

NORTH
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**Legislative Management Interim Senate Appropriations Committee
Tuesday and Wednesday, October 19 – 20, 2021
Roughrider Room, State Capitol
(Category: Infrastructure, Sponsor: Governor, Agency: Department of Transportation)**

Good morning, Chairman Holmberg and Members of the Committee:

My name is Terra Miller Bowley, I am the Deputy Director for Administration for the North Dakota Department of Transportation. I am here to testify on the two infrastructure proposals put forth in the Governor's Accelerate ND Proposal.

Accelerate ND proposes an allocation of \$317 million from the American Rescue Plan Act (ARPA) State Fiscal Relief Fund to fully fund the appropriation provided in House Bill 1395. House Bill 1395, Section 2 appropriated federal funds for the purpose of defraying COVID-19 and other expenses. The Department of Transportation received a total appropriation of \$318.6 million, of which only \$1.6 million was funded. The allocation from the ARPA State Fiscal Relief Fund would fulfill the intended appropriation provided in House Bill 1395, Section 2.

If the entire \$317 million is allocated to the Department of Transportation, this funding would allow the Department of Transportation to move forward with state road and bridge projects. These projects will address critical road needs across the state including 4-lane on US 85 from Watford City to Long X, the intersection of Highway 2 and 26th Street in Williston, interstate safety improvements, new rest areas and rest area modernizations, adding smart corridor technology, and rehabilitating nearly 150 miles of North Dakota roads. These projects will allow approximately 95,000 trucks to carry an increased load due to a reduction in load restrictions, create 4,121 jobs and provide \$1.2 billion in economic growth. A map highlighting the projects to be funded along with a detailed project listing has been provided along with this testimony for your reference.

Accelerate ND also proposes \$15 million for a secondary access road to support emergency responders, potential evacuations, and economic growth in and around the Amphitheatre in Medora, North Dakota.

It is our understanding, working in conjunction with Legislative Council and the Office of Management and Budget, that we also need to introduce proposed technical corrections to our 21 – 23 appropriations at this time. The following changes will give the Department of Transportation the ability to utilize funds that were already appropriated during the 67th Legislative Session by removing language impeding access to this funding. The current bill language as interpreted by Legislative Council and the Office of Management and Budget makes appropriated funding inaccessible or at best accessible at the end of the biennium. The requested corrections are as follows:

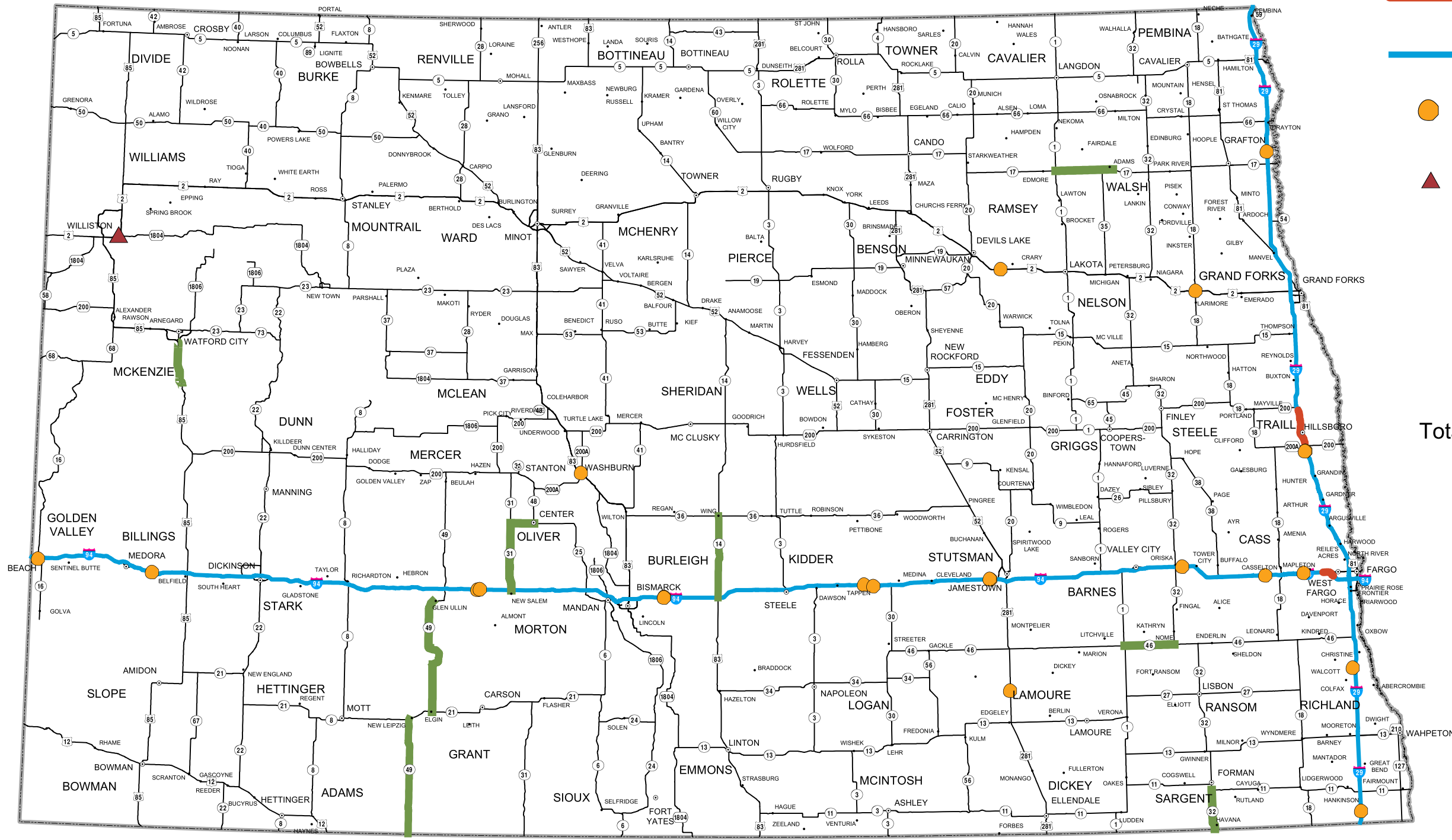
- Revise the language in House Bill 1015, Section 13 to allow state funds to be utilized to match any federal funding received during the biennium and confirm legislative intent to allow funding to be utilized for township road and bridge projects.

- Revise the language in Senate Bill 2012, Section 6 to remove the requirement to certify bond proceeds are not available prior to accessing the contingent loan authorization for US 85.
- Revise the language in House Bill 1431, Section 10 to allow state bond funds to be utilized to match any federal funding received during the biennium.
- Add a new section to House Bill 1015 which appropriates funding to the Department of Transportation from the new infrastructure bill pending in Congress to ensure any funding the Department of Transportation receives becomes immediately available upon passage of the federal legislation.
- Add a new section to House Bill 1015 which allows the Department of Transportation to accept reimbursement from townships for the purpose of matching federal funds for township road and bridge projects.

A copy of the requested changes to House Bill 1015 and 1431 and Senate Bill 2012 is attached for your review.

That concludes my testimony, and I would be happy to address any questions the Committee may have.

Potential American Rescue Plan Projects



10 Year Infrastructure Plan
Estimated Cost = \$167,500,000

Interstate Reconstruction
Estimated Cost = \$34,300,000

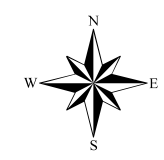
Median Cable Guardrail
Estimated Cost = \$20,000,000

Rest Areas/Visitor Centers
Estimated Cost = \$25,500,000

State System Urban Projects
Estimated Cost = \$40,000,000

Other Investments
Smart Corridor Tech = \$2,000,000
Wetland Development = \$6,000,000
Jersey barriers = \$2,700,000
US 85 Long X to ND 200 PE, R/W, & Utilities = \$19,200,000

Total Investment = \$317.2 Million



STATE OF
NORTH DAKOTA

PREPARED BY THE
NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
PROGRAMMING DIVISION
IN COOPERATION WITH THE
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY DEPARTMENT

September 2021

POTENTIAL AMERICAN RESCUE PLAN PROJECTS

CONSTRUCTION YEAR	PCN	PROJECT NUMBER	LOCATION	WORK	TOTAL COST
2023	22683	NH-X-7-085(116)127	US 85 WATFORD CITY TO LONG X BRIDGE	4-LANING	\$62,400,000
2023	-	-	4-LANE US 85 LONG X TO 200	PE, R/W, Utilities	\$19,200,000
2024	23273	X-1-014(014)000	ND 14 STERLING TO WING	WIDENING & FULL DEPTH RECLAMATION	\$17,919,000
2024	-	-	ND 17 JCT 1 E TO ADAMS	WIDENING & OVERLAY	\$14,479,725
2025	23321	XA-SS-1-025(015)028	ND 25 CENTER W TO JCT 31	WIDENING & OVERLAY	\$4,100,000
2025	23324	XA-SS-1-031(021)078	ND 31 JCT I-94 N TO HANNOVER	WIDENING & OVERLAY	\$12,800,000
2024	-	-	ND 32 STATE LINE N TO S JCT 11 FORMAN	WIDENING & OVERLAY	\$5,411,700
2024	-	-	ND 46 JCT 1 HASTINGS E TO W JCT 32	WIDENING & OVERLAY	\$6,738,160
2024	23274	X-5-049(020)000	ND 49 STATE LINE N TO TO JCT 21	FULL DEPTH RECLAMATION	\$22,156,000
2024	23272	X-1-049(031)036	ND 49 ELGIN N TO GLEN ULLIN	WIDENING & OVERLAY	\$21,529,000
2022	-	-	JERSEY BARRIERS	BUILD STATE FURNISHED JERSEY BARRIERS (MASH)	\$2,700,000
2024	-	-	HIGH TENSION CABLE MEDIAN GUARDRAIL	INTERSTATE	\$20,000,000
2023	22203	IM-8-094(098)342	NEAR W FARGO E TO HORACE RD - EB/WB	CRACK AND SEAT TO FULL RECONSTRUCTION (\$7.4 TO \$18.3)	\$10,900,000
2023	23102	IM-8-029(203)101	N OF KELSO N TO N OF N JCT 200 - NB	CRACK AND SEAT TO FULL RECONSTRUCTION	\$11,700,000
2024	23103	IM-8-029(204)101	N OF KELSO N TO N OF N JCT 200 - SB	CRACK AND SEAT TO FULL RECONSTRUCTION	\$11,700,000
2023	-	-	WILLISTON: US 2 & 26TH ST INTERSECTION	INTERSECTION RECONSTRUCTION/RECONFIGURATION	\$40,000,000
-	-	-	REHAB EXISTING REST AREAS/VISITOR CENTERS	ADA, MAINTENANCE, LAGOON UPDATES	\$8,500,000
-	-	-	NEW REST AREA/VISITOR CENTER SOUTH OF FARGO ON I-29 (NEAR COLFAX)	CONSTRUCTION, SANITATION, PARKING LOT, LANDSCAPING	\$12,000,000
-	-	-	SMART CORRIDOR TECHNOLOGY	TRUCK PARKING TECHNOLOGY AND OTHER	\$2,000,000
-	-	-	REHAB AND NEW REST AREA/VISITOR CENTER SOUTH OF FARGO ON I-29 (NEAR COLFAX)	ARCHITECT	\$5,000,000
2023	-	-	WETLAND MITIGATION BANK	WETLAND MITIGATION BANK	\$6,000,000
TOTAL					\$317,233,585

APPROPRIATIONS

CHAPTER xxx

SENATE/HOUSE BILL NO.

(Senators xxx, xxx)

(Representatives xxx, xxx)

(Approved by xxx Bills committee)

AN ACT to amend and reenact section 13 (**HB1015**) of chapter 15 of the 2021 Session Laws, section 6 of (**SB 2012**) of chapter 40 of the 2021 Session Laws, and section 10 (**HB1431**) of chapter 80 of the 2021 Session Laws, relating to appropriation for defraying the expenses of and appropriating federal funding to the department of transportation, and to create ~~an~~ appropriations (new HB 1015 sections) in chapter 15 of the 2021 Session Laws and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT (HB1015**).** 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 - 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,~~ Notwithstanding section 24-02-37 the department shall use at least \$10,000,000 of this amount for matching federal funds for township road and bridge projects.
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 an unexpended and unobligated funds transferred to the highway fund under subsection 1 to the general fund.
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 2. AMENDMENT (SB2012). Section 6 of chapter 40 of the 2021 session Laws is amended and reenacted as follows:

SECTION 6. CONTINGENT LOAN AUTHORIZATION - CONTINGENT APPROPRIATION - 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 for matching federal funds that may become available, for the biennium beginning July 1, 2021, and ending June 30, 2023. The funds authorized in this section 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, 2021, and ending June 30, 2023, ~~and that other state funds from bond proceeds are not available for this purpose.~~ The department of transportation shall request from the sixty-eighth legislative assembly an appropriation to repay any outstanding loans authorized in this section. The appropriation in this section is considered a one-time funding item.

SECTION 3. AMENDMENT (HB1431). Section 10 of chapter 80 of the 2021 session Laws is amended and reenacted as follows:

SECTION 10. APPROPRIATION - HIGHWAY FUND - CONTINGENT TRANSFER. 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 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~~ **received for the biennium beginning July 1, 2021 and ending June 30, 2023.** 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.

SECTION 4. (HB1015 (new section)). A new Section of chapter 15 of the 2021 session Laws is created and enacted as follows:

SECTION xx. APPROPRIATION. [insert Federal Infrastructure Bill Name Here]- HIGHWAY FUND. There is appropriated to the department of transportation, out of those eligible federal funds derived from the federal [insert: Federal Infrastructure Bill Name Here], for the period beginning July 1, 2021, and ending June 30, 2023.

SECTION 5. (HB1015 (new section)). A new Section of chapter 15 of the 2021 session Laws is created and enacted as follows:

SECTION xx. APPROPRIATION – TOWNSHIP FUNDING – DEPARTMENT OF TRANSPORTATION. **There is appropriated to the department of transportation, for the purpose of matching federal funds for township road and bridge projects, \$20,000,000, to be received from township reimbursement, during the biennium beginning July 1, 2021, and ending June 30, 2023.**

SECTION 6. EFFECTIVE DATE. This bill is effective December 1, 2021.