

Good morning, Mr. Chairman, and members of the committee. I am Terra Miller Bowley, Deputy Director for Administration for the North Dakota Department of Transportation (NDDOT). I'm here in support of House Bill 1102 and to request an amendment.

The intent of House Bill 1102, as originally written, is to clarify and establish authority for the NDDOT to accept federal transportation related grant funds and matching funds, whether public or private, for use on infrastructure projects on and off the state highway system.

Historically the NDDOT has applied for transportation grant funding administered by the Federal Highway Administration (FHWA). This transportation grant funding was primarily for infrastructure projects on the state highway system and anticipated state and/or local public matching funds. In recent years the concept of transportation and what is incorporated into an interconnected transportation system has been evolving both at the state and federal level.

The Infrastructure Investment and Jobs Act (IIJA) recently passed by Congress included a historic amount of funding for discretionary grant programs. Much of this funding was related to transportation including the largest federal investment for public transit, rail, bridges, and roads. Transportation grant funding under IIJA is being administered by a multitude of federal agencies beyond FHWA. The NDDOT would like to clarify and expand authority to be able to apply for and administer any federal transportation related grants that our department would otherwise qualify to accept regardless of which federal agency is offering the grant.

Almost all transportation grant funding opportunities require matching funds. These grant funding opportunities are allowing the use of private funds in addition to or in lieu of public funds from state or local governments to meet these match requirements, which can be as much as 50%. Infrastructure projects often provide both a private and public benefit and can spur economic development. As a result, such projects can be attractive investment opportunities for private entities.

The NDDOT would like to ensure that we have the authority to apply for and administer any transportation related grant funds for which we are eligible for as well as utilize any matching funds, both private and public, allowable under the grant. The NDDOT would also like to ensure that NDCC allows the agency to support a statewide interconnected transportation system, including infrastructure projects both on and off the state highway system.

The House Transportation Committee amended House Bill 1102 and removed the language which would allow the NDDOT to accept and utilize matching funds, both private and public, allowable under a grant. As it is currently written, House Bill 1102 allows the NDDOT to apply for and accept transportation related grants but would not allow the NDDOT to accept and match those grants with private or public funds which may become available. The NDDOT respectfully requests that the language allowing private and public matching funds be restored, I have included a proposed amendment along with this testimony.

That concludes my testimony. Thank you.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1102

Page 1, after line 17, insert:

“The department is authorized to accept all eligible match funding sources, whether public or private, as authorized by the provisions of the federal agency providing the grant or funding, for the purpose of administering a program. All eligible match funding shall be deposited with the state treasurer in the flexible transportation fund and shall be made available in accordance with the grant requirements.”

Renumber accordingly.