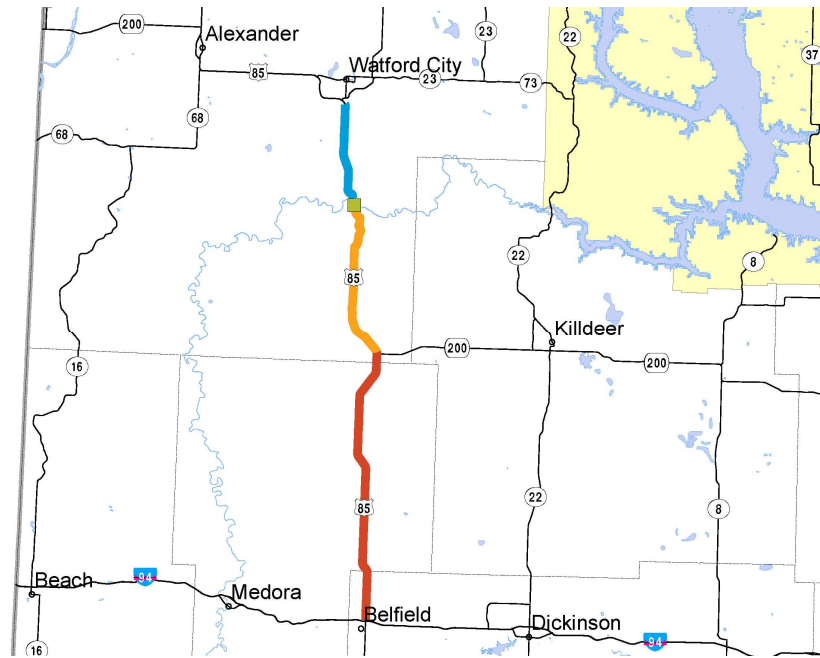
- 2022
- 2023
- 2024



# US 85 4-LANE PROJECT

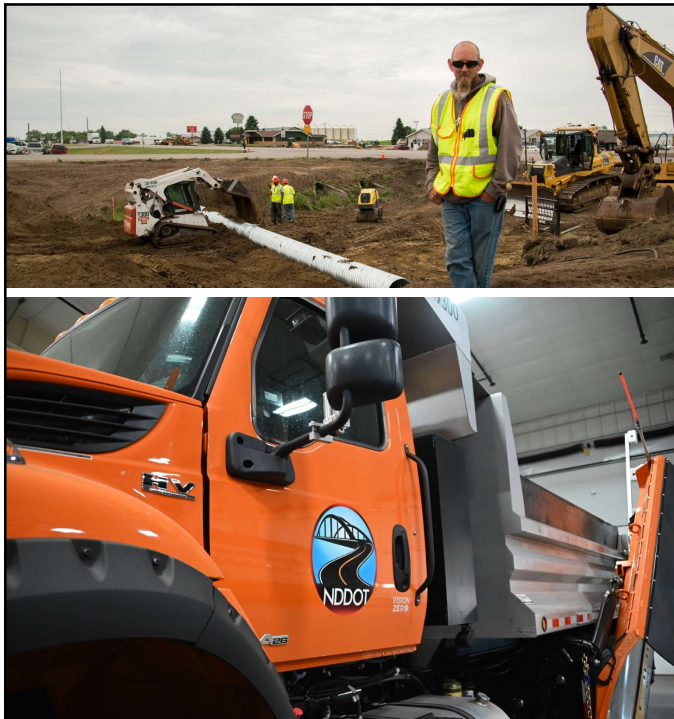
## Project Limits/ Construction Year

- Watford City to Long X  
2023/2024 Construction
- Long X Bridge  
Completed 2020
- Long X to Jct ND 200  
Construction Pending Funding
- Jct ND 200 to Belfield  
Construction Pending Funding



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## MAINTENANCE & OPERATIONS

- Maintenance Division
- Districts:
  - Bismarck
  - Grand Forks
  - Devils Lake
  - Minot
  - Dickinson
  - Valley City
  - Fargo
  - Williston

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# CIVIL RIGHTS

Administers and monitors all requirements of the Civil Rights Act of 1964 on all projects, programs, activities and services of the NDDOT.

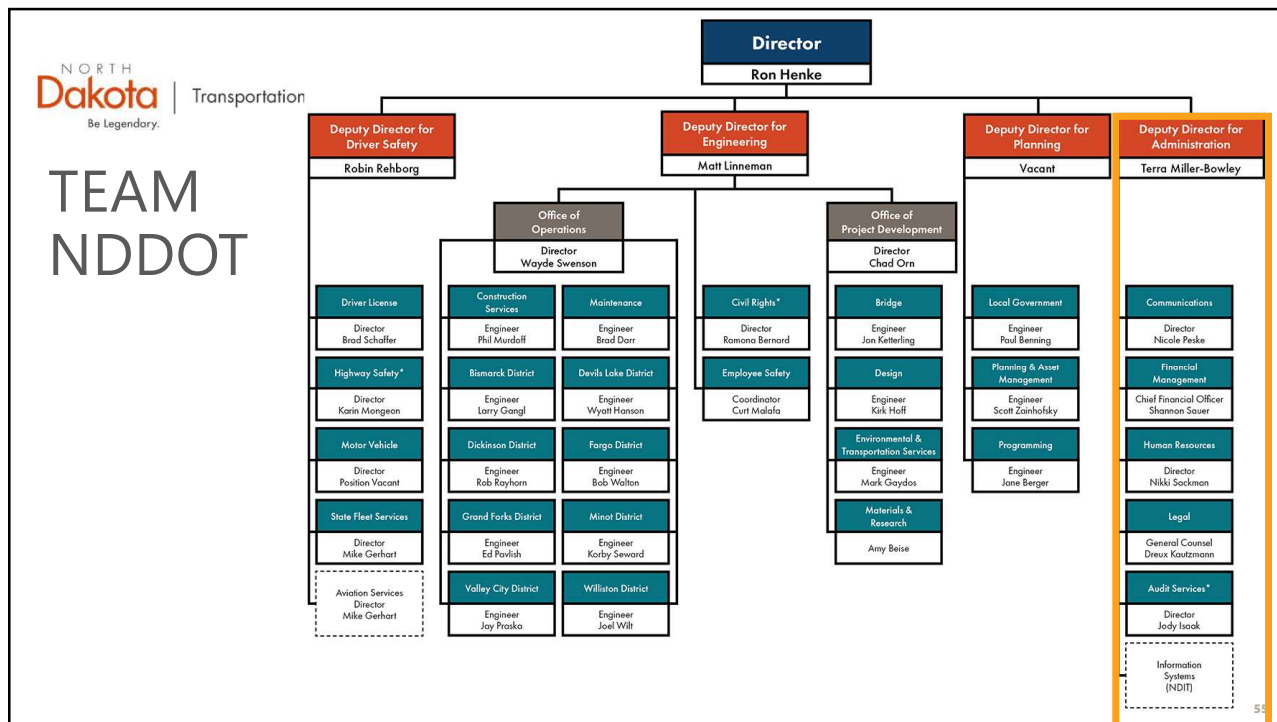


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# ADMINISTRATION

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## OPERATIONAL AUDIT FINDINGS

- Access Rights to Personal Information Not Restricted
- Lack of Monitoring for Inappropriate Access
- No Evidence of Training or Acknowledgement of Confidentiality

### KEY TAKEAWAYS

- All three findings have been reconciled and steps have been taken to fix the issue.
- Citizen information was not released to the public.
- Examiners complete background checks.
- It was determined there was no improper access.
- Every step an employee takes in the system has an audit trail and is logged by their employee ID. If there was misuse, the NDDOT would be able to identify it.

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## ONE-TIME APPROPRIATED FUNDING

**AMOUNT: \$255M**

- **HB 1015, Sec. 13** | \$200M state and federal funding for road and bridge projects.
  - \$100M general funding to match federal discretionary funds received in excess of funding amounts included in the 2021-23 biennium budget.
  - \$100M for federal discretionary funds to match \$100M in state funding.
- **HB 1015, Sec. 5** | \$55M in federal funding for matching state bond proceeds and township road and bridge projects.
  - \$35M for federal discretionary funds to match state bond proceeds appropriated in HB 1431, Sec. 10.
  - \$20M for federal discretionary funds to match funding for townships.

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## ONE-TIME APPROPRIATED FUNDING

**AMOUNT: \$50M**

- **SB 2012, Sec. 6**
  - \$50M in contingent loan authorization authority allowing the NDDOT to borrow from the Bank of North Dakota to match federal funds available in the 2021-23 biennium for US 85.

**AMOUNT: \$70M**

- **HB 1431, Sec. 10**
  - \$70M in state bond proceeds for state bridge projects and to match federal funds for state road and bridge projects.

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## ONE-TIME APPROPRIATED FUNDING

**AMOUNT: \$498.5M**

- **HB 1395, Sec. 2 (Unfunded) then HB 1505, Sec. 7 (Passed) | \$317M** American Rescue Plan Act (ARPA). Not funded. How it was allocated:
  - \$200M to NDDOT for state road and bridge projects.
  - \$24.5M to NDDOT for county bridge projects.
  - \$75.3M to counties for county road and bridge projects.
  - \$17M to townships for township road and bridge projects.
- **HB 1395, Sec. 2 | \$1.6M** ARPA dollars for grants to transit providers.
- **SB 2012, Sec. 1 | \$45M** in federal discretionary for US 85.
- **HB 1505, Sec. 8 | \$135M** to defray expenses of road and bridge projects.

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## ONE-TIME APPROPRIATED FUNDING

**AMOUNT: \$5M**

- **SB 2018, Sec. 3**
  - Received by the Department of Commerce to the NDDOT to defray infrastructure construction expenses for the Beyond the Visual Line of Sight unmanned aircraft system program. The NDDOT opted not to request the funding.

**AMOUNT: \$9.66M**

- **SB 2012, Sec. 1**
  - State highway funds for construction and materials management system to replace the Roadway Information Management System (RIMS).

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## ONE-TIME APPROPRIATED FUNDING

**AMOUNT: \$750,000**

- **SB 2012, Sec. 4**
  - State disaster relief fund to provide grants to townships for emergency township road repairs.



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## FISCAL RECOVERY FUNDING UPDATE

*PASSED DURING THE 2021 SPECIAL LEGISLATIVE SESSION*

**AMOUNT: \$255M**

- **HB 1505, Sec. 7** | **\$317M** American Rescue Plan Act (ARPA) funds
  - **\$200M** to NDDOT for state road and bridge projects.
  - **\$24.5M** to NDDOT for county bridge projects.
  - **\$75.3M** to counties for county road and bridge projects
  - **\$17M** to townships for township road and bridge projects



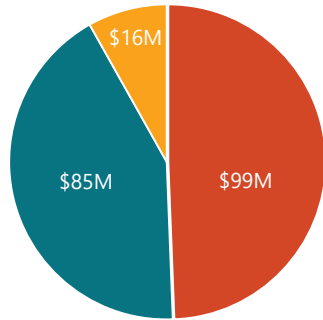
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# \$224.5M FOR NDDOT | \$75.6M SPENT

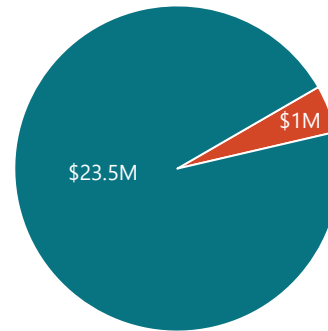
PASSED DURING THE 2021 SPECIAL LEGISLATIVE SESSION

\$200M FOR **STATE**  
ROADS AND BRIDGES



- Obligated 2022
- Obligated 2023
- Obligated 2024

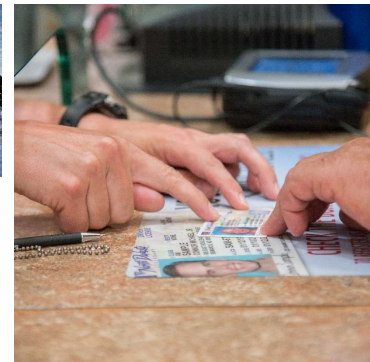
\$24.5M FOR **COUNTY**  
ROADS AND BRIDGES



- Obligated 2022
- Obligated 2023

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## AGENCY BILLS

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## AGENCY BILLS

- **HB 1079 | Reciprocal Agreements for Inspection of Fabricated Products** – Would allow for reciprocal agreements between ND and other states on inspection services for products produced in ND.
- **HB 1080 | Registration Card** – Allows for a mobile e-registration card to be carried in a mobile wallet, similar to the mobile ID card.
- **HB 1081 | User Fees from Out-of-State EV Drivers** – Allows for the collection of user fees from out-of-state drivers.
- **HB 1102 | Expanded Federal Grant Authority** – Allows the NDDOT the authority to enter into agreements necessary to effectively administer grant projects. *Fiscal note provided.*

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## AGENCY BILLS

- **SB 2063 | Public/Private Partnerships for EV Charging** – Allows the NDDOT to engage in public/private partnerships in the construction, operation and maintenance of EV charging infrastructure. *Fiscal Note: \$16.2M/per biennium*
- **SB 2110 | Road Maintenance on National Park Service Roads** – Allows the NDDOT to support roadway maintenance and/or snow removal in the national park. *Fiscal note provided.*
- **SB 2111 | Electronic Title Issuance (Red Tape)** – Transitions titles from paper to electronic vehicle titles, saving time for lenders/lienholders.
- **SB 2112 | Drug and Alcohol Clearinghouse** – Allows NDDOT to comply with a Nov. 2021 federal rule change in the Federal Motor Carrier Safety Regulations requiring states to use the federal Drug and Alcohol Clearinghouse.

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# AGENCY BILLS

- **SB 2113 | Flexible Transportation Fund** – Allows the NDDOT a flexible funding source to improve timely response to unanticipated local government needs, economic development support, federal grant wins, and other state/federal funding needs. **Fiscal note provided.**

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2023-2025  
**BUDGET REQUEST**

The collage consists of four photographs: top-left shows two workers in safety vests using tools on a road surface; top-right shows a perspective view of a road stretching into the distance under a blue sky; bottom-left shows a worker in a safety vest standing next to an orange machine labeled 'Darth Blader' and 'NDDOT'; bottom-right shows two men in a warehouse setting, one pointing at a stack of orange traffic cones while the other holds a clipboard.

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# ENGROSSED HB 1012

Object/Revenue		2021-23 Biennium Appropriations	2023-25 Legislative Base Budget	House Changes to HB 1012	Engrossed HB 1012	Requested Amendments	Proposed HB 1012
Description	Code						
		2,249,534,084	1,495,514,727	912,006,106	2,407,520,833	58,047,995	2,465,568,828
<b>TOTAL BY APPROPRIATIONS ORGS</b>		<b>2,249,534,084</b>	<b>1,495,514,727</b>	<b>912,006,106</b>	<b>2,407,520,833</b>	<b>58,047,995</b>	
Salaries and Wages	80110	204,109,585	204,109,585	28,313,251	232,422,836	2,449,971	234,872,807
Operating Expenses	80130	280,548,188	270,888,188	59,493,286	330,381,474		330,381,474
Capital Improvements	80150	1,227,431,344	902,431,344	741,713,721	1,644,145,065	55,750,000	1,699,895,065
Construction Carryover	80151	-	-	-	-		-
COVID19 - Capital Assets	80152	317,000,000	-	-	-		-
HB 1015 Discretionary Match	80153	100,000,000	-	-	-		-
Enhanced State Highway Invest	80155	-	-	-	-		-
Grants	80160	118,085,610	118,085,610	3,985,848	122,071,458		122,071,458
Contingent Loan Authorization	-	-	-	78,500,000	78,500,000		78,500,000
Short Line Railroad Program	80162	-	-	-	-		-
COVID-19 Transportation Grants	80164	-	-	-	-		-
Grants to Township	80167	750,000	-	-	-		-
COVID19 - Grants	80168	1,609,357	-	-	-		-
<b>TOTAL BY OBJECT SERIES</b>		<b>2,249,534,084</b>	<b>1,495,514,727</b>	<b>912,006,106</b>	<b>2,407,520,833</b>	<b>58,199,971</b>	<b>2,465,720,804</b>
General	GEN	-	-	10,375,000	10,375,000	29,486,663	39,861,663
Federal	FED	1,355,876,156	837,266,799	381,644,655	1,218,911,454	-	1,218,911,454
Special	SPEC	893,657,928	658,247,928	519,986,451	1,178,234,379	28,713,308	1,206,947,687
<b>TOTAL BY FUNDS</b>		<b>2,249,534,084</b>	<b>1,495,514,727</b>	<b>912,006,106</b>	<b>2,407,520,833</b>	<b>58,199,971</b>	<b>2,465,720,804</b>
<b>TOTAL AUTHORIZED EMPLOYEES</b>		<b>982.00</b>	<b>982.00</b>	<b>16.00</b>	<b>998.00</b>	<b>13.00</b>	<b>1,011.00</b>

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## FEDERAL FUNDING AVAILABLE

### 2023-25 BUDGET REQUEST

#### **\$1.15B | Federal Highway Administration**

- Roadway projects and related items such as consultant engineering and NDDOT support costs.

#### **\$20M | Missile Road Funds**

- Maintenance of missile roads for the US Air Force.

#### **\$12.2M | National Highway Traffic Safety Administration**

- Funds North Dakota's traffic safety program. Majority of funds are passed to local entities to support traffic safety initiatives.

#### **\$32M | Federal Transit Administration**

- Passed through to transit providers to fund local transit programs.

70

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# FEDERAL AID PROGRAM

- Funding used to construct and maintain roadways and bridges on the state highway system.
- Federal aid formula funding is distributed based off a formula determined by Congress and is favorable to rural states.
- Used to fund our 10-year Infrastructure Plan.

**EXECUTIVE RECOMMENDATION: \$174M**

**HOUSE APPROVED: \$169M (50% Motor Vehicle Excise Tax)**

**SENATE REQUEST: \$174M**

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# FEDERAL AND STATE DISCRETIONARY PROGRAM



- Discretionary funding is larger than it has ever been.
- Funds additional transportation needs in North Dakota.
- Without additional state resources, the department will not be able to accept discretionary dollars.
- Allows flexibility.

**EXECUTIVE RECOMMENDATION: \$226M**

**HOUSE APPROVED: \$200M (SIIF)**

**SENATE REQUEST: \$226M**

72

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# NEW FLEXIBLE TRANSPORTATION FUND

- Establish a new, more flexible fund to:
  - Improve transportation infrastructure off the state highway system, including within townships
  - Provide match for federal funding
  - Provide for support costs including staffing, facilities, and operational expenditures
  - Provide sustainable flexibility to augment traditional funding and deliver projects of significance in a timely manner
- In the last year alone, the NDDOT was asked to fund more than \$2B in requests not currently in the State Transportation Improvement Program

**EXECUTIVE RECOMMENDATION: \$140M**

**HOUSE APPROVED: \$115M (SIIF)**

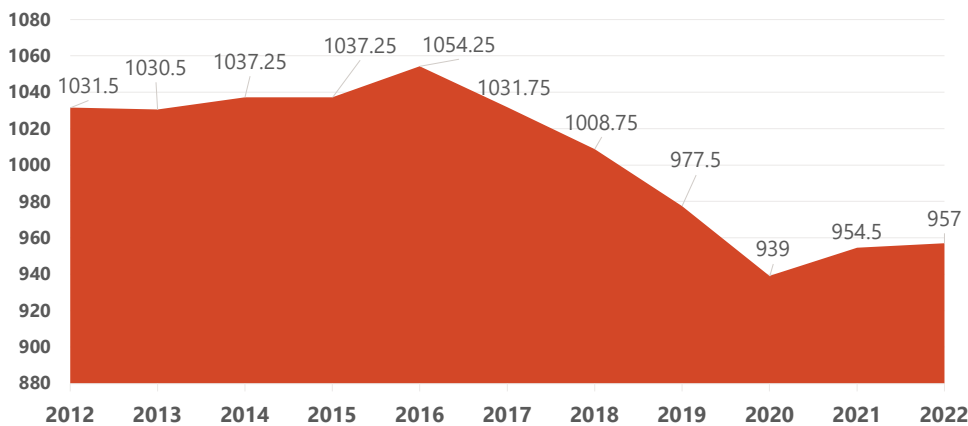
**SENATE REQUEST: \$140M**

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# TEAM NDDOT WORKFORCE

## FULL TIME ACTUAL EMPLOYEE COUNT | 10 Year Look



**982**  
FTEs

**12.4%**  
Turnover  
Ratio

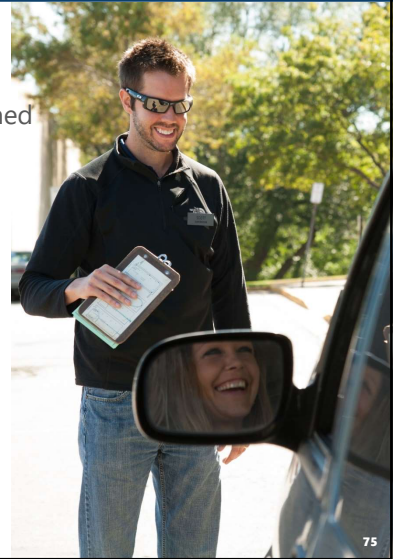
**29**  
FTEs  
Requested

74

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# FULL TIME EMPLOYEE (FTE) REQUEST

- 4 International Fuel Tax Agreement (IFTA)/International Registration Plan (IRP) Auditors
  - Meet regulatory compliance requirements and avoid being sanctioned
- 3 Financial Staff
  - Federal aid accounting, procurement and succession planning
- 14 Equipment Operators
  - Allows for extended hours of service for snow and ice control
- 8 Driver License Examiners
  - Replace long term temporary employees with full time staff



**EXECUTIVE RECOMMENDATION: 29 FTE**

**HOUSE APPROVED: 16 FTE**

**SENATE REQUEST: 29 FTE**

75

# LARGE IT PROJECT REQUESTS

## Construction and Materials Management System (RIMS)

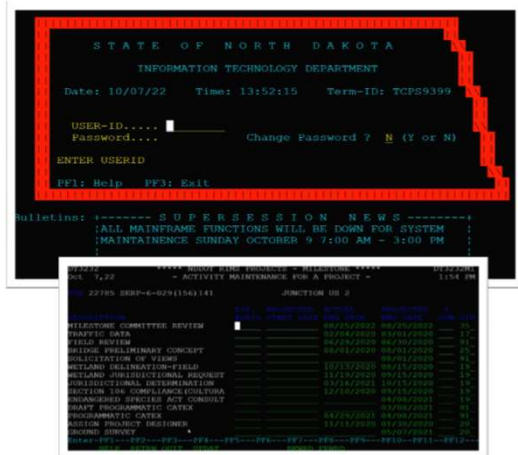
- Currently approved project in progress that requires additional funding

## ETS Continuum Upgrade (Door Security System)

- Current security hardware and software are outdated and will no longer be supported

## AVL

- Allows the NDDOT to track and the public to see all 369 snowplows



**EXECUTIVE RECOMMENDATION: \$9M**

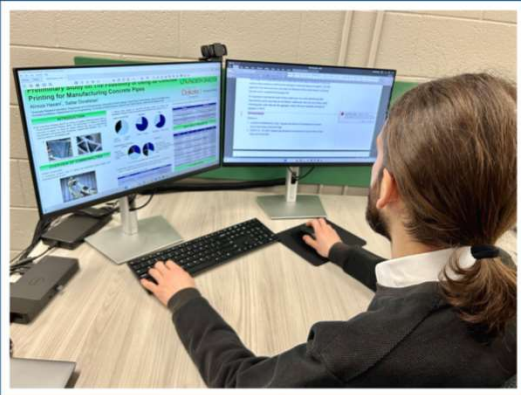
**HOUSE APPROVED: \$9M (General Fund)**

**SENATE REQUEST: \$9M**

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# REQUESTED AMENDMENTS TO ENGROSSED HB 1012



**Additional Funding for Capital Improvements/Workforce-\$59M**

**Additional Match:**

- **Formula Funding** – \$5M
- **Discretionary Funding** – \$26M
- **Flexible Transportation Fund** – \$25M

**Additional Workforce:**

- **Full Time Employees** – \$3M
  - 7 equipment operators
  - 6 driver license examiners

77

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Version: 23.0241.02000

# ENGROSSED HB 1012



**SECTION 4. CONTINGENT LOAN AUTHORIZATION – CONTINGENT FUNDING – HIGHWAY IMPROVEMENT PROJECTS .**

The department of transportation may borrow from the Bank of North Dakota, \$50,000,000, or so much of the sum as may be necessary, which is appropriated to the department of transportation in the contingent loan authorization line item in section 1 of this Act for matching federal funds that may become available, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funds may be borrowed and spent only upon certification by the director of the department of transportation to the director of the office of management and budget that the department has been awarded additional federal grants related to United States Highway 85 during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of transportation shall request from the sixty-ninth legislative assembly an appropriation to repay any outstanding loans authorized in this section.

*2023 – 2025 One-Time Funding*

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**SECTION 5. CONTINGENT LOAN AUTHORIZATION – CONTINGENT FUNDING – FLOOD PROJECTS.** The department of transportation may borrow from the Bank of North Dakota, \$28,500,000, or so much of the sum as may be necessary, which is appropriated to the department of transportation in the contingent loan authorization line item in section 1 of this Act for matching funds made available from the state of Minnesota for northern Red River valley transportation projects, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funds authorized in this section may be borrowed and spent only upon certification by the director of the department of transportation to the office of management and budget that the Minnesota department of transportation will match these funds one dollar-for-dollar basis. The funds may be borrowed and spent for phase one of a project to address northern Red River valley flooding issues and are available for design, redesign, preliminary and final engineering, environmental analysis, right of way acquisition, and construction, including demolition. The department of transportation shall request from the sixty-ninth legislative assembly an appropriation to repay any outstanding loans authorized in this section.

*2023 – 2025 One-Time Funding*

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**SECTION 6. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The estimated income line item in section 1 of this Act includes the sum of \$328,000,000 from the strategic investment and improvements fund for the following purposes:

1. The sum of \$200,000,000 for matching federal highway discretionary grants;
2. The sum of \$115,000,000 to establish a state flexible transportation fund;
3. The sum of \$8,000,000 to enhance existing loan programs to assist short line railroads with rail improvement projects; and
4. The sum of \$5,000,000 for studies, preliminary engineering, and environmental studies to address northern Red River valley infrastructure affected by flooding.

*2023 – 2025 One-Time Funding*

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**SECTION 7. RURAL TRANSIT FUNDING.** The grants line item in section 1 of this Act includes the sum of \$1,250,000 from the general fund for grants to rural transit providers in nonurban areas.

*2023 – 2025 One-Time Funding*

**SECTION 8. CONSTRUCTION OF REST AREA AND VISITOR CENTER.** Notwithstanding any other provision of law, the director of the department of transportation may enter into a cooperative agreement with a public or private entity and may expend moneys from the state highway fund or any moneys within the limits of the legislative appropriations for the purpose of constructing a rest area and visitor center in western North Dakota, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 9. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is amended and reenacted as follows:

57-40.3-10. Transfer of revenue.

All moneys collected and received under this chapter must be transmitted monthly by the director of the department of transportation to the state treasurer ~~to be transferred and credited to the general fund~~ who shall deposit fifty percent of collections in the state highway fund and fifty percent of collections in the general fund.

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**SECTION 10. AMENDMENT.** Section 13 of chapter 15 of the 2021 Session Laws is amended and reenacted as follows:

**SECTION 13. 2019-21 BIENNIUM APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND - 2021-23 BIENNIUM APPROPRIATION - HIGHWAY FUND AND FEDERAL FUNDS - EXEMPTION - REPORT.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000,000, which the office of management and budget shall transfer to the highway fund during the period beginning with the effective date of this Act and ending June 30, 2021. The funds transferred to the highway fund must be maintained and reported separately from other funds in the highway fund.

2. There is appropriated out of any moneys in the highway fund, not otherwise appropriated, the sum of \$100,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of matching federal discretionary funds received in excess of the regular federal funding amounts included in the department's 2021-23 biennium budget, for the biennium beginning July 1, 2021, and ending June 30, 2023. Of this amount, the department shall use at least \$10,000,000 ~~for matching federal funds~~ for township road and bridge projects as follows:

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- a. The funds must be allocated by the department to counties for projects or grants for the benefit of organized and unorganized townships;
- b. The department shall establish criteria to distribute the funds;
- c. The funds must be used for the maintenance and improvement of township paved and unpaved roads and bridges;
- d. Priority must be given to projects that match federal funds and to projects that improve roadways that serve as local corridors; and
- e. A township is not eligible to receive funding if the township does not maintain any roadways.

3. There is appropriated from federal funds, the sum of \$100,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses of road and bridge construction projects for the biennium beginning July 1, 2021, and ending June 30, 2023.

4. On June 30, 2023, the office of management and budget shall transfer any unexpended and unobligated funds transferred to the highway fund under subsection 1 to the general fund. The appropriation provided in this section is not subject to section 54 - 44.1 - 11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025.

5. During the 2021-22 interim, the department of transportation shall provide quarterly reports to the budget section regarding the use of funds transferred from the general fund to the highway fund.

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**SECTION 11. AMENDMENT.** Section 10 of chapter 80 of the 2021 Session Laws is amended and reenacted as follows:

**SECTION 10. APPROPRIATION - HIGHWAY FUND - ~~CONTINGENT TRANSFER EXEMPTION.~~** There is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of \$70,000,000, or so much of the sum as may be necessary, derived from bond proceeds to the department of transportation for state highway road and bridge projects and for matching federal funds that may become available, for the biennium beginning July 1, 2021, and ending June 30, 2023. ~~Of the \$70,000,000, \$35,000,000 is designated for state highway bridge projects, and \$35,000,000 is designated for matching federal funds that may become available for state highway projects in excess of the federal funds appropriated to the department of transportation as part of its 2021-23 biennial budget. By October 1, 2022, the director of the department of transportation shall certify to the office of management and budget the amount of funding committed to matching excess federal funds from the \$35,000,000 provided under this section. If the amount committed is less than \$35,000,000, the office of management and budget shall transfer any uncommitted amounts to the infrastructure revolving loan fund under section 6-09-49.~~ The appropriation provided in this section is not subject to section 54 - 44.1 - 11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025.

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**SECTION 12. EXEMPTION – UNEXPENDED APPROPRIATIONS.** The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. The sum of \$750,000 appropriated from the state disaster relief fund for emergency township road repairs in section 4 of chapter 40 of the 2021 Session Laws;
2. The sum of \$1,609,357 appropriated from federal funds for grants to transit providers in subdivision 10 of section 2 of chapter 28 of the 2021 Session Laws;
3. The sum of \$55,000,000 appropriated from federal funds to match state bond proceeds in section 5 of chapter 15 of the 2021 Session Laws;
4. The sum of \$317,000,000 appropriated from federal funds for state, county, and township road and bridge projects in section 2 of chapter 28 of the 2021 Session Laws;
5. The sum of \$61,700,060 appropriated from federal funds for surface transportation grants in subdivision 10 of section 1 of chapter 27 of the 2021 Session Laws; and
6. The sum of \$13,660,000 appropriated from special funds for information technology projects in section 1 of chapter 40 of the 2021 Session Laws.

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**SECTION 13. EFFECTIVE DATE.** Section 9 of this Act is effective for motor vehicle excise tax collections transmitted to the state treasurer after July 31, 2023.

**SECTION 14. EMERGENCY.** Sections 10 and 11 of this Act are declared to be an emergency measure.

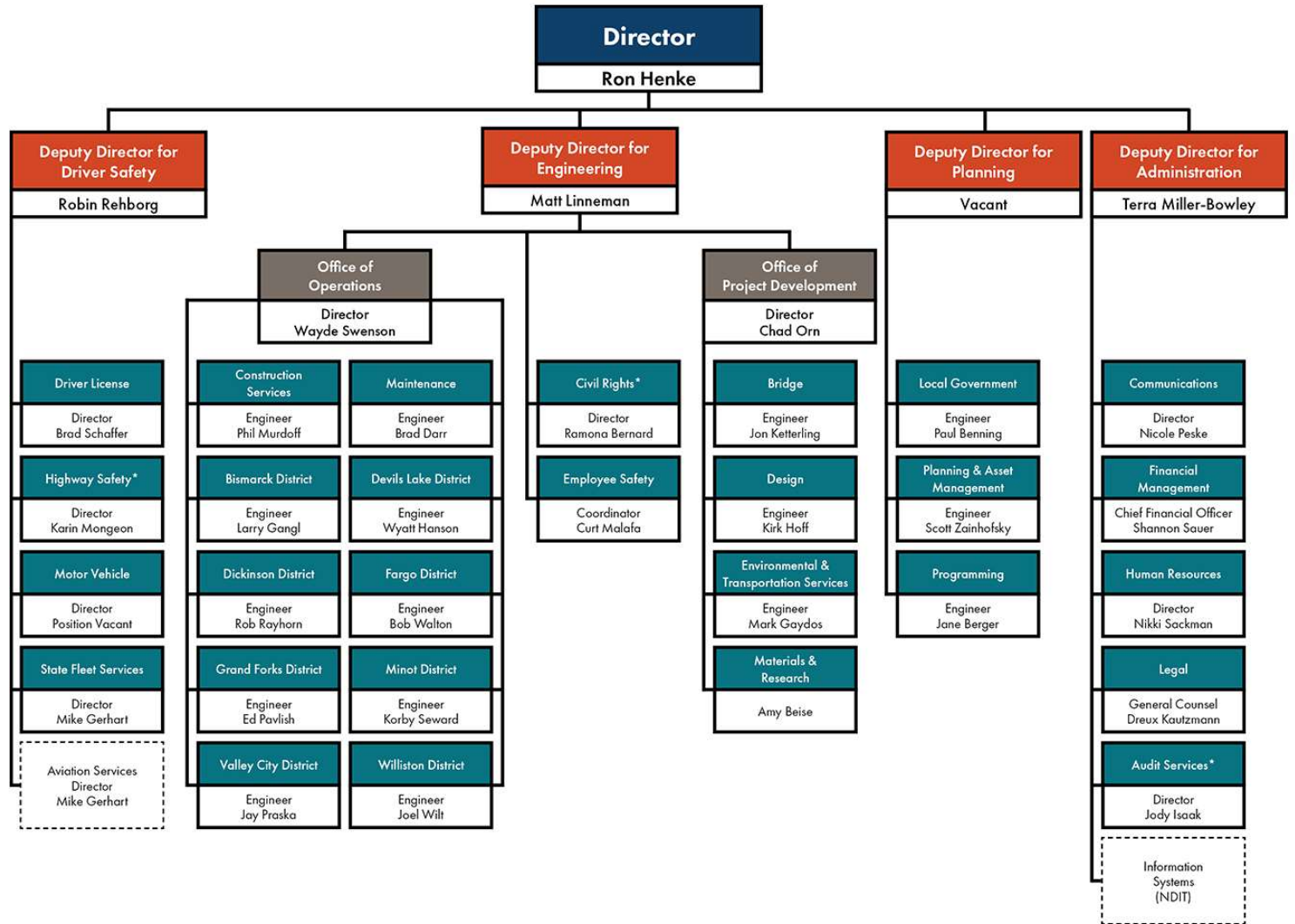


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# TEAM NDDOT



\* Indirect report to the Director

# ENGROSSED HB 1012

Object/Revenue		2021-23 Biennium Appropriations	2023-25 Legislative Base Budget	House Changes to HB 1012	Engrossed HB 1012	Requested Amendments	Proposed HB 1012
Description	Code						
		2,249,534,084	1,495,514,727	912,006,106	2,407,520,833	58,047,995	2,465,568,828
<b>TOTAL BY APPROPRIATIONS ORGS</b>		<b>2,249,534,084</b>	<b>1,495,514,727</b>	<b>912,006,106</b>	<b>2,407,520,833</b>	<b>58,047,995</b>	
Salaries and Wages	80110	204,109,585	204,109,585	28,313,251	232,422,836	2,449,971	234,872,807
Operating Expenses	80130	280,548,188	270,888,188	59,493,286	330,381,474		330,381,474
Capital Improvements	80150	1,227,431,344	902,431,344	741,713,721	1,644,145,065	55,750,000	1,699,895,065
Construction Carryover	80151	-	-	-	-		-
COVID19 - Capital Assets	80152	317,000,000	-	-	-		-
HB 1015 Discretionary Match	80153	100,000,000	-	-	-		-
Enhanced State Highway Invest	80155	-	-	-	-		-
Grants	80160	118,085,610	118,085,610	3,985,848	122,071,458		122,071,458
Contingent Loan Authorization	-	-	-	78,500,000	78,500,000		78,500,000
Short Line Railroad Program	80162	-	-	-	-		-
COVID-19 Transportation Grants	80164	-	-	-	-		-
Grants to Township	80167	750,000	-	-	-		-
COVID19 - Grants	80168	1,609,357	-	-	-		-
<b>TOTAL BY OBJECT SERIES</b>		<b>2,249,534,084</b>	<b>1,495,514,727</b>	<b>912,006,106</b>	<b>2,407,520,833</b>	<b>58,199,971</b>	<b>2,465,720,804</b>
General	GEN	-	-	10,375,000	10,375,000	29,486,663	39,861,663
Federal	FED	1,355,876,156	837,266,799	381,644,655	1,218,911,454	-	1,218,911,454
Special	SPEC	893,657,928	658,247,928	519,986,451	1,178,234,379	28,713,308	1,206,947,687
<b>TOTAL BY FUNDS</b>		<b>2,249,534,084</b>	<b>1,495,514,727</b>	<b>912,006,106</b>	<b>2,407,520,833</b>	<b>58,199,971</b>	<b>2,465,720,804</b>
<b>TOTAL AUTHORIZED EMPLOYEES</b>		<b>982.00</b>	<b>982.00</b>	<b>16.00</b>	<b>998.00</b>	<b>13.00</b>	<b>1,011.00</b>



The Driver's License & Motor Vehicle Divisions collect many fees in accordance with rates established by the Legislature. These fees are ultimately deposited in a wide variety of funds, both special and general, as directed in North Dakota Century Code.

NDDOT will be providing extensive information on these fees no later than July 1, 2024 pursuant to a fee study as directed by the 2021 legislative assembly through HB1031.

**Fee Description**

**ND Century Code**

**Driver License**

Non-Driver Identification Card	39-06-49 sub 2 a
Written Test Operators License	39-06-49 sub 2 b
Ability Test Operators License	39-06-49 sub 2 c; 39-06.2-19 sub 2 a
Application Operators License	39-06-49 sub 2 d; 39-06.2-19 sub 2 b
Application Motorized Bicycle Operators Permit	39-06-49 sub 2 e
Substitute Operators License	39-06-49 sub 2 f
Substitute Operators License (erroneous information change)	39-06-49 sub 2 f
Renewal Operators License	39-06-49 sub 2 g
Endorsement to License fee	39-06.2-19 sub 2 c
Nonresident Commercial License	39-06.2-19 sub 2 d
Service of Summons fee	39-01-11
Reinstatement After Suspension / Revocation	39-06-49 sub 2 h,i
Driving Record for an Employer fee	39-06.2-19 sub 2 e
Driver Abstract of Operating Record fee	39-16-03 sub 3,4; 39-33-06
Completed Copy of Accident Report fee	39-08-13 sub 5
Limited Copy of Accident Report fee	39-08-13 sub 6
Proof of Liability License	39-08-20 sub 6
Entries on Driver Abstract Confidential	39-16-03.1
Electronic Operator's License	39-06-14.3
Examination of Applicants	39.06.13

**Motor Vehicle**

Application for Certificate of Title fee	39-05-05 sub 5
Lost, Stolen, or Mutilated Certificate of Title - Duplicate fee	39-05-09.1; 39-05-19
Obtaining Certificate of Title ownership obtained other than voluntary means	39-05-19
Abandoned Motor Vehicle fee	39-26-12

Motor Vehicle Registration fee	39-04-19; 39-04-39
Temporary Motor Vehicle Registration fee	39-04-18.2
Registration for Non-Residents Purchasing Vehicle to Return Home	39-04-21
Registration of Motor Vehicle owned by Collector (one-time fee)	39-04-10.6
Low Speed Vehicles Registration fee	39-29.1-03 sub 4
Motorcycle Registration fee	39-04-19 sub 2 c
Motorcycle Safety Education fee (in addition to registration fee)	39-28-01; 39-28-05
Plate Fee	39-04-36 sub 2
Number Plate Transfer Fee	39-04-36 sub 2
Duplicate Registration Card Only	39-04-13
Duplicate Decal & Registration Card Issued	39-04-13
Duplicate Number Plate, Decal, and Registration Card	39-04-13
Special License Plates, Personalized Plates (one-time fee)	39-04-10.3
Application for a Special License Plate	39-04-10.3
Antique Plate	39-04-10.4
Antique Personalized Plate (one-time fee)	39-04-10.4
Collector Personalized Plate (one-time fee)	39-04-10.3
Firefighter's Association Plate Additional fee	39-04-10.11
GOLDSTAR Plate with Regular License Plate fee	39-04-10.14 sub 1
North Dakota Future Farmers of America Foundation Plate Additional fee	39-04-10.12
National Guard Plate fee	39-04-10.8
One Time Organizational Plate Setup fee	39-04-10.13
Choose Life Organizational Plate	39-04-10.13 sub 4
Cowboy Organizational Plate	39-04-10.13 sub 4
Dickinson State University Organizational Plate	39-04-10.13 sub 4
Ducks Unlimited Organizational Plate	39-04-10.13 sub 4
HIT, INC Organizational Plate	39-04-10.13 sub 4
Lignite Foundation Organizational Plate	39-04-10.13 sub 4
Minot State University Organizational Plate	39-04-10.13 sub 4
North Dakota State University Organization	39-04-10.13 sub 4
Pheasants Forever Organizational Plate	39-04-10.13 sub 4
Rocky Mountain Elk Foundation Organization	39-04-10.13 sub 4
Support our Veterans Organizational Plate	39-04-10.13 sub 4
Valley City State University Organizational Plate	39-04-10.13 sub 4
ND Veterans Number Plates Initial fee	39-04-10.10
ND Veterans Number Plates Renewal fee	39-04-10.10
Patriotic Plate	39-04-10.15
Patriotic Plate Renewal	39-04-10.15
Special Plates for Mobility-impaired Persons with Regular License Plate fee	39-04-10.2
Certificate for Parking Privileges for Mobility Impaired	39-01-15 sub 4, 5
Additional Certificate for Parking Privileges for Mobility Impaired	39-01-15 sub 4, 5
Resident Building Mover or Well Driller Plate fee	39-04-18 sub 2 l
Resident Factory Representative Manufacturer's Plate fee	39-04-10.1

Excise Tax on Purchase Price of Motor Vehicle	57-40.3-02; 57-39.2-26.1
Excise Tax Interest (if Submit False Motor Vehicle Purchaser's Certificate)	57-40.3.11; 57-40.3-10
Excise Tax Penalty (paid to either Tax Commissioner or Director of DOT)	57-40.3-11; 57-40.3-10
All Terrain Vehicle Registration	39-29-03 sub 3; 39-29-05
All Terrain Vehicle (off hwy veh trail tax in addition to registration)	39-29-03 sub 3; 39-29-05
Snowmobile Registration fee	39-24-03 sub 2
Snowmobile Registration (Trail Tax in addition to registration fee)	39-24-03 sub 2
Snowmobile Out-of-State Access Permit	39-24-04 sub 3
Motor Vehicle Dealer Initial Inspection	39-22-05.1; 39-22-14
Motor Vehicle Dealer Initial License Fee	39-22-05.1; 39-22-14
Motor Vehicle Dealer Annual License Fee	39-22-05.1; 39-22-14
Motor Vehicle Dealer Additional Plate fee	39-22-05.1; 39-22-17
Motor Powered Recreational Vehicle Dealer License fee	39-22.3-01; 39-22.3.06
Motor Powered Recreational Vehicle Additional Plate fee	39-22.3-01; 39-22.3.06
Operators of Motor Vehicle Display Lots Permit fee	39-22-05.1; 39-22-22
Display and Sale of Vehicles Offsite	39-22-20
Violation for Display and Sale of Vehicles Offsite	39-22-20 sub 4
Fine for Unlicensed Motor Vehicle Dealer	39-22-05.1; 39-22-14
Fee for Late Renewal of Dealer License	39-22-05.1; 39-22-18
Penalty for Selling Vehicles Without a Franchise	39-22-05.1; 39-22-16
Violation for Dealer Moving Location	39-22-05.1; 39-22-15 sub 4
Violation for Dealer Motor Vehicle Lot - Location	39-22-05.1; 39-22-06
Penalty for Misuse of Dealer Plates	39-22-05.1; 39-22-17
Late fee to Renew Trailer Dealer	39-22-05.1; 39-22.1-01 sub 2
Low Speed Vehicle Dealer Plate fee	39-29.1-04
Trailer Dealer's License fee	39-22.1-01; 39-22.1-02.1
Trailer Dealer Additional Plate fee	39-22.1-01; 39-22.1-02.1
International Fuel Tax Agreement Fees	57-43.1-44
International Fuel Tax Agreement Decal	N/A
International Fuel Tax Agreement Decal Renewal	N/A
International Fuel Tax Agreement Duplicate Decal	N/A
International Registration Plan - ND Base State Carriers	39-04-39
International Registration Plan - Other States	39-04-39
International Registration Plan - Clearinghouse Revenue	39-19-04
Unified Carrier Registration System - ND	39-19-06
Unified Carrier Registration System - Other States	39-19-06
Transporter License Plate and Registration Card fee	39-04-44.1
Farm Truck Registration	39-04-39; 39-04-19 sub 5
Trailer, Semitrailer and Farm Trailer Plates (up to 6 years)	39-04-19 sub 4; 39-04-12 sub 2
Trailers not required to be registered - identification plate fee	39-04-19 sub 4
Special Number Plate for farm vehicles	39-04-10.7
Mobile Home and Manufactured Home Dealer License fee	39-18-01 sub 2; 39-18-02.1

Mobile Home and Manufactured Home Additional Dealer Plate fee	39-18-01 sub 5; 39-18-02.1
Park Model Trailer fee (Registered as a Travel Trailer)	39-18-03.2
Custom Combining Operations Permit	39-04-19 sub 6; 39-04-18 sub 2 h
Truck or Trailer Demo Permit used by Motor Vehicle and Trailer Dealers	39-04-21
Transfer of a Household Goods Carrier Initial Permit fee	39-31-12; 39-31-15
Maintaining a Household Goods Carrier Permit Annual fee	39-31-12; 39-31-15
Request for Motor Vehicle Information.	39-02-05
Non-Sufficient Funds Penalty	39-04-06
Non-Sufficient Funds Penalty for checks exceeding \$1,000	39-04-06
Unsatisfied Judgment fee	26.1-23-03



**SECTION 4. CONTINGENT LOAN AUTHORIZATION – CONTINGENT FUNDING – HIGHWAY IMPROVEMENT PROJECTS.** The department of transportation may borrow from the Bank of North Dakota, \$50,000,000, or so much of the sum as may be necessary, which is appropriated to the department of transportation in the contingent loan authorization line item in section 1 of this Act for matching federal funds that may become available, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funds may be borrowed and spent only upon certification by the director of the department of transportation to the director of the office of management and budget that the department has been awarded additional federal grants related to United States Highway 85 during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of transportation shall request from the sixty-ninth legislative assembly an appropriation to repay any outstanding loans authorized in this section.

*Section 4 provides a \$50 million contingent loan authorization to match federal grant funding that may become available during the 23 – 25 biennium for US Hwy 85.*

**SECTION 5. CONTINGENT LOAN AUTHORIZATION – CONTINGENT FUNDING – FLOOD PROJECTS.** The department of transportation may borrow from the Bank of North Dakota, \$28,500,000, or so much of the sum as may be necessary, which is appropriated to the department of transportation in the contingent loan authorization line item in section 1 of this Act for matching funds made available from the state of Minnesota for northern Red River valley transportation projects, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funds authorized in this section may be borrowed and spent only upon certification by the director of the department of transportation to the office of management and budget that the Minnesota department of transportation will match these funds one dollar-for-dollar basis. The funds may be borrowed and spent for phase one of a project to address northern Red River valley flooding issues and are available for design, redesign, preliminary and final engineering, environmental analysis, right of way acquisition, and construction, including demolition. The department of transportation shall request from the sixty-ninth legislative assembly an appropriation to repay any outstanding loans authorized in this section.

*Section 5 provides a \$28.5 million contingent loan authorization to match funds provided by the Minnesota Department of Transportation for phase one of a project intended to address flooding in the northern Red River Valley. These funds will be used primarily for construction.*

**SECTION 6. ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The estimated income line item in section 1 of this Act includes the sum of \$328,000,000 from the strategic investment and improvements fund for the following purposes:

1. The sum of \$200,000,000 for matching federal highway discretionary grants;
2. The sum of \$115,000,000 to establish a state flexible transportation fund;
3. The sum of \$8,000,000 to enhance existing loan programs to assist short line railroads with rail improvement projects; and
4. The sum of \$5,000,000 for studies, preliminary engineering, and environmental studies to address northern Red River valley infrastructure affected by flooding.

*Section 6 provides \$328 million in funding from the Strategic Investment and Improvement Fund (SIIF). A total of \$200 million will be used to match federal funding that may become available from federal discretionary grant programs and \$115 million will be used to fund the state flexible transportation fund. This amount also includes \$8 million for the existing short line rail revolving loan program and \$5 million for engineering and environmental studies required to be completed before phase one of the project to address northern Red River Valley flooding can begin.*

**SECTION 7. RURAL TRANSIT FUNDING.** The grants line item in section 1 of this Act includes the sum of \$1,250,000 from the general fund for grants to rural transit providers in nonurban areas.

*Section 7 provides \$1.2 million in general funding for rural transit providers in nonurban areas. This funding will be in addition to the 1.5% in state funding allocated from the State Highway Tax Distribution Fund and 4% in federal funding allocated from the Federal Highway Trust Fund.*

**SECTION 8. CONSTRUCTION OF REST AREA AND VISITOR CENTER.** Notwithstanding any other provision of law, the director of the department of transportation may enter into a cooperative agreement with a public or private entity and may expend moneys from the state highway fund or any moneys within the limits of the legislative appropriations for the purpose of constructing a rest area and visitor center in western North Dakota, for the biennium beginning July 1, 2023, and ending June 30, 2025.

*Section 8 authorizes the construction of a rest area and visitor center in Western North Dakota. This section also allows the department of transportation to enter into a cooperative agreement with a public or private entity for this purpose and to expend money from the state highway fund or other sources for construction.*

**SECTION 9. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is amended and reenacted as follows:

57-40.3-10. Transfer of revenue.

All moneys collected and received under this chapter must be transmitted monthly by the director of the department of transportation to the state treasurer ~~to be transferred and credited to the general fund~~ who shall deposit fifty percent of collections in the state highway fund and fifty percent of collections in the general fund.

*Section 9 authorizes the transfer of 50% of the motor vehicle excise tax to the state highway fund and 50% to the general fund. The 50% of the motor vehicle excise tax transferred to the state highway fund is anticipated to be \$169 million and will be used to match federal funding received under the Federal Aid Program. This funding is used to construct and maintain roadways and bridges on the state highway system.*

**SECTION 10. AMENDMENT.** Section 13 of chapter 15 of the 2021 Session Laws is amended and reenacted as follows:

**SECTION 13. 2019-21 BIENNIUM APPROPRIATION – TRANSFER – GENERAL FUND TO HIGHWAY FUND – 2021-23 BIENNIUM APPROPRIATION – HIGHWAY FUND AND FEDERAL FUNDS – EXEMPTION – REPORT.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000,000, which the office of management and budget shall transfer to the highway fund during the period beginning with the effective date of this Act and ending June 30, 2021.

The funds transferred to the highway fund must be maintained and reported separately from other funds in the highway fund.

2. There is appropriated out of any moneys in the highway fund, not otherwise appropriated, the sum of \$100,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of matching federal discretionary funds received in excess of the regular federal funding amounts included in the department's 2021-23 biennium budget, for the biennium beginning July 1, 2021, and ending June 30, 2023. Of this amount, the department shall use at least \$10,000,000 for matching federal funds for township road and bridge projects as follows:
  - a. The funds must be allocated by the department to counties for projects or grants for the benefit of organized and unorganized townships;
  - b. The department shall establish criteria to distribute the funds;
  - c. The funds must be used for the maintenance and improvement of township paved and unpaved roads and bridges;
  - d. Priority must be given to projects that match federal funds and to projects that improve roadways that serve as local corridors; and
  - e. A township is not eligible to receive funding if the township does not maintain any roadways.
3. There is appropriated from federal funds, the sum of \$100,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses of road and bridge construction projects for the biennium beginning July 1, 2021, and ending June 30, 2023.
4. ~~On June 30, 2023, the office of management and budget shall transfer any unexpended and unobligated funds transferred to the highway fund under subsection 1 to the general fund. The appropriation provided in this section is not subject to section 54 - 44.1 - 11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025.~~
5. During the 2021-22 interim, the department of transportation shall provide quarterly reports to the budget section regarding the use of funds transferred from the general fund to the highway fund.

*Section 10 amends 2021 session law, specifically House Bill 1015, section 13. This legislation passed during the 67<sup>th</sup> Legislative Session allocated \$10 million in state funding to the department of transportation to match federal funding for township*



*road and bridge projects. Townships are not recognized at the federal level, limiting the amount of federal funding available to these local entities. To date federal funding for township road and bridge projects has not been received, as a result townships have been unable to access any of the \$10 million in state funding. The amended language allows the \$10 million in state funding to be used for township road and bridge projects even if federal funding is not available, essentially allowing state funded projects. This section also extends the availability of funding into the 23 – 25 biennium.*

**SECTION 11. AMENDMENT.** Section 10 of chapter 80 of the 2021 Session Laws is amended and reenacted as follows:

**SECTION 10. APPROPRIATION - HIGHWAY FUND - ~~CONTINGENT TRANSFER EXEMPTION.~~** There is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of \$70,000,000, or so much of the sum as may be necessary, derived from bond proceeds to the department of transportation for state highway road and bridge projects and for matching federal funds that may become available, for the biennium beginning July 1, 2021, and ending June 30, 2023. ~~Of the \$70,000,000, \$35,000,000 is designated for state highway bridge projects, and \$35,000,000 is designated for matching federal funds that may become available for state highway projects in excess of the federal funds appropriated to the department of transportation as part of its 2021-23 biennial budget. By October 1, 2022, the director of the department of transportation shall certify to the office of management and budget the amount of funding committed to matching excess federal funds from the \$35,000,000 provided under this section. If the amount committed is less than \$35,000,000, the office of management and budget shall transfer any uncommitted amounts to the infrastructure revolving loan fund under section 6-09-49. The appropriation provided in this section is not subject to section 54 - 44.1 - 11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025.~~

*Section 11 extends the availability of bond proceeds. The 67<sup>th</sup> Legislative Assembly passed House Bill 1431, Section 10 which appropriated \$70 million in state bond proceeds to the NDDOT. Of these funds, \$35 million was designated for state bridge projects and \$35 million was designated for matching excess federal funds made available during the 21 – 23 biennium.*

*The \$35 million in bond proceeds designated for state bridge projects has been fully committed.*

*The NDDOT was required on October 1, 2022, to certify to the Office of Management and Budget how much of the \$35 million in bond proceeds designated for matching excess federal funds was committed. Any uncommitted funds as of October 1 were to become available for use by the Infrastructure Revolving Loan Fund at the Bank of North Dakota. The NDDOT was unable to commit any of the \$35 million in bond proceeds designated for matching excess federal funds. Accordingly, these funds were designated for use by the Infrastructure Revolving Loan Fund.*

*This section would update the 2021 session law, extending the availability of these bond proceeds into the 23 – 25 biennium for use by the NDDOT rather than the Infrastructure Revolving Loan Fund.*

**SECTION 12. EXEMPTION – UNEXPENDED APPROPRIATIONS.** The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. The sum of \$750,000 appropriated from the state disaster relief fund for emergency township road repairs in section 4 of chapter 40 of the 2021 Session Laws;

*Funding granted under Senate Bill 2012, Section 4 from the state disaster relief fund for grants to townships for emergency township road repairs. All funding has been committed with \$83,440 remaining to be spent.*

2. The sum of \$1,609,357 appropriated from federal funds for grants to transit providers in subdivision 10 of section 2 of chapter 28 of the 2021 Session Laws;

*Funding granted under House Bill 1395, Section 2 from the American Rescue Plan Act (ARPA) via the Federal Transit Administration for grants to transit providers. All funding has been committed with \$865,794 remaining to be spent.*

3. The sum of \$55,000,000 appropriated from federal funds to match state bond proceeds in section 5 of chapter 15 of the 2021 Session Laws;

*Funding granted under House Bill 1015, Section 5 for federal funds for the purpose of matching state bond proceeds (\$35 million state funding in HB 1431, Section 10) and matching township road and bridge projects (\$20 million state funding in HB 1015, Section 4).*

4. The sum of \$317,000,000 appropriated from federal funds for state, county, and township road and bridge projects in section 2 of chapter 28 of the 2021 Session Laws;

*Funding granted under Special Session House Bill 1505, Section 7 for federal funds for state road and bridge projects (\$200 million), county bridge projects facilitated by the NDDOT (\$24.6 million), county road and bridge projects facilitated by the county distributed by formula (\$75.3 million), and township road and bridge projects facilitated by the township distributed by formula (\$17 million).*

*Of the \$224.6 million allocated to the NDDOT, all funding has been committed to projects with \$148,985,982 remaining to be spent.*

5. The sum of \$61,700,060 appropriated from federal funds for surface transportation grants in subdivision 10 of section 1 of chapter 27 of the 2021 Session Laws; and

*Funding granted under House Bill 1394, Section 1 for federal funds for the purposes of defraying COVID-19 and other expenditures, including transit agency funding (\$115,202) and revenue replacement funding due to diminishing fuel tax revenue (\$61.5 million).*

*The \$61.5 million in revenue replacement funding due to diminishing fuel tax revenue was shared with locals, allocations were made utilizing the Highway Tax Distribution Fund formula. The NDDOT received \$37.8 million. All funding has been committed to projects with \$12,481,411 remaining to be spent.*

6. The sum of \$13,660,000 appropriated from special funds for information technology projects in section 1 of chapter 40 of the 2021 Session Laws.

*Funding granted under Senate Bill 2012, Section 1 for state funded large information technology projects TDEA/Traffic Counting Program (\$3.5 million), Drupal Website Uplift (\$500,000) and Construction and Materials Management System (\$9.6 million). All three large IT projects are currently in progress with \$3,500,000 (TDEA/Traffic Counting), \$484,855 (Drupal Website Uplift), and \$9,479,181 (RIMS) remaining to be spent.*

**SECTION 13. EFFECTIVE DATE.** Section 9 of this Act is effective for motor vehicle excise tax collections transmitted to the state treasurer after July 31, 2023.

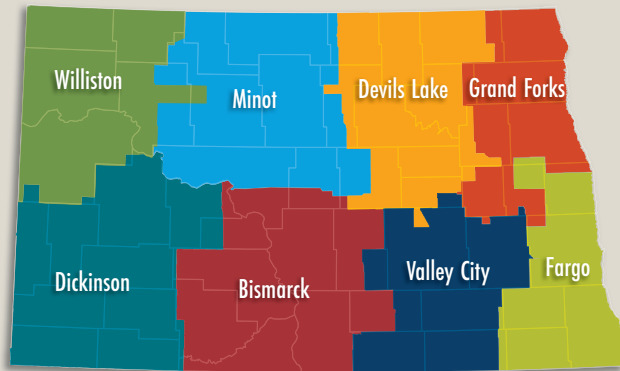
*Section 13 provides the effective date after which 50% of motor vehicle excise tax collections will be transferred to the state highway fund and 50% of motor vehicle excise tax collections will be transferred to the general fund. The effective date is applicable to section 9 which was previously discussed.*

**SECTION 14. EMERGENCY.** Sections 10 and 11 of this Act are declared to be an emergency measure.

*Section 14 provides an emergency clause for section 10 (\$10 million in state funding for townships) and section 11 (\$35 million in bond proceeds for matching federal funding), making this funding immediately available at the conclusion of the legislative session.*



## WHO WE ARE



District Map

982

Full-Time Team Members

39

Temporary Team Members

8

Districts

## WHAT WE'RE ABOUT

### Mission:

Safely move people and goods.

### Vision:

North Dakota's transportation leader promoting safe ways, superior service and economic growth.

### Values:

Professionalism | Respect | Integrity | Dedication | Excellence

### Goals/Objectives:

*Safety* - Provide a safe and secure transportation system and workplace.

*Innovation* - Enhance external and internal services, products and programs.

*Assets* - Preserve and enhance assets managed by NDDOT.

*Mobility* - Improve access to our transportation system through multi-modal solutions that enhance the movement of people and goods, having a positive impact on the quality of life and the economic well-being of North Dakotans.

*Leadership* - A local, state and nationally trusted leader. We value service, excellence, diversity and instilling a culture of leadership.

## WHAT WE DO



### Highway Safety

Coordinates Vision Zero, the strategy to reduce motor vehicle crash fatalities. Is the designated State Highway Safety Office.



### Construction & Maintenance

Facilitates construction projects (bid, contracts, etc.); also oversees the work to maintain roadways and remove snow.



### Motor Vehicle & Driver License

Provides ID validation, licensing & driver record management, as well as vehicle title, registrations and license plates.



### Local Transportation Programs

Work with local governments, maintain the long-range transportation plan, manage grants and various programs.



### Collaboration

The NDDOT partners with state agencies, local government, tribal nations, townships, etc. to ensure efficiency and effectiveness.



### Fleet Service

Purchases, manages, operates, maintains and disposes of the state's licensed motor vehicles (about 3,200 vehicles).

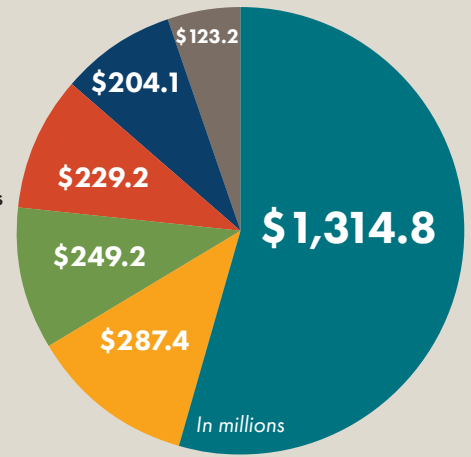


## HOW WE DO IT

2021-2023 BIENNIAL BUDGET

# \$2.4 BILLION

- General Funds: **\$100M**
- Federal Funds: **\$1.46B**
- Special Funds: **\$848M**



## RECENT SUCCESS

### Expanded & Improved Services

- 7,655 online knowledge tests completed
- 95% positive Motor Vehicle feedback based on over 244K customer responses
- Launched the ND Transportation Conference

### Focus on Highway Safety

- ND Sober Ride program – 1,350 rides given since the start of the program
- Vision Zero Schools program – Six schools participating
- Highway Safety Corridors – Fourth corridor added in October 2022

### Improved Infrastructure

- Completed construction contracts totaling over \$808M last biennium
- Completed major Motor Vehicle and Driver License systems integration
- Received \$134.7M in discretionary grants of \$522M requested (as of Dec. 20, 2022)



## LEARN MORE



**NDDOT Biennial Report**  
(2019-2021)

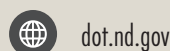


**NDDOT Long Range Transportation Plan**



**VISION ZERO**  
Zero fatalities. Zero excuses.

## STAY CONNECTED

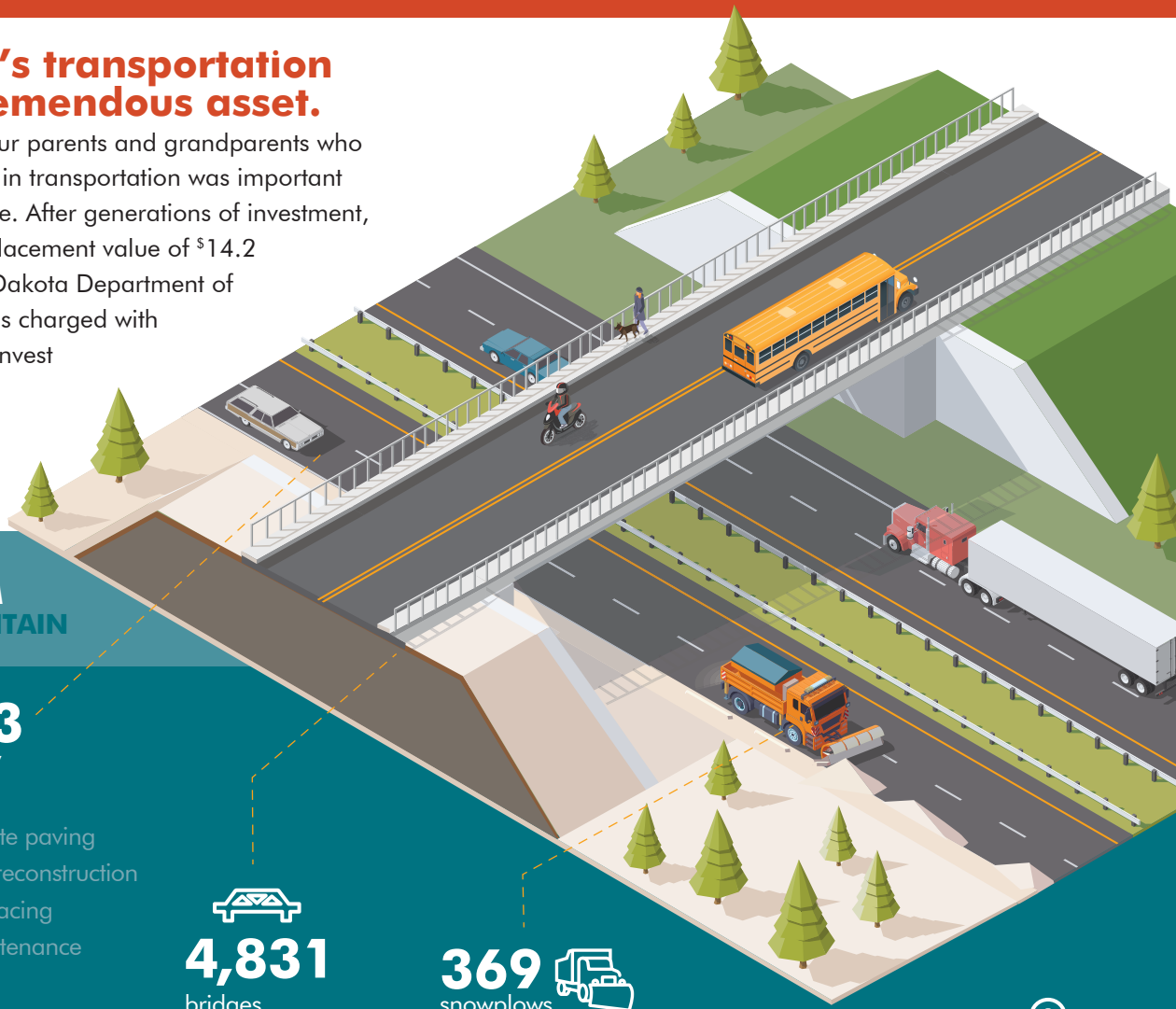


ND Roads and ND Drive Apps



## North Dakota's transportation system is a tremendous asset.

The system was built by our parents and grandparents who understood that investing in transportation was important for them and for the future. After generations of investment, the system now has a replacement value of \$14.2 billion. Today, the North Dakota Department of Transportation (NDDOT) is charged with determining how we will invest to ensure that it continues to be an asset for decades to come.



## OUR SYSTEM AND COSTS TO MAINTAIN

**106,103** miles of roadway

### FOR EACH MILE

- \$2.5M** interstate concrete paving
- \$1.6M** major roadway reconstruction
- \$1.0M** pavement resurfacing
- \$210K** preventive maintenance

### IN 2022

**209** construction projects completed  
**\$564M** project investments



**4,831**

bridges  
**\$450K** for each bridge replacement and repair

**369**

snowplows  
36 tow plows, 14 rotary snow blowers, 63 payloaders and 16 motor graders  
**\$23.6M** snow and ice control each winter

**8** North Dakota DOT districts

## FUNDING SOURCES AND PROGRAM EXPENDITURES

2021-2023 BIENNIAL BUDGET



- 0.2%** Unmanned Aircraft System Program (SB 2018)
- 0.8%** Misc. H/W Fund Revenue
- 2.1%** Borrowing (SB 2012 Section 6)
- 2.4%** Local Government Reimbursements
- 2.8%** Fleet Revenue
- 2.9%** Bonding (HB 1431)
- 3.2%** License, Fees, Permits
- 4.6%** Motor Vehicle Revenue
- 9.7%** Fuel Taxes
- 10.4%** One-Time Non-Recurring State Funds
- 12.0%** COVID-19 & American Rescue Plan Act
- 48.9%** Federal Revenue

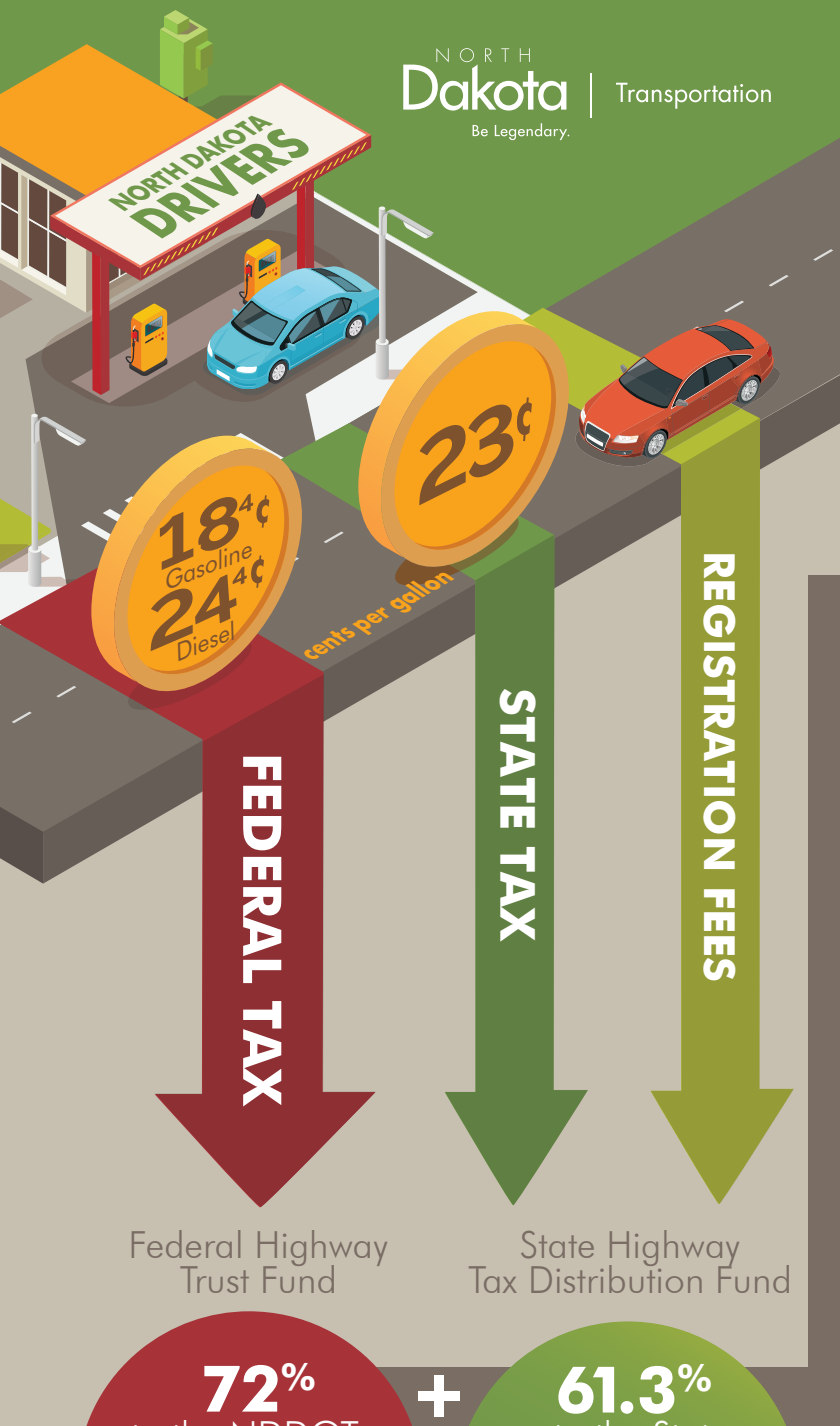


- 1.3%** Driver License
- 1.4%** Motor Vehicle
- 3.3%** Administrative
- 3.3%** State Fleet
- 7.3%** Maintenance
- 83.4%** Highway

# HOW ARE WE FUNDED?

Both Federal and State dollars fund the NDDOT.

It all starts with the fuel tax. For each gallon of gas you purchase, 18.4 cents goes to the Federal Highway Trust Fund and 23 cents to the State Highway Tax Distribution Fund. From there, both funds distribute dollars to county, city, township, transit entities, and the largest portion being directed to fund the NDDOT. This allows us to fund the majority of our \$1.9 billion dollar budget.



Misc. fees, Permits, and other state revenue and funding sources

**NDDOT BUDGET**  
APPROXIMATELY  
**\$2.4B**  
per biennium

This budget is utilized to invest in infrastructure like roads and bridges, alternative transportation, freight, DMV registration services, snow and ice control, maintenance, and safety. Here are just a few ways we serve our customers.

- 982 team members across 8 districts
- 52 self-serve kiosks
- 561,000 licensed drivers
- 215,853 license, permit, & ID cards
- 15,317 road tests
- 35,108 written tests
- 1.2M motor vehicle registrations
- 1.3M motor vehicle transactions

## Performance, budget, & the 1¢ fuel tax.

The NDDOT is ranked #1 in the country for performance and cost effectiveness by the Reason

1¢ of fuel tax generates

STATE	\$4,100,000
COUNTY	\$1,470,000
CITY	\$840,000
TOWNSHIP	\$180,000
TRANSIT	\$100,000

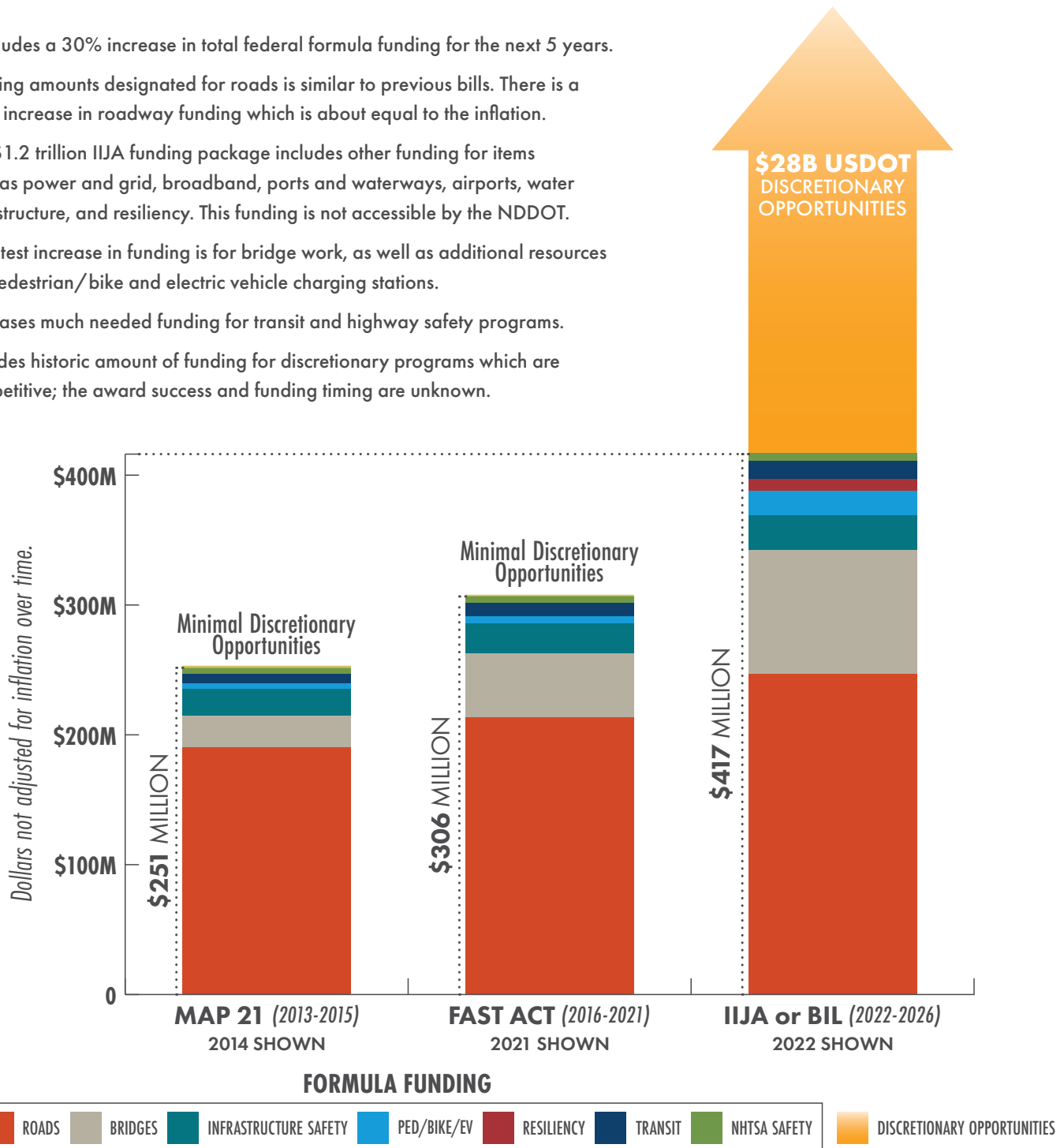
Foundation. It also employs one of the smallest staffs of all state DOTs. While that frugality has served us well, we are anticipating a funding shortfall of \$4.4 billion over the next 20 years.

Based on FY2021 revenue, 1¢ of state motor fuel tax will generate about \$6.7 million annually.



**IIJA is the transportation bill, but there are a few details that might surprise you.**

- It includes a 30% increase in total federal formula funding for the next 5 years.
- Funding amounts designated for roads is similar to previous bills. There is a 15% increase in roadway funding which is about equal to the inflation.
- The \$1.2 trillion IIJA funding package includes other funding for items such as power and grid, broadband, ports and waterways, airports, water infrastructure, and resiliency. This funding is not accessible by the NDDOT.
- Greatest increase in funding is for bridge work, as well as additional resources for pedestrian/bike and electric vehicle charging stations.
- Increases much needed funding for transit and highway safety programs.
- Includes historic amount of funding for discretionary programs which are competitive; the award success and funding timing are unknown.



*Subject to federal aid rules and regulations.*

**WANT TO FIND OUT MORE?**

To find out more information about the Infrastructure Investment and Jobs Act (IIJA), click or scan the QR code or go to: [www.fhwa.dot.gov/bipartisan-infrastructure-law](http://www.fhwa.dot.gov/bipartisan-infrastructure-law).





## DISCRETIONARY FUNDING

**\$134.7M**

**Awarded**

**\$522M**

**Applied for**

**+\$350M**

**Awaiting**  
AWARD ANNOUNCEMENT

**\$226M**

**Anticipated**  
**Match Required**  
2023-2025 BIENNIUM

## BREAKDOWN

### August Redistribution: **\$62M**

#### Better Utilizing Investments to Leverage Development (BUILD) Grant

(Awarded Sept. 2020): 15 grade-raise locations in the prairie pothole region of central ND to reduce risk of highway flooding. **\$22M**

#### INFRA Grants (Awarded June 2021):

US Highway 52 Passing Lane Project, Carrington to E. Jct. ND 5. The first segment was constructed in 2022. Two segments will be constructed in 2023. **\$16.75M**

Note: Dollar amounts listed represent grants awarded, not total project costs.

**Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant** (Awarded Nov. 2021): Statewide Transportation Management Center and I-29 SMART Corridor planning. **\$550K**

**RAISE - Tribal Safety Bundle (Standing Rock and MHA)** (Awarded Aug. 2022): This project will provide safety improvements at multiple locations along ND 24, ND 23, and ND 73. **\$19.5M**

**Department of Defense Community Infrastructure Pipe Replace** (Awarded Sept. 2022): Improves truck/freight weight carrying capacity at Brooks Junction (US 52 and US 2). **\$2.85M**

**Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant** (Awarded June 2022): Rail replacement from Oakes to Independence (Red River Valley and Western Short Line Railroad). The project is expected to be constructed in 2024. **\$6.7M**

**Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Grant** (Awarded Aug. 2022): For electric vehicle charging stations. **\$1.5M**

**Federal Highway Administration Climate Challenge:** Sustainable pavements evaluation process. **\$240K**

## NEW! FLEXIBLE TRANSPORTATION FUND

- **Establish a new, more flexible state transportation fund to:**
  - » Improve transportation infrastructure off the state highway system, including within townships
  - » Provide match for federal funding
  - » Provide for support costs including staffing, facilities, and operational expenditures
  - » Provide sustainable flexibility to augment traditional funding and deliver projects of significance in a timely manner
- **In the last year, NDDOT was asked to fund more than **\$2B** in requests not currently in the State Transportation Improvement Plan.**



# VISION ZERO

Zero fatalities. Zero excuses.

Vision Zero is North Dakota's traffic safety initiative to end motor vehicle fatalities and serious injuries on our roads.

**Vision:** Establish a culture of personal responsibility where motor vehicle fatalities and serious injuries are recognized as preventable and not tolerated.

**Mission:** Eliminate motor vehicle fatalities and serious injuries caused by motor vehicle crashes in North Dakota.

## "E" STRATEGIES

The North Dakota Vision Zero Plan identifies partners and "E" strategies to meet the Vision Zero goal.

**Education** – All North Dakota road users should know that they can save their lives and the lives of others from motor vehicle crashes by taking personal responsibility.

**Environment** – Strengthening traffic safety policies and laws such as mandating seat belt use for all vehicle occupants at all times, increasing fines associated with speed violations, etc. changes driver and passenger behavior and reduces injury and fatality crashes.



**Enforcement** – Regular enforcement of traffic safety laws deters unsafe drivers and occupant behavior.

**Engineering** – State and local North Dakota roads are designed, constructed and maintained with safety as a priority.

**Emergency Medical Services** – Crash victims are transported to an appropriate level of health care for their injuries in the shortest amount of time possible.

# PERSONAL RESPONSIBILITY

Motor vehicle crash fatalities in North Dakota can be reduced if every driver and vehicle occupant takes personal responsibility. This means:



- Buckling up and transporting children in child passenger safety seats appropriate for the child's age, height and weight.
- Driving distraction-free.
- Driving sober (not under the influence of alcohol and/or drugs).
- Obeying all posted speed limits and driving according to road conditions.

## SUCCESSES



- Since the launch of Vision Zero in 2018, vehicle fatalities have been on a steady decline across the state. North Dakota ended 2020 and 2021 with a total of 100 and 101 motor vehicle crash fatalities respectively. These are the lowest fatality numbers in about 15 years.
- Added four regional Vision Zero Coordinators who work to implement Vision Zero strategies at the community level.
- Continued to convene Vision Zero Priority Emphasis Area (PEA) teams comprised of expert stakeholders to advance the strategies within the Vision Zero Plan. The Occupant Protection PEA was nearly successful with passing a Primary Seat Belt law (PBL) through the 2021 North Dakota legislature. The PBL bill was defeated by only three votes.
- Continued to grow the ND Sober Ride program by providing nearly 1,300 sober rides since the program launched in early 2021.
- Added six schools to Vision Zero Schools, a peer-to-peer program that allows students the opportunity to become traffic safety advocates.

## STAY CONNECTED



VisionZeroND



@VisionZeroND



VisionZeroNorthDakota



dottrafficgrp@nd.gov



VisionZero.ND.gov

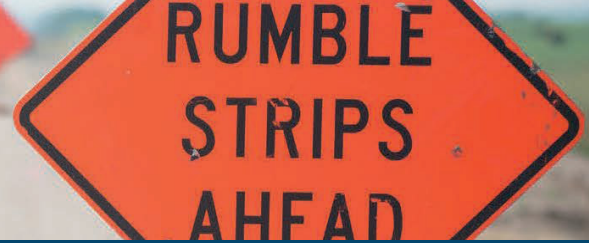


search "Vision Zero ND"



**VISION ZERO**  
Zero fatalities. Zero excuses.





## ND DEPARTMENT OF TRANSPORTATION WORKFORCE

If capacity is not increased, the NDDOT may be forced to shift, reallocate, or outsource work, potentially reducing services to the public due to limited contractor availability. This may result in uncontrolled costs as contractors are also subject to similar workforce challenges including rising wages and expenses. This shift could require NDDOT to move to an oversight and compliance business model which will require different workforce needs and skillsets including procurement, and contract and program management.

The authorized full-time employee count has not grown with the workload. Temporary employees have been used to supplement but are not a long-term solution.



New technology has and will continue to automate tasks but also has an impact on the skills needed for current employees and applicants.



Ensuring employees are adequately equipped for changes requires additional time to develop skills, as well as time to focus on and learn new skills. This can be difficult for employees who provide a direct service to the public.



### CURRENT AGENCY TEAM MEMBER STATS

982

FULL-TIME POSITIONS

40

VACANT POSITIONS

29

NEW FULL-TIME POSITIONS REQUESTED

### BREAKDOWN OF REQUESTED FULL-TIME EMPLOYEES

4

IFTA/IRP Auditors

3

Financial Staff

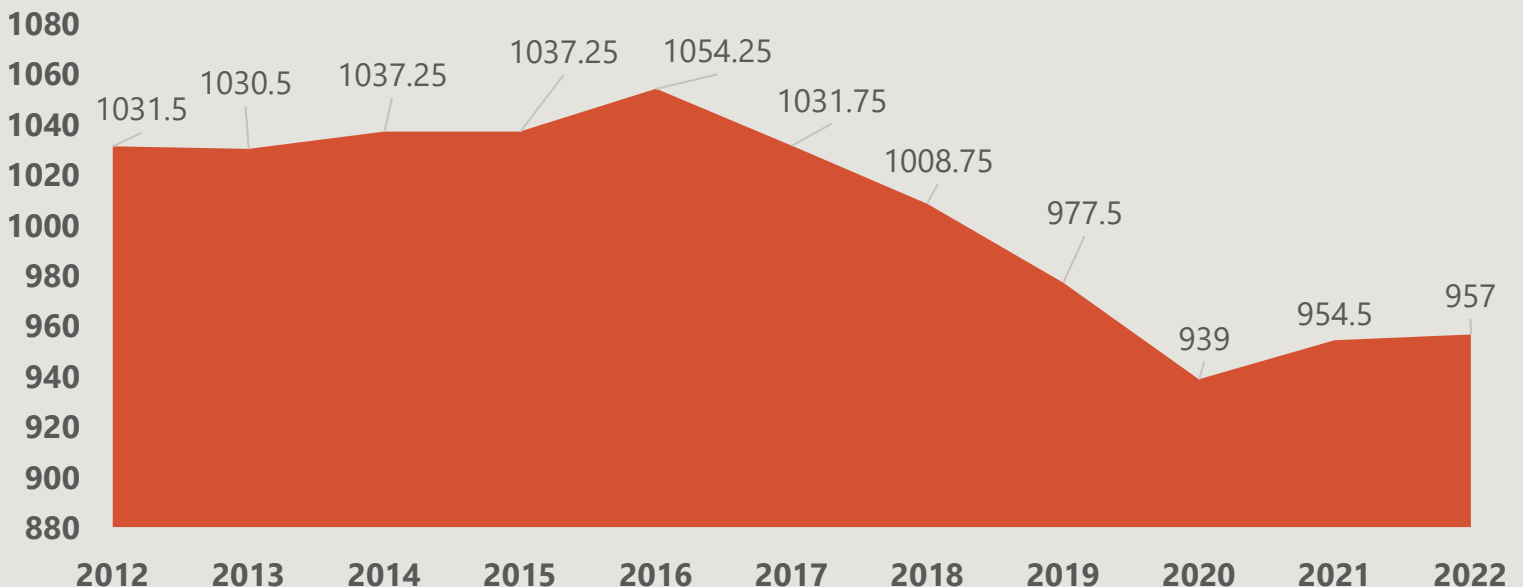
14

Snow & Ice Control

8

Driver License Examiners

### FULL-TIME ACTUAL EMPLOYEE COUNT | 10 YEAR LOOK



# ND Department of Transportation

## MITIGATING & STABILIZING WORKFORCE ISSUES



### WORKFORCE ISSUES



Loss of experienced workers and knowledge due to turnover.



Recruiting for rural locations.

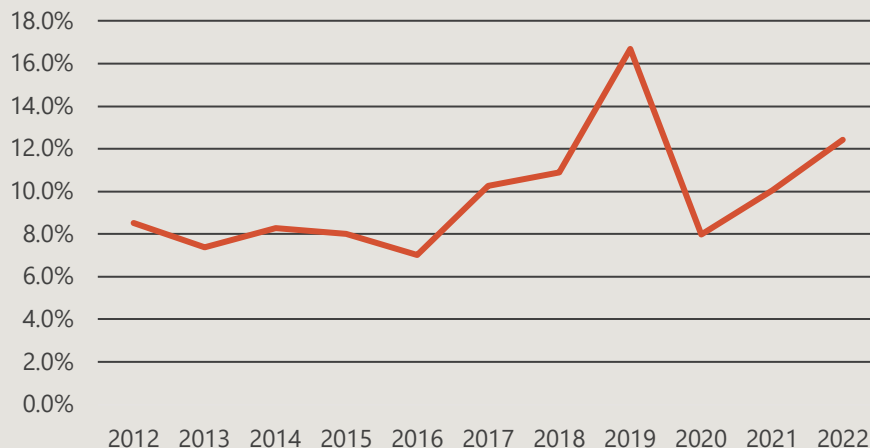


Lack of qualified applicants and shrinking enrollment in programs/certifications needed.

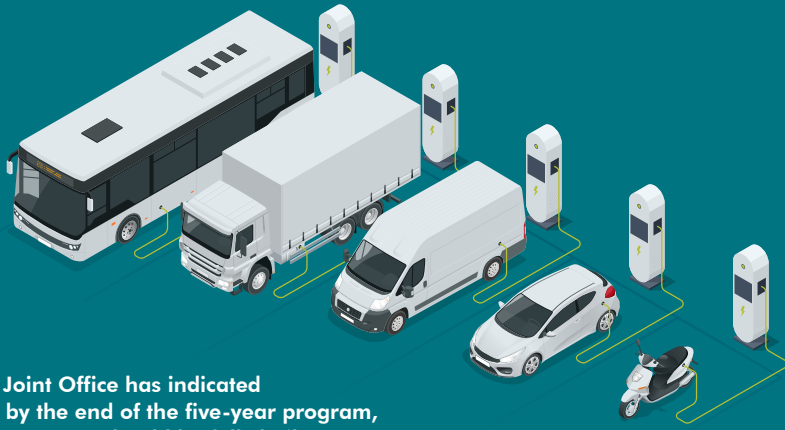


Decreasing buying power or value of benefits currently available.

### TURNOVER | 10 YEAR LOOK



## NATIONAL ELECTRIC VEHICLE INFRASTRUCTURE FORMULA PROGRAM OVERVIEW



The Joint Office has indicated that by the end of the five-year program, all interstates should be fully built out.



### Basic Requirements of the Charging Infrastructure



Located no more than one mile from an alternative fuel corridor (AFC)



Support up to four vehicles charging at 150kw simultaneously



Open to all vehicle makes (non-proprietary)



Maximum 50 miles between charging stations

The Bipartisan Infrastructure Law (BIL) passed in 2021 has funding available for the development of electric vehicle (EV) infrastructure. As part of the BIL, the National Electric Vehicle Infrastructure Formula Program distributes five billion dollars (\$5B) over the next five years (FY 2022-2026) to state departments of transportation for the development of DC fast charging (DCFC) infrastructure. This infrastructure is intended to serve long distance EV travel along alternative fuel corridors (AFCs).

In order to access NEVI funds, North Dakota was required to submit a plan by August 1, 2022 demonstrating how the network will be completed to meet requirements set by the U.S. Department of Energy and U.S. Department of Transportation's Joint Office for EV Infrastructure Deployment. The Joint Office has indicated that by the end of the five-year program, all interstates should be fully built out. The remainder of the funding can be dedicated to other priority corridors as identified by each state.

### A Note on Alternative Fuel Corridors

Alternative Fuel Corridors, or AFCs, is a program run by the Federal Highway Administration (FHWA) that establishes a network of corridors that serve travel using alternative fuels. These corridors serve more than just electric vehicles and may include other fuel types such as propane, compressed natural gas (CNG) or hydrogen (H2). States nominate corridors to FHWA, and work to develop the fueling infrastructure to meet the criteria by each fuel type. In relation to the NEVI program, program funding must be dedicated towards building out existing AFCs. If additional corridors are nominated as AFCs, they must be built out as NEVI-compliant corridors before funding can be used outside of the AFC corridors.

### North Dakota's NEVI Plan



North Dakota will receive \$25.9 million in funding from the NEVI Formula Program



The state's first phase of NEVI will be dedicated to building chargers along North Dakota's AFCs, I-94 and I-29.



The later phase will be focused on building chargers throughout the state for more local, community-level charging needs.



## Location

### Where will NEVI-funded charging infrastructure be located?

Under federal law it is not legal to sell power from highway right of way (including rest areas), making these areas unsuitable for charger locations. North Dakota DOT is anticipating that infrastructure will be built on private sites within one mile of the Alternative Fuel Corridors, through strong partnerships with the private sector to host, operate, and maintain the charging locations.



## Funding

### How much funding is North Dakota receiving under NEVI?

North Dakota is set to receive \$25,952,484 over the five funding years (FY2022-2026). The grant program will fund up to 80 percent of EV charging infrastructure with a required 20 percent non-federal match, which can include private dollars.



## Ownership And Operation

### Who will own and operate the charging infrastructure?

Funding will be awarded to contractors who will build the charging stations. North Dakota DOT does not intend to own or operate those charging stations.



## Payment

### Who will be paying for the energy costs of electric vehicle charger use?

Electric vehicle drivers will pay for the electricity they use at charging stations.



## Participation

### Is it necessary that North Dakota participate in NEVI?

This is a federal requirement. The North Dakota DOT is responsible for the planning of the infrastructure and distribution of funding within the state for the NEVI program. All 50 states and US territories have submitted plans and will receive funding for the program.



## Energy Stance

### Where does North Dakota stand when it comes to electric vehicle use?

The North Dakota DOT is energy-agnostic. Our approach is to:

- Comply with Federal programs when applicable
- Tap federal funding when available
- Save taxpayer dollars when possible
- Prepare for shifts in industry direction and consumer preferences

## ELECTRIC VEHICLES AND MOTOR FUEL TAX REVENUE



### Data from 2019



Vehicle Miles Traveled  
**9,859,000,000**



Tax Rate  
**\$0.23/Gal**  
 (both unleaded and diesel)



Fuel Sold  
**762,000,000 Gal**  
 (both unleaded and diesel)



MFT Revenue Collected  
**\$175,260,000**



Licensed Drivers  
**559,887**  
 (561,000 current)



**Registered Vehicles**  
 Passenger **466,248**  
 Pickup **279,837**  
 Truck **89,746**  
**Total 835,831**

As electric vehicle (EV) use continues to grow in North Dakota, the state must consider how to address the impact on the state's motor fuel tax (MFT) revenue. Because EVs do not require gasoline to operate, they do not contribute to the MFT that helps fund North Dakota's transportation system. North Dakota currently charges an annual \$120 registration fee for fully-electric EVs, \$50 for plug-in hybrid EVs, and \$20 for fully-electric motorcycles in addition to the typical annual registration fees (see N.D.C.C. § 39-04-19.2)

### What does the average vehicle currently generate in MFT?

North Dakota DOT conducted a study based on historic state travel data and vehicle registration data to estimate the average contribution of MFT from different vehicle categories. Data from 2019 was used as the base.

Using a cell phone validated travel demand model, the impacts to current MFT from out of state drivers was estimated. Because fuel can currently be purchased out of state for miles driven within North Dakota, the state's total VMT is not an accurate representation of the revenue generated from in-state driving. It is estimated that 94.63% of Commercial Truck VMT are paying MFT and 97.51% of Passenger VMT are paying MFT.

Using a combination of the cell phone validated travel demand model and data from NDDOT, the average mileage driven per year, gallons of fuel consumed per year, MFT collected per vehicle per year, and total MFT collected by vehicle class were estimated.



## Fuel Consumption and Revenue by Vehicle Class

The estimates indicate that the average passenger vehicle generates \$104 per year in MFT, while the average commercial truck generates \$1,090. The actual contribution by vehicle will differ based on mileage driven and the vehicle's fuel efficiency, with less efficient vehicles contributing more MFT for every mile driven.

With a \$120 EV registration fee in place, the state collects \$16 more per year on average through the EV supplemental registration fee than the average MFT.

However, the \$120 registration fee is substantially less than the \$1,090 estimated revenue collected from commercial trucks. While the use of batteries or hydrogen for commercial vehicles may be years away, their relative effects on revenue will be substantially higher per vehicle than that of passenger vehicles. It should also be mentioned that commercial interstate trucking is highly regulated and subject to interstate agreements such as IFTA and IRP that will impact how fees are assessed and collected from these carriers.

### Passenger/Pickup



**9,947**  
 Avg VMT/ Reg. Veh.

**22.00**  
 MPG (Assumed)

**452**  
 Gal./Year

**\$104**  
 MFT/Year

**\$77,589,523**  
 MFT/Year/Class

### Commercial Truck



**23,701**  
 Avg VMT/ Reg. Veh.

**5.00**  
 MPG (Assumed)

**4740**  
 Gal./Year

**\$1,090**  
 MFT/Year

**\$97,844,335**  
 MFT/Year/Class



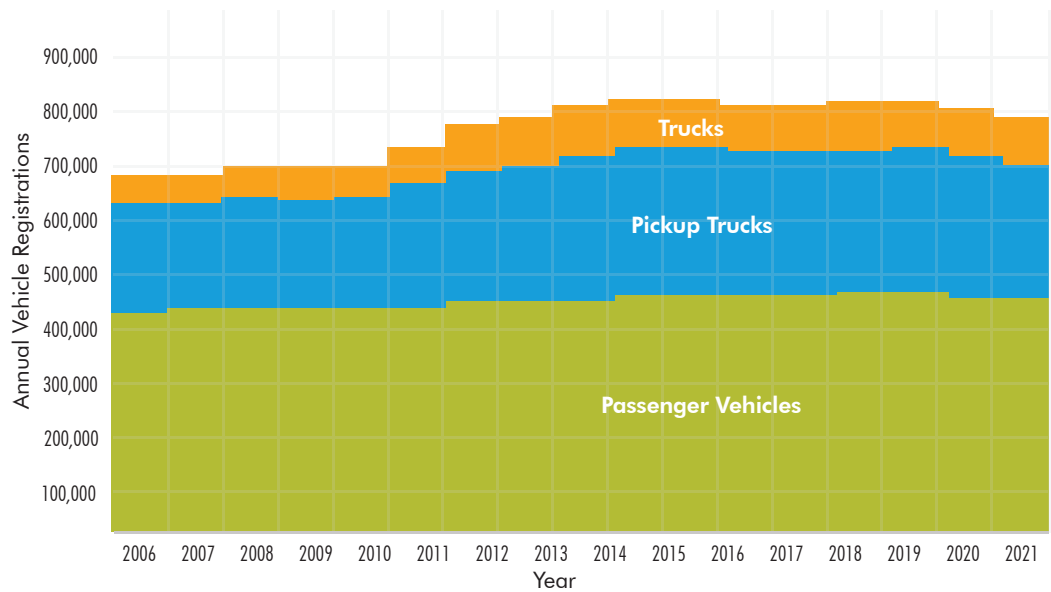
## HOW WILL EVs IMPACT MOTOR FUEL TAX REVENUE?



The estimated impact on the state's motor fuel tax revenue used a number of trends to understand the growth of EVs in the state, as well as the growth of VMT and the overall growth of vehicle registrations.

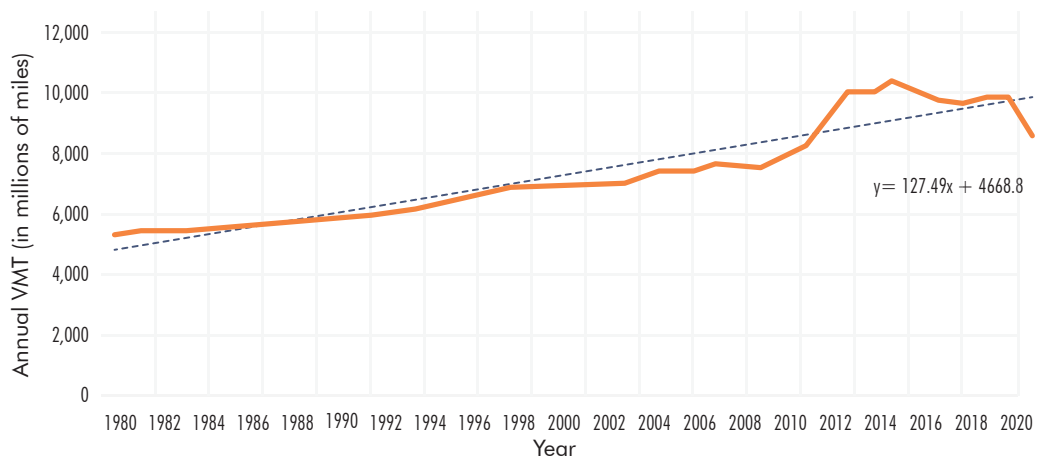
### Annual Vehicle Registration

This chart shows the trends of vehicle registrations within North Dakota back to 2006 for passenger vehicles, pickup trucks, and commercial trucks. Overall, the state has averaged an additional 10,259 vehicle registrations per year. This number also accounts for the transfer of vehicles which would count the registration of the same vehicle twice.



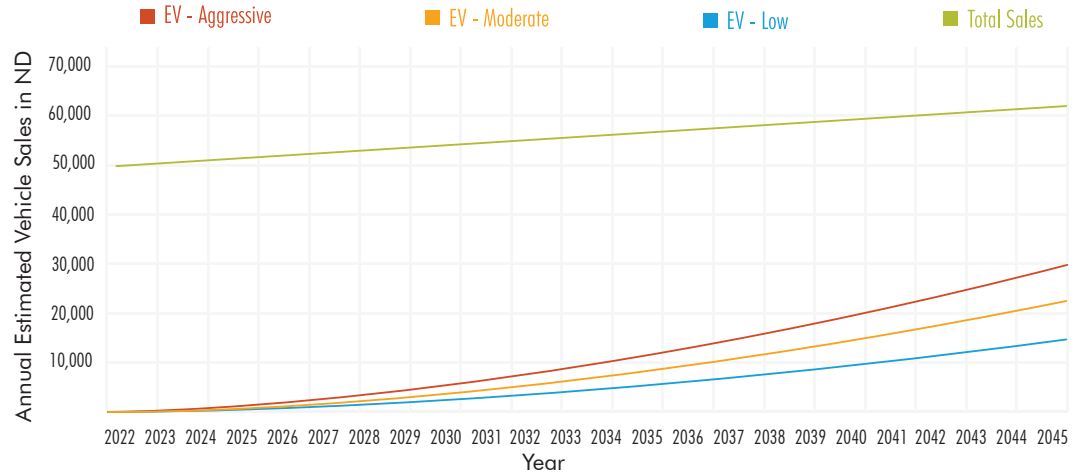
### Annual Vehicle Miles Traveled (VMT)

This chart shows the growth of annual vehicles miles traveled (VMT), which shows a growth of 127 million miles per year on average since 1980.



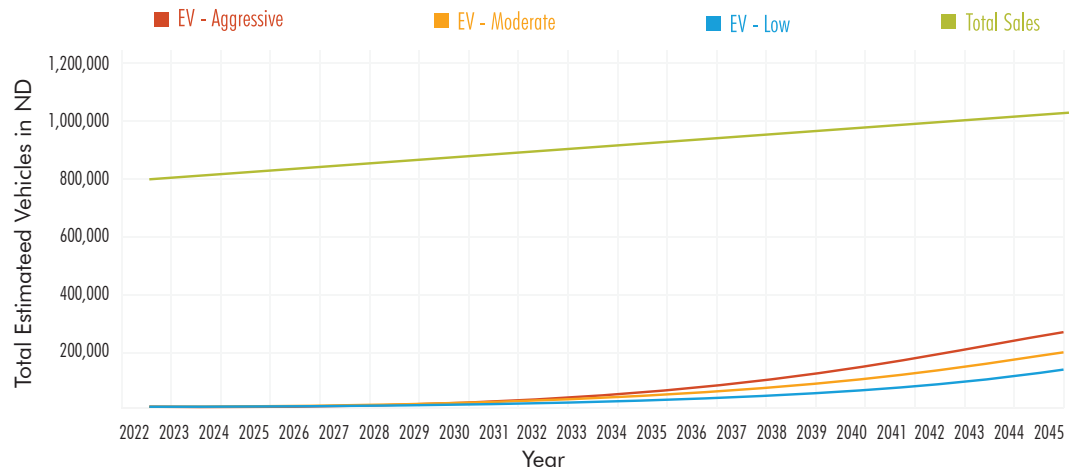
## ND Vehicle Sales Projection

This chart shows the estimated growth of EVs within North Dakota, assuming an aggressive, moderate, and low adoptions scenario. The national average of EV adoption was assumed to be the most aggressive North Dakota would experience, moderate growth is 75%, and low growth is 50% of the national average.



## ND Vehicle Makeup Projection

This chart shows the impact on the total number of vehicles in North Dakota. While EV sales are projected to grow, so too is the growth of the overall number of vehicles. The number of EVs in North Dakota will lag behind vehicle sales, as vehicles purchased today may last 15 years. As of December 1, 2022 there are 537 EVs registered in North Dakota.



## Annual Impact On Revenue Due To EV Adoption

On average, North Dakota collects more money per EV through its EV fee than it receives from the MFT generated by the average registered vehicle. Under the following assumptions, EV's net effect on road fee collections (including MFT and EV registration fees) has been calculated in the table below and the following annual registration fee assumptions have been used for the estimate:



**Passenger: \$120**



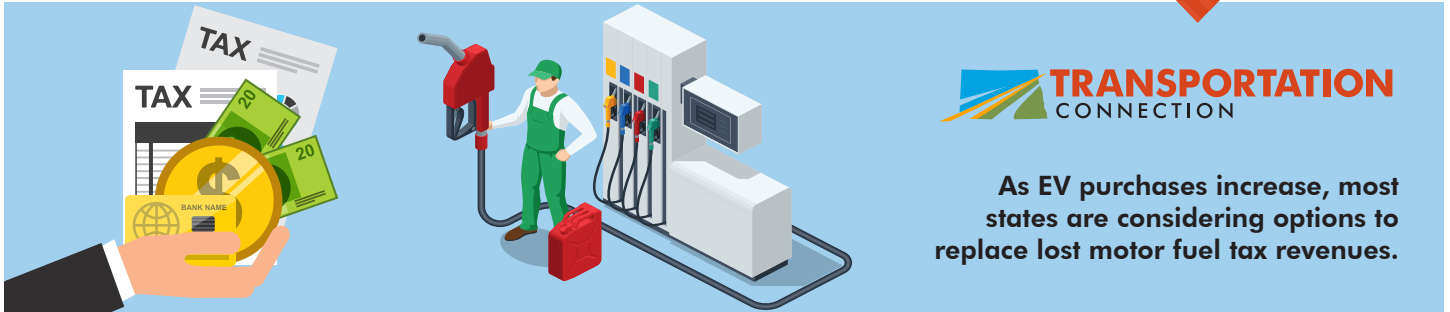
**Pickup: \$120**



**Commercial Truck: \$1,090**  
(estimated to be revenue-neutral)

	Aggressive EV Adoption	Moderate EV Adoption	Low EV Adoption
<b>2030</b>	+\$279k	+\$210k	+\$142k
<b>2045</b>	+\$4.1M	+\$3.1M	+\$2.0M

## WHAT OPTIONS DOES NORTH DAKOTA HAVE TO SUPPLEMENT THE LOSS IN MOTOR FUEL TAX?



As EV purchases increase, most states are considering options to replace lost motor fuel tax revenues.

### Implemented Fee Collection Approaches Throughout the U.S. in 2022

#### Mileage Based Fee

##### Oregon and Utah

OBD-II device, In-Vehicle Telematics, Annual odometer check (*can be visual inspection during registration or captured via smartphone*).

**Benefits:** Proportional to road usage. Captures actual EV driving.

**Drawbacks:** Does not capture out of state driving. Can be difficult/expensive to collect. Privacy concerns.

#### Electric Vehicle Registration Supplemental Fee

##### 31 States

Fee paid during vehicle registration.

**Benefits:** Easy to collect.

**Drawbacks:** May charge drivers more or less than actual vehicle use. Does not capture out of state driving.

#### Electric Vehicle Registration Fee By Weight

##### Oklahoma and Michigan

Fee paid during vehicle registration.

**Benefits:** Easy to collect. Fees determined by vehicle weight recognize the efficiency differences between lighter and heavier vehicles.

**Drawbacks:** May charge drivers more or less than actual vehicle use.

#### Electricity Fee (per kWh) For Public Chargers

##### Kentucky

Wholesale from EVSE provider.

**Benefits:** Captures out of state driving.

**Drawbacks:** Double taxation for in-state drivers who already pay registration fee. Only captures public charging, not private charging.

### Additional Fee Collection Approaches to Consider

Further EV fee approaches can be explored and customized to determine the best fit for North Dakota's priorities as EV adoption is anticipated to grow. Those options can be combined to provide flexibility. For example, Utah issues a supplemental registration fee for EV drivers but allows users to opt into a mileage-based fee that caps out at the original EV supplemental fee.

Depending on the fee structure, states may experience a net increase in revenue from their EV fees. Some states are using a portion of the EV supplemental funding for the deployment of electric vehicle infrastructure. This allocation has the potential to cover the 20% non-federal match in funding required for NEVI charging deployment projects. Alabama dedicates 25% of its EV fee revenue to the Rebuild Alabama Fund, which funds electric vehicle charging infrastructure until EV registrations exceed 4% of total vehicle registrations.



#### Peg Fees To Inflation

Inflation can erode the effectiveness of any fee or tax. Some states have pegged their EV fees to inflation, allowing an annual increase of the fee without annual legislation needed for the increase.



#### Fees Can Be Tiered

Many states have tiered fees for hybrids, plug-in hybrids, and full battery electric vehicles differently. This approach recognizes that fees are not "one size fits all" and can be adjusted as needed.



#### Approaches Can Be Combined

Approaches do not need to be a singular solution. North Dakota can explore a combination of approaches such as vehicle registration fees and consumption fees that are calibrated to replace any offset in motor fuel tax collection.

## Electric Vehicle Fees by State (2022)

Though flat supplemental registration fees are most common in the application, some states are exploring additional fee mechanisms based on miles traveled, vehicle weight, electricity consumption, etc. Data was obtained October, 2022 and may be subject to change.

BEV = Battery Electric Vehicle PHEV = Plug-In Electric Vehicle HEV = Hybrid Electric Vehicle AFV = Alternative Fuel Vehicle

	<b>Alabama</b> \$200 BEV \$100 PHEV Annual Fee		<b>Louisiana</b> \$110 BEV \$60 PHEV, HEV Annual Fee		<b>Oregon</b> \$110 EV Annual Fee
	<b>Arkansas</b> \$200 EV \$100 Hybrid EV Annual Fee		<b>Michigan</b> \$135 BEV <8,000 lbs. \$47.50 PHEV <8,000 lbs. \$235 BEV >8,000 lbs. \$117.50 >8,000 lbs. Annual Fee		<b>S. Carolina</b> \$120 AFV \$60 PHEV, HEV Biennial Fee
	<b>California</b> \$100 BEV Annual Fee		<b>Minnesota</b> \$75 BEV Annual Fee		<b>S. Dakota</b> \$50 BEV Annual Registration Fee
	<b>Colorado</b> \$50 BEV, PHEV Annual Fee		<b>Mississippi</b> \$150 BEV \$75 PHEV, HEV Annual Fee		<b>Tennessee</b> \$100 EV Annual Fee
	<b>Georgia</b> \$212.78 non-commercial AFVs Annual Fee		<b>Missouri</b> \$75 Passenger AFV \$37.50 PHEV Annual Fee		<b>Utah</b> \$90 BEV, AFV \$39 PHEV \$15 HEV Annual Consumer Indexed Fee
	<b>Hawaii</b> \$50 EV Annual Surcharge		<b>N. Carolina</b> \$130 BEV, PHEV Annual Fee		<b>Virginia</b> \$64 AFV (Non-Hybrid) Annual License Tax
	<b>Idaho</b> \$140 BEV \$75 PHEV Annual Fee		<b>N. Dakota</b> \$120 EV \$50 PHEV \$20 EV Motorcycle Annual Road Use Fee		<b>W. Virginia</b> \$200 EV \$100 PHEV, HEV Annual Fee
	<b>Illinois</b> \$100 EV Annual Fee		<b>Ohio</b> \$200 BEV, PHEV \$100 HEV Annual Fee		<b>Wisconsin</b> \$75 PHEV, HEV \$100 BEV Annual Fee
	<b>Indiana</b> \$150 BEV \$50 PHEV, HEV Annual Inflation-Indexed Fee		<b>Oklahoma</b> \$110/\$82 Under 6000 lbs. BEV/PHEV (Class 1) \$158/\$118 6000-10000 lbs. BEV/PHEV (Class 2) \$363/\$272 10000-26000 lbs. BEV/PHEV (Class 3-6) \$2250/\$1687 Over 26000 lbs. BEV/PHEV (Class 7-8) Annual License Fee by Weight		<b>Wyoming</b> \$200 BEV, PHEV Annual Fee
	<b>Iowa</b> \$65 BEV \$32 PHEV Annual Fee		<b>Washington</b> \$150 BEV \$75 PHEV, HEV Annual Fee		
	<b>Kansas</b> \$100 EV \$50 PHEV, HEV Annual Fee				



## WHAT ARE THE CONTRACTING OPTIONS TO IMPLEMENT THE NEVI PROGRAM?



The North Dakota DOT (NDDOT) is in the process of reviewing state laws to determine which contracting mechanisms are currently permissible and which will need legislation passed to be considered. NDDOT would prefer to enter into agreements with third party businesses to provide operation and maintenance of charging infrastructure and sites, and ultimately to delegate ownership to those same parties.



### Grant Program

Rather than procure the contractors and manage all of the work themselves, the DOT could instead award one or more grants to other entities to take on that role. The DOT would establish the goals and objectives for the EV program based on the federal requirements and release a notice of funding opportunity for one or more entities to procure design, construction, and operations and maintenance for a statewide EV charging network.



### Traditional Design-Bid-Build Contracting Approach

The North Dakota Department of Transportation typically uses Design-Bid-Build (DBB) for its infrastructure projects. Though DBB is normally a low bid process driven primarily by price, it is possible to set a high bar for experience and qualifications that would guarantee a level of EV charging expertise for a winning proposer. DBB steps could include the procurement of design services, procurement of construction and installation services, procurement of operations and maintenance services, and long-term ownership.

## EV Design-Build-Finance-Operate Maintain or DBFOM

The unique aspects of EV charging also provide the opportunity for an alternative delivery model tailored more specifically to developing an EV system. There are at least two potential ways to approach this effort:



### Master Developer

Under a DBFOM approach, it would be possible for the developer to group the project by corridor segment or geographic area and serve as a “master developer” that manages multiple smaller design-build projects. Each small contractor could be responsible for operations and maintenance, or it could revert to the master developer. The developer would retain responsibility for the overall financial approach, and would retain ownership of the chargers at the end of the program.



### Franchise Operator

This approach would result in the developer serving as more of a franchise operator, securing final plans and bids from contractors to design, install, operate, maintain, and own stations within major corridors or geographic areas. The DBFOM developer would be responsible for managing the overall system and developing the agreements, including financial agreements, with the smaller franchisees. Once the franchise operator takes on ownership, NDDOT would no longer have responsibility for the charging system.

