

2021 HOUSE APPROPRIATIONS

HB 1431

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1431
2/1/2021

A BILL relating to a water infrastructure revolving loan fund and bonded debt repayments; relating to interest rates for infrastructure revolving loans, borrowing and lending authority of the public finance authority, and reserve funds associated with bonds, relating to a community water development fund and an infrastructure revolving loan fund within the resources trust fund; to provide an appropriation; to provide a continuing appropriation; to provide for a transfer; to provide for a contingent transfer; to provide a bond issue limit; and to provide a loan repayment.

Chairman Delzer- Calls the meeting to order

Attendance	Roll Call
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

Discussion Topics:

- Fargo Diversion Project
- Resources Trust Fund
- Infrastructure Revolving Loan Fund
- Highway Fund
- Harris Hall
- Dickinson
- Cass County

3:13 Representative Pollert Introduces the bill

3:17 Representative Schmidt- Further explains the bill

3:25 Joel Paulson- Metro Flood Division Authority- Executive Director (testimony #4377)

3:35 Sarah Frank ND Association of Home Builders (testimony #5700) (Submitted by Bryce Johnson)

3:40 Shaun Sipma-Mayor City of Minot; Testifies in support of HB 1431(testimony #4381)

3:51 David Ashley-Souris River Joint Board Project Testifies in favor of HB 1431 (testimony # 4523)

3:58 Jennifer Murray- Acting Manager/CEO of Southwest Water Authority; Testifies in Favor of HB 1431 (testimony # 4508)

4:01 Joe Morrissette- Director of the Office of Management and Budget- Testifies in Favor (testimony #4543)

4:05 Art Thompson- Executive Director of the ND Concrete Council; Testifies in favor of HB 1431 (testimony # 4591)

4:14 Blake Crosby- Executive Director, ND League of Cities; Testifies in favor (testimony #5233)

4:19 Bill Panos- Director of ND DOT- Testifies in favor (testimony #5701)

4:33 Dean Bresciani- President of ND State University; Testifies in favor of HB 1431 Provided testimony for Greg Lardy. (testimony #4268)

4:37 Doug Jensen- President on Bismarck State College; Testifies in favor of HB 1431 (testimony # 4587)

4:57 Marcus Lewton- CTE Director; Testifies in favor (testimony #4520)

5:04 Stephen D. Easton- President of Dickinson State University; Testifies in favor of HB 1431 (Testimony # 4286)

5:07 Ryan Jilek Executive Vice- President; Testifies in favor (testimony # 4500)

5:18 Thomas Shorma- CEO/President of WCCO Belting Inc.- Testifies in favor of HB 1431 (testimony # 4457)

5:32 Shannon Full- President/CEO of the Fargo and Moorhead West Fargo Chamber of Commerce; testifies in favor of HB 1431 (testimony # 4643)

5:38 Steven Holen- Superintendent of Schools for the McKenzie County Public School District #1 in Watford City; Testifies in favor of HB 1431 (Testimony # 4544)

5:54 Wade Sick-State Director of the Department of Career & Technical Education; Testifies in favor of HB 1431 (testimony # 4503) Offers to answer any questions and get the committee more information.

Additional written testimony: #4274, #4280, #4322, #4333, #4334, #4336 #4363, #4371, #4465, #4472, #4475, #4480, #4485, #4515, #4518, #4525, #4534, #4549, #4552, #4553, #4556, #4560, #4564, #4570, #4580, #4590, #4599, #4600, #4604, #4609, #4613, #4614, #4615, #4616, #4620, #4630, #4631, #4633, #4634, #4635, #4641, #4646, #4648.

6:05 Chairman Delzer closes the hearing for HB 1431

Risa Berube,

House Appropriations Committee Clerk



February 1, 2021

Chairman Delzer and members of the Committee,

I. Introduction.

My name is Joel Paulsen, the Executive Director for the Authority. I am here to express the support of the Authority for this critical piece of legislation, one that will play a pivotal role in securing the completion of the Diversion as early as 2028.

II. Background.

As a lead beneficiary of this piece of legislation, it is important for us to be clear about what is being funded through your support.

Our Project has three major elements that work together to provide a comprehensive flood protection project. Two are being delivered with a combination of local and state dollars, which are the in-town work in Fargo and Moorhead and the Diversion Channel and its associated infrastructure. The third component, which is being delivered with federal funds by the US Army Corps of Engineers, is the Southern Embankment and its associated infrastructure. Please note that the Authority is also responsible for the acquisition of lands and mitigation required to construct and operate the Project.

In addition to the substantial support we are receiving from the Federal Government and from dedicated long-term sales taxes voted in by the citizens of Fargo and Cass County, the State of North Dakota is committed to a vital share of our overall support. In the last legislative session, we requested a total funding commitment of the State of North Dakota of \$850 million. The legislature committed a total of \$750 million in legislative intent to the Project, allocated over several bienniums, and suggested that before considering the full amount of our request the Authority obtain bids on the largest component of the Authority's direct cost obligations, the construction of the Diversion Channel through a P3 delivery model.

The timing of the P3 procurement process was delayed by legal and permit constraints that have recently been resolved through the Settlement Agreement reached with the upstream opposition to the project.

This delay has obviously created a disconnect with the mechanics and schedule of the legislative process, specifically for the House's consideration of our funding needs. While we are pleased that the final Request for Proposals has been issued for the P3 bids, and the Authority's construction cost estimate has not changed, we regret that we will not be able to provide definitive information about any impact those bids may have on our total funding needs until mid-April.

III. Position.

In summary, we fully support HB 1431 for the following main reasons:

- This legislation provides the Project with financial certainty, a real benefit given the urgency and complexity of keeping construction on schedule. Enactment of this legislation give us the financial certainty to complete construction without deferral of any key components, deferrals which would add complexity and cost.
- This legislation accelerates the funding intent of the 2019 Legislature and satisfies the full request of the Authority while reducing the burden on taxpayers by approximately \$20 million due to the elimination of short-term borrowing and its added expenses, based on our current financial plan and access to the full funding amount in 2021.
- Passage of this legislation would remove the Diversion from the collection of projects seeking funding from the Resources Trust Fund, producing a more efficient funding approach both for the Diversion and for the projects that specifically require Resources Trust Fund support.
- The Authority also supports HB 1431 as a wise way to allow all taxpayers that support projects included in the Bill to benefit from today's low interest rate environment.

We view the Project's relationship with the legislature as a state-local partnership. This state-local partnership has benefitted from the strong support of the North Dakota legislature and has greatly assisted the Authority in getting the Project underway. The Authority is not just "shovel ready". We have had shovels dirty and in the ground for many years and have, with your greatly appreciated help, invested over \$600 million of State and local dollars in the Program to date.

I very much appreciate your willingness to give my testimony and passage of HB 1431 your full consideration. We're seeking the funding and your continued support to keep digging!

Thank you for your time and for your support today.

Sincerely,



Joel Paulsen
Executive Director
Metro Flood Diversion Authority
mobile: 701-781-4758
email: PaulsenJ@fmdiversion.gov



Home Builders Association of Fargo-Moorhead

1802 32nd Avenue South · Fargo, ND 58103 · (701) 232-5846 · hbafm.com · info@hbafm.com

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Tom Spaeth



February 1, 2021

Appropriations Committee
North Dakota House of Representatives
State Capitol Building
600 East Boulevard Avenue
Bismarck, ND 58505

Dear Chairman Delzer, Vice Chairman Kempenich and Members of the Committee:

The Home Builders Association of Fargo-Moorhead represents approximately 750 builders and related businesses throughout Cass County. We appreciate the opportunity to submit this letter urging you to support the current bond-based funding proposed for the career and technical education programs as written in House Bill 1431.

Housing, the workforce, and economic vitality determine quality of life and cannot be separated. When people invest in a home, they invest in their future and their community.

However, the workforce crisis is increasing construction costs and intensifying the need to retain skilled workers that are currently irreplaceable. Economic vitality will remain fractured and the losses will perpetuate until we, as a state, acknowledge and act upon the fact that 4-year degrees alone and unskilled labor do not build homes. The bond-based funding for technical education programs in House Bill 1431 provides the 67th Legislative Assembly the opportunity to do facilitate exactly that.

That program in Fargo is the Cass County Career Workforce Academy (CWA); a new educational facility planned through the collaborative work of the North Dakota State College of Science and multiple public and private entities in the region. To date, \$21 million has been secured from 60 private businesses, Fueling Our Future, Cass County, City of Fargo, City of West Fargo, and the U.S. Dept. of Commerce to begin the project. All k-14 schools in the area also endorse the project.

Technical schools like the Academy in Fargo and others proposed across the state will provide the information, curriculum and most importantly, the experiential education required to ensure our higher education provides career-oriented programming and perspectives that allow housing policies and workforce policies to complement each other.

CWA will do more than attract the students the construction industry seeks; the entire ecosystem will directly and indirectly experience the returns. Educating and training the workforce will revitalize the homebuilding that triggers economic growth. However, the cycle will remain stagnant until workforce acquires the skills and expertise to engage it.

HBA of F-M's vision is to nurture a thriving, innovative and diverse housing industry in our community.



est. 1956

Home Builders Association of Fargo-Moorhead

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Economic potential abounds in North Dakota and the pent-up demand for housing has escalated beyond measure. House Bill 1431 the catalyst North Dakota needs to correct the crisis and we ask that you support it as written.

Thank you for your time, consideration, and the opportunity to comment. Please contact us with any questions or requests for further information.

Respectfully,

Bryce Johnson
Chief Executive Officer

**House Appropriations
Chairman – Representative Jeff Delzer
February 1, 2021**

Testimony

**By: Shaun Sipma, Mayor, City of Minot
shaun.sipma@minotnd.org
701.721.6839**

HB 1431

Good morning Chairman and members of the House Appropriations Committee. Thank you for the opportunity to be here today. My name is Shaun Sipma, Mayor of Minot, and on behalf of our City and in conjunction with the Souris River Joint Board (SRJB), I am here today to testify in support of House Bill 1431.

The Mouse River Enhanced Flood Control project is a basin-wide flood control project and is a top legislative priority for Minot. The priority is paramount because of life, health, and safety.

The Billion Dollar project has been moving steadily forward for four (4) years now. When funding has been allocated by the State for the project, the City of Minot has provided the local match for construction both inside city limits and for projects outside city limits and elsewhere in the Basin. The Souris River Joint Board, the entity in charge of building the project, has stayed on course, on time and on many occasions under budget.

In 2020 when revenues came in behind projections into the Water Resources Trust Fund due to economics stemming from COVID-19, the City of Minot and the SRJB shared shortfall by turning back approximately \$30 Million Dollars of what would have been appropriated funding towards flood control.

Several sessions ago a plan was approved that was aimed at funding work inside the City of Minot for flood control to a total of \$193 million dollars to get to Milestone 1. Milestone 1 represents protections for approximately 62% of the river valley that runs through Minot. To date the remaining intent of that commitment is \$114,586,716.00.

To be clear the current funding allocation schedule puts the Mouse River Flood Control Project with a completion date somewhere around 2041. That is 20 more years of construction, 20 more years of not being fully protected from another flood, and 20 more years of inflationary construction costs.

My goal today in testifying in support of the bill is to also emphasize the intent language from the 2017 legislature was never meant to be the signal of the finality of the project, but rather a milestone — again what we call Milestone 1. That is well represented in all testimony given from my predecessors and colleagues.

Moving forward it is also critical for this project to focus on the timetable for completion rather than just the next milestone. That is why when I testified in your E&E Division, I mentioned that the SRJB and the

City of Minot would like to begin a conversation with all of you about shortening the construction build from 20 years to a number closer to 12 years.

A 12-year buildout would save more than \$100 million on inflationary construction costs. A quicker completion would provide flood protection sooner to more residents in Minot and many more throughout the basin. A quicker completion would also provide direct relief to property owners whose flood insurance rates will soon start increasing dramatically in the years ahead.

Those flood insurance rates, for a homeowner, are approximately about \$600 a year in Minot. When FEMA remaps the Mouse River Basin, which is coming in the next 12 months or so, and we fast forward a dozen years the same policy will cost approximately \$3,400 a year. If we factor 20 years of increases that policy is likely to be more than \$12,000 a year. All that money, from all those policies will be leaving the Basin and North Dakota to head to Washington. I could talk about economic impact to the housing market in the river valley, but I think it becomes clear quick.

Minot's local cost share modeling based on the current sales tax allocation does run short on an accelerated build model. However, before the current allocation of sales tax funding runs short, the Northwest Area Water Supply (or NAWWS) will be complete and fully funded. The allocation for that Basin Wide Project being funded out of Minot sales tax can be diverted to make up the shortfall for basin wide funding for flood control. This will have to be paired with a financial vehicle for long term-low interest funding rather than traditional bonding debt.

The state has the tools and the assets. Now we must find the will. That conversation will come in the near future.

In the meantime, I am here today to support House Bill 1431. Let me say thanks for the fantastic progress we have made with the state and local partnership that will be continued with the funding in this bill. I invite all of you to Minot to see how we have implemented the past dollars and how we will implement the funds outlined in the bill you have before you today.

Lastly, Minot also wants to support House Bill 1431 as it represents a big step in closing a gap in technically trained workers in North Dakota. For more than two (2) years the City of Minot in conjunction with Minot State University, Dakota College of Bottineau and Minot Public Schools have been working on a Career and Technical Education Center. By the spring of 2021 the first phase of this CTE joint effort will be operation. HB 1431 will allow the program to reach beyond the standard classroom settings to target those careers most in need of technically trained individuals in North Dakota. Our ability to economically diversify not just in Minot but throughout North Dakota is contingent on Technically Trained workers and funding in this bill for these programs is a big step in the right direction.

Thank you again for the opportunity to testify before you today. I would be happy to stand for questions on either the Flood Control Funding or the Career and Technical Center Training that I have mentioned here today.

House Appropriations
Chairman – Representative Jeff Delzer
February 1, 2021

Testimony of David Ashley
Chairman, Souris River Joint Board
dashley@mouseriverplan.com
701.626.1566

HB 1431

Good afternoon, Chairman Delzer and members of the House Appropriations Committee. My name is David Ashley, and I am chairman of the Souris River Joint Board. The Souris River Joint Board is the project sponsor for the Mouse River Enhanced Flood Protection Project. I am here to express support for House Bill 1431 on behalf of all residents of the Mouse River basin.

The current version of the bill includes \$74.5 million for Mouse River flood control activities. It is our understanding that the State Water Commission budget bill will not include any funding for Mouse River flood control, so this bill is incredibly important.

We have previously provided testimony to the Education and Environment Division of House Appropriations on the State Water Commission budget bill, so we do not intend to provide repeat testimony on that, but we have submitted that information for the record on this bill.

In order for all water projects across the state to continue, bonding is critical and necessary. Providing funding for the large water projects within this bill will provide relief to the Resources Trust Fund that will allow for funding critical rural and municipal water needs across the state.

Bonding will allow these large projects to progress in a more rapid fashion and will help to curtail the costs associated with construction inflation. In our testimony to the Education and Environment Division, we outlined three funding scenarios ranging from \$46 million per biennium to \$140 million per biennium. These funding scenarios included completion schedules ranging from 20 years to 7 years, respectively.

If an appropriation of \$74.5 million is made in this and subsequent biennia, the Mouse River flood control project would be completed in approximately 16 years.

We ask that you include a 'do pass' recommendation on this bill. It is incredibly important for the residents of the Mouse River basin and will free up funding in the Resources Trust Fund for water projects across the State.



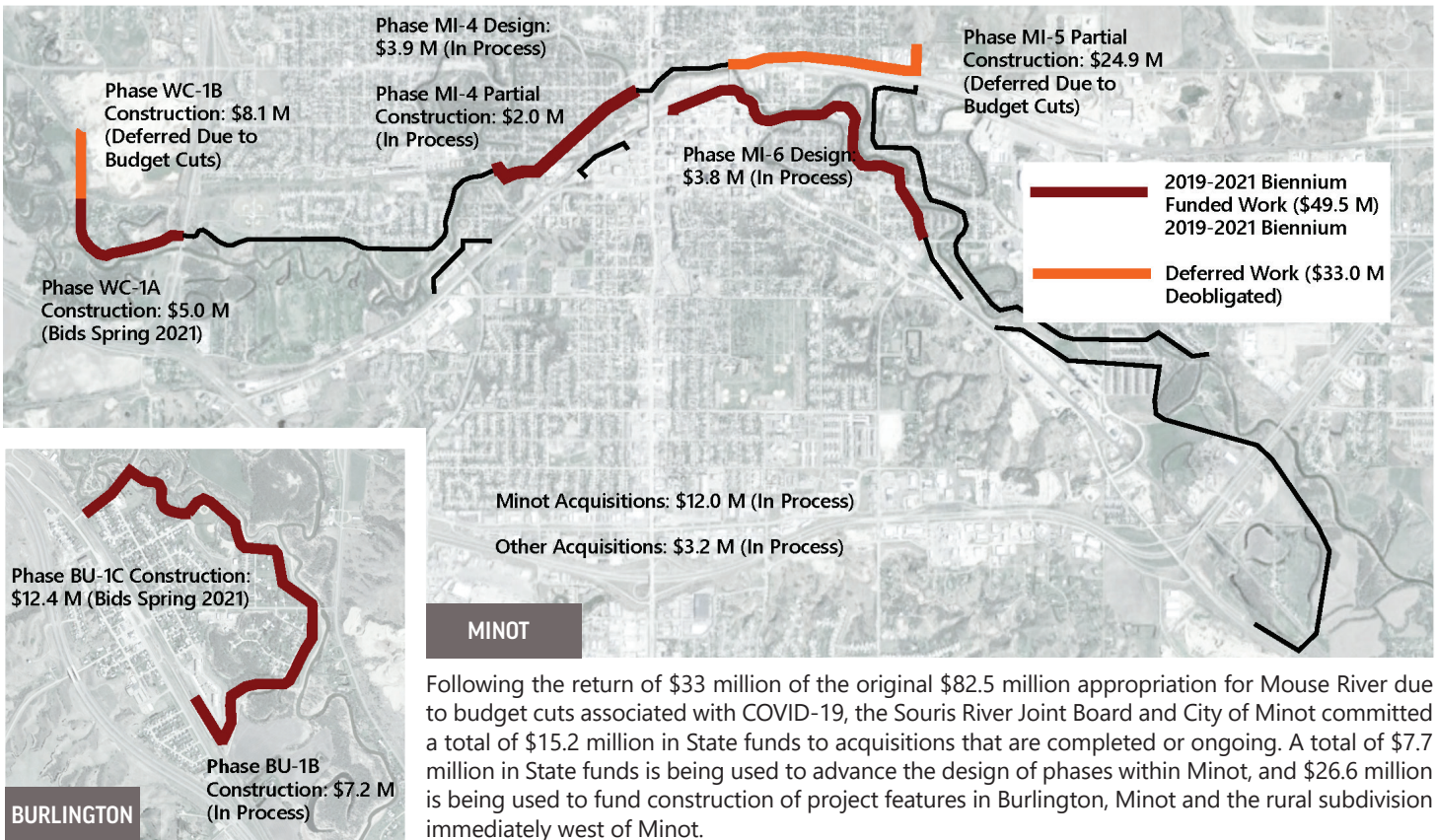
MOUSE RIVER PLAN

BASIN-WIDE FLOOD RISK MANAGEMENT

FOR MINOT, RURAL COMMUNITIES, AND BASIN RESIDENTS

PROJECT SUMMARY : JANUARY 2021

2019-2021 Biennium Work Status Update:



2021-2023 Biennium Request

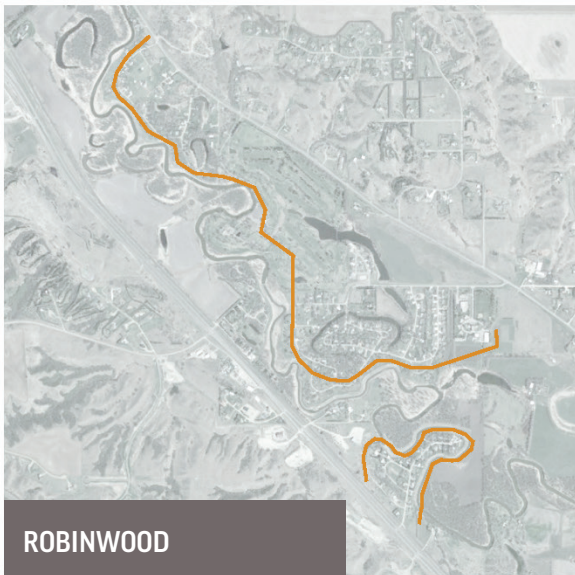
		TOTAL ESTIMATED COST	
PROPERTY ACQUISITIONS	Minot	\$10M	
	Outside of Minot	\$4.7M	
DESIGN & PERMITTING	Phase WC-2: Robinwood Levee	\$4M	
	Phase MI-7: Valker Road South Levee	\$3M	
	Phase RU-1: Rural Conveyance Improvements	\$1M	
CONSTRUCTION	Phase MI-5: Northeast Tieback Floodwall	\$64M	
	Phase WC-1B: Tierrecita Vallejo Levee North	\$13M	
	Phase SA-1: Sawyer Bridge	\$4M	
	Phase VE-1: Velva Bridge	\$4M	
	Phase RC-1: Mouse River Park Bridge	\$4M	
	Phase RU-1: Rural Conveyance Improvements	\$3M	
The executive proposal includes \$76 million in State funds, which will be used to advance additional acquisitions, design and construction of features as shown in this table.		Total	\$114.7M
		State Funds	\$76M
		Local Funds	\$38.7M



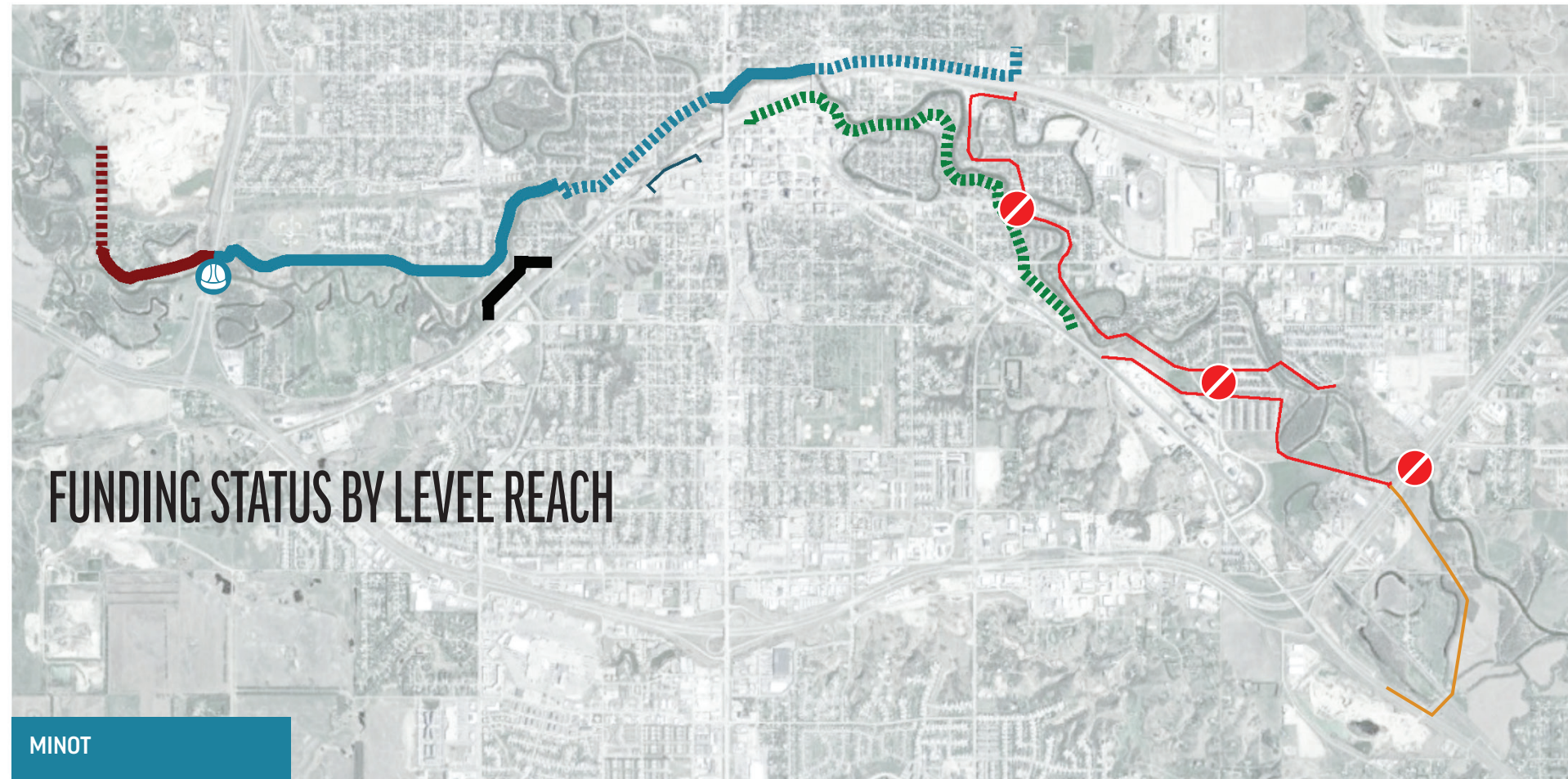
MOUSE RIVER PARK



BURLINGTON



ROBINWOOD



FUNDING STATUS BY LEVEE REACH

MINOT

MINOT SYSTEMS

- Levee/Floodwall Construction Funded
- MINOT MILESTONE 1**
 - Levee/Floodwall Construction Funded
 - Levee/Floodwall Design Funded
 - Bridge Construction Funded
- MINOT MILESTONE 2**
 - Levee/Floodwall Design Funded
- MINOT MILESTONE 3**
 - Unfunded Levee/Floodwall
 - Unfunded Bridge

RURAL COMMUNITY SYSTEMS

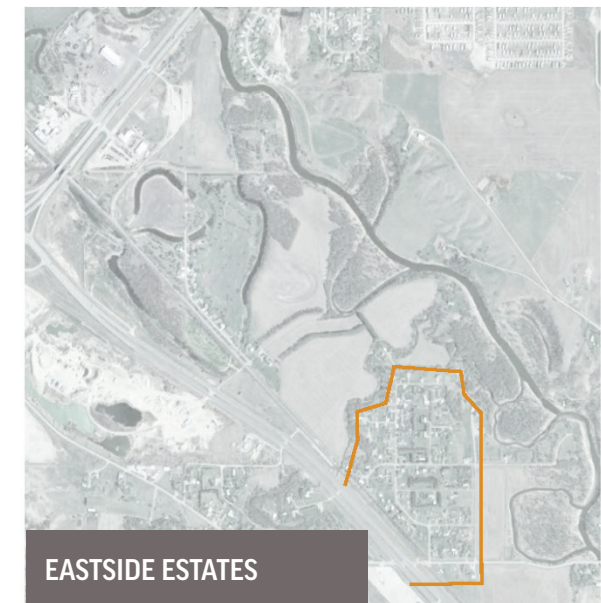
- RURAL COMMUNITY SYSTEMS**
 - Rural Community Levee Construction Funded
 - Rural Community Levee Design Funded
 - Rural Community Bridge Construction Funded
 - Rural Community Bridge Design Funded
- Unfunded Rural Community Levee



VELVA



SAWYER



EASTSIDE ESTATES

Previous Legislative Support:

To date, the State of North Dakota has committed a total \$228.7 million for flood risk management activities in the Mouse River basin since the record flood of 2011. In the current biennium, a total of \$82.5 million was originally appropriated. However, due to the anticipated reductions in revenue related to the COVID-19 pandemic, the Souris River Joint Board voluntarily released a total of \$33 million in State funding back to the State Water Commission. The activities originally planned for implementation in the current biennium that were voluntarily deferred include the construction of the Northeast Tieback and Minot Milestone 1 and the north portion of the Tierrecita Vallejo levee (rural community immediately west of Minot).

Past Legislative Intent:

During the 2017 Legislative Session, Legislative Intent was established to fund up to \$193 million for improvements within the city limits of Minot. The basis for that amount was the State's share of the total estimated costs to construct only Minot Milestone 1. The previously established Legislative Intent does not provide a funding commitment for the construction of Minot Milestone 2, Minot Milestone 3, or any of the improvements within the rural communities outside of Minot city limits.



Current Biennium Design:

Through the current biennium, design has been funded for several phases inside and outside of Minot. Within Minot, the design of multiple phases of Minot Milestone 1 is ongoing, including the Northeast Tieback and the Maple Diversion. Design is beginning on Minot Milestone 2 as well. Outside of Minot, design has been completed for levee systems at Burlington and Tierrecita Vallejo. In addition, the design of bridge replacements for Mouse River Park, Sawyer and Velva is ongoing.



Current Biennium Construction:

In the current biennium, construction has been funded for levee improvements at Burlington and Tierrecita Vallejo. In addition, construction for relocating utilities associated with the Maple Diversion has been funded.

FASTER IMPLEMENTATION WILL SAVE MILLIONS

SCENARIO 1

\$902M

SCENARIO 2

\$735M

SCENARIO 3

\$767M

City of Minot
Shaun Sipma, Mayor
515 2nd Avenue SW
Minot, North Dakota 58701
Ph: (701) 721-6839



Souris River Joint Water Resource Board
David Ashley, Chairman
P.O. Box 1516
Minot, North Dakota 58702
Ph: (701) 626-1566



PREVIOUS FUNDING

To date, the project has received funding from State, federal and local agencies totaling \$409 million, with \$228.7 million being provided by the State of North Dakota. This funding has been used for acquisitions, relocations, design, permitting and construction activities. Taking into account the reduction in funding during the 19-21 biennium, the average State appropriation level for the Mouse River Enhanced Flood Protection Project has been \$45.7 million per biennium since 2011. It is estimated that the total new appropriation (State, federal and local) needed to complete the project is \$674 million.

INFLATION

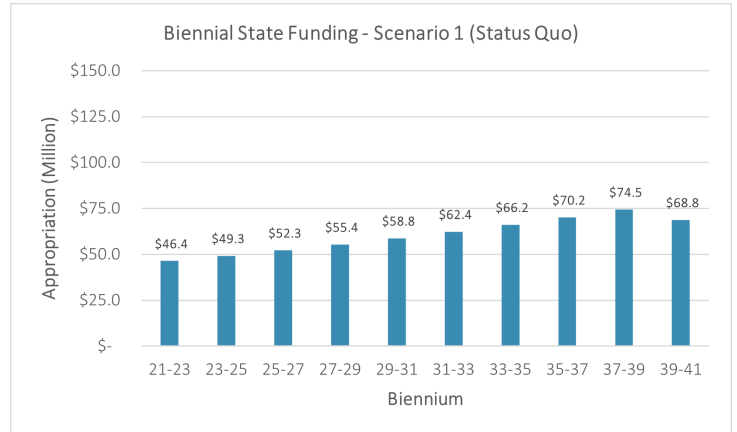
Thus far, the project has been able to counteract the effects of inflation through value engineering. The initial budget for the project, established in 2013, was \$1.028 billion. The current total budget for the project is \$1.083 billion, with \$674 million currently unfunded. The estimated State share to complete the project is \$452 million (2021 dollars), assuming no additional federal funding.

As the schedule for the project is extended, the costs will increase due to inflation. Three funding scenarios have been developed for the project based on varying degrees of funding.

Scenario 1 is based on assuming the average of the State appropriations since 2011 in the 2021-2023 biennium with a 3% annual escalator. Based on this assumed funding scenario, the project will be completed in 2041, and the total cost to complete the project would be \$902 million.

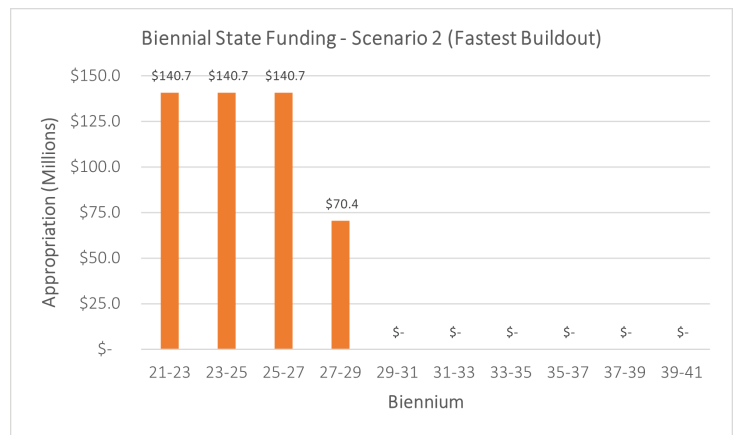
Scenario 2 is based on assuming funding being made available during a fast-track project implementation over the next 7 years. Based on this assumption, the project will be completed in 2028 and the total cost to complete the project would be \$735 million. This represents a \$167 million reduction in the total project costs as compared to Scenario 1.

Scenario 3 is based on assuming funding being made available during a 10-year project implementation. Based on this assumption, the project will be completed in 2031, and the total cost to complete the project would be \$767 million. This represents a \$135 million reduction in the total project costs as compared to Scenario 1.



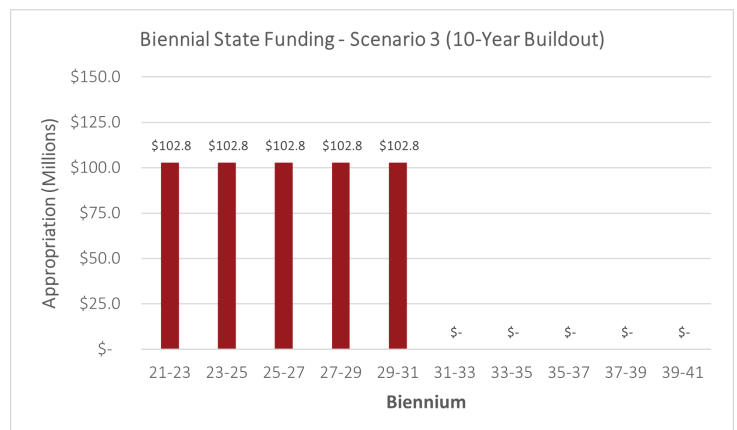
Total Cost to Complete: \$902 million
State Share to Complete: \$604 million

COMPLETION DATE 2041



Total Cost to Complete: \$735 million
State Share to Complete: \$493 million

COMPLETION DATE 2028



Total Cost to Complete: \$767 million
State Share to Complete: \$514 million

COMPLETION DATE 2031

Testimony by Jenifer Murray, acting Manager/CEO

Southwest Water Authority

On behalf of the

Southwest Pipeline Project

to the

House Appropriations Committee

Hearing on House Bill 1431

Monday, February 1, 2021

Mr. Chairman and members of the committee, my name is Jenifer Murray. I am the acting Manager/CEO of Southwest Water Authority. I am here today to testify in support of House Bill 1431.

First of all, I want to thank the North Dakota Legislature for the wonderful job that has been accomplished to fund water projects across the state. It was through the Legislature the Southwest Pipeline Project was authorized and administered through the State Water Commission. The Southwest Pipeline Project was the first large multi-county regional rural water project developed in North Dakota and today it serves 33 communities, 7,330 rural water customers, 24 contract customers, 24 raw water customers and two additional rural water systems. Southwest Water Authority holds the responsibility to operate, manage, and maintain this state-owned project.

The Resources Trust Fund was established with the purpose of providing funding by legislative appropriation for development of water-related projects. Throughout the years the Southwest Pipeline Project has received funding from multiple sources. We are truly grateful for the support from the legislature and the Resources Trust Fund. Presently, however, the Resources Trust Fund is the only source of funding for the Southwest Pipeline Project. The relationship Southwest Water Authority and the Southwest Pipeline Project share with the Resources Trust Fund is unique. Since 1991, the Capital Repayment from the Southwest Water Authority customers is paid back to the Resources Trust Fund and is used for funding other water projects throughout the State. The repayment is approaching \$11 Million per biennium. Southwest Water Authority customers will pay back every dollar of funding received and will continue to pay into perpetuity long after original funding has been repaid.

Southwest Water Authority acknowledges the need for funding of water projects throughout the state, each of which is important to stabilize local economies and improve quality of life. The magnitude and need of water related projects continues to grow at a rate such that competition for funding from the Resources Trust Fund alone may cause delay for many.

North Dakota has been set up for success through the thoughtful planning of the legislature. Establishment of the proposed water infrastructure revolving loan fund and bonded debt repayment program in House Bill 1431 speaks to the legislative commitment for the present and future.

There are hundreds of people in southwest North Dakota that continue to wait for quality water. Southwest Water Authority supports House Bill 1431 as a mechanism for funding of critical water infrastructure needs throughout North Dakota. Thank you.

Jen Murray, Acting Manager/CEO

Southwest Water Authority

jmurray@swwater.com

TESTIMONY OF

Joe Morrisette, Director of the Office of Management and Budget

Chairman Delzer and members of the House Appropriations Committee, I am Joe Morrisette, Director of the Office of Management and Budget (OMB). I am here to testify in support of House Bill No. 1431. Although the bonding proposal authorized in this bill differs substantially from that proposed by the governor as part of the 2021-23 executive budget, we are supportive of a bonding proposal that takes advantage of historically low interest rates, invests in priority infrastructure, and leverages a portion of future Legacy fund earnings.

Although both proposals include an infrastructure revolving loan fund to consolidate and expand existing infrastructure loan programs, HB 1431 takes a much more limited approach. HB 1431 uses \$50 million of bonding proceeds compared to the \$700 million proposed in the executive budget. Establishing perpetual loan funds that will indefinitely benefit future generations of North Dakotan's is a wise use of bonding proceeds and future Legacy fund earnings. I encourage you to consider increasing this allocation.

This bill proposes a \$70 million allocation to the state Highway Fund. The executive budget proposed nearly \$300 million for Department of Transportation (DOT) road and bridge infrastructure. The state's transportation infrastructure is vitally important to maintain and grow the state's primary economic base of energy and agricultural production. Investing in our transportation infrastructure is wise use of bonding proceeds because the economic return on the investment exceeds the current low cost of borrowing. I encourage you to consider increasing this allocation.

This bill proposes \$92.5 million for building and equipment grants to expand career and technical education (CTE) offerings in the state. The executive budget proposed \$45 million for this purpose. It is a wise use of bond proceeds to expand CTE offerings and invest in programs that grow our workforce to meet the demands of the future.

There is one significant area not addressed in this bill and that is state facility maintenance and repair projects. During the 2019 legislative session, you approved funding for OMB to conduct a condition assessment of major state buildings as part of a comprehensive real estate study. This analysis identified over 500 priority projects, in 16 agencies, costing \$130 million. These projects will protect the state investment in these buildings and ensure state assets are maintained in a consistent manner. This is the first time we have ever had consistent, objective data regarding maintenance and repair needs to use in allocating repair funding. I hope you

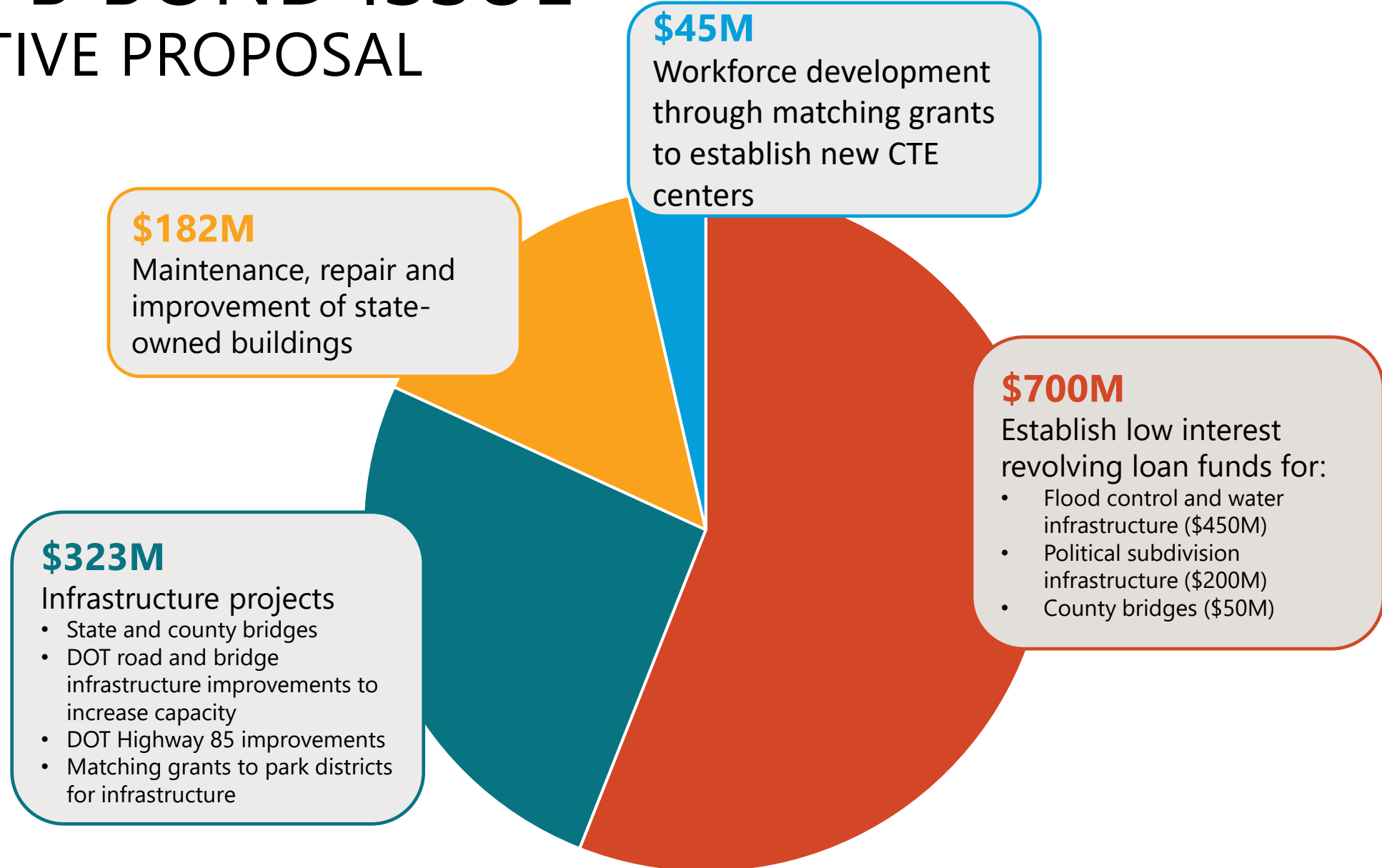
take advantage of the availability of this data by including an allocation to address this backlog of deferred maintenance in state buildings.

Attached to my testimony are the following three slides:

- A chart showing the allocation of bonding proceeds proposed in the executive budget.
- A chart showing the allocation of bonding proceeds proposed in HB 1431.
- A chart showing how the transfer of capital into the revolving loan fund creates a perpetual infrastructure funding mechanism separate from the issuance and repayment of the bonds.

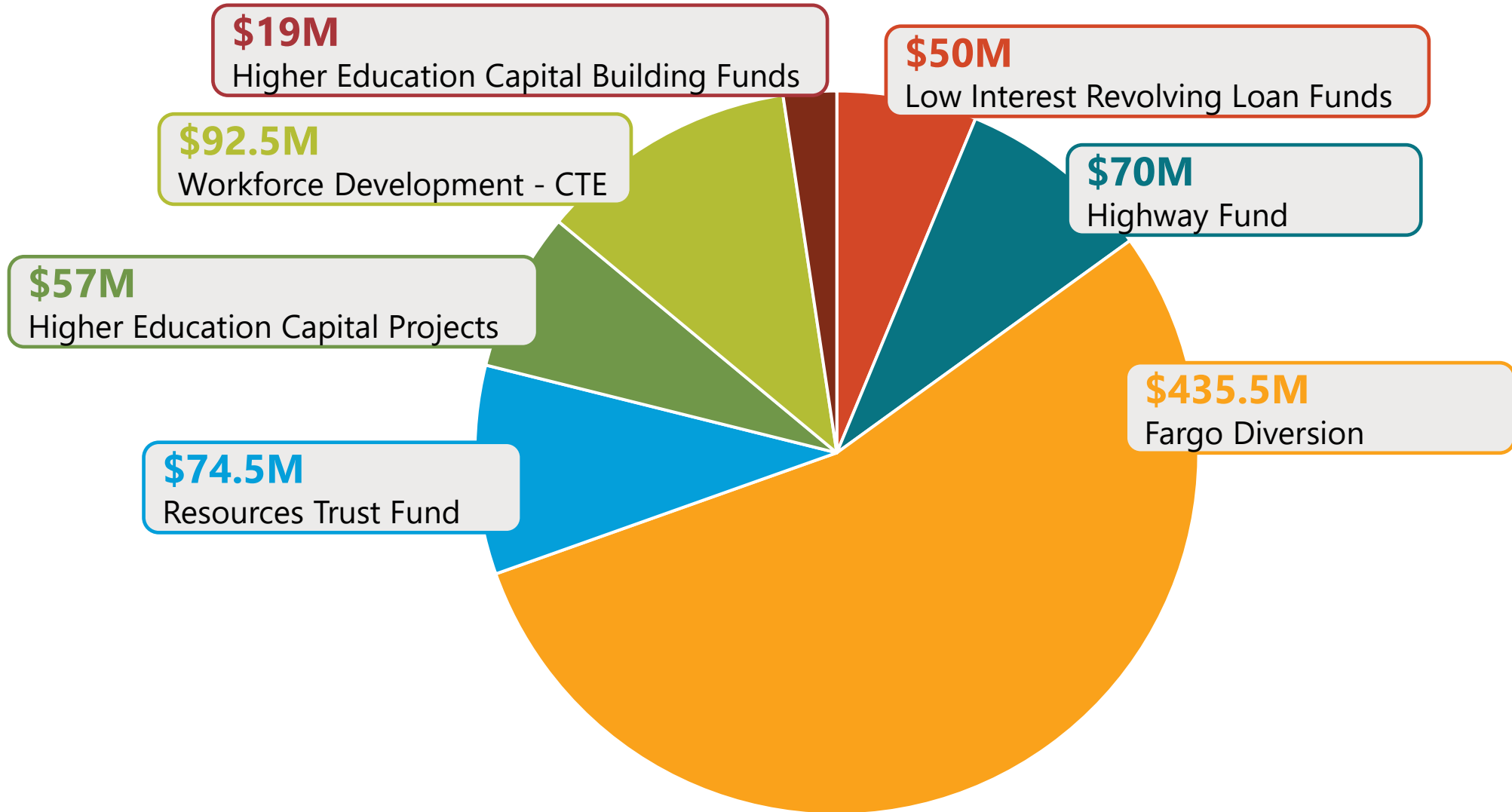
Mr. Chairman and committee members, this concludes my testimony. I ask for your support for House Bill 1431 and ask you to consider the changes and priorities I have addressed in my testimony. I would be happy to answer any questions.

\$1.25 B BOND ISSUE EXECUTIVE PROPOSAL

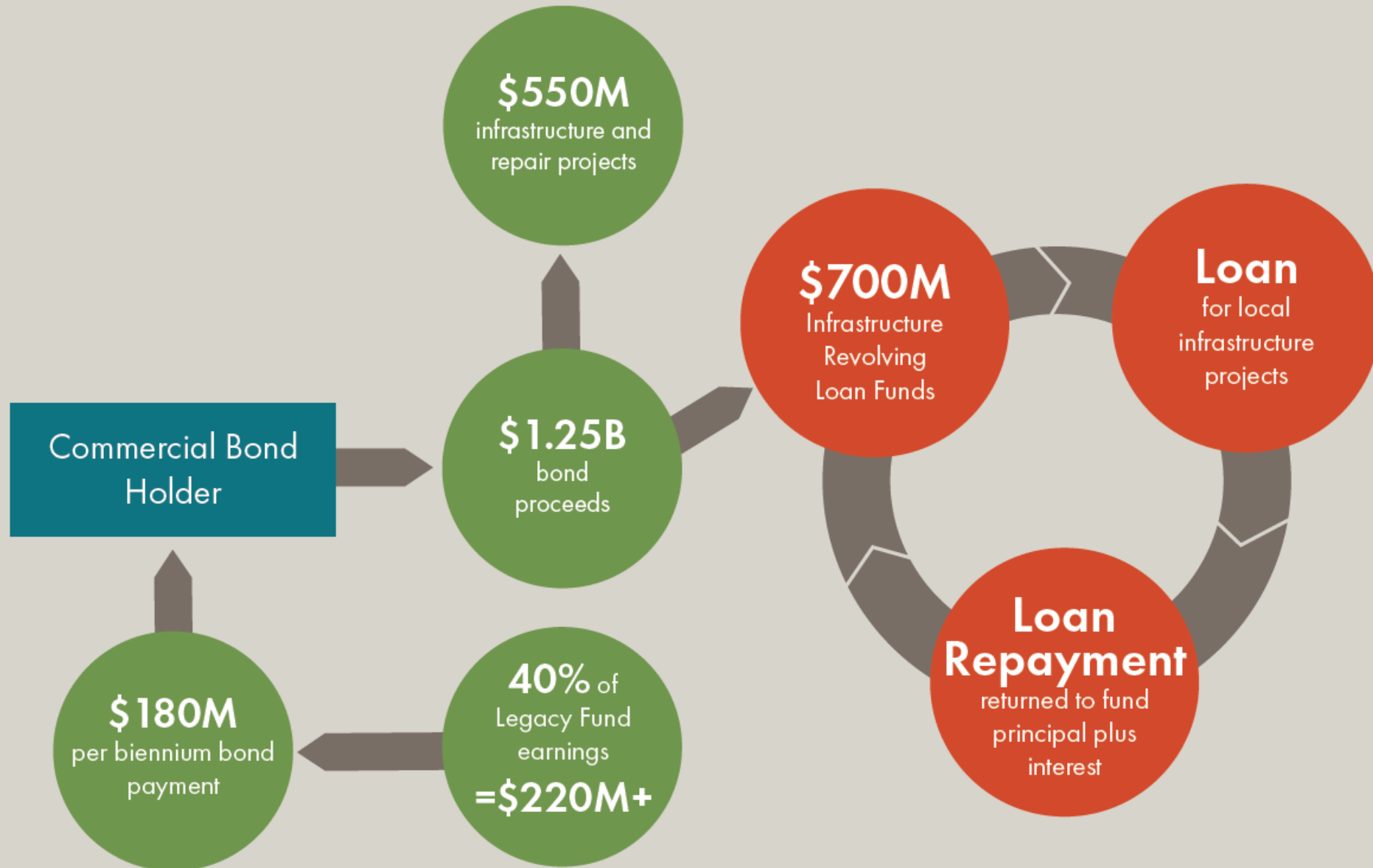


\$798.5 M BOND ISSUE

HB1431



\$1.25B BOND ISSUE FOR INFRASTRUCTURE PROJECTS & \$700M REVOLVING LOAN FUNDS



HB 1431
House Appropriations Committee
February 1, 2021

Chairman Delzer and members of the committee,

My name is Art Thompson. I am a life-long North Dakotan, and I don't plan on moving anywhere else, anytime soon.

I am here today representing the North Dakota Concrete Council. Our association represents ready-mixed concrete and concrete product manufacturing and distribution companies along with their raw material suppliers. In addition, we also represent the ND Chapter of the American Concrete Pavement Association, which includes concrete contractors. On average, the production and placement of concrete in North Dakota provides over \$500 million in annual economic impact. Unlike more specialized industries, our members are in every corner of the state and range from those with multi-state operations to family-owned local businesses.

On behalf of our members, I am here today to encourage you to support HB 1431.

We believe capitalizing on today's low-interest rates for bonds is a sound choice to finance much needed infrastructure expansion and improvement across the state.

However, in conversations I've had with some legislators, I became concerned about feedback from those who aren't sold on bonding for infrastructure because "the roads will be worn out before they are paid for." That can be viewed as valid concern based on initial performance design and material selection.

The other concerning issue is that future maintenance and repair costs for bonded projects will come from the NDDOT's annual budget, which means less money for other needed repairs or expansions.

I understand these concerns and believe we can alleviate them by requiring a science-based approach to determining the total cost of ownership and maintenance of an asset over its design life.

We believe HB 1431 can be strengthened by including language that requires any projects paid for by bond method to have a minimum performance life expectation of 35 years, or more, preferably, and life cycle cost analysis utilized to evaluate the total economic cost of construction and maintenance of the asset over its lifetime.

Draft language of our proposed amendment is included in today's testimony and has been previously emailed to each committee member:

Amendment Language

(1) For all projects financed by bond method, life-cycle cost analysis (LCCA) shall be used to evaluate the total economic cost of a transportation project over its expected (35 year minimum) performance lifetime, and

(2) data indicating that future repair costs associated with a transportation project frequently total more than half of the initial cost of the project, and that conducting life-cycle cost analysis prior to construction will help North Dakota identify the most cost-effective option, improve the economic performance, and lower the total cost of building and maintaining the project over its service life.

I would like to take a few minutes to describe why life-cycle cost analysis is an important component to this legislation.

First, when performed thoroughly and correctly, LCCA will identify a best value solution with the desired performance at the lowest cost over an economic analysis period. It is based on proven and well-founded economic principles that evaluate the long-term economic efficiency between competing alternate options, each providing equivalent or near-equivalent engineering designs.

In the highway context, LCCA is typically a means to evaluate and then compare the cost to an owner/agency of any number of alternates, including options for pavements, bridges, or other major infrastructure investments.

Second, LCCA is not a new concept. AASHTO recognized in 1960 that LCCA helps to enhance decision making to realize savings. The Federal Highway Administration affirmed the importance of LCCA in a 1981 policy statement. To date, 38 states utilize LCCA in some form to make public project decisions – North Dakota is not one of the 38 states.

Third, LCCA is not a means to favor one industry over another. The most important component to LCCA is ensuring equivalent or near-equivalent designs and taking into consideration things like traffic counts, traffic weights, traffic growth projections, etc. Using LCCA does not mean that concrete will win every project; nor does it mean asphalt will. What it does do is require thorough research into several factors to ensure taxpayers get the long-lasting, best value to their investment. In other words, sometimes the lowest bid is not always the best option or the least expensive option.

Fourth, LCCA is not overly cumbersome and will not result in the need to hire additional FTEs. In most cases, once all information has been gathered, performing an LCCA can be done with formulas in a simple spreadsheet and be completed in a matter of a couple of hours.

The next area I would like to address is the importance of the minimum design life criteria, which we propose to be 35 years.

If you look at most industry recommendations, we should be asking for this figure to be 50 years. Designing and building 50-year pavements is quite attainable. Because we are introducing this concept for the first time here, we have used the minimum requirement of 35 years. For LCCA to be effective, all future repair and maintenance costs must be included for each paving material. For concrete, that generally comes between 25 and 30 years.

Another question I've been asked is why introduce this into a bonding bill.

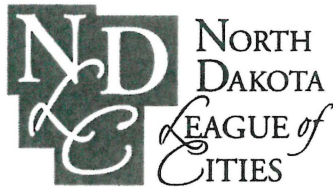
First, the legislation states that bonding debt will be serviced by earnings from the Legacy Fund. The Legacy Fund is a one-time resource that is intended to benefit future generations. Perhaps the question should be, why would we not want to evaluate and choose an alternative that may not be the lowest first cost but will provide the most long-term economic value for North Dakota taxpayers.

Second, the infrastructure projects built with bonded funds are heavily traveled routes. These major corridors are where we should be focusing our efforts to improve public safety, increase service life and reduce frequent maintenance.

Third, we believe including this concept in bonding legislation will allow policymakers and the public to see the value of utilizing design life expectations and LCCA - a walk, don't run approach to implementation.

Mr. Chairman and members of the committee, I could continue with my testimony by talking about other state's successes with LCCA, long-term concrete pavements in use today in North Dakota and more. However, in the interest of time, I am willing to come back to a working session of your committee, conclude my testimony by stating this: we have an opportunity to work together right now, incorporating two paragraphs of text into HB 1431, that will improve our state's network of roads and bridges today for the benefit of future generations.

Thank you for your time. I will stand for any questions you may have.



February 1, 2021
House Appropriations
Rep. Delzer, Chairman
HB 1431

Good morning Chairman Delzer and members of the Appropriations Committee. For the record, Blake Crosby, Executive Director, North Dakota League of Cities.

We are in support of HB 1431 as it addresses some concerns, needs, and recognizes that now is the time for the State to pass a bonding bill.

This bill in particular addresses a situation that impacts water projects requesting cost-share from the Resources Trust Fund (RTF). Flood control has the high priority for funding from the State Water Commission, but it is also the most expensive. Often the flood control associated funding requests leave little to no money remaining for other project requests. I do a lot of work with municipal water project sponsors and have advocated for a few years that the high cost, flood control projects, need to have their own source of funding source outside the RTF. This bill addresses that concern.

The bill also includes adding additional capital to the infrastructure revolving loan fund which has been around long enough to show that it is an important source of funds for cities. And, the \$70 million to NDDOT is needed for transportation infrastructure and federal match.

The other uses of the \$798.5 million bond is well laid out in the bill as the bill sponsor has explained.

We provided copies of the bill to cities when it was first introduced and the response is generally favorable. I use the work generally as there is concern about the starting interest rate of 2% and escalating from that point. The Federal Reserve Committee met this past week and again affirmed their intent to keep interest rates steady at a range of 0 to .25%. That decision drives municipal bond rates which are now at historic lows. I have cities issuing refunding bonds, or in some cases combinations of refund bonds and regular bonds at interest rates in the 1.4% to 1.9% range. Any bonding bill considered by the Legislature must take into account the private market.

A couple of Sessions ago I asked BND if they had ever considered a "One Stop Shop" for political subs looking for guidance on various types of projects. This bill, and some others, create a new fund but I wonder if it could not be rolled into an existing fund? There is always some concern with administrative fees and every fund seems to have a fee.

This bonding bill will change as it works its way through the political process but we need to address the infrastructure and capitol needs of the state and political subdivisions. Bonding this Session is the smart business thing to do. The longer we kick the can, the more expensive it gets.

Thank you for your time. I will do my best to answer questions.

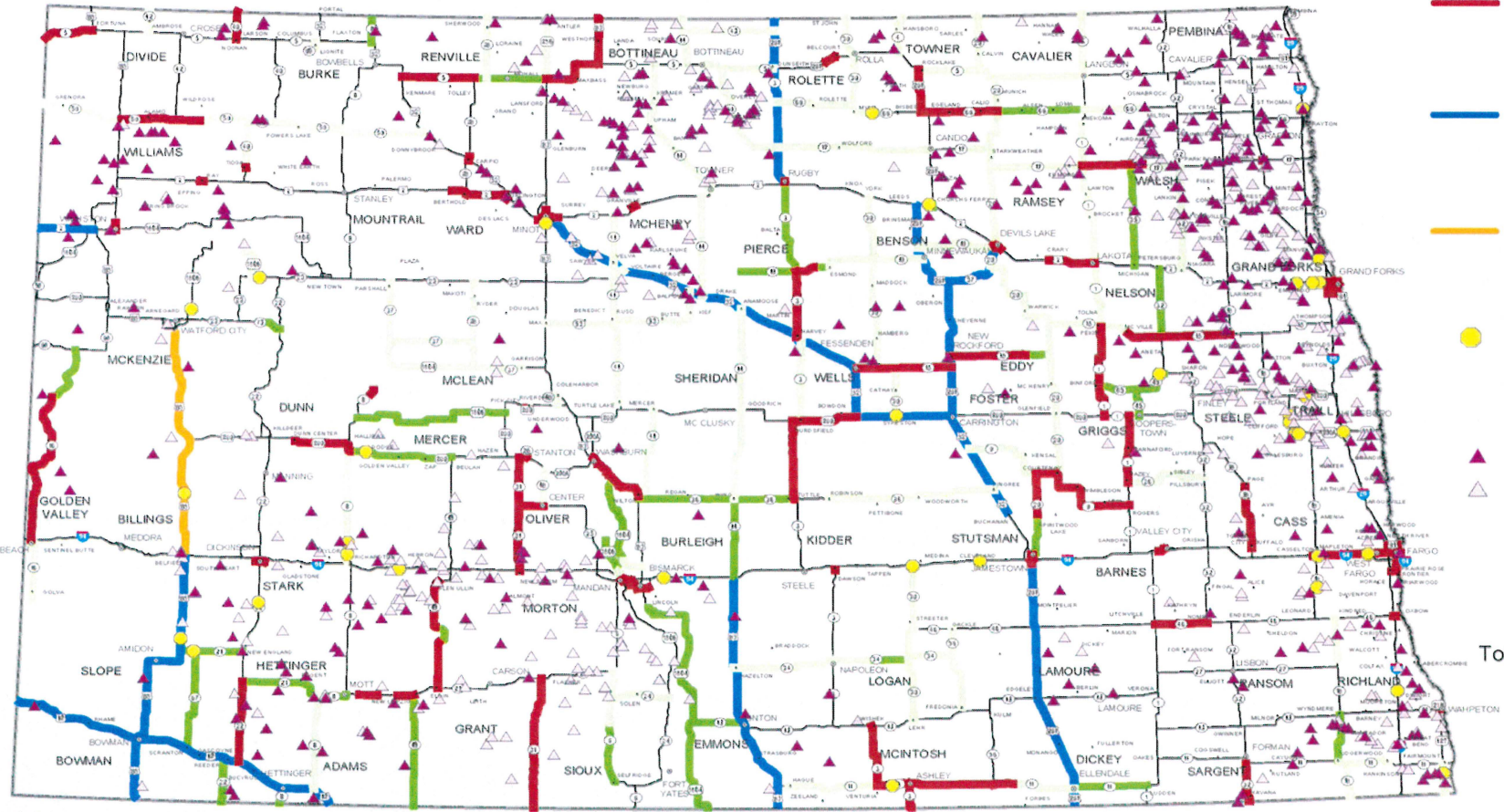
10-Year Infrastructure Plan

10-Year Infrastructure Plan - The proposed plan will provide dedicated state funding for transportation.

- There hasn't been a change in how ND invests in transportation for over 50 years.
- NDDOT has stretched every dollar as far as it can.
- A recent national report ranked North Dakota's transportation system 1st in the nation in overall cost-effectiveness and performance.
- But more work needs to be done, North Dakota ranked 42nd for bridges in the nation due to the number of our structurally deficient bridges.
- We need to improve our bridges on state and local roads so that we can reduce the need for load restrictions.



10-Year Infrastructure Plan



- Load Restricted Roadways
 - Restricted by Classification
 - Other Load Restrictions
 - Estimated Cost to Correct = \$625,000,000
 - Roadway Width Restricted Roadways
 - Estimated Cost to Correct = \$700,000,000
 - Two Lane Interregional Corridors
 - Estimated Cost to Add Passing Lanes = \$160,000,000
 - Future Four Lane Interregional Corridor
 - Estimated Cost to Four Lane = \$450,000,000
 - Structurally Deficient State Bridges
 - Estimated Cost to Correct = \$25,000,000
 - ▲ Local Bridges Structurally Deficient
 - Estimated Cost to Correct = \$200,000,000
 - ▲ Local Bridges Load Restricted
 - Estimated Cost to Correct = \$200,000,000
 - Rest Areas
 - Estimated Cost to Improve = \$20,000,000
- Total Investment = \$2.18 Billion**

Good afternoon Members of the House Appropriations Committee. My name is Greg Lardy and I currently serve as the Vice President of Agricultural Affairs at North Dakota State University. We support HB 1431 and its' provision for funding the construction of the Agricultural Products Development Center and the Northern Crops Institute. The construction of this facility would provide many benefits to the state which I have outlined below.

- Growth of New and Existing Markets — Developing new and growing existing markets is critical to agricultural success. The facility will provide research and development to support this need, including expanded testing and developing new and better uses of these ingredients. Improvements in product quality open new markets and enhance existing markets.
- More Graduates Ready for the Workforce — The APDC will increase the number of students graduating from the grain, food and meat science programs. This facility will ensure graduates are ready to fill the industry's need for graduates in these important fields and provide more opportunities for these students to enter the work force as employees or develop their own businesses in the future.
- Enhanced Value-Added Opportunities and Partnerships with Industry — The technical expertise of NDSU scientists and NCI professionals helps existing businesses grow, assists with development of value-added businesses and creates entrepreneurial opportunities. Further processing of our agricultural commodities provides economic opportunity and growth for rural areas, creates jobs, and grows and diversifies the tax base. A long-term outcome of this investment will be further enhancements in value-added agricultural processing businesses across the state.
- Improved Ability to Educate Foreign and Domestic Customers — North Dakota has long been known for excellent quality agricultural commodities. NCI's role in educating our customers will be expanded and enhanced. Foreign and domestic buyers will learn from experts about the quality of our products, how to best use them in their product lines, and how to manage purchases and logistics from regional suppliers. This translates into market access as well as enhanced revenues for North Dakota farmers and ranchers, and rural communities.

Thank you for the opportunity to testify on this bill and your consideration of funding this important component of infrastructure related to our state's agricultural and food processing industry.

#4587

North Dakota's Polytechnic Institution

Building workforce talent to drive the economy

HOUSE APPROPRIATIONS COMMITTEE
FEBRUARY 1, 2021
Dr. Doug Jensen, President





BISMARCK
STATE COLLEGE

North Dakota's
Polytechnic Institution

**COMMUNITY
DEVELOPMENT**



**BUILDING
SUSTAINABLE
COMMUNITIES**



**ECONOMIC
DEVELOPMENT**

**WORKFORCE
DEVELOPMENT**

7:2:1 RATIO

of the 21st Century Workplace

7



Associate Degree of Industry-Recognized Certification Holders

2



Bachelor Degree Holders

1



Graduate Degree Holder



polytechnic.

Hands-on learning. **WORKFORCE READY.**

At North Dakota's Polytechnic Institution, learning is hands-on and grounded in the principles of STEAM (science, technology, engineering, the arts and mathematics). The curriculum is designed in collaboration with business and industry partners focusing on high-priority occupations. Students learn during internships, through cooperative projects and in state-of-the-art classrooms. Whether studying arts and sciences or pursuing highly technical programming, North Dakota's Polytechnic prepares students to be workforce ready and succeed wherever their educational journey takes them.



STUDENT

You choose. You learn.
You gain practical skills for the workplace and life.



EMPLOYER

You consult. You support.
You design curriculum, enhance community, and help shape lives.



THE POLYTECHNIC ADVANTAGE

Hands-on practical and purposeful learning.

Flexible career pathways that fit your life.

Professional connections to enrich your career.

**FLEXIBLE.
AFFORDABLE.
TRANSFERABLE.**

Maximize your potential at:
bismarckstate.edu/polytechnic



BISMARCK
STATE COLLEGE

**North Dakota's
Polytechnic Institution**

INTERNET of THINGS INDUSTRY 4.0



COMMUNICATIONS

- Global access
- Reduce costs and energy



INDUSTRIAL

- Smart Connected Products
- Quality Control



UTILITIES

- Demand management
- Response Applications



AUTOMOTIVE

- Streamline manufacturing
- Analyze vehicle behavioral data



RETAIL

- Personalized advertisements
- Automated checkouts



MEDICAL

- Maintaining uptime of devices
- Remote monitoring



AGRICULTURE

- Soil quality
- Weather conditions



ENVIRONMENTAL

- Weather Analysis
- Reduce traffic congestion



MILITARY/DEFENSE

- Recognize/Identify targets
- Defense intelligence



HOME

- Smart Temperature Control
- Optimized energy use





BISMARCK
STATE COLLEGE

**North Dakota's
Polytechnic Institution**



**ADDITIVE
MANUFACTURING**



**INTERNET OF
THINGS**



**MES/MOM ADVANCED
PROCESS CONTROL**



**AUGMENTED
REALITY**



CLOUD



**INDUSTRY
4.0**



**BISMARCK
STATE COLLEGE**

**North Dakota's
Polytechnic Institution**

CYBERSECURITY



**SYSTEM
INTEGRATION**



**DATA SCIENCE
BUSINESS INTELLIGENCE**



**DIGITAL TWIN/ SIMULATION/
OPTIMIZATION**



ROBOTS

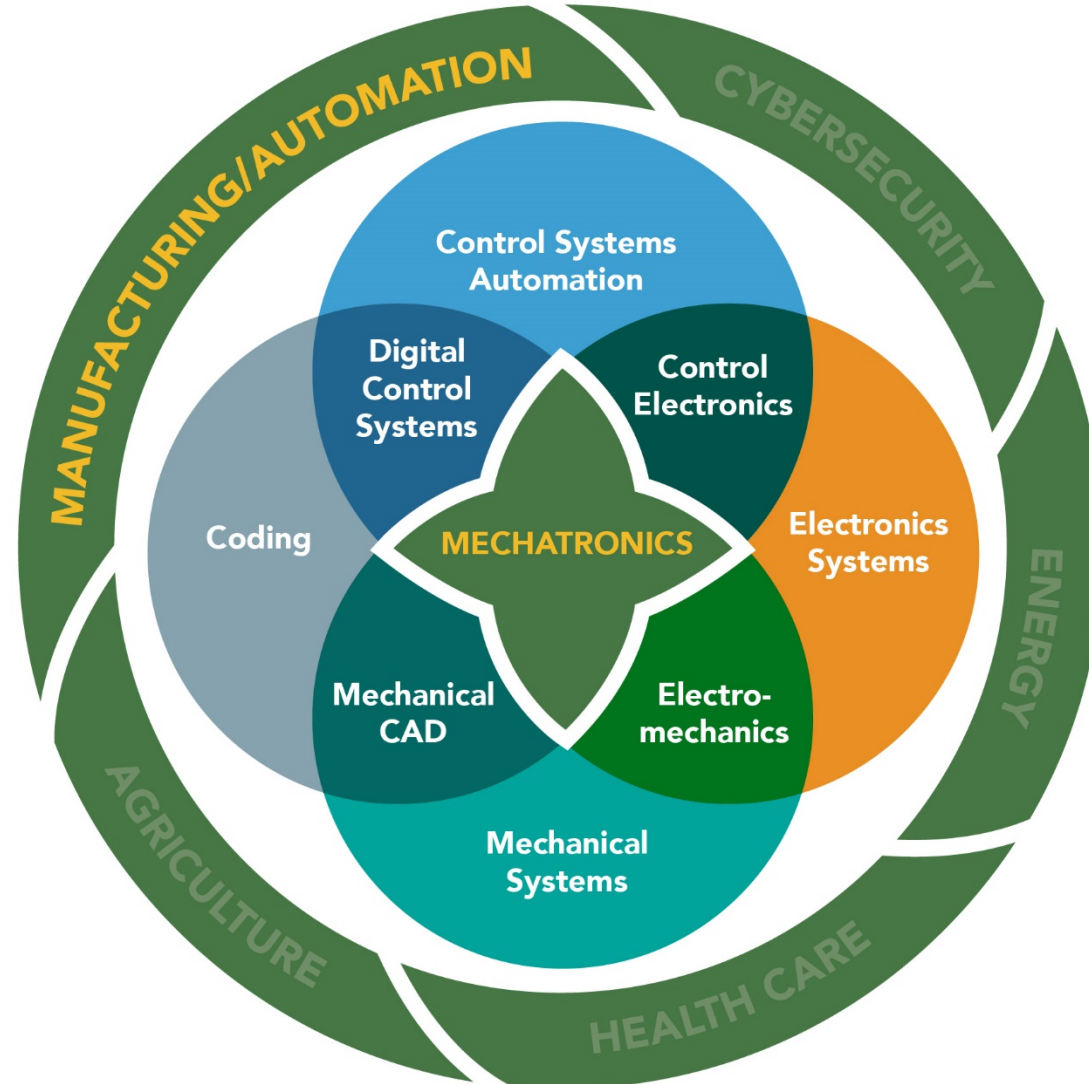




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Polytechnic Institution







BISMARCK
STATE COLLEGE

North Dakota's
Polytechnic Institution

FLEXIBLE. AFFORDABLE. TRANSFERABLE.

MECHATRONICS PATHWAY



7:2:1

CAREER PATHWAY

INDUSTRY
4.0



INDUSTRY SPECIFIC
CERTIFICATE

MECHATRONICS
SYSTEMS OPERATOR
CERTIFICATE
(16 Credits)

INDUSTRY SPECIFIC
CERTIFICATE

MECHATRONICS
SYSTEMS
TECHNICIAN 1 MSTI
CERTIFICATE
(16 Credits)

1 YEAR TECHNICAL
DIPLOMA
MECHATRONICS

GENERAL ED.

ADVANCED
TECHNOLOGY
DEGREE

MECHATRONICS
SYSTEMS
TECHNICIAN 2 MSTI
CERTIFICATE
(16 Credits)

STANDARD
ASSOCIATE IN
INDUSTRIAL
AUTOMATION
DEGREE

TRADITIONAL
DEGREE PATH

BACHELOR'S
DEGREE OF
APPLIED SCIENCE
IN MECHATRONICS

STANDARD
ASSOCIATE IN
AUTOMATION
TECHNOLOGY
DEGREE
OR
ADVANCED
TECHNOLOGY
DEGREE

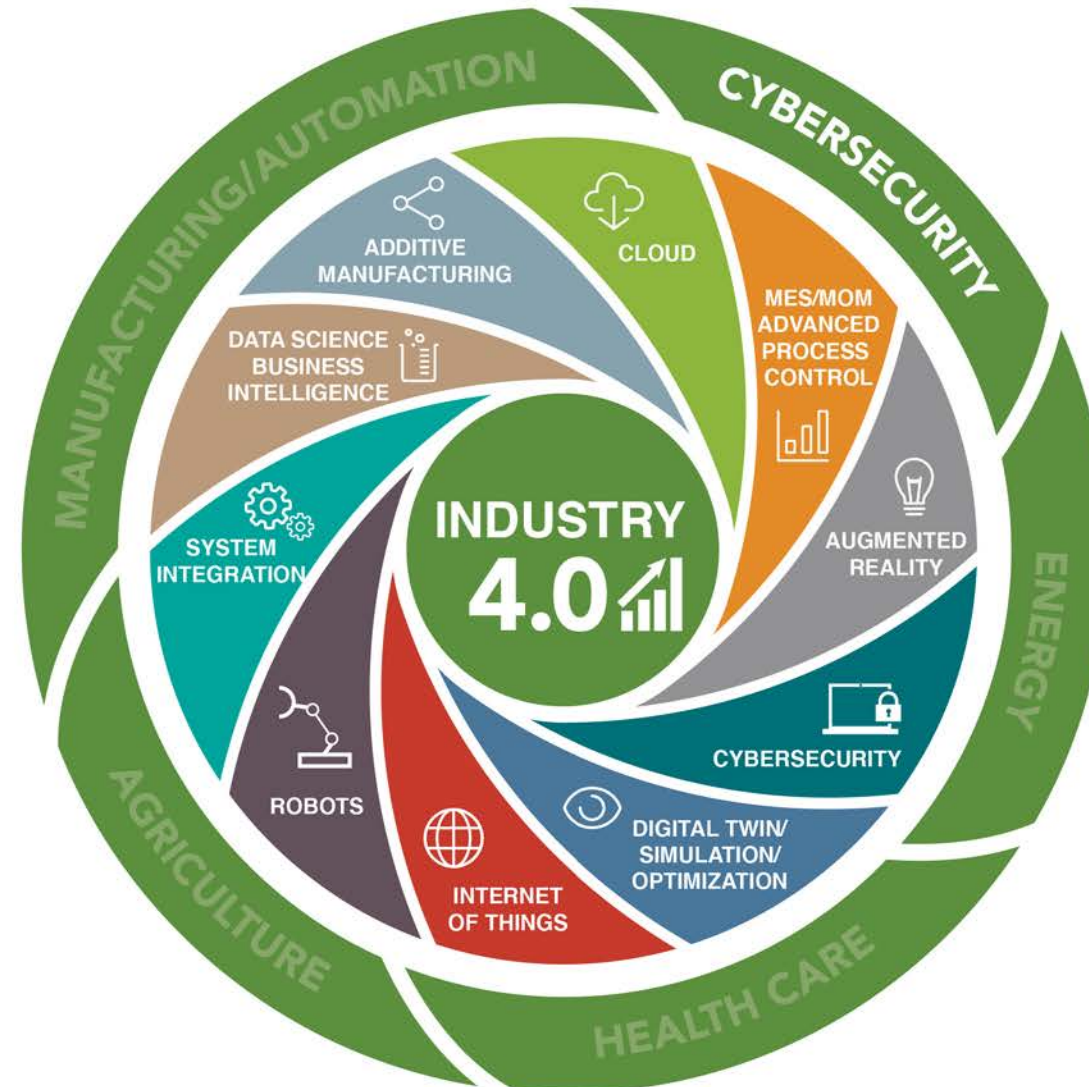
GENERAL ED.
LIBERAL ARTS
GRADUATION REQ.

PUBLIC PRIVATE PARTNERSHIPS & CAREER PATHWAYS

EMPLOYER

Advance North Dakota's Polytechnic Institution

- Invest in students - (**We Need To Keep Our Talent Here**) they stick, they stay
 - In 2017, **81.4%** of ND high school graduates who earned an associate's degree from BSC stayed in the state for employment or re-enrolled in an NDUS school within one year of graduation
- Investment will drive ND future digital economy
 - Design, develop and implement new cyber and digital 2- and 4-year degrees
 - Expand business and industry partnerships to grow and retain Talent
 - Advance ND's economic development
- **Emerging Technologies Will Require Highly Skilled Talent**



Advance North Dakota's Polytechnic Institution

- Build the highly-skilled talent for industry needs
 - High priority occupations, high-demand career/job
- Implement high-demand emerging and advancing technology degrees/programs
- Design, develop and implement **stackable certificates**, two- and four-year degrees
 - Automation Management/Industrial Automation
 - Mechatronics Engineering
 - Supply Chain and Logistics Management
 - Process Control and Instrumentation
 - Other high priority degrees as defined by industry
- Establish and offer **industry recognized employer-led workplace credentials and pathways**
- Establish new career pathways for students in K-12
 - Students will graduate HS with college credentials

Support Collaboration with Career Academies

- Increase K-12 collaboration around **Industry 4.0 and digital careers**
 - Coding, cybersecurity, and digital skill demand
 - Students Should be Industry 4.0 and Cyber Proficient at Graduation
- Enhance partnerships, opportunities and collaboration
 - **Hands-on Experiential Project Learning**
 - Cyber Range
 - Emerging Digital Academy
 - Critical Thinking and Problem Solving
 - Global Markets - Communication Skills

Polytechnic Infrastructure

- **Nontraditional** academic spaces/buildings
 - Bring public and private sectors together to advance economic growth and technology advancement
 - Flexible industrial labs (mega labs) - 30,000 SF open flex space
- **Adaptive and configurable** instructional spaces
 - Project-based, hands-on experiential learning
 - Support industry and instructional projects
- Production and fabrication **Flex-Lab space**
 - Applied hands-on experience practical learning in Industry Setting
- **Integrated** learning space
 - **Multiple instructional activities occur simultaneously in the same space**
 - Reduces costs and allows future planning as new technologies emerge

Polytechnic Infrastructure

- **Flexible** presentation space (auditorium)
 - Presentations (formal and informal)
 - Group projects
 - Community and business gatherings - Emerging Technologies and New Process
 - Large speaking, presentation, performance activities
- Polytechnic Sector (**collaborative presentation and meeting area**)
 - Automation
 - Energy
 - Healthcare
 - Agriculture
 - Cybersecurity

Polytechnic Infrastructure

- Conferences and assemblies
 - Business attraction
 - Economic development
 - Product and technology announcements
 - Innovation advancements gatherings
 - Support economic expansion and growth presentations

Note: Flexible and Adaptive Space were public and private sector can demonstrate the economic value of business opportunity in North Dakota and develop the talent needed for the region to grow and expand economically.

Polytechnic Programming

- **Supports 5-7** new BAS programs in high demand areas
 - **Advanced Manufacturing, Mechatronics Applied Engineering, Automation, Digital, Supply Chain/Logistics, etc.**
- Each new polytechnic program requires
 - Capital investment for equipment and program facility enhancements
 - Faculty with industry experience
 - Curriculum and content development - Industry Led
 - Instructional and lab materials and supplies
 - Expand recruitment and partnership development

Note: There is a Four-year delay in receiving funding for these instructional expenses



- Flexible space
- Movable walls
- Floor space, floor load
- Door sizes
- Loading docks
- Second floor access
- HVAC load
- Equipment ventilation







Questions/ Comments?





BISMARCK
STATE COLLEGE

**North Dakota's
Polytechnic Institution**



Dickinson High School

Marcus Lewton, Ed.D.

CTE Director
mlewton@dpsnd.org

2675 21st Street West
Mailing Address: 444 4th St. West
Dickinson, ND 58602
(701) 456-0021

Dr. Shon Hocker, Superintendent

To: Chairman Delzer and Members of the Committee

Date: February 1st, 2021

I am here to testify in favor of HB 1431. Over one year ago an informal task force was created to explore the possibility of developing a Career and Technical Education Academy in Dickinson. The primary reason being a response to regional business, industry, and government employment needs. The Creation of an Academy offering training in high skill, high wage, and high demand careers will provide needed training opportunities for our region.

The work of SW CTE Task Force over the past year has been intense with over sixteen full committee meetings and numerous sub-committee meetings to 1) create a mission, vision, and beliefs; 2) create a priority list for programs of study; 3) create a governance board; 4) and develop a business plan. Our goal is to begin offering programing in the fall of 2021. House Bill 1431 would provide much needed support for the workforce needs of the region and the beliefs of SW CTE Academy.

The beliefs of SW CTE Academy (found below) are rooted in engaging the regional workforce community. Through community partners, curriculum and programing will be fitted to local business and industry needs. The connection between Dickinson State University, Dickinson Public Schools, Trinity Catholic Schools and the Roughrider Area Career & Technology Center will allow prescribed training with ladderred opportunities for secondary and post-secondary students in the region.

Ladderred opportunities will provide efficient and effective training opportunities for students in the region. Students can begin working on careers when they are academic and skill ready, rather than waiting to graduate. These ladderred programs will also help make efficient use of both physical and human resources. House Bill 1431 will help create a central location with satellite resources.

I sincerely welcome your support and funding to make the Southwest North Dakota Career and Technical Education Academy a reality. Thank you for your time and consideration. Please feel free to ask any questions.

Sincerely,

Marcus Lewton

SW CTE Academy Beliefs

- | | | |
|--|--|---|
| -Build and maintain relationships with community leaders | -Retention of students in SW ND | -Responsive to businesses, the industry, and public sector needs |
| -Provide instruction for lifelong leadership | -Integrate teaching using up-to-date technology based on industry feedback | -Develop ladderred programing that allows for flexibility and accomplishment (i.e. certificates, licenses, associate degrees) |

HB 1431 House Testimony by Dickinson State University President

Dickinson State University enthusiastically supports House Bill 1431.

The bill provides substantial funding to boost the efforts that have been underway for over a year in southwestern North Dakota to start a career and technical education center. Dickinson State was a founding partner in this work. Dickinson Public Schools provided the initial financial boost, by purchasing the former Halliburton property in north Dickinson, built at a cost of over \$60 million, for approximately \$6 million.

The career and technical education center will provide a major boost to Dickinson State's dual mission efforts, which focus upon providing workforce training to support southwest North Dakota industry. The CTE Center will provide ladder programs that will allow students to start their technical education before high school graduation, then continue to pursue it to the level of certification. For example, a student might take her first welding courses in high school, then start her Dickinson State education with a head start toward full welding certification. Other students, who did not have the opportunity to start their workforce training before coming to Dickinson State, could start after being admitted to our university.

Though the exact package of workforce training options is yet to be determined (and will change in the future), southwestern North Dakota industry leaders have identified needs in areas including welding, diesel and other mechanics, nursing and other health care, CDL (truck driving), heavy equipment operation, systems processing (for work in manufacturing), oil field service, agriculture, and information technology as areas of need for a trained and skilled workforce. The CTE center will match student dreams with employer needs to produce a great future for all.

In addition, Dickinson State is grateful for the support in Section 7(3)(i), which will allow Dickinson State to finish the renovation of Pulver Hall into a multi-use facility with offices for the DSU Theodore Roosevelt Center (and, possibly, the Theodore Roosevelt Presidential Library), residence hall rooms for Theodore Roosevelt Honors Leadership program students, classrooms and conference rooms for Dickinson State courses, and Theodore Roosevelt museum space for visitors. The previous legislative session approved a \$4 million appropriation that was used, as directed, toward the reconstruction of Pulver Hall (with additional DSU funding), but there was no funding for furniture, fixtures, and equipment, including additional security equipment, exhibits, and replacement of some items like doors. House Bill 1431 will allow us to complete this project.

--Stephen D. (Steve) Easton

President of Dickinson State University



103 1st Avenue West, Suite 101 • Dickinson, ND 58601

#4500

Chairman Delzer and Members of the Appropriations Committee:

As a founding member of our Southwest Career and Technical Education Taskforce, I respectfully submit my support of HB 1431. Our mission is: “to facilitate career readiness in southwestern North Dakota through premier career and technical education in response to the state and regional business, industry and labor needs.”

One of our greatest priorities at Stark Development Corporation has been creating a skilled workforce to meet the demanding needs of the region. Regional industry demands placed on our workforce by our diverse economic drivers have made it essential that we address a ladder approach to educating our youth, young adults and professionals. With vibrant programming and CTE options available locally and in our region, we can directly address these workforce needs.

As a long-standing community member of Dickinson, it pleases me to see the enthusiasm and cooperation of both our local public and private school districts, Dickinson State University, the regional schools, Roughrider Area Career and Technical Center and local municipalities are dedicating to the future of our region.

Our youth have often been cited as one of our greatest exports. Now is the time to do what we can to invest in the future of our state, and specifically southwest North Dakota, by providing the resources to match these young minds with our regional education partners to build the skilled workforce needed to address our growing industries. The Southwest Career and Technical Education Academy will provide the essential path to achieve this goal.

The workforce needs of our region often pose a significant barrier to the growth of our industries and local economy. Supporting our region and our greatest asset, the youth of North Dakota, through the efforts of HB 1431 will give us the edge to meet the needs of our regions' workforce demands while preparing our youth for success in the high-demand and high-paying careers we are building in North Dakota.

We sincerely thank you and encourage you to offer your support for HB 1431 and the impact it will have on the youth of southwest North Dakota.

Sincerely,

Ryan Jilek
Executive Vice-President



#4457

HB 1431 Testimony

Specific to Discussions Regarding the Proposed Cass County Career Academy

Thomas Shorma – Feb 1, 2021

Mr. Chairman and Members of the Committee, my name is Tom Shorma, and I am the CEO and President of WCCO Belting, Inc. We are a 66-yr old primary sector, family-owned, manufacturing company that today employs more than 270 people at two locations. We manufacture custom rubber products and sell them annually to customers located in more than 20 countries.

Today I am here representing many different private sector businesses in the Red River Valley who strongly support the proposed Cass County Career Workforce Academy. This project is designed as a public/private partnership to assist with workforce challenges in crucial industries in ND. In fact, millions of dollars have already been pledged and paid by the private sector in support of its creation.

It should be noted that WCCO Belting, Inc., the business which I currently lead is in *Richland County*. Also, that I currently reside in Fargo which of course is in Cass County. Yes, I make the drive down from Fargo to our business in Wahpeton nearly every day. My children now attend middle school and high school in Cass County.

I am here today to speak in support of the Career Workforce Academy under unique circumstances which I feel allows me to give a perspective that many others simply do not have. I say this because I speak from first-hand experience. Our family business in Wahpeton has directly benefited from having a version of this same initiative in our community for the past 40+ years. It is an operating model already available to high school students in Richland County by NDSCS. Students from the various high schools can attend NDSCS – while they are still in high school – and they have benefited greatly from that experience, the training, and their exposure to a wide assortment of high demand technically skilled careers that exist in ND. And ultimately, isn't that what this is all about -- helping the students better understand what kinds of careers exist here so that they can stay here? To keep more of our own from leaving the state!

As such, I speak from our own direct business experience about the importance and value of establishing such an Academy in Cass County. The academy would offer programs for K-14 students, to the incumbent workforce and to new immigrants with a curriculum to prepare them for success. In the wake of the coronavirus pandemic and other current economic factors, retraining a workforce for careers in high demand sectors is increasingly important. It is also why we – as a family – have agreed to financially support the private / public partnership that has been established to create such a facility -- even though our business is not located in Cass County!

Since the business that I lead is a manufacturing company, please bear with me as I take just a minute to look at the need for a Career Training Academy in Cass County from another perspective. For many years we have all heard and have been talking about the national and regional shortage of a HIGH DEMAND / TECHNICALLY SKILLED workforce.

- What do you think of when you hear the term HIGH DEMAND / TECHNICALLY SKILLED workforce?
 - 2 yr. Trade Schools?
 - Jobs like electricians, plumbers, auto mechanics, diesel mechanics?

It is certainly true that there is a major shortage of workforce to fill those types of jobs. However, there is an often-forgotten category – at least with high school students -- that includes a wide assortment of excellent, high demand career positions in manufacturing!

- What do you think about when you hear the term MANUFACTURING jobs? Are your first thoughts that this is just a dark and dirty place with machine operators, welders, assemblers? Do you think to yourself, that is great for others, but I do not want my kid in a technical career, in manufacturing?

That may have been in the past, but it is NOT today.

TODAY's High Demand Manufacturing Careers include: Engineering technicians, Robotics and Automation developers, product development specialists, quality technicians, computer technicians, Accounting and Human Resource Generalists, Product and National Account Specialists, Direct and Indirect materials buyers, Production scheduling specialists – also known as Master Schedulers, Shipping Expeditors – including exporting coordinators and regulation coordinators, Inventory Control managers...and many more!

- There are more than 700 manufacturing companies in North Dakota who account for nearly 8% of the total revenue output of the state, employing 6% of the total workforce. State revenue from manufacturing was over \$4 billion. There was an average of 26,000 manufacturing employees in North Dakota last year with an average annual compensation of more than \$60k.

By the way, the non-farm income average in ND is less than \$50k.

- Take a guess at the top 5 Mfg. Sectors for Job Growth in ND
 1. Aerospace products and parts manufacturing
 2. Ag. Construction, and Mining Machinery Mfg.
 3. Other general-purpose machinery Mfg.
 4. Pharmaceutical and medicine Mfg.
 5. Motor Vehicle Parts Mfg.

So...as we sit here today discussing how to better inform our students and our under-employed population and our new Americans of the multiple high demand skilled careers that are in ND – let us make sure we include the mfg. sector in our conversations with them.

THIS is where I personally see the greatest value of the proposed Cass County CAREER WORKFORCE ACADEMY!

- *To serve as a “A college-prep sequential curriculum with a focus on EXPOSING students to HIGH DEMAND TECHNICAL CAREERS before they leave high school – and then letting them pursue their area of interest.*

To me, what is a bit ironic is that many people that I have spoken too – including many in the media, still consider the proposed Cass County Career Workforce Academy a new concept, experimental, an unproven model – when in fact there are more than 7000 career academies in the United States with about a million students “annually”. One such just happens to be located here in Bismarck. The fact that Cass County does NOT have one is the exception.

What IS also very unique – especially to this area and even nationally -- is how the four different school districts of Cass County have COLLABORATIVELY, in the best interest of the students, have put aside rivalries and have joined the private sector to try to provide a single place for Cass County k-14 students, incumbent workforce and new immigrants can to go to learn about and to help prepare them for successful careers.

Of course, the alternative would be for each school district to fund / tax and to build its own – which I think that we can all agree is a far less financially efficient alternative.

In consideration of this unique opportunity to enhance workforce development in North Dakota, diversify our economy, and to offset the challenges we are still dealing with on the pandemic, we highly support this proposal to develop the Cass County Career Workforce Academy.

Thank you for your time today and for your service to ND.

I am now opened to answer any of your questions.

Thomas D. Shorma

CEO / President



To: House Appropriations Committee
From: Shannon Full, President/CEO, FMWF Chamber of Commerce
Date: February 1, 2021
RE: **Support HB 1431**

Chair Delzer, members of the House Appropriations committee,

For the record my name is Shannon Full and I serve as the President and CEO of the Fargo Moorhead West Fargo Chamber of Commerce. I'm here today to offer testimony in **support of House Bill 1431**, which includes critical funding for multiple projects. On behalf of our over 2,000 Chamber member businesses, I urge your support for this critical bonding package. This bill is an opportunity to have significant wide-spread impact for the entire state and now is the time to take advantage of this opportunity.

Though this legislation has numerous important elements, today I am going to focus on three, the **Cass County Career Workforce Academy, FM Diversion Project and the Ag Productions Development Center on NDSU's campus**. All three of these projects should be viewed as critical investments to the state.

Since moving to the Fargo area this fall, I have had conversations with over 75 executives, of which all but two identified workforce issues as their number one concern hindering the future success of their businesses. We need to invest in workforce solutions on a statewide level. We need to have a statewide approach to talent attraction, retention and development. I'm glad to see this bill includes funding for this purpose across the state.

Career Workforce Academies have already proven to be successful with a significant success story being the academy here in Bismarck. For Cass County in particular, the **Career Workforce Academy** will help alleviate long-term workforce shortage in our region, which is critical for our communities to continue to grow. The academy will provide all Cass County K-



14 students, incumbent workforce and new immigrants a curriculum to prepare them for successful careers. Our private business leaders as well as public community leaders recognize the need and importance of this asset, and as such have stepped up with a large investment of \$21 million to make this project possible through a public/private partnership. This significant amount already raised comes from private companies, Cass County, City of Fargo, City of West Fargo, The Chamber and EDC through Fueling Our Future and the U.S. Department of Commerce. All of these entities have already been tapped for support and have contributed to the project.

The \$9 million of state funds included in this bill will fully complete this project and ensure we can get the facility up and running to train our future and immediate workforce as soon as possible. We continue to see high demand for workforce and with Amazon moving to the region, and the future diversion construction requiring increased workforce, our region could be in danger of disastrous workforce shortage issues creating wide spread impacts if we don't invest in workforce solutions while expanding and growing our region and the state. I respectfully ask for your strong support of Career Workforce Academy funding by supporting this bonding bill.

Another critical project in this legislation, of which you are all very aware, is the **FM Area Diversion Project**. With all litigation and permitting issues behind us, I want to focus on how we can build this project as efficiently as possible, and I would encourage you to do the same. This legislation will actually reduce the cost of the project by \$20 million through eliminating short-term borrowing costs. In addition, having money up front ensures the project can stay on schedule and be free from costly deferrals. Time is of the essence as we face factors that are out of our control with Mother Nature. The Greater Fargo regional economy is more than \$18 billion annually, which is just short of one-third of the state's \$55 billion economy. A major flood would all but destroy that economic impact, not just during the flood but for years to come, as we have unfortunately experienced in other regions. The state budget would be significantly impacted for decades to come if we don't address this need. We must protect the



businesses and residents of this state, and the FM diversion will protect a significant economic region in the state.

I want to sincerely thank you all for the hard work you have done to make funding for the diversion possible. I understand this project requires significant investment. Please keep in mind that the economic stability that this project will bring to our region will allow for further growth and prosperity boosting the overall state economy. I ask for your support in securing the remaining necessary funds for this project as outlined in HB 1431.

Lastly, I'd like to touch on the importance of the **Ag Productions Development Center on NDSU's campus**, which will house the current activities of Harris Hall, the Meats Lab and Northern Crops Institute. NDSU conducts internationally recognized research and unfortunately the current spaces within Harris Hall and the Meats Lab are currently proven to be less than adequate spaces for both research and teaching activities. I won't spend time going over the numerous deficiencies that exist as I understand you have that information, rather I want to focus on the importance of completing the new center.

The new facility will ensure high-quality research through innovation and advanced teaching activities will be continued. Not only does NDSU's agriculture related research have state-wide impacts, but globally too. It is imperative that we invest in the infrastructure needed to provide support for NDSU's robust reaching and research activities. As such, I ask for your support in funding the Ag Productions Development Center on NDSU's campus, as reflected in HB 1431.

I ask for your **support of HB 1431** and urge you to take advantage of the outlined opportunities. Workforce solutions, economic stability through permanent flood protection and adequate infrastructure for research are all critical contributors to our state's overall economic prosperity. This bonding package is about more than just building a career academy, completing the FM area diversion and a new agriculture center, but about how the effects of these



investments will have long-term benefits for the entire state of North Dakota. I welcome any questions at this time or later. You will see my complete contact information included with my submitted testimony.

Thank you,
Shannon Full

Shannon Full
President/CEO
Fargo Moorhead West Fargo Chamber of Commerce
Cell: 920.422.3331
Email: sfull@fmwfchamber.com

HB 1431
Chairman Delzer
House Appropriations Committee
February 1st, 2021

Good afternoon. Chairman Delzer and members of the House Appropriations Committee, for the record, my name is Steven Holen and I am superintendent of schools for the McKenzie County Public School District #1 in Watford City. I am here to testify in support of HB 1431, and in particular, Section 11 pertaining to the Department of Career and Technical Education Operating Fund.

The McKenzie County Public School District #1 testified in support of HB 1019 during the 2019 legislative session which promoted grants for school districts pursuing career academy or career and technical education (CTE) center programs. The school district has explored options for CTE expansion since 2017 including collaborations with industry and business partners as well as political subdivisions and post-secondary institutions in our region. Although the funding provided in HB 1019 did not pass, the school district continued to work toward goals of providing enhanced career and technical education to our students and opportunities for other regional school districts. During the interim, the McKenzie County Public School District #1 testified at Legacy Fund committee meetings in support of funding for career academies/career and technical education centers, as a proactive way to support K-12 education as well as facilitate long range workforce targets to maintain the revenue that has built the Legacy Fund to date and prepare local, stable workforce members for meaningful and necessary employment in our region.

The McKenzie County Public School District #1 has witnessed a trend in its high school graduates and post-secondary pursuits for the past several years. A significant number of students (approximately 35% in 2020) are electing to pursue employment or trade school options after high school graduation as well as two-year college training programs. The number of students pursuing four-year college degrees has decreased significantly over the past 10 years perhaps driven by the availability of high paying jobs in our geographic area as well as general trends across the country toward trade and certification programs. The school district identified a need for expansion of Career and Technical programs and curriculum to help address post-secondary readiness of our students and collaboration with our local Economic Development and Job Authority organizations to partner in developing programs to meet the needs of our students and community.

The Workforce Skills Initiative was formed through this process and has members that include county and city officials, school administration and teachers, business members, local universities such as the University of Mary and Williston State College, Train ND, and others to develop a plan to provide workforce skills training and resources to adolescent and adult learners. The goal of the initiative was to ultimately address a shortage of workforce in our area and to align and expand the K-12 educational experience with the resources available to promote a highly skilled and diverse

workforce. Communication and collaboration have been the cornerstones of this effort from the start of discussions and developing a common vision and mission.

As part of this process, the school district with assistance of our JDA formed a subcommittee of the Workforce Skills Initiative specifically with members of our energy industry to begin exploring partnerships and collaboration in developing and promoting workforce skills and career exploration at the middle and high school levels. Over the past 3.5 years; this committee has expanded to over 20 members with regular meetings to encourage discussion and collaboration in educating students on employment opportunities available and alignment of skills required to be successful in the diverse employment opportunities available in the energy sector. Major industry partners include: Whiting, ConocoPhillips, OneOk, Oasis, Hess, Equinor, MBI, and others. The goal of the Workforce Skills Initiative was to address a diversity of areas and opportunities for students, however, a focus on energy related employment is certainly a priority for our region and a significant factor in relevance provided to our students and families.

The vision is also to eliminate redundancy and promote efficiency of individual programs as well as communications with major industry and community partners. Successful programs such as the T-4 (Tools Trades Torque Tech) event held in Watford City for two consecutive years promotes “tomorrow’s innovative workforce s in our schools today” through hand-on opportunities for students and to inspire students to consider workforce options related to the T4 core vision. These opportunities, as well as other programs related to our regional high tech consortium, can be facilitated and provide a regional and efficient delivery model that is highly promoted by our businesses and industries as a central voice in working with K-12 and adult education programming. Despite our significant population and workforce skills needs at the epicenter of oil and gas development; post-secondary and employment training options are limited and this programming begins to bridge that gap and expand on training and certification options.

The school district has also worked with the NDPC to explore workforce needs in our region over the short and long run; presentations were planned for the Williston Basin Petroleum Conference regarding our Workforce Skills initiative and career academy concepts which was unfortunately cancelled with the pandemic. The school district has actively worked with the career academy and school district in Hobbs, NM to share ideas and common vision as the #1 (McKenzie County) and #2 (Lea County, NM) oil producing counties in the nation. The McKenzie County Public School District #1 funded a pilot program for the second semester of 2019-2020 to implement an energy curriculum (2-year cohort) that could be expanded into a larger program with additional resources and become replicable for other school districts in the region.

The career academy/CTE center concept has undergone a feasibility study through our JDA to quantify the need and value to our community and region of which the need and interest was substantiated and the process moves forward to develop phases and implementation strategies if funding is available. Stakeholders in our community and leadership have participated in site visits to the Bismarck Career Academy and

conference calls with other programs to research ideas and how to align programs that are scaled and fit our local and regional needs. The vision established, and initial curriculum already developed, provide specific career orientated objectives that are aligned with state curriculum and career and technical standards, however, implement elements of authentic career experiences, project based learning, and personalized learning geared to their post-secondary experience.

As the use of Legacy Funds are legislated and considered in current and future biennium, funding of the Department of Career and Technical Education Operating Fund provides a “legacy” by investing back into youth and adult workforce and education programs that uniquely fits the purpose of this fund through investments in long term returns and impacts on a varied demographic of families and workers. Why should Legacy Fund dollars be utilized to promote K-12 education programs and concepts such as career and technical education programs? The short answer is these efforts, while successful in the Bismarck project over 10 years ago without grant funds, are accelerated and provide opportunities for success in a shorter timeframe and allow the impacts and efforts to be addressed as needed in our communities at this time. The expansion of a successful model often requires additional resources to facilitate that expansion and reach more students and families in North Dakota.

While this current economic environment provides challenges in funding at all levels, the need for career and technical programs and adult retraining is at a premium at this time as workers elect to remain in our communities and expand their employment skills in areas still needed during an energy/economic slowdown. This provides for a diversification and stabilization as well as to retain workforce when the economy brings back activities to our area. It is difficult to reach consensus in K-12 topics, however, few will argue the need for career and technical programs and their value on our students and community. More opportunities in this area is well document to provide substantial benefits, including higher graduation rates and student engagement, and build communities by allowing generational and new families to establish roots in our communities with quality employment options after high school. This investment can certainly provide a legacy for future generations of North Dakota citizens.

Thank you for your time and consideration of support for HB 1431 and Section 11. I can answer any questions at this time.

**House Appropriations
HB1431**

February 1, 2021

Chairman Delzer and members of the committee, my name is Wayde Sick, State Director of the Department of Career and Technical Education. I am submitting testimony in support for HB1431.

Section 11 of HB1431 would provide funds to the Department of Career and Technical Education to grant funds with the intent to expand Career and Technical Education, specifically for buildings and equipment. Currently the state of North Dakota has ten area career and technology centers, providing CTE in a variety of ways, either face to face or virtually via online or the state Interactive Television or ITV system. Five of the centers are considered brick and mortar centers as most of the method of delivery is face-to face. Five are virtual, meaning they lack a central physical space. They provide their coursework either online or through ITV, but all provide some face-to-face instruction as well. Eight of our area career and technology centers provide some level of virtual career and technical education, either via online or interactive television (ITV). Students that take face to face CTE courses through a center are either being bussed into the center, satellite sites or have traveling teachers. Although the COVID-19 pandemic has proven there is a place for online education, many programs are incredibly difficult, if not impossible to provide 100% virtually. The ten centers serve approximately one hundred school districts and provided instruction to around 6000 students in the 2019-20 school year.

Although our centers do an excellent job, there are gaps within our state, not just in access to a CTE center, but also the programming our existing centers are able to provide. Every student in the state does have access to Career and Technical Education as state statute does require schools to offer CTE. Our comprehensive high schools also do a phenomenal job offering CTE, either by providing it themselves or utilizing an area career and technology center. The benefit though of a center is a center is able to scale programs that most of our schools are unable to. A prime example is a health careers program, offered by the Roughrider Area Career and Technology Center out of Hebron. A few health careers teachers can serve all twelve of the member schools. This is just one example the partnership of a center and the efficiency it can provide.

I am here to state the Department of Career and Technical Education is here to partner with the Legislative Assembly to continue to expand access to more CTE programs, through the development and expansion of centers and our programs offered through our high schools.

This concludes my testimony and I am here to answer any questions you may have.

Thank you.

Testimony of Neal Fisher, Administrator of the North Dakota Wheat Commission

HB 1431

February 1, 2021

Good afternoon Mr. Chairman and members of the House Appropriations Committee. For the record, my name is Neal Fisher I am the Administrator of the North Dakota Wheat Commission.

The North Dakota Wheat Commission has a long-standing, leveraged, research partnership with North Dakota State University's Agricultural Experiment Station. Today the Wheat Commission stands in strong support of House Bill 1431 and the funding for the Agricultural Products Development Center (APDC), which upgrades and collocates product research and development functions currently conducted in Harris Hall, the NDSU Meats Lab, and Northern Crops Institute (NCI).

1—The Agricultural Product Development Center is extremely important for all of North Dakota Agriculture, and for all of North Dakota. APDC will create additional opportunity for our dedicated producers and increased revenue generation capacity for our entire economy.

2—North Dakota Agriculture is an important legacy industry and is the primary revenue generator in our state.

3—Every citizen of our state benefits from increased opportunity, value, and revenue generation capacity created by greater market access, durable demand, and continued success in high value domestic and foreign markets.

4—Annual Main Street Value of ND Agriculture (Simply Price X Production) is calculated at nearly \$10 Billion (with a “B”) over the past decade. Four main pillars, Wheat, Corn, Soybeans, and Livestock now account for 80% of the total; and High Value Specialty Crops such as sugar beets, potatoes, barley, sunflower, canola, dry beans, peas, lentils, flax, and hay crops, make up the remaining 20%.

5—ND Agriculture is performing at higher levels with greater consistency and resiliency than perhaps ever before. The APDC upgrade is an opportunity to continue that upward trajectory.

6—Innovative Product Development and Product/Ingredient Promotion Efforts go “hand in hand” in today’s rapidly evolving food business; And in recognizing that fact, we have been increasingly successful at differentiating our North Dakota agricultural products as “Ingredients”, moving away from the more Generic product identities of many of our competitors.

7—North Dakota has successfully developed a well recognized and enviable reputation as a reliable, consistent supplier of high quality, high value products to high value and quality conscious customers worldwide. That is a “Formula for Repeat Business”

—APDC will allow us to build on this Great Platform moving forward.

Thank you for this opportunity for us to show our support and enthusiasm for the Agricultural Products Development Center (APDC) and for your past and ongoing support of North Dakota’s Number One Industry.

I will certainly try to answer any questions you may have.

Mr. Chairman, and Members of the House Appropriations Committee,

For the record, my name is Greg Svenningsen. I am currently serving as the Chair of the North Dakota Wheat Commission, but today I come before you as a diversified farmer/rancher that produces wheat, corn, soybeans and cattle near Valley City in Barnes County. Because of that diversification, I have been chosen to share testimony with you today. I am a strong supporter of House Bill 1431 and I want you to know that the Ag Coalition's members have expressed broad support for the Ag Products Development Center.

North Dakota has a long history of leading the nation in agriculture. Agriculture is a primary revenue generator for our state to the tune of approximately \$10 Billion dollars **annually** over the past decade. The Northern Crops Institute will be included in the Development Center and I have served on that Board. I have seen the value and importance of bringing participants and potential customers from around the world to North Dakota to showcase what we have to offer. These groups are made up of millers, bakers, and procurement personnel for example. We have hosted some of the NCI groups at our farm and been able to demonstrate, from a producer perspective, how the crops are grown, cared for and harvested. Innovative product development and product/ingredient promotion efforts go "hand in hand" in today's food business. Recognizing that fact, NCI has been increasingly successful at differentiating our ag products as "ingredients". Our ND ag products have developed a strong reputation, world-wide, for being reliable, consistent, and high quality ingredients and therefore, a formula for repeat business. Best of all, this creates more demand and revenue for our producers and our state. The Agricultural Products Development Center is really an opportunity to build on this platform and continue that upward momentum.

Every North Dakota citizen benefits when we can create additional opportunities, add value and generate additional revenue through greater market access in both domestic and foreign markets. We are a family farm, like many others across the state. It's very important to me that those new opportunities be available for our future farmers.

I believe that building the Ag Products Development Center shows foresight in sustaining our next generation of producers and will help to keep North Dakota as a cutting edge leader for agriculture in our nation. Construction of this facility is an investment in the future for North Dakota and its' citizens and an asset that will provide a return many times over in the future. I'm sure the commodity groups have submitted valuable written testimony with additional facts and references in support of HB 1431. I want to thank you for this opportunity on behalf of North Dakota producers, to express our enthusiasm and backing for the Development Center and also thank you for your past and ongoing support of North Dakota's #1 industry.

I would be happy to try and answer any questions you may have.

Testimony on 1431 Phil Murphy for NDSGA

The ND Soybean Growers stand in full support of 1431 for the many opportunities it affords our state during this time of low interest rates. We do so not only for what the bill offers for sorely needed transportation infrastructure, but also the Agriculture Products Development Center and Northern Crops Institute to bolster and continue the research efforts critical to the success of our industry. In addition, this bill holds the promise of supplying qualified individuals in the realm of career and technical fields without which modern agriculture cannot function. Please do what you can to further the passage of 1431, and thank you for your efforts to help the future of North Dakota.

1/31/2021

Golden Path Solutions support for HB 1431**Representative Delzer and committee members,**

For the record my name is Patrick Mineer, CEO & Founder of Golden Path Solutions. **I want to express my support for HB 1431**, particularly around the initiatives of Workforce Development and Career & Technical Education.

Our North Dakota based company is building technology & processes to help students understand their skills and talents based on their high school experiences, including classes, activities, and interests, and align those talents to North Dakota employers who need them through awareness and tuition sponsorships. We work with schools across the state & employers across all sectors including manufacturing, healthcare, services, and technology. We believe creating these connections can help alleviate a student's anxiety about their future career paths and help them pay for post-secondary school, can help employers develop a talented future workforce with the skills they need, and help our communities and our state by driving retention, productivity, and economic growth.

As mentioned above, one of the things we focus on are a student's experience in school. We have found, particularly in but not limited to manufacturing, that most students are either ill-informed about what careers in this space are like, or just simply not aware of the career opportunities that exist. We've met welders, machinists, tool & die makers, controls technicians, automotive mechanics, electricians, etc. who have amazing careers and love their jobs & make a great salary, but their path to those careers came from outside school or through limited exposure to traditional trade classes. The **Career Workforce Academies (CWAs)** can change that by:

- Giving students real-world experiences in areas of advanced manufacturing, machining, drafting, controls, mechanics, computers, aviation, etc. using the most up-to-date technologies that will excite them.
- Changing the perception that technical or trade careers are in dirty or noisy environments. Individuals are amazed after visiting companies like Korber or Marvin Windows on how pristine and clean the facilities are. CWAs can show students first-hand what it's like working in these environments.
- Students today are doing less and less with their hands in school and outside of school. Conversations with people in these careers reveal much of their experience was working on cars or construction projects at home, working on a farm, etc. As technology gets more complex, farms become more automated, and that real-world experience is happening less often. CWAs can address that.
- More companies are offering their own internal training for certain skilled jobs (i.e. Bobcat and welding, Steffes & fabrication, etc.). CWAs can help students get a baseline of knowledge that might help them get into the workforce more quickly, with high school experience supplemented by on-the-job training, leading students to start earning money more quickly, building up 401Ks, & driving revenue growth faster.

We have seen students literally light up when they find the thing they love to do. CWAs can make that happen for more and more students. Imagine where we have a scalable way of giving students education and experiences that will lead them to a career in areas where we desperately need work force. Imagine the benefits to that student in finding their path and loving their job, and to the company who will benefit from that future worker's passion and experience. This is happening in communities who have these CWAs today and needs to be extended to meet the future workforce needs of ND employers. As such, we support the passage of House Bill 1431. Thank you for your attention.

Patrick Mineer
CEO & Founder
Golden Path Solutions



Testimony on HB 1431
Presented to the House Appropriations Committee
Prepared by Bernie Dardis, West Fargo Commission President
Monday, Feb. 1

1 Good morning Representative Delzer and committee members: I am writing to
2 express my support for HB 1431, which helps key strategic investments in North Dakota.
3 Growing up in western North Dakota, and now resident and Commission President of
4 the City of West Fargo, I can see how this bill will benefit residents across the state. I
5 appreciate your leadership on this to strengthen our state's future.

6 Today, I would like to focus on the Career Workforce Academy project funding
7 contained in HB 1431. As you may recall, the North Dakota State College of Science is
8 leading this project, and public entities and the business community are supporting. It
9 has made significant progress over the past two years, raising nearly \$21 million of the
10 \$30 million goal. Over 60 businesses, along with the communities of Fargo, West Fargo
11 and Cass County and the U.S. Department of Commerce have invested in this
12 workforce development project. Plans are to begin phase 1 of the project this spring.

13 HB 1431 includes \$9 million in grant funding dedicated specifically to a career
14 and technical education program located in Fargo. The Career Workforce Academy
15 will be public-private partnership that provides all Cass County K-14 students,
16 incumbent workforce and new immigrants a curriculum to prepare them for successful
17 careers. The Academy will help alleviate long-term workforce shortage in our region to
18 help our communities continue to grow and thrive.

19 These state funds would apply to phase II and complete the funding we need to
20 complete the local, collaborative public-private partnership project. Included with my
21 testimony is a project brochure that you may find of interest.

22 I would remiss if I did not also mention the key funding this bill would provide for
23 the Fargo-Moorhead Area Diversion. As the chair of the Metro Flood Diversion Authority
24 Finance Committee, I am grateful for the diligent work of legislative leadership in

25 coming up with this financially sound solution to funding critical infrastructure, like the
26 Diversion Project. This bill includes the remaining funding necessary from the state to
27 complete the project. This is critical because it will reduce the burden on taxpayers by
28 \$20 million by eliminating short-term borrowing. In addition, providing the remaining
29 funding will allow construction of the project to stay on schedule, eliminating deferrals
30 that would increase complexity and cost. With the State of North Dakota support and
31 legal and permitting hurdles behind it, the Diversion Project can move forward. This is a
32 decision that will not only benefit the people and businesses in the region now, but for
33 generations to come.

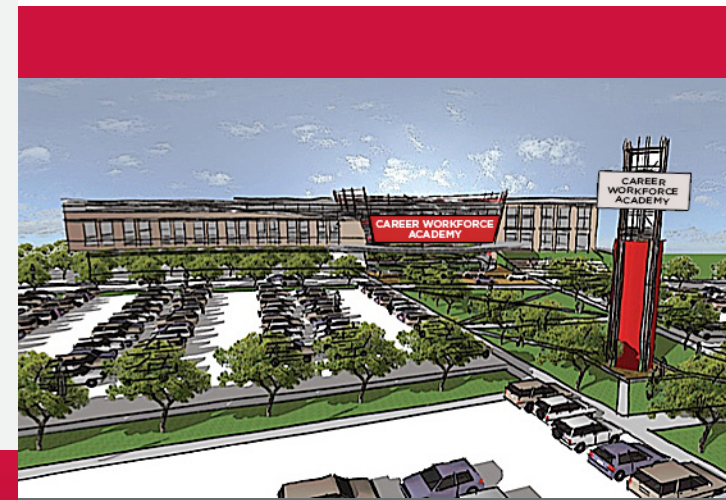
34 In conclusion, I fully support HB 1431 because of the financial support for the
35 Career Workforce Academy and Fargo-Moorhead Diversion, and ask you to do the
36 same. I would be happy to answer any questions.

THE CAREER WORKFORCE ACADEMY

Designed as a public private/partnership that will provide all Cass County K-14 students, incumbent workforce and new immigrants a curriculum to prepare them for successful careers. The Academy will help alleviate long-term workforce shortage in our region to help our communities continue to grow and thrive.



CAREER WORKFORCE ACADEMY



THE WHY

- ◆ The Fargo-Moorhead metropolitan area is the largest and fastest growing area in North Dakota.
- ◆ K-12 enrollment projections indicate significant increases in the near future.
- ◆ The workforce in the region is the largest and most diverse. There is a consistent demand for trained and educated employees.

CONTACT INFORMATION:

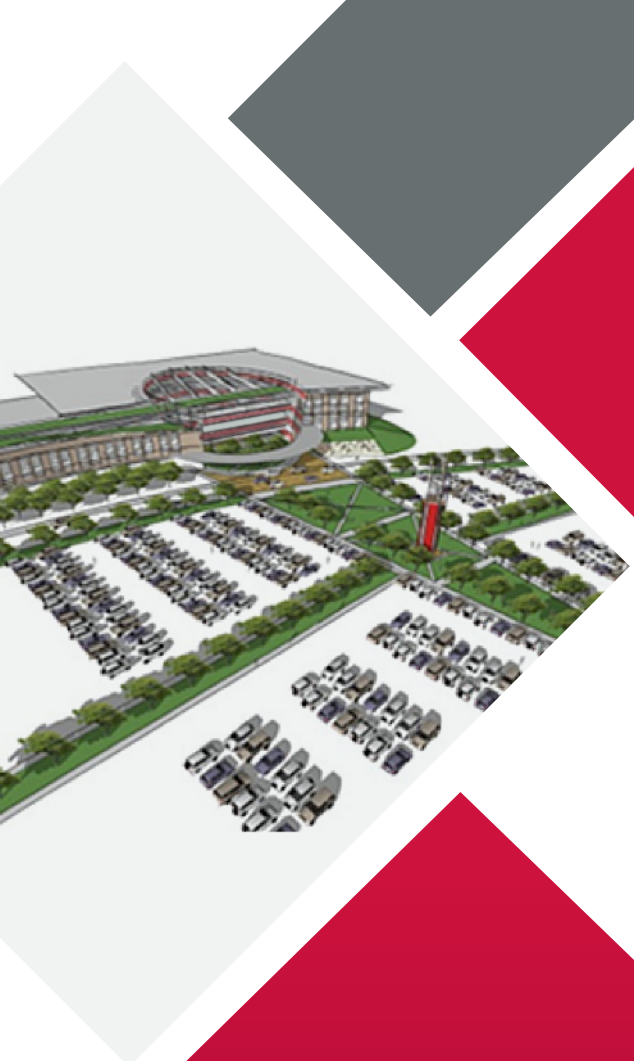
Denise Jonas

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West Fargo, ND 58078
701-356-2000

Tony Grindberg

NDSCS, Division for Workforce Affairs
1305 19th Avenue North
Fargo, ND 58102
701-231-6914

Fargo Public Schools
West Fargo Public Schools
Central Cass School District
Northern Cass School District
North Dakota State College of Science



THE WHAT

The Career Workforce Academy will:

- ◆ Provide exposure to multiple career paths for all levels of K-14 students.
- ◆ Present more opportunities for students to sample and experiment with a variety of careers.
- ◆ Create opportunity for those interested in a technical degree.
- ◆ Create a path for incumbent workers and new Americans for a new career.
- ◆ Provide appropriate facilities and equipment for hands-on career training.
- ◆ Focus on the region's workforce and employer needs.

The Career Workforce Academy will provide opportunities for the following demographic groups:

- ◆ Career Awareness – Elementary Students
- ◆ Career Exploration – Junior High Students
- ◆ Career Pathways – High School Students
- ◆ Career Development – College Students
- ◆ Career Training – Incumbent Workforce and New Americans

THE HOW

How will we serve those students attending the Career Workforce Academy? By developing curriculum for levels K-14 that will ultimately lead to additional associate degrees in the region. There will be an initial focus on these sectors: allied health, manufacturing, agriculture, information technology, construction, transportation, business, arts and communication. In addition, emphasis will be placed on project-based learning, specialized student support and services, identifying the unique needs of students, and continual support for student success.

THE WHO

A consortium was formed including K-12 school districts, two-year colleges, and business and industry with a common goal to combine resources to pursue the Career Workforce Academy. The K-12 members are, Fargo, West Fargo, Northern Cass, Central Cass, NDSCS, business and industry partners from sectors such as allied health, manufacturing, agriculture, information technology, construction, transportation, business, arts and communication.

PROJECT BUDGET & LOCATION

The project is designed as a public private/partnership with a \$30 million capital budget. (\$15 million private and \$15 million public) The academy will offer programs that will provide K-14 students, the incumbent workforce and new immigrants a curriculum to prepare them for successful careers. The program is also dependent on strong partnerships with business/industry leaders from the region that work together to enhance curriculum with relevant learning for successful outcomes.

SITE LOCATION PREFERENCE:

- ◆ 15 acres are available (10 acres donated) which will provide room phased growth.
- ◆ Investment in new facility will allow opportunity for "world-class" programming.
- ◆ The stature of CTE in Cass County will enhance visibility and identity.
- ◆ Allows ease of access and proximity of for K-12 schools.
- ◆ Provides neutral ground for K-12 district students.
- ◆ Positions communities for long-term economic growth.
- ◆ Garners support from business.

Testimony in support of HB 1431

Chad Flanagan, Eide Bailly, Partner-In-Charge

February 1, 2021

Chairman Delzer, members of the House Appropriations Committee,

For the record my name is Chad Flanagan and I am the Partner-In-Charge of the Fargo office for Eide Bailly. I am writing today in **support of HB 1431**. This bonding bill includes various investment opportunities that are sure to generate lasting impact on our state. A few of those iconic funding requests are Cass County's Career Workforce Academy, the FM Area Diversion Project and a NDSU Ag Productions Development Center.

As we work with our clients, we hear from them that there are more open jobs than there are people available to fill those positions. In 2019 Job Service reported that there were over 4,000 open jobs in Cass County. We need to match industry opportunity with education capacity. Career Workforce Academies have proven a successful model to train local workforce. This investment isn't taking a chance on a potential workforce solution, there are more than 7,000 successful Career Academies in the Country, one being right here in Bismarck.

I commend Cass County School districts and NDSCS for working collaboratively along with the private sector in order to make this project a reality. It speaks volumes to the need for this academy that our region raised nearly \$21 million dollars over the past two years. Workforce is often talked as a top priority for our state, I respectfully ask that you act on that through supporting HB 1431, including the \$9 million in funding for a career academy in Fargo.

In addition, bonding the remaining FM Diversion project funds is a good financial decision for this project as it saves the taxpayers, \$20 million just by way of eliminating the need for short-term bonding. Further, having the funds up front ensures the project can stay on schedule, eliminating additional costs potential deferrals would add.

Lastly, in order to continue conducting internally-recognized research, we need to invest in infrastructure at NDSU. Harris Hall has numerous insufficiencies making it unsuitable for such research. The Ag Productions Development Center will serve as an appropriate location to house quality research.

I respectfully ask you to **support House Bill 1431** as it includes critical funding for our state.

Thank you for your consideration.

Chad Flanagan



NORTH DAKOTA STATE BUILDING AND CONSTRUCTION TRADES COUNCIL

2901 Twin City Dr. Suite 201
Mandan, North Dakota 58554
(701) 663-8821

© GCU 280 C

February 1, 2021

To the Honorable Jeff Delzer and Member Representatives of the House Appropriations Committee

RE: House Bill 1431; Water Infrastructure Revolving Loan Fund

The North Dakota State Building and Construction Trades Council is in support of HB 1431. This legislation would develop a water infrastructure revolving loan fund. By having the ability to borrow at low interest rates, communities across the state would have an effective mechanism to construct needed water projects, thereby providing job opportunities for construction workers. Representing workers in the commercial, industrial, and residential construction industries, this legislation would put many of our members to work, promoting middle-class jobs and livelihoods. In turn, there would be an added benefit as workers' wages would go back into their communities providing for further betterment.

As such, we respectfully urge a do pass recommendation for HB 1431.

With Kindest Regards, I am

Jason Ehlert
President
Lobbyist No. 347
Jason@ndbtu.org



Testimony on State Transportation Funding for North Dakota
North Dakota State Legislature
U.S. Highway 85 between Watford City and Interstate 94 at Belfield

Chairman Delzer
Members of House Appropriations

Thank you very much for the opportunity to share the thoughts of the Theodore Roosevelt Expressway Association (TREA) on the need for transportation funding in the 2021-2023 Biennium Budget. The Association has long been a supporter of increasing statewide transportation funding and particularly western North Dakota and U.S. Highway 85 on the Theodore Roosevelt Expressway (TRE). TRE is a High Priority Corridor on the National Highway System that serves as a backbone to energy production in North Dakota as well as connection across North America. TRE is the northern portion of the Ports-to-Plains Corridor connecting Canada and Mexico through North Dakota.

The Theodore Roosevelt Expressway Association (TREA) is appreciative of the investment made on the Theodore Roosevelt Expressway in the past. This investment includes:

- The replacement of the Missouri River Bridge at Williston, ND
- The four-lane expansion and relief routes between Williston and Watford City
- The completion of the Environmental Impact Statement and Record of Decision for U.S. Highway 85 between I-94 Interchange to Watford City Bypass (McKenzie County Road 30) dated March 5, 2019
- The completion of the four-lane Long X Bridge across the Little Missouri River, completed on October, 2020

By way of background, I will share the current status of available funding for U.S. Highway 85 coming into this legislative session, future projects on U.S. 85 between Watford City and I-94 at Belfield and opportunities for funding these projects for the Legislature to consider.

Available Funding

Based on what has been shared with TREA, there is no funding available to complete expansion to four-lane projects on U.S. Highway 85. In an October 21, 2020 email message from the NDDOT, the Theodore Roosevelt Expressway Association was notified that the Department is actively seeking grant funding opportunities to help in funding a four-lane roadway from I-94 to Watford City, but without grant funding, the NDDOT does not have the resources to move forward with a project. As you know, in 2019 NDDOT made federal grant application for both INFRA and BUILD Grants using the \$50 million of funding outlined in HB 1022. Since both applications failed to be approved, the opportunity for match funding allowed by HB 1022 is no longer available.

I would point out that not only has NDDOT indicated that no other resources are available, which includes revenues from state and federal fuel taxes are available for projects on U. S. Highway 85, but historically only legislative directed funding have been used to complete the projects that I described earlier as completed. No state or federal fuel tax revenues have been committed in the past to expand the four-lane

Testimony on State Transportation Funding for North Dakota
North Dakota State Legislature
U.S. Highway 85 between Watford City and Interstate 94 at Belfield
Page 2

on U.S. Highway 85. No expansion projects are included in the final 2021-2024 State Transportation Improvement Plan (STIP). Meanwhile, Western North Dakota continues to contribute state and federal taxes directly associated with transportation as well as additional funding provided by the energy industry to the state of North Dakota, but is left without access to state and federal transportation funding through NDDOT for the upgrade of U.S. Highway 85.

Future Projects

The Record of Decision for the Environmental Impact Statement for U.S. Highway 85 between Watford City and Interstate 94 at Belfield was approved in March 2019. Approval of the EIS opened the ability to begin upgrading this 62-mile two-lane highway to a four-lane highway. As previously stated, the replacement of the Long X Bridge over the Little Missouri River was completed in October 2020. The next segment proposed for upgrade to a four-lane highway is the 10.3-mile section connecting the existing four-lane highway south of Watford City to the Long X Bridge. North Dakota DOT's estimated budget for the project is \$104.5 million. Following that, a segment south of the Long X Bridge would be completed at an estimated cost of \$175 million.

Opportunities for Funding

The Theodore Roosevelt Expressway Association urges the Legislature to consider three opportunities for funding transportation in North Dakota and specifically in western North Dakota and on U.S. Highway 85.

First, Governor Burgum, in his biennial 2021-2023 budget, included a proposal for transportation that would benefit the next segment of U.S. Highway 85 on the Theodore Roosevelt Expressway. That proposal included a bonding program of \$1.25 billion including \$323 million for infrastructure improvements including improvements on U.S. Highway 85. A portion of Legacy Fund earnings would be used to create a Legacy Bond Repayment Fund to make the debt payments. TREA supports using the Legacy Fund, designed to provide long-term funding from the energy resources in western North Dakota.

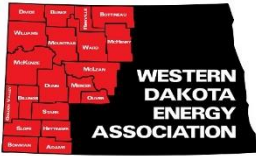
Second, there will be additional opportunities for federal grants during the next biennium. In order to provide a potential match for those grant applications, we urge the legislature in its Sixty-seventh Assembly to renew its commitment to the \$50 million as outlined in HB 1022 during the Sixty-sixth Legislative Assembly.

The bonding and potential federal grant match could have the ability to complete both future projects in the next few years.

Finally, as supported in previous years, finding a way to increased long-term transportation funding is even more important in the current economic situation. Infrastructure projects create employment which in turn puts income into the pockets of North Dakota's citizens. It will also offset some of the losses experienced by NDDOT created by the pandemic.

Thank you very much for the opportunity to testify.

Cal Klewin, Executive Director
Theodore Roosevelt Expressway Association



WESTERN DAKOTA ENERGY ASSOCIATION

February 1, 2021

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Coal Conversion
Counties

Testimony of:
Geoff Simon, Lobbyist #144
in support of HB 1431
House Appropriations Committee

Chairman Delzer and Committee members:

On behalf of the city, county and school district members of the Western Dakota Energy Association (WDEA), we wish to express our strong support for House Bill 1431 to generate additional revenue to address some of the state's pressing infrastructure needs. WDEA believes it is prudent to issue bonds at a time when interest rates are near historic lows, with repayment assured through the predictable revenue generated by earnings from the Legacy Fund. Importantly, the legislation would provide funding for previous commitments to major water and flood control projects, freeing up dollars in the Resources Trust Fund to address other infrastructure projects needed throughout the state.

HB 1431 also generates revenue to support career and technical education facilities, which will address significant workforce recruitment and training needs in western North Dakota. Drilling activity has slowed during the past year, but we all know the industry will rebound because oil is an essential commodity that we will need for decades to come. Producing that oil will require people, so it's prudent to invest in facilities that will attract, educate and train the workers we will need to grow and maintain crude oil and natural gas production.

WDEA appreciates the legislation's commitment to provide additional revenue to construct and improve transportation infrastructure. Given the state's pressing needs, particularly the need to address safety improvements on Highway 85 and other major corridors in western North Dakota, we would like to suggest an even larger bond issuance to accelerate work on these vital arteries that support commerce in the Bakken.

WDEA also appreciates the bill's commitment to the Western Area Water Supply Authority, specifically the repayment of loans issued to WAWSA from the Resources Trust Fund. This not only provides the fund with additional revenue to support other projects, it relieves the authority of the financial burden with which it has struggled for several years.

Please support HB 1431 to provide additional revenue to meet North Dakota's growing infrastructure needs. Thank you for the opportunity to submit testimony.

**Testimony of Dr. Cory Steiner
Northern Cass Superintendent
HB 1431: Support of Funding for the Department of Career and Technical
Education
Monday, February 2nd, 2021**

Good afternoon Chairman Delzer and members of the committee. It is my privilege to stand before you today and testify in support of a HB 1431 focusing on the \$92,500,000 of funding for the Department of Career and Technical Education and specifically the funding for career and technical education programs located in Bismarck, Dickinson, Fargo, Watford City, Minot, and Lake Region State College. My name is Dr. Cory J. Steiner and I'm the Superintendent of Schools at Northern Cass School District in Hunter, North Dakota. Northern Cass is a PK-12 district with 660 learners located 25 miles northwest of Fargo. We are an innovative school district which is in the midst of a transformation to personalized, competency-based learning.

The issues in education are profound, but more importantly, they are urgent. The structure and function of our schools today must change to meet the needs of a world which is changing at an exponential rate. Every system is designed to get the results it gets. Our system is getting the results it is supposed to get. Unfortunately, what is being asked of schools has changed dramatically since the design of the system. In schools, we have been tasked to prepare learners to be productive members of society. We have been asked to prepare learners for college, career, and military. We are asked to prepare learners of today for jobs that don't exist while also making sure learners have the skills for jobs in the workplace now. We must develop academic, social, and emotional skills while developing long-lasting relationships in a safe environment. In other words, we must prepare learners to be choice ready for the future. The list of important things to do and accomplish is never-ending. However, it is the job of K-12 to transform our system of education. It must be our mission moving forward.

I testify today in support of funding for Career Workforce Academies. The Career Workforce Academy concept will allow us to accomplish the goals of creating choice ready learners. The Career Workforce Academy will challenge us to think differently and reframe the abilities learners need while also changing the roles learners play in our society. It is my belief we have the most gifted generation of learners in the history of our great state. It is why we must act with a sense of urgency and cannot afford to let this opportunity pass. By not supporting funding

for Career Workforce Academies, our state will miss a chance to take advantage of our learners and allow them to change the future of North Dakota.

Today, I would like to share with you five advantages of the academy concept. First, it expands opportunities for learners. At Northern Cass, we have an agriculture, marketing, and FACS program which provide Career and Technical Education options for our learners. We are fortunate to have a supportive board, strong financial standing, and highly qualified and effective educators in our district for these areas. Many districts in our state don't have the ability to offer a variety of options for CTE on-site. An academy will reduce this barrier for learners while increasing the opportunities for them to engage in passion areas before they graduate from high school. It is essential we provide more opportunities for learners so they can be ready to enter the workforce with a well-rounded skill set.

The academy model will be a collaborative approach enhancing everyone's effectiveness and efficiencies. In Cass County, we have been engaging in this work for the past four years. This includes collaborative discussions and planning among the districts of Central Cass, Northern Cass, Fargo, and West Fargo. The conversations have also included North Dakota State College of Science (NDSCS), the Fargo-Moorhead Chamber of Commerce, and many businesses in the metro area. With a commitment of funding and human capital from local school districts, local government agencies, and the private sector, our academy will be public-private funded and support not only K-12 education but also the business community as a whole. For the academies to become a reality, both private and public interests must have a stake. Imagine the future collaborative efforts that are possible with this and other academies across the state. It will be a model for what we strive for which is the private and public sector working together for a better tomorrow.

The third reason the academy model is important is because it will provide a workforce development solution. Throughout the state of North Dakota, we have issues with lack of qualified applicants for job openings. This is not a problem specific to Bismarck, Dickinson, Minot, Watford City, or Fargo. Each of these areas has their own workforce issues which need a different approach. However, the academy model is proven to address these concerns by being flexible enough to meet the specific needs of the various regions throughout our state. It will allow for multiple career clusters to be established regionally which will meet the diverse needs throughout our state. Although I represent PK-12 education, the academy model will also provide training for those already in the workforce. This will

provide opportunities for adults to develop new skills that can better serve our changing workforce needs.

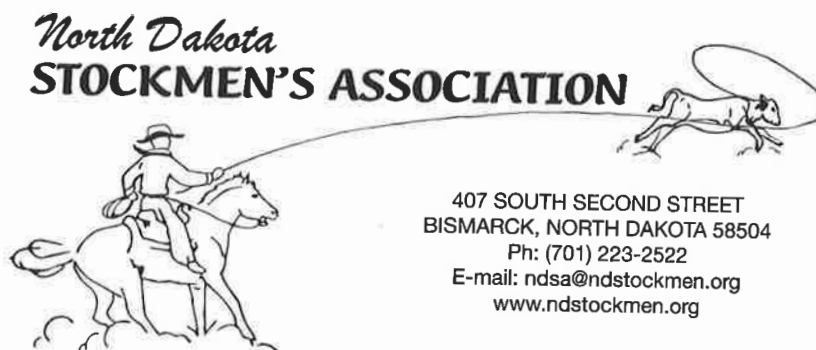
The next reason to support funding for academies is to increase career exploration and skill development. Learners in our districts are exposed to career exploration and skill development. However, it is not done with fidelity across our state due to a lack of resources. Through the expertise of those involved in the academy, districts will be able to develop a career program which begins with career awareness at the primary levels followed by purposeful career exploration at the middle level which leads to career preparation through job shadows, internships, and career training at the secondary level. Through a partnership with the private sector, the academies will make sure every learner, no matter the school they attend, will have the opportunity to be exposed to authentic career exploration at all levels.

Finally, the academy is a proven model that has been utilized not only across the country but right here in Bismarck. The Bismarck Career Academy and Technical Center is a model for other academies in our state. This model has been implemented throughout the country from Sioux Falls, SD to Alexandria, MN to Nashville, TN. Each model has elements necessary to meet the unique conditions of their region. However, the common theme is the model works. It benefits communities, schools, and the workforce.

Let me share a short story with you to reiterate why the academy is so important. They wanted to be an architect and had wanted this since they could remember. They attended a job shadow. They spent three hours in this experience and realized this was not the career path they wanted. What if they never had that experience? What if they could have taken a course in architecture at an academy? Think of the money saved for the learner and the potential benefit. All of this would be possible if we can implement the academy model throughout our state. This is one story, but it is so common in our schools right now. The academy model will provide authentic experiences to prepare learners to make informed choices about their future.

Our schools and higher education produce a high-quality product due to the dedicated and passionate leaders, educators, parents, and learners throughout our state. I'm proud of our state, our educational system, and our learners, but I worry about our future. We have boards, administrators, businesses, and colleges ready to change the model into one which promotes learning through authentic experiences. I understand the financial commitment for this aspect of the bill is significant.

However, I believe the negative impact by not doing this is far greater. By supporting funding for career and technical education programming, the legislature will make a statement it stands in support of doing what must be done for the state's future success. You have the power to create a different version of tomorrow by supporting this funding. You have an opportunity to change our future and allow us to do it together through a collaborative effort which will make North Dakota the educational and economic leader in our great nation. I ask for a 'do pass' on HB 1431. Thank you for your time and I will stand for any questions.



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North Dakota Stockmen's Association
Testimony to the
House Appropriations Committee on HB 1431
Feb. 1, 2021

Good afternoon, Chairman Delzer and members of the House Appropriations Committee. For the record, my name is Julie Ellingson and I represent the North Dakota Stockmen's Association, a 91-year-old beef cattle trade organization representing approximately 3,000 North Dakota cattle-ranching families across the state.

The Stockmen's Association wants to add its support to HB 1431 and, specifically, the funding provided for the Agricultural Products Development Center. The Center will include multiple agricultural components. The piece most significant to the state's livestock industry is its meats laboratory.

Replacing the existing meats laboratory has long been a priority project of our association and the broader livestock industry, as the current facility is archaic. Built back in the age of poodle skirts and sock hops, the facility has had trouble meeting inspection specs because of its age. It hampers modern teaching and science techniques and fails to prepare students for the future of food production or help the current North Dakota meat industry reach its potential.

We are blessed to have some of the nation's top meat scientists working at North Dakota State University. They have been a part of game-changing research over the course of their careers that has done everything from identify the most tender

muscle in the beef carcass to scientifically refute the commonly held myth that eating beef contributes to premature puberty in adolescents. Still, these world-class scientists are conducting their work in a substandard facility that no longer meets today's rigorous standards or models a modern-day meat processing facility. Their resourcefulness and ingenuity can only be expanded with access to an up-to-date and well-equipped facility.

The Agricultural Products Development Center is expected to pay dividends to the agricultural industry and, ultimately, the entire state as its no. 1 industry grows and flourishes. Additionally, it will help us train students in these important areas that will likewise benefit our industry and overall economy.

To demonstrate our commitment to this effort, the Stockmen's Association has committed \$25,000 of its own money to help support this major agricultural endeavor.

We are grateful to the 66th North Dakota Legislative Assembly for its \$20 million appropriation and \$20 million matching fund authority for the Agricultural Products Development Center. We respectfully request that this assembly advance this critical project with your do-pass recommendation on HB 1431.

Thank you for your consideration.



**Testimony of Shannon Berndt
Northern Pulse Growers Association
HB 1431
February 1, 2021**

Good afternoon Chairman Delzer and members of the committee. For the record, my name is Shannon Berndt, and I am the executive director for the Northern Pulse Growers Association. The Northern Pulse Growers Association represents pea, lentil and chickpea growers and processors throughout North Dakota and Montana. On behalf of the pulse industry, I am here today to provide testimony in support of HB1431.

I would like to thank the North Dakota Legislature, SBARE and NDSU for the tremendous support the pulse industry has received. With the establishment of the pulse breeding program and quality lab at NDSU, which is the first in the nation, our industry has continued to prosper. Efforts by NDSU research and extension centers across the state have had a major impact on the development of the pulse industry. With their support our producers have the resources to produce high yielding, high quality product for markets around the world. The region's pulse industry which includes Montana and North Dakota currently accounts for 80% of all United States pulse production.

The next phase in the development of the pulse industry will require a considerable amount of research in the areas of quality, utilization, sensory and attributes such as protein content. Global protein markets, which include soy, wheat, and pea proteins, are forecast to increase from 10.3 billion USD in 2020 to 14.5 billion USD in 2025. This represents a significant opportunity for pulse producers.

Recently, customers around the world began demanding high protein pulses that would better fit into their end products. Unlike many of our fellow grain commodities, the pulse industry lacks much of the research necessary to develop these quality parameters. The Ag Products Development Center at NDSU will be vital to this next phase of development significantly increasing our ability to participate in global value-added markets.

Northern Crops Institute has also played an integral role in the development of the U.S. pulse industry. Through technical education seminars hosted internationally and domestically, pulses have started to have a significant impact in emerging protein markets. Fractions of pulses—flours, starches, proteins, and fibers have opened many new marketing opportunities around the world. Some of the first work completed in the U.S. with pulse fractions was conducted at NCI more than 20 years ago. The establishment of the Ag Products Development Center will be central to ensuring North Dakota and U.S. pulse producers remain in future global markets.

On behalf of pulse producers in North Dakota and the U.S., we urge your support for the appropriation in HB1431 for the establishment of the Ag Products Development Center and the inclusion of Northern Crops Institute. Thank you.

Testimony

House Bill 1431 – Related to Interest Rates for Infrastructure Revolving Loans

House Appropriations

February 1, 2021

Chairman Delzer, and members of the Home Appropriations Committee – I am DeAnn Ament, Executive Director of the North Dakota Public Finance Authority. I am attending today's hearing to provide neutral technical testimony on the bonding process and to answer questions as needed.

February 1, 2021

Chairman Delzer and Members of the Appropriations Committee:

I am writing to you in favor of HB 1431. In March of 2020, less than one year ago, an informal task force was created to explore the possibility of developing a Career and Technical Educational Academy in Dickinson. Arriving at our current position was a joint effort between area legislators, Dickinson Public Schools, Dickinson State University, and other community stakeholders such as manufacturers and economic development agencies. As it became apparent that the Academy has the potential of impacting a larger geographic region as well as private secondary schools, Dickinson Catholic Schools, the Roughrider Area Career and Technical Center (SWND Schools), and others have joined in our efforts.

The mission of the Southwest Career and Technical Education Academy is: “To facilitate career readiness in Southwestern North Dakota through premier Career and Technical Education in response to state and regional business, industry, and labor needs.”

In early July 2020, with the CTE task force and Dickinson Public School Board advice and approval, Dickinson Public Schools submitted an offer to consider the purchase of the 40-acre, seven-building, Halliburton Campus located in north Dickinson as a possible site for the much needed CTE Center. The assessed value of the property is just over \$10.8 million, but the district believes the value to be significantly higher. Halliburton accepted the district's bid of \$6 million and the final purchase of this property took place in November 2020. The committee considers this purchase to be a significant step forward in fulfilling the CTE’s mission.

The CTE Task Force has held sixteen full committee meetings and numerous sub-committee meetings to 1) create a priority list for programs of study; 2) create a governance board; and 3) develop a business plan, which will be forwarded to you for your review. It is a work in progress and it is our hope that we will offer selected programs in Southwest North Dakota for students in grades 9-16 beginning fall of 2021, with expanded programs to soon follow.

We consider this project to be critical for developing and expanding workforce opportunities in Southwest North Dakota. Career and technical education has evolved from a vocational school model to one that provides academics and skills for higher education in addition to careers in skilled trades, technology, and applied sciences.

The committee believes that the timing could not be more perfect: The combination of Dickinson State University’s new dual mission, the availability of a facility that will more than encompass our training needs, the demand for “up skilling” of today’s adult workforce, the ability to ladder secondary education to higher education, and the willingness of Southwest North Dakota stakeholders to work together toward this common goal.

We sincerely welcome your support and funding to make the Southwest North Dakota Career and Technical Education Academy a reality. Thank you for your time and consideration.

Submitted by Vince Reep – Chair of the SWNDCTEA Task Force Committee

#4518

**TESTIMONY, HOUSE APPROPRIATIONS COMMITTEE
FEBRUARY 1, 2021
HOUSE BILL 1451**

**TIM PORTER – CHIEF FINANCIAL OFFICER
BANK OF NORTH DAKOTA**

Mr. Chairman and members of the Appropriations Committee, I am Tim Porter, Chief Financial Officer for the Bank of North Dakota. I am testifying in a neutral position on HB1431 but do want to express Bank of North Dakota's concern related to Section 2, bullet point 5 establishing the administrative service fee for the proposed Water Infrastructure Revolving Loan Fund at a fixed rate of .25% in the code.

The service fee is a reflection of the fixed costs to the Bank to administer loans shared over the portfolios. HB1431 proposes for BND to set a fixed rate of one-quarter of one percent of the outstanding loan balance as a service fee for administering the fund. In cooperation with the legislature over the last two sessions, a "Government Rate" with standardized language for servicing loans and administrated programs on behalf of the legislature was established by setting aside up to .50% of the outstanding loan balance to cover the administrative fee for these programs. The standard set for infrastructure loans charges an interest rate of 2%, so the revolving loan fund retains 1.50% of the 2% that can be used to fund additional projects.

The service fee is determined by accounting for the fixed costs of the Bank including salaries, building expenses, IT & Data Processing, office supplies, etc for services related to the loan portfolio. The administrated programs are counted in with the total loan portfolio balance to create a scale of efficiency. The short math in calculating the service fee is:

BND loan Portfolio Balance	\$4,756,542,387
Administered loans & Programs	<u>\$ 795,300,000</u>
Total Loan Portfolio Balance	<u>\$5,551,842,387</u>
Total Fixed Costs	\$ 31,064,000

The formula to determine the service fee is to divide the fixed costs (\$31,064,000) by the total loan portfolio balance. (\$5,551,842,387) which results in a basis point cost of .56%.

Our hope is this provides some insight into how BND determines the service fee for its administrated loan portfolio. I am happy to answer any questions.

House Appropriations
Chairman-Representative Jeff Delzer
February 1, 2021

Testimony

L John MacMartin, CCE, President Minot
Area Chamber EDC
john@minotchamberedc.com
701-833-7603

Good Afternoon Chairman and members of the House Appropriations Committee. Thank you for the opportunity to provide this testimony to you today. My name is John MacMartin, President of the Minot Area Chamber EDC. I am submitting this testimony in support of HB 1431.

The Souris River Joint Board is managing the Mouse River Enhanced Flood Control Projects composed of a basin-wide approach. The project supports life, health and safety. The Minot Chamber EDC support these projects because of the devastation and loss that flood events cause to both businesses and residents alike. Personally I support this bill as my wife and I reside in Eastwood Park, a historic neighborhood, which was ravaged in the 2011 flood.

The other component of the bill of interest to the Minot Chamber EDC is the funding for the Career and Technical Education Center. This project is the result of the collaboration of the City, Minot State University, Dakota College of Bottineau, Minot Public Schools and the private sector. The state's ability to diversify is tied to having a technically trained workforce and the same is true for communities throughout the state. A CTE in Minot will help fill a gap in the technical training network.

Again, thank you for the opportunity to provide this input to you on HB 1431



Support HB 1431
House Appropriations Committee
Randall Herman, General Manager, Mid-America Aerotech, LLC
February 1, 2021

Chair Delzer, members of the committee,

For the record my name is Randall Herman and I am the General Manager for Mid-America Aerotech, LLC. Our company is an FAA Repair Station and we primarily provide aviation related component manufacturing, repair and overhaul services. We are also a leading company in the utilization of Cold Spray repair technology serving numerous aviation and non-aviation customers. **I support House bill 1431** which includes key funding for the Cass County Career Workforce Academy, FM Diversion and NDSU Ag Productions Development Center, among many other important things.

As the General Manager of Mid-America Aerotech, LLC, I can tell you first hand that workforce issues are top priority for myself and our industry. We are already in strong competition for workforce and without more of an effort to train our local workforce for positions like those in the manufacturing industry, we will be in a tough position to grow and build upon our success. The Career Workforce Academy is critical to the success of our region. Our community of private businesses and local governments has already dedicated nearly \$21 million funds to building the Academy. I respectfully ask for your support in dedicating the additional \$9 million needed to make this project a reality.

In addition to the Career Workforce Academy, the FM Diversion funding included in this bonding bill is absolutely important for our region and the state as a whole. Through bonding this remaining amount, we will save \$20 million in taxpayer dollars due to eliminating the need to short-term bond.

I currently serve on the NDSU Research Foundation Board of Directors and fully understand the importance of the NDSU Ag Productions Development Center. Internationally-recognized research is happening in a less than adequate space. We need to invest in infrastructure to house this high-quality research. Our state has a strong research reputation to maintain, this facility will ensure we can continue exceptional research through innovation and advanced teaching activities.

For these reasons, **I urge support for HB 1431**. Thank you for your consideration.

Randall Herman, General Manager
Mid-America Aerotech, LLC

Mid-America Aerotech, LLC.
159 8th Ave NW
West Fargo, ND 58078



McKenzie County

Job Development Authority

1 February 1, 2021

2 Chairman Delzer and Committee members:

3 We are seeking your support for the career academy concept included in HB 1431. Since 2017,
4 the McKenzie County Skills Initiative through the McKenzie County Job Development Authority
5 (JDA) has brought together industry leadership, secondary education, TrainND Northwest,
6 Williston State College, and the University of Mary to discuss ways to increase local training and
7 education. Some training that doesn't require specialized equipment has been able to take
8 place in the Rough Rider Center already, but more specialized training requires equipment that
9 needs to be permanently or semi-permanently affixed into a dedicated classroom.

10 In a 2019 community survey, 69% of McKenzie County respondents listed "Primary, Technical,
11 & Post-Secondary Education Opportunities for Students, Employers, & Employees" as an
12 Important or Extremely Important economic development strategy for our community to
13 embrace. With that information, in Fall 2020, the McKenzie County JDA in coordination with
14 ICON Architects conducted a Phase I feasibility study which encompassed a series of
15 conversations with area employers and educators to better understand the workforce demand of
16 local employers. The results of that study found that Automation, Nursing and the Trades
17 showed the greatest potential for us to pursue.

18 This past fall, a local company began a welding course to 10 displaced workers. That has gone
19 well and they are looking at how to expand. Also this fall Williston State College, in partnership
20 with McKenzie County Healthcare Systems, began providing Practical Nurse training in
21 McKenzie County. This was capped at 8 students due to resource constraints—but there were
22 14 who applied. In January 2021, the JDA hosted a meeting with local petroleum automation
23 employers and Williston State College where the impetus landed on the design of a 15-20-week
24 automation training course. The goal is for this to launch by Fall 2021. Students who
25 successfully complete the training course will be in a much better position to begin careers with
26 our local employers given the skills gained in the program.

27 Our local employers report higher workforce retention rates with "home-grown" employees. That
28 is why we have been pushing hard for local training opportunities and feel that a career
29 academy is in everyone's best interest. With the majority of our state-funded higher education
30 institutions a 3-7 hour drive away, our employers are at a disadvantage when it comes to
31 recruiting them back home. To help weather market fluctuations, the JDA has been working
32 hard to diversify our economy. Advancing nimble career and technical education is definitely a
33 part of that diversification strategy. We feel this funding would accelerate this work greatly that
34 would benefit our students, workforce, employers, and ultimately the tax collections of North
35 Dakota.

36 Thank you for your consideration.

37 Daniel Stenberg
38 McKenzie County Job Development Authority Executive Director



House Appropriations Committee

Testimony in Support HB 1431

Chairman Delzer and Members of the Committee, my name is Mike Krumwiede appearing on behalf of the American Council of Engineering Companies in support of HB 1431. The American Council of Engineering Companies of North Dakota (ACEC/ND) is a nonprofit, voluntary, self-governing organization which represents 29 member firms and nearly 1500 employees. The American Council of Engineering Companies of North Dakota (ACEC/ND) is the business voice of North Dakota's consulting engineering industry. ACEC Member Firms are at the heart of the built environment, bringing us bridges, roads, water, sanitation, transit, rail, buildings, environmental protection and cleanup.

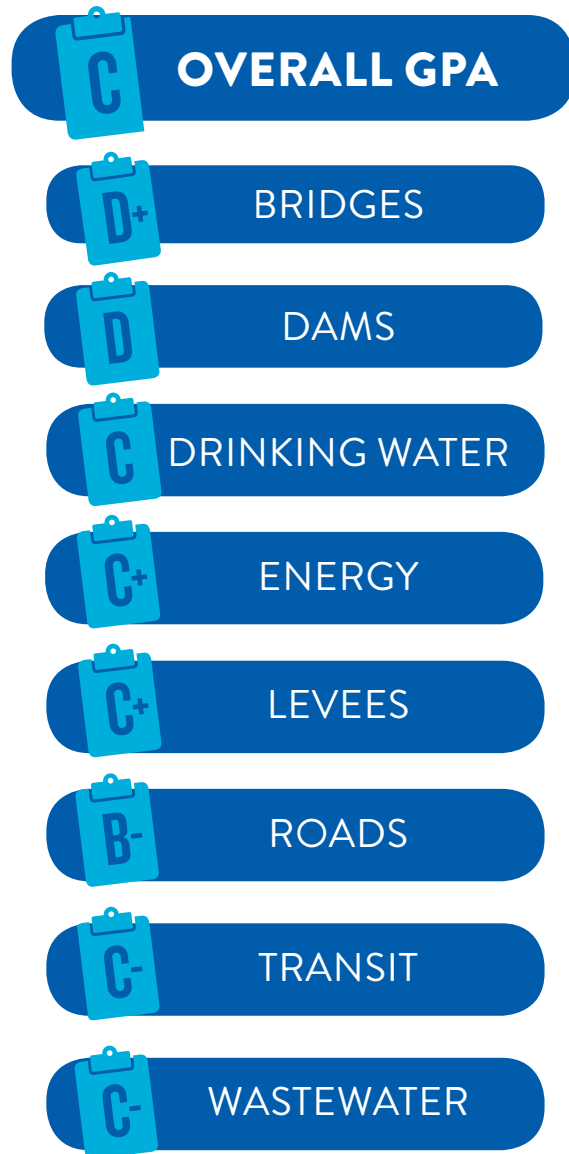
ACEC North Dakota has long recognized the importance of investing in our states critical infrastructure needs, including transportation, water, energy, buildings, airports, parks and communication systems. Beyond those, a well-maintained infrastructure is the backbone of all sectors in a healthy and vibrant economy.

While ACEC North Dakota supports occasional one-time infusions of additional funds in those areas as budgets allow, current funding shortfalls and long-term funding gaps need to be addressed with long-term funding solutions. We believe additional resources help grow a solid business environment by providing jobs in every field from health care to education. As a result, ACEC North Dakota advocates for predictable, sustainable, infrastructure support and consistent policies across all North Dakota state agencies.

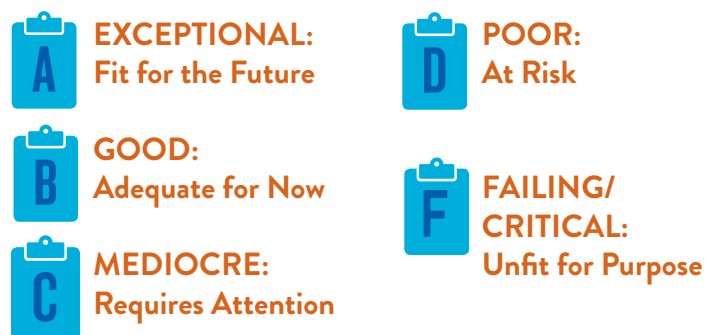
Recently American Society of Civil Engineers (ASCE) published a report card outlining the status of infrastructure in the state of North Dakota. This Report Card is the first of its kind for the state of North Dakota, providing a snapshot for eight categories of infrastructure: Bridges, Dams, Drinking Water, Energy, Levees, Roads, Transit, and Wastewater. Our state's infrastructure received an overall GPA of C, which is slightly better than the national GPA of D+. A GPA letter grade of C means the infrastructure in our state is in mediocre condition. Our networks show general signs of deterioration and require attention, and some elements exhibit significant deficiencies in conditions and functionality, with increasing vulnerability to risk. I have included a copy of this report card at the end of my testimony.

ACEC North Dakota supports HB 1431 because it is an effective tool in the toolbox to get projects going and move infrastructure projects along earlier while investing back in our state. We believe that through fiscally and responsible infrastructure funding mechanisms we can build things more promptly to accelerate the economic recovery. Support of North Dakota's pro-business environment through agency infrastructure budgets reinforces all aspects of both the public and private sectors. For these reasons we would urge a DO PASS recommendation on HB 1431. Thank you for your time and consideration.

NORTH DAKOTA'S GRADE SUMMARY



Individual Report Card categories were analyzed based on the following criteria:



Cover Photo: Garrison Dam
Photo by Harry Weddington, USACE, used with permission

RECOMMENDATIONS TO RAISE THE GRADE

IMPLEMENT SUSTAINABLE FUNDING SOURCES

- ◆ Increase the motor fuel tax to provide a sustainable transportation funding source and allow us to meet the local portion of the federal gas tax match. Currently, the North Dakota fuel tax is 23 cents per gallon. This is the second lowest in the Midwest and it hasn't been raised since 2005. The North Dakota state taxes and fees per gallon of gasoline are lower than neighboring states: Minnesota (28.6 cents), South Dakota (30 cents), and Montana (32.25 cents) per gallon. The national average fuel tax is 31 cents per gallon.
- ◆ Provide funds for programs that offer low interest loans for all types of infrastructure projects. Legacy Funds can be transferred to programs within the Bank of North Dakota, such as the Infrastructure Loan Fund, to provide low interest loans for transportation and new development infrastructure improvements.
- ◆ Encourage and assist cities to develop user rate structures that can fully support the local share of capital improvements for infrastructure, not just operation and maintenance (O&M). Rates should be adjusted to reflect the true cost of service for the infrastructure.

ENCOURAGE INNOVATIVE DESIGN SOLUTIONS AND TECHNOLOGIES

Historically, our state has been cautious to implement new design solutions and technologies. Innovation can improve the efficiency of the infrastructure systems. Additional funds for planning, design and construction of innovative projects can support better deployment of new technologies, such as connected vehicles and infrastructure.

ENCOURAGE INFRASTRUCTURE OWNERS TO DEVELOP ASSET MANAGEMENT PLANS

Asset management plans help infrastructure owners anticipate future infrastructure needs. North Dakota should consider providing financial assistance as asset management plans enable better ownership and save money down the line.

ABOUT THE REPORT CARD

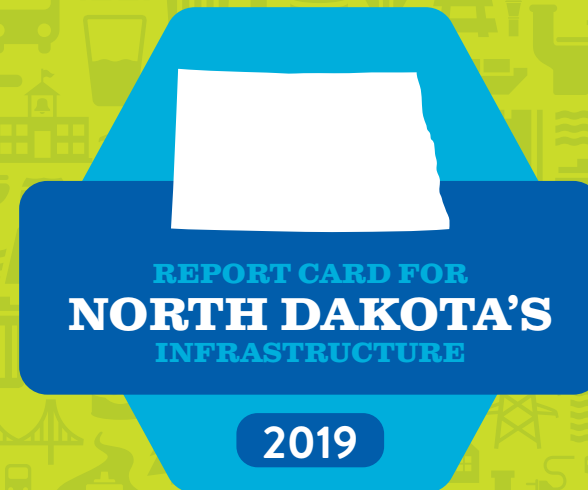
The 2019 Report Card for North Dakota's Infrastructure was prepared by a local committee of civil engineers from North Dakota. These civil engineers volunteered to collect and analyze data, prepare the facts and trends to assist in grading each category, hold meetings with the respective agencies overseeing the infrastructure, and ultimately prepare the final reports and grades for each category of infrastructure.

CONTACT

PHONE: 800-548-ASCE (2723)

EMAIL: reportcard@asce.org

WEB: infrastructurereportcard.org/north-dakota



North Dakota Section of the American Society of Civil Engineers

INFRASTRUCTUREREPORTCARD.ORG/NORTH-DAKOTA



INFRASTRUCTURE MATTERS

North Dakota's infrastructure is the backbone of our state's economy. Infrastructure provides our most important asset – our people – with the ability to effectively push our state and nation forward into the future. The condition of our state's infrastructure impacts our ability to be competitive in the national and international markets and provides the quality of life that all North Dakotans expect to have and be proud of. North Dakota, known for the unwavering work ethic of its people, can position its next generation of people by implementing changes in funding, asset management and innovative solutions for maintaining, improving and expanding the state's infrastructure.

This Report Card is the first of its kind for the state of North Dakota, providing a snapshot for eight categories of infrastructure: Bridges, Dams, Drinking Water, Energy, Levees, Roads, Transit, and Wastewater. Our state's infrastructure received an overall GPA of C, which is slightly better than the national GPA of D+. A GPA letter grade of C means the infrastructure in our state is in mediocre condition. Our networks show general signs of deterioration and require attention, and some elements exhibit significant deficiencies in conditions and functionality, with increasing vulnerability to risk.

As civil engineers, our responsibility is to protect the public health, safety, and welfare of those who use our state's infrastructure. We hope the public and policymakers find this Report Card insightful so the important and difficult conversations can happen and action can take place.

HOW TO GET INVOLVED

- 1** Get the full story behind this Report Card at InfrastructureReportCard.org/North-Dakota.
- 2** Find out the condition of the infrastructure near you on the Save America's Infrastructure app available on iTunes and GooglePlay.
- 3** Ask your elected leaders what they're doing to make sure your infrastructure is reliable for the future. Use your zip code to find your list of elected officials at infrastructurereportcard.org/take-action.



NORTH DAKOTA'S INFRASTRUCTURE REPORT CARD

Executive Summary

BRIDGES

North Dakota is home to 4,377 bridges. Statewide, 14% of bridges are structurally deficient, compared with 8.9% nationally. While not unsafe, structurally deficient bridges require significant maintenance, rehabilitation, or replacement because critical load-carrying elements were found to be in poor condition. Meanwhile, 43% of North Dakota bridges are over 50 years in age, meaning they are past their initial design life. Most structurally deficient bridges are owned by local jurisdictions and there is a more than \$400 million backlog of necessary projects on the local bridge network. Another challenge in North Dakota is the weather; cold and snowy conditions with heavy freeze/thaw cycles increase bridge deterioration. Overall, North Dakota bridges are in worse shape than the national average.

DAMS

North Dakota has approximately 3,153 intact dams, with a wide range of purposes from flood control to recreation. According to the National Inventory of Dams (NID), there are 49 high hazard potential (HHP) dams in the state (including federal and state-regulated dams). A HHP dam is a dam in which failure is expected to result in loss of life. Seventy-three percent of the HHP dams in the NID have a condition assessment rating and half of those are considered deficient and do not meet accepted safety standards in some way.

The condition of these dams is concerning; however, inspections are occurring regularly. Eighty-eight percent of HHP dams have emergency action plans (EAPs), which is higher than the national average of 77%. This is a positive but does not offset the overall concern with the condition of the HHP dams. The State Water Commission has

cost-share policies in place to assist owners in developing EAPs; however, commodity prices and legislatively directed funding priorities greatly influence available funding.

DRINKING WATER

Public water systems provide potable drinking water to 98.8% of North Dakota's residents. Most of the state's public water systems are small, serving 3,300 residents or less. Major new drinking water infrastructure projects, such as the Williston Regional Water Treatment Plant expansion and the Western Area Water Supply Project, were completed in response to the oil boom's population growth. However, other portions of the distribution system are at the end of their service lives and require either rehabilitation or replacement. The North Dakota Drinking Water State Revolving Fund (DWSRF) Intended Use Plan indicated that in 2018, there were approximately \$594 million worth of DWSRF-eligible infrastructure projects state-wide. Fortunately, investments are being made. Approximately \$125 million will be available from the 2017-2019 biennium for water projects from the State Water Commission, while the DWSRF is funding approximately \$46 million in projects. Despite challenges associated with an aging system, the state has an excellent public health record.

ENERGY

North Dakota's 65,000 miles of transmission and distribution lines transmit about twice the amount of electricity the state uses on average. Most of the electricity is generated by coal, but recently wind has made a considerable addition to the market, up to 1/4 of the total generation. This has impacted the way the coal industry needs to look at daily demands and long-term

planning. Meanwhile, hundreds of miles of transmission line were planned during the early 2000s oil boom, but portions of projects were canceled when oil prices declined. Rates are capped at investor owned utilities and increasing fees to pay for transmission line land acquisition, permitting and routing has proven difficult. North Dakota's electric rates are relatively low, averaging \$0.12 per kwh.

LEVEES

The North Dakota State Water Commission has issued permits for 627 flood control levees, totaling 325 miles. Heavy flooding across North Dakota in 2009, 2010 and 2011 exposed deficiencies in the levee systems, and major investments are now underway to improve the condition and capacity of levees to reduce flood damage in the future. Over \$1 billion has been spent, from all funding sources, on flood-related projects along the Red River alone since 1997. Residents in Fargo, Grafton, Valley City and Minot approved sales tax increases to pay for the local share of various flood mitigation project costs.

The state and local governments have done a commendable job of prioritizing investment in levees in recent years and great strides have been made. The United States Army Corps of Engineers periodically inspects 94.19 miles of North Dakota levees, 21.54 miles of which are presently rated as unacceptable, but these bad marks are sometimes the result of incomplete paperwork rather than reflective of the actual condition of the structures. North Dakota does not require periodic levee inspections nor reports on levee conditions after their construction.

ROADS

North Dakota ranks among the highest-spending states per capita on highways. Currently, 67% of urban roads and 77% of county and township roads are in good or very good condition. However, looking ahead, significant work will need to be done to address roadside safety, find alternative sources of funding, and ensure equitable assignment of resources among high-growth areas.

Should funding remain stagnate, estimates show that state-maintained roads in poor condition will nearly double between 2018 and 2021, from 443 miles to 872 miles. And while capacity remains adequate across the state, despite a 64%

increase in vehicle miles traveled over the last 20 years, the state has major challenges during winter months responding quickly to snow removal and de-icing.

TRANSIT

Public transportation plays a major role in improving livability for transit-dependent populations in the state of North Dakota. Three of the 29 transit agencies in the state are classified as urban transit providers, four are tribal transit providers, and the remaining 22 are rural operators. Three modes of public transportation are available in North Dakota: Fixed-Route Bus, Demand Response Transit, and Demand Response Taxi. Public transit ridership in North Dakota dropped 6.5% from 2015 to 2016 and 4.9% from 2014 to 2015, mirroring a national trend of decreased ridership. The farebox recovery rate (percent of trip's operating costs recovered through passenger fares) for all transit operations across the state is observed as 8.4%, which is close to the national average (9%) for rural transit agencies. Meanwhile, with operating expenses totaling over \$34 million, increased funding is needed to improve accessibility and public transportation services and facilities.

WASTEWATER

North Dakota's 755,000 residents are served by over 350 municipal wastewater systems. Rapid population growth associated with the oil industry resulted in many recently completed or ongoing upgrades and expansions of municipal wastewater treatment facilities (WWTFs).

Over the last 10 years, more than \$265 million was spent to improve and upgrade the mechanical WWTFs in the larger communities. Approximately \$180 million is expected to be invested in the WWTFs of Fargo, Grand Forks, Bismarck, and Minot over the next 10 years. However, per capita spending on wastewater operations and maintenance has remained flat and older communities struggle with stormwater infiltration and inflow issues as the collection systems age. Additionally, communities served by wastewater pond treatment systems are challenged by storage volume needs, dike erosion protection, seasonal odors, and delayed discharges due to pollutant variability.



House Appropriations Committee – HB 1431

Representative Jeff Delzer, Chair

February 1, 2021

Chairman Delzer, Members of the Committee:

My name is Brian Ritter and I'm President of the Bismarck Mandan Chamber EDC. I am here today on behalf of our organization's approximately 1,200 members in support of HB 1431.

There are a number of aspects in HB 1431 that we're supportive of, one specifically being the ability to bond for infrastructure projects. In every corner of the State, there are communities with water, road and other infrastructure needs that could benefit from the additional monies being made available in HB 1431. Coupled with historically low interest rates, there has never been a better time to leverage our State's resources and reinvest in North Dakota via these projects. In addition, doing so will provide opportunities for 'blue collar' and 'white collar' businesses alike to perform the work necessary to put in place that infrastructure. And coming out of the economic slowdown caused by COVID-19, the timing is perfect.

Additionally, HB 1431 provides support for Bismarck State College's (BSC) new polytechnic mission. For decades, BSC has been a leader in workforce development whether it's through their energy generation programs or their innovative partnerships with Bismarck Public Schools to enhance career and technical education. Their evolution into the State's first and only polytechnic institution is a logical next step and a needed one if we're going to address the growing number of workforce development challenges here in Bismarck-Mandan. This

community still has nearly 2,400 open jobs and they're across all industry sectors. Fortunately, BSC is ideally suited to help fill those jobs and the support in HB 1431 will help them do so.

For these reasons, we stand with a number of other organizations and communities from across the State in support of HB 1431.

Respectfully,

Brian Ritter, President

Bismarck Mandan Chamber EDC



February 1, 2021
Kelvin Hullet, Market Manager for E.D. & Govt. Programs
Bank of North Dakota
HB1431

Position: Neutral

Kelvin Hullet will not have formal testimony. He will be available for questions related to the Infrastructure Revolving Loan Fund or the Community Water Development Loan Fund.



#4564

To: North Dakota House of Representatives

Re: House Bill 1431

Date: 2/1/2021

We are submitting this letter in support of passing **House Bill 1431, the \$800 million bonding bill**. As a long standing, successful North Dakota business, we see first-hand the need for the key projects expected to get funding from this bill.

As a business servicing other businesses in our region, we know the critical need for stronger workforce development initiatives. Supporting the **Career Workforce Academy** will ensure our ability to foster a healthy business environment that can help us attract and maintain a healthy business environment for diverse industries. It will also help us provide additional opportunities to educate in new and innovative ways.

The **FM Diversion Project** continues to be a priority for many local business leaders. We need to continue moving this project forward in the most efficient ways possible. The bonding bill eliminates short-term borrowing, reducing the burden on taxpayers by \$20 million. Because the project has had many starts and stops, the general public may not understand how critical the diversion project is to the community. This bill will keep the project moving and construction on schedule.

Research in agriculture is a bright spot for North Dakota. Staying competitive means we must support projects like **NDSU Ag Productions Development Center** (Harris Hall and The Meats Lab). We are proud of our agriculture roots and in order for us to advance and support broader understanding, investing in land grant university, NDSU, is logical and smart. This will help NDSU maintain it's status and reputation as an internationally recognized research institute.

On behalf of RR46 and Flint Group, we implore you to pass this bill.

Sincerely,

Roger Reiersen

Chairman of the Board, RR46

Jodi Duncan

President, Flint Group

#4570



**North Dakota Grain Growers Association
Testimony in Support of HB 1431
House Appropriations Committee
February 1, 2021**

Chairman Delzer, members of the House Appropriations Committee, for the record my name is Tom Bernhardt; my family and I operate a diversified farming and ranching operation in Linton, North Dakota. I am also the President of the North Dakota Grain Growers Association. I appear today in both roles in support of HB 1431 as it pertains to the Ag Products Development Center.

Attached please find the following link to a video for your review which illustrates the issues related to Harris Hall:

<https://vimeo.com/videoarts/review/507131399/5cfa3560f0>

Thank you for your consideration. Both myself and the North Dakota Grain Growers Association would ask the House Appropriations Committee give HB 1431 a Do Pass recommendation as it pertains to the Ag Products Development Center and would respectfully request that the North Dakota House concur.

"You Raise; We Represent"

Phone: 701-282-9361 | Fax: 701-404-5187 | 1002 Main Ave W. #3 West Fargo, N.D. 58078

Therefore, Chairman Delzer, members of the House Appropriations Committee, I request from myself, my family and the North Dakota Grain Growers Association that you give HB 1431 a Do Pass recommendation regarding the Ag Products Development Center and would ask that the full House concur.



U.S. Durum Growers Association

PROMOTING THE PRODUCTION AND MARKETING OF DURUM AND SEMOLINA

P.O. Box 1091 • Bismarck, ND 58502 • (701) 214-3203
office@durumgrowers.com • www.durumgrowers.com

Testimony of Steve Perdue

USDGA Director

In Support of HB 1431

Chairman Delzer and members of the Committee:

My name is Steve Perdue, and I am a farmer from Ray and serve as a director for the United States Durum Growers Association (USDGA). On behalf of USDGA, I am here in support of HB 1431, specifically as it relates to the North Dakota State University (NDSU) Agricultural Products Development Center and Northern Crops Institute (NCI). USDGA recognizes the importance of updated facilities, as well as state-of-the-art technology and equipment to ensuring the growth and strength of the state's number one industry – agriculture.

The current facilities at Harris Hall no longer provide the space or safety needed to carryout research that is vitally important to the producers in our state. The Agricultural Products Development Center will allow NDSU to continue to deliver research-based solutions needed to ensure North Dakota's farmers and ranchers are able to produce and market superior commodities to global customers.

North Dakota produces around 50-60 percent of the nation's durum, and NDSU's durum breeding program is essential as no significant other public or private breeding programs exist. It is essential that the appropriate facilities exist to continue this research. In addition, Harris Hall hosts annual foreign trade delegations to showcase the quality of the regions crops for worldwide food production. Harris Hall's designation as one of the top two buildings in the poorest condition at NDSU and does not provide for a positive "showcase" of North Dakota's high-quality commodities.

Your support of the Northern Crops Institute (NCI) is also encouraged. Its collaborative efforts to support the promotion and market development of crops grown in a four-state region is more important than ever. NCI's educational and technical programs are essential to not only

maintaining but expanding domestic and international markets for northern-grown crops, including durum.

Agriculture is and will continue to be the foundation of our state's economy, and these facilities are essential to North Dakota agriculture maintaining its presence in the global marketplace. Therefore, we'd appreciate your support of the funding for the Ag Products Development Center and Northern Crops Institute within HB 1431.

**Greater North Dakota Chamber
HB 1431
House Appropriations Committee
January 27, 2021**

#4590

Mr. Chairman and members of the House Appropriations Committee, my name is Arik Spencer, President and CEO of the Greater North Dakota Chamber. GNDC is North Dakota's largest statewide business advocacy organization. We are affiliated with the US Chamber of Commerce and the National Association of Manufacturers and stand in support of House Bill 1431.

The Greater North Dakota Chamber (GNDC) supports fiscally responsible infrastructure funding initiatives that do not increase costs to businesses. Further, GNDC believes a portion of the Legacy fund earnings should be invested in one time projects that improve the state's infrastructure, support economic diversification, and promote workforce development.

HB 1431 accomplishes these objectives by funding key projects, which otherwise would not be funded during the 21-23 biennium at a cost less than the cost of inflation. The passage of HB 1431 also demonstrates to North Dakota citizens uses for the Legacy Fund beyond paying for general obligations of the state.

Mr. Chairman, this concludes my remarks. I urge the committee to give HB 1431 a do pass recommendation.



Rough Rider Center support of **HB 1431**

February 1, 2021

Representative Delzer and committee members,

My name is Patrick Bertagnolli, the Watford City Rough Rider Center & Community Enhancement Director. I want to express my support for **HB 1431** with specific interest in regards to Workforce Development and Career & Technical Education.

By trade I am a Human Resources professional. I certainly understand the dynamics of workforce development and career pathways. As a member of the North Dakota Workforce Development Council, I have spent the past several years highly engaged with state leaders, industry professionals and students within our community to promote diversification, sustainability and alignment.

From a community standpoint, I have witnessed perseverance in reference to our collaborative nature to work together to abate workforce shortages and career development options. As an example, we have begun a nursing program in Watford City through a partnership with Williston State College, McKenzie County Healthcare Systems and the Rough Rider Center. There is demand for growth if we can find the adequate space. To address displaced workers, we have aligned with private industry to develop pilot programs to retrain and upskill these critical workers with the goal of retaining them in our community and adapting to the work that is available.

In addition, during the recent Oil and Gas downturn and COVID-19 – our community took the opportunity to strengthen our relationships with statewide innovators, hosting an event called WE Work! West meets East on Career Development. We have educated our area residents on progressive strategies that are migrating from the East side of our state to the West. I would like to recognize our neighbors in the East for their support and partnership as we work together to promote statewide innovation. They are: Golden Path Solutions, NDSU Nice Center, Microsoft, Emerging Digital Academy, Be More Colorful and OmniByte Technology.

We have certainly experienced our fair share of turbulence. We understand that we need to take a more direct approach to controlling our destiny as demonstrated by our actions in developing relationships with statewide playmakers. To accomplish our mission, there is one more piece to the puzzle. We need your support of **HB 1431**.

Thank you for your service to our communities and the great state of North Dakota!

Patrick Bertagnolli
Rough Rider Center & Community Enhancement Director



Contact:
Matt Perdue, Lobbyist
mperdue@ndfu.org | 701.641.3303

**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
House Appropriations Committee
February 1, 2021**

Mr. Chairman and members of the committee,


Thank you for the opportunity to testify on HB 1431. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's (NDFU) members.

NDFU has a neutral position on HB 1431. We believe that bonding represents a major opportunity to invest in critical infrastructure across our state. We, first and foremost, appreciate the committee's consideration of bonding to meet our state's needs.

We strongly support the inclusion of \$50 million for establishment of the Agricultural Products Development Center (APDC) in HB 1431. Public agricultural research is critical to the success of family farmers and ranchers. North Dakota State University's (NDSU) agricultural research is currently conducted in severely outdated facilities. NDSU's crop science and meats research, along with the Northern Crops Institute, should be housed in a facility that allows them to continue providing world-class research and promotion. The APDC will provide a solid return on investment.

NDFU also appreciates the \$50 million provided for the infrastructure revolving loan fund and \$70 million for the highway fund. However, our members hope a final bonding package will include additional funds for county and township infrastructure. Wet conditions, flooding and increased traffic have created significant stress on and, in some cases, overwhelmed rural roads and bridges. Disruptions during the busy planting and harvest seasons have proven costly for farmers and ranchers.

According to the Upper Great Plains Transportation Institute, North Dakota's county and township roads require a \$9.3 billion investment over the next 20 years. We appreciate the legislature's commitment to addressing those needs through Operation Prairie Dog during the 2019 session. However, the state's current fiscal challenges prevent the promise of Operation Prairie Dog from being fulfilled in the near term. Bonding offers an important opportunity to invest in county and township infrastructure.





We recognize the bonding discussion is ongoing and complex. We appreciate the committee's efforts to meet the state's growing needs in a challenging fiscal environment. NDFU believes county and township infrastructure and the APDC are important pieces to that puzzle.

Thank you for your consideration.





Eric Volk, Executive Director

ND Rural Water Systems Association

In Support of House Bill 1431

House Appropriations Committee

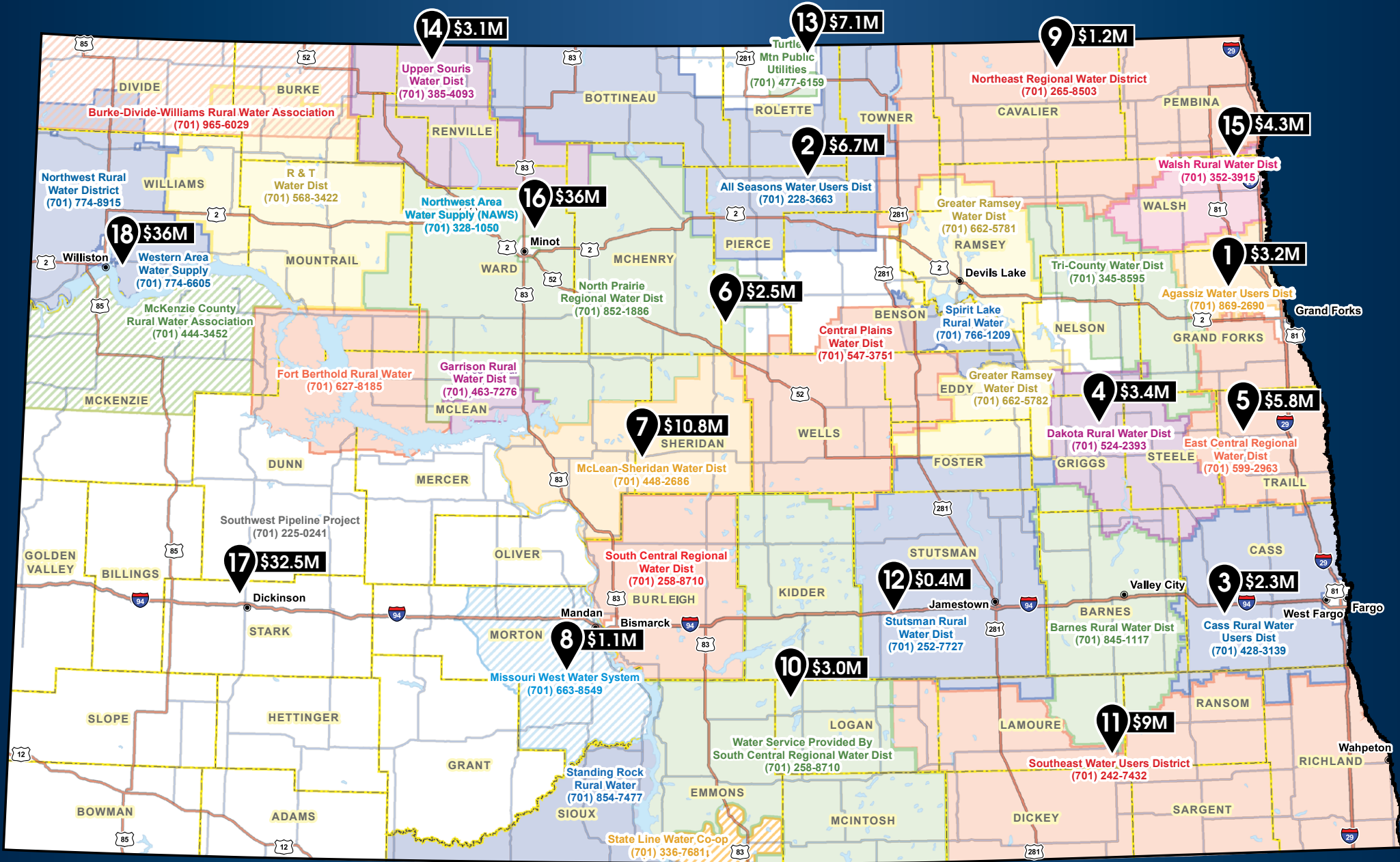
February 1, 2021

Chairman Delzer and members of the House Appropriations Committee, my name is Eric Volk. I am the executive director of the North Dakota Rural Water Systems Association (NDRWSA). Our vision is to ensure all of North Dakota has access to affordable, ample, and quality water. NDRWSA is committed to completing and maintaining North Dakota's water infrastructure for economic growth and quality of life. Today, I am submitting written testimony in support of House Bill 1431.

The Resources Trust Fund (RTF) provides cost-share for water projects across the state. Some of these projects are small (thousands of dollars), some are moderate (millions), and some are HUGE (billions). Each biennium there is only a specific amount of assistance the RTF can provide. The amount is never enough to meet the critical water needs of the state. Passage of HB 1431 would help fund the state's major flood control projects with bonding. This biennium alone, the use of bond revenue would allow for approximately \$142M RTF dollars to be used for other water projects. HB 1431 would also meet the state's promise for the Fargo Diversion Project. Completing this promise would have future benefits for other water projects using RTF dollars, as that promise was being paid out at \$66.5M/biennium.

For reference, the attached funding map highlights the rural & regional water supply projects that would benefit from the RTF. (Please see the attached 21-23 project funding map).

With that said, the NDRWSA supports HB 1431 which will help meet the critical water needs of North Dakota. Thank you for giving me the opportunity to provide testimony on behalf of the NDRWSA. Eric Volk, ericvolk@ndrw.org.



North Dakota WATER COALITION

PO Box 2254
Bismarck, ND 58502
(701) 223-4330
FAX (701) 223-4645

Barnes Rural Water District
Cass County Government
Cass County Joint Board
City of Bismarck
City of Devils Lake
City of Dickinson
City of Fargo
City of Grafton
City of Grand Forks
City of Lisbon
City of Mandan
City of Minot
City of Valley City
City of West Fargo
City of Williston
Devils Lake Basin Joint Board
East Central Regional Water District
Garrison Diversion Conservancy District
Lake Agassiz Water Authority
McLean-Sheridan Rural Water District
Mercer County Water Resource District
Missouri River Joint Board
North Central Regional Water District
North Dakota Association of Counties
North Dakota Irrigation Association
North Dakota Public Finance Authority
North Dakota Rural Water Systems Association
North Dakota State Water Commission
North Dakota Water Resource Districts Association
North Dakota Water Users Association
North Dakota Weather Modification Association
Northeast Regional Water District
Northwest Area Water Supply
Red River Joint Water Board
Souris River Joint Board
South Central Regional Water District
Southwest Water Authority
Stutsman Rural Water District
Western Area Water Supply

House Appropriations Committee

House Bill 1431 Committee Hearing Feb. 1, 2021

Testimony of David Sprynczynatyk, ND Water Coalition Past chairman

Good afternoon Chairman Delzer and Members of the Committee:

I am David Sprynczynatyk, the immediate past chair of the North Dakota Water Coalition. Current Water Coalition chair, Ken Royse, was not available today. The North Dakota Water Coalition supports House Bill 1431, particularly state funding for water projects with the issuance of infrastructure bonds.

The North Dakota Water Coalition is an organization of water projects and political subdivisions—including water and irrigation districts, regional and rural water systems, flood control projects, and city and state water groups. Included in our membership are the cities of Bismarck, Mandan, Dickinson, Williston, Minot, Grand Forks, Fargo, West Fargo, Devils Lake, Grafton, Lisbon, and Valley City.

Since 1994, our members have worked towards a common interest and goal: to collaborate on identifying and prioritizing construction of water projects with a coordinated voice to the State Water Commission and State Legislature. Our mission is to complete North Dakota's water infrastructure. We appreciate the responsiveness and substantial investment that the state has made in water cost-share funding.

In earlier hearings you heard the details and funding needs for a wide variety of projects. Unfortunately, the number and collective scale of the water projects exceeds the revenues anticipated in the Resources Trust Fund, which historically funds water projects. Major water management projects including the Fargo Moorhead Diversion Project, the Mouse River Flood Control Project, the Lower Heart Flood Control Protection, and the Sheyenne River Flood Control Project; combined with the needs of municipal and rural water systems and local water management projects, all compete for these limited resources. All these projects provide health, safety, economic, and social benefits to our State.

The Water Coalition supports HB 1431's bonding proposal to complete the state's long-term intent to support the Fargo Moorhead Diversion Project with \$435.5 million and \$74.5 million dedicated to the Mouse River Flood Control Project. We also support the addition of a water loan fund, with a 30-year term matching the current infrastructure revolving loan fund.

The Water Coalition supports the issuance of infrastructure bonds to cover the State's share of major water projects, with bond repayments from Legacy Fund earnings. The additional state funding for these two major projects will reduce the demand on the Resources Trust Fund and allow additional projects to proceed and eliminate expensive project delays.

Attached to my comments is a water project and category summary entitled "Meeting the Challenge", which the Water Coalition prepares each biennium to highlight the status, variety, and need of water funding support. Please review the summary of water projects which highlights the scale of the 2021-2023 funding needs.

Thank you for this opportunity to offer this testimony, I will respond to any questions.



Meeting the Challenge XIII

Sponsored by

North Dakota
WATER
COALITION

2021-23 Critical Water Needs Summary

January 2021

Meeting the Challenge XII

Fargo-Moorhead Area Diversion Project

The Fargo-West Fargo Flood Control Project (Project or FWFFC) aims to reduce flood risk to the cities and townships that make up the metropolitan area of Fargo- Moorhead. The Project provides flood risk reduction from the Red River and its North Dakota tributaries, including the Wild Rice, Sheyenne, Maple, Rush, and Lower Rush Rivers. The Diversion Channel and Associated Infrastructure will require the excavation of approximately 50 million cubic yards of earth, two aqueducts, twelve county highway bridges, four railroad bridges and two interstate highway crossings. The in-town work includes the construction of more than 22 miles of in-town levees.

2019-2021 FUNDING & PROGRESS

In the 2019-2021 biennium, the State legislature included a \$66.5 million allocation for the Project. Due to reduced state revenue projections in the Resources Trust Fund, the Project was asked to defer \$22.5 million to future biennia. In previous biennia, the state had committed \$370.5 million to the Project. With the deferred amount considered, the state's funding total is \$414.5 million to date.

Construction and land acquisition made significant progress during the 2019-2021 biennium. The U.S. Army Corps of Engineers has awarded construction contracts for two large structures and the \$58 million Wild Rice River Control Structure. In addition, over 400 parcels and 4,000 acres of land have been acquired for Project construction. Two-hundred residents have been relocated, and eminent domain actions are being used as a last resort to acquire the lands needed for construction.

THE DIVERSION AUTHORITY AND LOCAL FUNDING SHARE

The communities of Fargo and Moorhead, along with Cass County, Clay County, and the Cass County Joint Water Resources District, have signed a joint powers agreement, which created the Metro Flood Diversion Board of Authority (the "Diversion Authority"). The Diversion Authority is led by thirteen board members from the stakeholder entities, and its purpose has been to work with the US Army Corps of Engineers to build, finance, operate and maintain the Comprehensive Project to provide the Fargo Moorhead metropolitan areas permanent flood protection for flood of the Red River of the North and its tributaries.

The local share of approximately \$1.1 billion is being funded via a Cass County and City of Fargo sales tax. Voters have approved three half-cent sales taxes to be extended through 2084 to cover the local share.

Red River Valley Water Supply Project (RRVWSP)

The Red River Valley Water Supply Project (RRVWSP) is a plan to safeguard water for North Dakota communities and rural water systems in times of drought by delivering water from the Missouri River to central and eastern North Dakota through a buried pipeline. Upon completion, the RRVWSP will benefit half of the state's population by providing an emergency water supply during droughts.

During the 2019 Legislative Session, Senate Bill 2020 included intent language for the State Water Commission (SWC) to provide up to \$13 million for the RRVWSP to initiate construction of Phase 1 of the project if four conditions were met, and provide up to \$17 million more in the 2019-21 biennium. The SWC informed the Budget Section Sept. 15, 2020, stating the project met all four conditions, which resulted in a release of \$43 million for the project. The SWC received a request for \$16.4 million for RRVWSP costs associated with the Missouri River intake, transmission pipeline, Sheyenne River discharge structure, property acquisition, and planning, and the remainder of the \$43 million available for the project was deferred. Four state permits for the RRVWSP were received during the interim, half the necessary easements were secured for the project corridor, and construction is anticipated to be completed by 2023. The RRVWSP sponsors will request \$50 million in the 2021-23 biennium for construction costs.

Bids have been approved for construction of the Missouri River wet well near Washburn to supply a pipeline for the project.

In December 2020 the Bureau of Reclamation issued a Final Environmental Impact Statement for the use of a portion of the McClusky Canal for the Eastern North Dakota Alternate Water Supply.

Mouse River Flood Protection Project

The Mouse River Enhanced Flood Protection Project spans the entire length of the Mouse River in North Dakota. Construction is underway on several reaches of the project. Within Minot, Phase MI-1 is nearing completion, and Phases MI-2 and MI-3 were recently completed. Portions of Phase MI-4 are currently under construction.

Within Burlington, Phase BU-1A constructed a new bridge across the Mouse River on Ward County Road 10, which eliminated a hydraulic bottleneck on the system. The first levee segment in Burlington (Phase BU-1B) is currently under construction and is anticipated to be completed in 2021.

Additional phases within or near the City of Minot are being designed, and construction of the western levee segment at Minot, known as the Tierrecita Vallejo levee, is anticipated to be constructed beginning in the spring of 2021. Phase MI-5 of the project in Minot is currently being designed and will be ready to bid in late 2021.

If sufficient funding was available to construct the entire \$1 billion project, it is estimated that the project would be completed in seven years. In the 2019-2021 biennium, a total of \$82.5 million was appropriated, but due to State budget shortfalls, the Souris River Joint Board voluntarily de-obligated \$33 million of the \$82.5 million total.

Sheyenne River Flood Protection

In the fall of 2011, Valley City began developing investment strategies for permanent flood protection. This flood protection

consists of a combination of clay levees, floodwalls, and property acquisitions. Funds for Phase 1 of the City's project were approved during the 2013 N.D. Legislative Session. Phase 1 of the project, protecting residential property and Valley City State University, was completed in the fall of 2016. The second phase focused on protecting the I94 Business Loop, Valley City's Main Street, and one of the City's Distribution Power Substations. Phase 2 work was completed in 2020. Phase 3 is protecting the City's Sanitary Master Lift Station and was also completed in 2020. Preliminary and design engineering work is ongoing for future phases of Permanent Flood Protection. Valley City is currently looking at a 10- to 15-year timeline for the overall completion of future phases of the permanent flood protection project.

Devils Lake Outlet Operations

Devils Lake continues to be an important aspect of water management in the state. Record high lake levels over the past quarter century have impacted the region and future lake-rise continues to be a concerning possibility. Two pumped outlets lower the risk of flooding by gradually transferring water from Devils Lake to the Sheyenne River. The outlets have a maximum combined discharge capacity of 600 cubic feet per second and their operation is managed according to downstream water quality and quantity limitations. As of Dec. 2020, the outlets have removed over 1.3 million acre-feet of floodwater.

Funding for Devils Lake Outlet Operations is used to manage operate and maintain the outlets, monitor the discharge, and to provide mitigation. Outlet Operations are funded from the General Water portion of the SWC budget.

Southwest Pipeline Project

Encompassing more than twenty percent of the state, more than 15,000 square miles, the Southwest Pipeline Project (SWPP) is the foundation of economic development, quality of life, quality of place and the future growth of southwest North Dakota. Managed by Southwest Water Authority (SWA), the SWPP delivers award-winning, quality water to nearly 60,000 residents through 5,300 miles of pipeline, to 7,300 rural locations and 33 communities. Raw and potable water from the SWPP is being utilized by 21 contract customers, 22 raw water customers, Missouri West Water System and South Dakota's Perkins County Rural Water System. Current construction includes design and easement acquisition for main transmission expansion, strategic hydraulic improvements and limited rural signup campaigns to serve those on the waiting list to meet the growing water needs in the region.

By December of 2020, SWPP's customers had returned over \$78 million back into the state's Resources Trust Fund.

Northwest Area Water Supply

The Northwest Area Water Supply (NAWS) is delivering drinking water to areas in north central North Dakota. The project has been in development for at least 18 years but was interrupted by lawsuits initiated by Manitoba and Missouri which were resolved in 2017. Contracts have been awarded for several portions of the project, and construction continues on several phases of the project. The project is funded by the

Municipal, Rural, and Industrial Water Supply Program, which is a federal grant program administered by the SWC and Garrison Diversion Conservancy District; a local cost-share from Minot; and state funds.

The Western Area Water Supply Project (WAWSP)

The Western Area Water Supply Project (WAWSP) utilizes water from the Missouri River in Williston, treats it at the Williston Regional Water Treatment Plant, and then transports it to cities and rural areas in all or parts of Burke, Divide, McKenzie, Mountrail, and Williams Counties in northwestern North Dakota. The WAWSP's service area is forecast to reach 125,000 people by the year 2038, according to a 2014 study completed by the North Dakota State University Department of Agribusiness and Applied Economics. The Western Area Water Supply Authority (WAWSA) has already constructed more than 1,400 miles of transmission lines and rural water distribution networks, as well as pump stations, reservoirs, and other critical infrastructure, in order to serve an estimated 60,000 people in the service area.

The WAWSP Business Plan is a first-of-its-kind public-private partnership in North Dakota. In order to repay its loans, WAWSA is selling the system's unused water capacity to the oil industry to pay for a significant portion of the project's estimated \$469 million cost.

General Water Management

In addition to the many large-scale water management projects, there are dozens of smaller local water management projects that benefit individuals, road infrastructures and local communities. The State Water Commission provides support for these water management projects by cost-sharing with local entities, primarily water resource districts. Joint water boards also play a key role in these local water management projects. Projects that receive cost-share assistance from the state include: rural flood control, snagging and clearing, channel improvements, recreation projects, dam certification and repairs, planning efforts, special studies, and other water management projects.

Irrigation

There are about 300,000 acres of land under irrigation in North Dakota, the least of any of the western states. Irrigation development has been limited to 2,000 acres or less annually during the past decade likely due to generally adequate precipitation, favorable government programs, and the high investment costs for most irrigation development. High-value crops could greatly enhance the profitability and perhaps the expansion of irrigation in the state; studies have shown that irrigation can generally improve profits by a ratio of 3:1 over most dryland crops under average conditions.

About 5,000 acres have been developed along the McClusky Canal beginning in about 2010. This development is enhanced by a cost share program with the state and a reduced power pumping rate authorized by the Dakota Water Resources Act of 2000. A 2012 study completed by the North Dakota Irrigation Association found potential for the irrigation development of about 550,000 additional acres in North Dakota.

Rural Water Supply

Regional/rural water systems provide a safe, reliable, high-quality, and affordable water supply to North Dakota residents, farms, industries, subdivisions, and communities. In order to meet the growing statewide water needs, Garrison Diversion Conservancy District, the State Water Commission, the four Tribal Nations, and the North Dakota Rural Water Systems Association are working cooperatively to solve water quality and quantity problems.

Projects for the 2021-2023 biennium include expansions of Agassiz, All Seasons, Cass, Dakota, East Central, McLean-Sheridan, Missouri West, Northeast, South Central, Southeast, Stutsman, Turtle Mountain Public Utilities, Upper Souris, and Walsh Rural Water Systems. Without assistance, many systems could not

reasonably afford to bring water to people who desperately need it, or systems could not comply with complex water quality regulations and mandates.

Municipal Water Supply

Municipal water projects sustain water infrastructure requirements of water demand and quality through one-time capital investments, with an affordable local and state funding partnership. Municipalities support a strong, growing state economy while providing critical water infrastructure projects. These projects not only serve municipal and industrial customers, but can also serve rural water customers through current and future water supply regionalization partnerships. A look into the future shows a critical need to replace transmission lines as those lines are long past their useful life and beyond repair.

2021-2023 Project Inventory Results (State Cost-Share Needs)

Knowing it is challenging to accomplish all the projects with current projected revenues, the North Dakota Water Coalition recommends the following objectives and policies to meet the critical water needs of our state:

- We believe the 2021-2023 State Water Commission (SWC) budget should give priority to water projects that voluntarily delayed anticipated 2019-2021 funding until the next biennium.
- We oppose any reduction or diversion of the 20.5 percent of oil and gas extraction tax collections deposited into the RTF dedicated to water funding.
- We support credit options through the Bank of North Dakota, Public Finance Authority, and the Legacy Fund to finance local cost-share of water infrastructure.
- We support the issuance of infrastructure bonds to cover the State of North Dakota's share of major water projects, with bond repayment from Legacy Fund earnings.
- We believe a portion of the Legacy Fund principal should be invested in water and other infrastructure within the state.
- We believe the SWC should be allowed access to a line of credit that will help smooth revenue streams and avoid funding approval gaps during future biennia.
- We support Legislative action to incorporate new revenue into the RTF from sources related to alternative energy that would reduce oil and gas tax collections.
- We support restoration of Tobacco Settlement payments to the Water Development Trust Fund for future water project funding.
- We oppose cuts to water project funding requests to fit within revenue projections.

Project Funding

The current revenue forecast for the Resources Trust Fund (RTF) is an estimated \$269.1 million in the 2021-2023 biennium. With needs greater than revenue, additional funding sources, including the issuance of infrastructure bonds, need to be considered.

The Water Coalition members agree that the 2021-23 state cost-share funding needs for water projects totals \$645 million, which are summarized from a list of more than 300 projects submitted during preparation of the State Water Development Plan. These water investments are critical and justify state funding for the next biennium.

Project Purposes (Millions \$)	Project Needs (Millions \$) (Prioritized According to State Water Commission Policy)		
	High Priority	Moderate Priority	Low Priority
Flood Control (Total = \$268.8)	\$178.3	\$53.1	\$37.4
F-M Area Diversion	\$66.5	-	-
Heart River – Mandan	\$13.0	-	-
Mouse River Enhanced Flood Control	\$76.0	-	-
Other Flood Control	\$11.8	\$4.3	\$0.3
Valley City	\$11.0	-	-
Water Conveyance	\$0.0	\$48.8	\$37.1
General Water (Total = \$49.7)	\$0.0	\$48.9	\$0.8
Rural Water Supply (Total = \$74)	\$3.9	\$41.6	\$28.5
Water Supply (Total = \$252.5)	\$160.0	\$9.2	\$83.3
Municipal	\$0.0	\$9.2	\$83.3
Northwest Area Water Supply	\$41.5	-	-
Red River Valley Water Supply	\$50.0	-	-
Southwest Pipeline Project	\$32.5	-	-
Western Area Water Supply	\$36.0	-	-
Grand Total (\$645)	\$342	\$153	\$150

2021 and Beyond

Water needs are clearly greater than our resources. We must work hard to “Meet the Challenge” and “complete North Dakota’s water infrastructure for economic growth and quality of life.”

Mark Jirik
Director, Northern Crops Institute
Testimony of HB 1431

The Northern Crops Institute is an important driver of value for the state of North Dakota. A recent impact analysis of course participants from 2018 and 2019 showed that 51% had increased the volume of US commodities they purchased as a result of NCI courses – those commodities included soybeans, corn, wheat, and pulses providing increased demand to the farmers of North Dakota.

The same analysis showed that the technical services NCI provided in 2018 and 2019 to companies delivered more than a 16% increase in investment in the region from those companies. Over the last five years, NCI has worked on close to 350 projects with 130 entities ranging from government agencies and commodity groups to entrepreneurs and major global companies.

The current NCI building was built during a different era of agriculture, and didn't include space or capacity for many of the crops we produce today including corn, soybeans, and pulses. The current facility has no space to support technical service growth, new processes, or new program needs. In addition, the building design restricts what can be done to facilitate improvements and new processes.

The current NCI building was built with a view of food safety very different from what exists today and to bring the building up to current food safety standards would be very costly.

The founders of the Northern Crops Institute were visionary in believing in the power of translating the fundamental research conducted by universities could be transitioned into practical skill and knowledge with food science professionals to create value added processing and expanded markets for the crops grown in North Dakota. The Agricultural Product Development Center and Northern Crops Institute combined building will allow that work to expand to a greater scale and will eliminate the current restrictions caused by the current buildings.

The founders of the Northern Crops Institute believed that North Dakota's unique climate and growing conditions produce crops with exceptional qualities. NCI has continued to prove this in its work, and have spread that value message through its short courses and workshops to flour millers, food processors, feed millers, and livestock producers around the world. As a result of the work of NCI, 95% of short course attendees in 2018 and 2019 have greater confidence in the US supply chain and 99% have a better understanding of US crop quality.

HB 1431 would allow NCI to enhance the value it provides to North Dakota.

Impact Analysis

Northern Crops Institute (NCI) is an effort to support the promotion and market development of crops grown in North Dakota, Minnesota, Montana, and South Dakota. NCI is an international meeting and learning center that brings together customers, commodity traders, technical experts, and processors for discussion, education, and technical services. Situated in Fargo, North Dakota, USA, this unique facility is only minutes from the farm fields that yield much of the world's food.

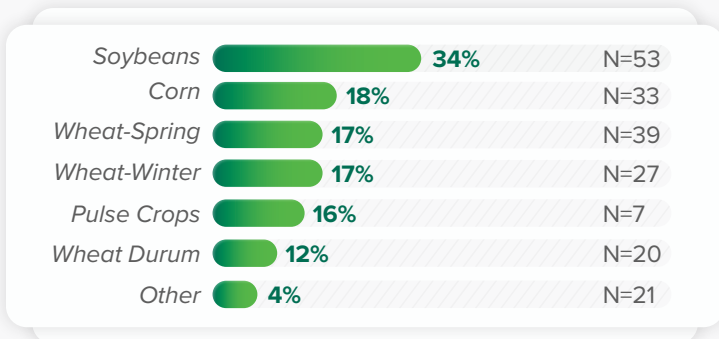
Course Impact

The Northern Crops Institute offers a variety of courses, webinars, and handbooks that unite customers, commodity traders, technical experts, and professors for discussion and education. During our courses, participants can expect to refresh their expertise and be exposed to existing and new technology, participate in lectures, case histories, laboratory demonstrations and tours and hear from industry experts, government officials and university professors.



● - Yes ● - No Survey response from 104 course participants from the 18-19 calendar year

As a result of your experience with NCI, how much has your utilization of the following ingredients net increased over the past 2 years?



Survey response from 102 course participants from the 18-19 calendar year

“

Definitely we are more... (buying US Wheat as a result of the course). Value is the quality and price combined. So, yeah, definitely, we think U.S. wheat has a better value compared to Canadian wheat. It's a certain level we can accept the price gap.

”

Technical Impact

NCI has a technical staff comprised of highly experienced food scientists, processing technologists, and project managers. NCI has the experience and resources to bring your vision to life; from start to finish we partner with clients through the process, creating a concise and clear experience to help scale-up your product development.

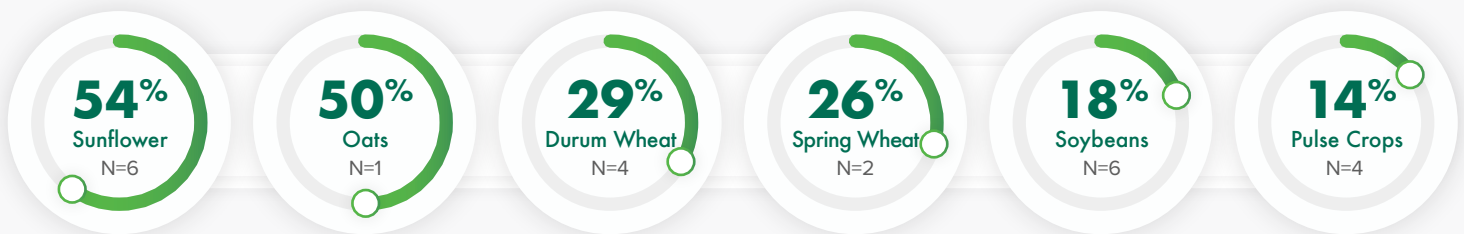
“

Since we started these conversations (with NCI), we have probably gained at least 50% in volume.”

”

– Technical Service Client

As a result of your experience with NCI, how much has your utilization of the following ingredients net increased over the past 2 years?



Survey response from 15 technical service clients from the 18-19 calendar year

Overall Investments

Our research shows that clients have increased their overall investment activity by 16% within ND, MN, MT, and SD after their experience working with NCI.

Survey response from 15 technical service clients from the 18-19 calendar year



Testimonies

“

To be honest, I didn't know what to expect, but it was amazing. First of all, the members groups were great and to see the whole supply chain and where the grains come from the farmers to the trains or through the port and from there to our country, it was pretty amazing to see it. It was an amazing experience. I came back and I was full of energy.

”

“

From the logistics of soy, the cultivation of soy, the production of soy, learning about North Dakota and its role globally. And so, I didn't know some of these things.... And thereafter, I began to see many references on North Dakota soy and the quality of the soy coming from there, and what makes North Dakota soy the special soy product that it is, climatic conditions and everything.

”

Survey conducted by Prime46



February 1, 2021

Hon. Jeff Delzer
House Appropriations Committee
North Dakota Legislature
600 E Boulevard Ave
Bismarck, North Dakota 58505

Re: Support for House Bill 1431

Dear Chairman Delzer and Committee Members,

On behalf of Microsoft, I am writing to you today to express our support for House Bill 1431. This bill would provide the funding necessary to advance the Fargo-Moorhead Area Diversion Project, protecting the region from extreme flooding.

As one of the state's largest employers, Microsoft is committed to North Dakota and the Fargo-Moorhead region. More than 1,600 individuals are assigned to Microsoft's Fargo campus, making it one of our largest campuses in the world. In 2019 we donated more than \$4.8 million in cash, software, and services to more than 577 North Dakota non-profit organizations. Additionally, in 2020 Microsoft Fargo employees volunteered more than 14,600 hours.

Like much of the Fargo-Moorhead-West Fargo region, the land surrounding Microsoft's campus is prone to flooding during the natural annual melting cycle that swells the Red River as it flows to Canada. This flooding creates hazardous conditions that prevents employees from driving across the region, disrupting their lives and threatening their safety. We agree with the solution envisioned by the Fargo-Moorhead Area Flood Diversion Task Force - a series of flood control and diversion options that would protect the region extreme flooding and enable the region's continued economic growth.

Countless hours have been spent securing Federal and Minnesota state funds for the FM Diversion project, and a commitment from Fargo and Cass County voters to pay a share of the project through a sales tax. We ask for your help and support enabling this mechanism to continue providing North Dakota's funding for the project.

Thank you for your consideration,

A handwritten signature in black ink that reads "Sandi C. Piatz".

Sandi Piatz
Site Leader, Fargo Campus
Microsoft Corporation

Associated General Contractors of North Dakota



422 North 2nd Street, PO Box 1624, Bismarck, North Dakota 58502 • Phone: 701-223-2770 • FAX: 701-223-6719 • www.agcnd.org

Testimony HB 1431 House Appropriations Committee February 1, 2021

Mr. Chairman and members of the House Appropriations committee, my name is Russ Hanson of the Associated General Contractors of North Dakota. AGC of ND is a 400 member association which has been in existence since 1951. Our membership consists of all aspects of commercial construction - highway contractors, vertical contractors, civil/heavy, specialty contractors, subcontractors as well as material and equipment suppliers.

I appreciate the opportunity to present this testimony in support of HB 1431. This concept of funding the critical infrastructure is being considered at the right time, for projects already being planned, and in the right concept of using the Legacy Fund earnings for projects which will truly be a Legacy to North Dakota.

Having legislation introduced and considering a bonding option this session is appreciated and we hope when the 2021 Legislature adjourns, there is a package to begin working on the critical infrastructure projects sooner, rather than later.

Thanks for the opportunity to comment on HB 1431. We respectfully request the committee issue a Do Pass Recommendation. If the committee has questions, I am happy to try to address them.

BUILD WITH THE BEST



House Appropriations Committee
Chairman Jeff Delzer
February 1, 2021

Testimony

By: Mark Vollmer, Superintendent of Schools, Minot ND
Mark.vollmer@minot.k12.nd.us
701-500-9833

HB 1431

Chairman Delzer and members of the House Appropriations Committee, my name is Mark Vollmer. I proudly serve as Superintendent of Minot Public School District #1 and Minot Air Force Base #160. I stand in front of you today to offer my support of HB 1431.

Mayor Sipma has explained, in great detail, the benefits of HB 1431 in regard to flood protection. Minot Public Schools definitely felt the impact of the Souris River Flood. All in all, the district lost 76,000,000 of infrastructure, with nearly 1/3 of our student population displaced. Thanks to the help of many agencies, including the North Dakota State Legislature, we were able to rebuild our school community.

Flood protection is a real issue for all reasons stated in Mayor Sipma's presentation. I concur with his testimony and ask your support on the many points that have been made.

I would like to draw attention to Section 11 of HB 1431, which would support CTE operational funding. This section of HB 1431 calls for funding to support Career and Technical Education in large communities throughout the state.

In a collaborative effort, Minot State University, Dakota College of Bottineau, the City of Minot and Minot Public Schools have worked to implement phase I of a community CTE center. Phase I will be operation in the Spring of 2021.

Community-based CTE is more than a dream – we are making this notion a reality

in the greater Minot area by pulling together, supporting shared-use of existing facilities, and working with business and industry to determine what training is needed to meet labor expectations.

Multi-agency collaboration has made this venture a reality in the City of Minot. HB 1431 can provide additional classroom and laboratory space to promote real-time learning for participants. This collaboration provides support for those who are seeking a degree through Minot State University or Dakota College, and also allows for retraining and continuing education to support workforce needs.

North Dakota has experienced low unemployment rates in recent years. In a tight employment market, we need to ensure our employment base has the ability to hone skills and retool, as necessary, to remain employed in North Dakota's competitive, ever-changing market.

In my 30+ years of education, I have never witnessed a more creative, innovative, or practical approach to meeting the needs of an entire community. Simply put, it is time that we break away from the notion of "our" programs, and support the advancement of flexible programming and shared use of facilities to benefit all learners of all ages.

As our world continues to change, so do the needs of our workforce. We can meet these changes head-on, keep jobs in the State of North Dakota, and remain competitive in the world market by supporting CTE advancement in our state.

Therefore, I encourage a "Do Pass" recommendation on HB 1431. I thank you for your time.

February 1, 2021

Testimony in support of HB 1431
Dan Kadrmas, President, TrueNorth Steel

Chair Delzer, members of the House Appropriations Committee,

I am Dan Kadrmas, President of TrueNorth Steel. I am writing to you today in support of House Bill 1431 as it includes critical funding for the Cass County Career Workforce Academy and other important projects.

At TrueNorth Steel, we are proud to provide steel-based solutions for customers' projects in a variety of industries. With more than 75 years of manufacturing, engineering, logistics and construction management experience, we deliver high-quality construction, drainage and storage solutions across the United States. We currently employ 340 employees in North Dakota. Now more than ever, we are in competition for workforce in our industry. It is crucial that we invest in workforce solutions that train our K-14 students, incumbent workforce and new immigrants for successful in demand careers. The Career Academy does just that. The pipeline of workforce that the Academy can provide will allow businesses like ours to further grow and succeed. Without the necessary workforce to do so, that wouldn't be possible.

Our region has done incredible work in the past couple years to raise almost \$21 million to make this Academy a reality. I respectfully ask you to approve the bonding bill with the \$9 million grant for the Cass County Career Workforce Academy, fulfilling the public/private partnership and taking this project to the finish line.

I'm also supportive of the imperative funding for the FM Diversion project as part of the bonding bill. Including this funding in the bonding bill is a great way to save on financing costs due to eliminating short-term borrowing. I again respectfully ask that you approve this appropriation in order to fund this truly shovel ready project.

I am in full support of House Bill 1431 and respectfully ask for your support of it as well.

Thank you,



Dan Kadrmas
President
TrueNorth Steel



Testimony
House Appropriations Committee
HOUSE BILL NO. 1431
February 1, 2021

Chairman Delzer and members of the House Appropriations Committee. The Valley Prosperity Partnership (VPP) is an initiative led by business executives to advance and advocate for shared strategic economic development opportunities that will strengthen and diversify the Red River Valley region and North Dakota. Thanks to the vision of these business leaders and to public policy leaders like yourself, the legislature will have multiple proposals to consider that seek to accomplish those goals by investing state dollars into infrastructure projects and workforce development.

First, we want to thank the legislature for supporting water control and supply projects that are of vital importance to the regional and state economy and to ask you to earnestly consider further financial support of these projects to bring them to completion. Flood control, via the FM Diversion project, is of the utmost importance to the economy of the Valley and the state. As everyone knows from the Grand Forks flood of 1997, business and economic productivity was impacted for years. The consensus of the business community – those making investments in the communities and creating jobs – is clear: permanent flood protection is a must not only for human safety but for economic stability and vitality. Therefore, the VPP supports the issuance of bonds to complete the important infrastructure projects included in HP 1431.

The Valley Prosperity Partnership believes that funding these water control and supply priorities is a long-term economic strategy that has statewide implications. Our CEOs firmly stand behind the need of these projects and the certainty they will provide the businesses they lead.

Workforce development has been ~~the~~ one of the VPP's highest priorities since its establishment in 2012. As business leaders in the Red River Valley, we believe that career workforce academies offer the specialized training that is urgently needed by employers throughout North Dakota. They will expand career and technical education and training that focuses on career pathway programs that align with industry growth clusters with the highest potential for creating growth and shared prosperity.



Collaborative efforts involving considerable financial commitments by local businesses have been underway in the Fargo region for several years; similar efforts are underway in Grand Forks. Therefore, the VPP supports an appropriation of \$92,500,000 for the department of career and technical education operating fund.

Thank you for your consideration of HB 1431, which the VPP wholeheartedly supports.



The Valley Prosperity Partnership (VPP) is focused on developing a unified, shared vision for high value and sustained economic growth for all Red River Valley residents. A steering committee of private sector industry and higher education leaders, joined by economic development partners, work to advance strategic economic development opportunities for the Red River Valley region of North Dakota and Minnesota and for the entire State of North Dakota.

Marshal Albright, President & CEO
Cass County Electric Cooperative,
Co-Chair, Valley Prosperity Partnership

Steve Burian, President & CEO
Burian & Associates
Co-Chair, Valley Prosperity Partnership

Judd Graham, CEO Fargo Region
Bremer Bank, Vice Co-Chair

Brian Johnson, CEO
Choice Financial Group, Vice Co-Chair

Andrew Armacost, President
University of North Dakota

Tom Astrup, President & CEO
American Crystal Sugar

Barry Batcheller, Chairman
Appareo Systems

Dean Bresciani, President
North Dakota State University

Dan Conrad, President & CEO
Blue Cross Blue Shield North Dakota

Tim Curoe, CEO
RD Offutt Company

Mylo Einarson, President & CEO
Nodak Electric Cooperative

Chad Flanagan, Partner
Eide Bailly

Shawn Gaddie, Director of Infrastructure
Management Services
AE2S

Jim Galloway, Principal
JLG Architects

Keith Lund, President & CEO
Grand Forks Region EDC

William C. Marcil, Sr. Chairman
Forum Communications Company

Pat McAdaragh, President & CEO
Midco

Jeff Melgaard, Vice President
Construction Engineers

Dave Molmen, CEO
Altru Health System

Bryan Nermoe, President
Sanford Medical Center Fargo

Tony Grindberg, ND Principal Manager
Xcel Energy

Joe Raso, President & CEO
Greater Fargo Moorhead EDC

John Richman, President
North Dakota State College of Science

Jim Roers, President & CEO
Roers Construction & Development

Thomas Shorma, President & CEO
WCCO Belting, Inc.

Richard Solberg, Chairman & CEO
Bell State Bank & Trust

Steve Swiontek, Executive Chair
Gate City Bank

David White, President
Border States Electric

Chris Wolf, North Valley Market President
Alerus Financial

February 1, 2021

Chairman Delzer and Members of the Appropriations Committee,

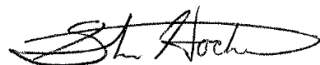
On behalf of Dickinson Public Schools, I am writing to you in favor of HB 1431. This bill will allow us an opportunity to do something incredible for students and employers in southwest North Dakota. We have long heard the cry for the demand of enhanced workforce training and career opportunities, and we are now in the position to fill that need.

Dickinson Public Schools has been working meticulously with our local partners, including Dickinson State University, Roughrider Area Career and Technical Education Center, Trinity Catholic Schools, as well as numerous business and community leaders to establish a regional career academy. This academy will provide career and technical education as dual and concurrent enrollment courses and programs while creating pathways to employment, certification, post-secondary degrees, and so much more.

It is our mission to prepare all learners for life-long success. We are committed to helping ALL students find their passion and helping them experience success both during their secondary educational experience as well as their desired pathway thereafter. This academy allows us to identify the skill needs lead by industry while putting more choice and opportunity in the hands of our students. This academy will put businesses at the table with our educators to guide the curriculum and programming, resulting in high-demand and high-paying career opportunities.

Because of our faith and commitment in the mission of this project, the Dickinson Public School Board purchased a property with five buildings for \$6 million in November 2020. This property will provide a jump start to the establishment of a regional career center. Passage of HB 1431 will solidify this opportunity.

Sincerely,



Dr. Shon Hocker
Superintendent of schools
Dickinson Public Schools

**House Appropriations Committee****House Bill 1431 Committee Hearing Feb. 1, 2021****Testimony of Dennis Reep, North Dakota Water Users Association**

Good afternoon, Chairman Delzer and members of the House Appropriations Committee. I am Dennis Reep and I serve as a district director for the North Dakota Water Users Association. The North Dakota Water Users Association supports passage of House Bill 1431.

The Water Users Association was organized in 1959 to protect, develop, and manage North Dakota's water resources. It is currently comprised of over 300 local, statewide and regional organizations in North Dakota who have an active interest in water. We work closely with the North Dakota Water Coalition to build consensus within the water community regarding funding needs and priorities. Collaboration is essential in meeting the water resource management needs of North Dakota.

The State of North Dakota has been a generous partner in advancing critical local and regional water projects. Through House Bill 1431, we have an exciting opportunity to expand that legacy. Using earnings of the Legacy Fund to establish creative finance options for important water infrastructure projects will allow us to invest in important water projects in communities across the state.

We appreciate the state's long-standing commitment to fund water projects and urge your continued support of North Dakota's water infrastructure financing through passage of House Bill 1431.

The logo for the North Dakota Water Resource Districts Association features a dark blue silhouette of the state of North Dakota. Inside the silhouette, the text "North Dakota Water Resource Districts Association" is written in white, sans-serif font, stacked in four lines.

North Dakota
Water Resource
Districts Association

JACK P. DWYER, EXECUTIVE SECRETARY
701-730-5469 (c) • jack@ndwaterlaw.com
P.O. Box 2254 • Bismarck, North Dakota 58502
701-223-4615 (o) • staff@ndwater.net

Testimony, HB1431

3:15 PM, February 1, 2021

Brynhild Haugland Room, State Capitol, Bismarck, ND

Dennis Reep, Burleigh County WRD, ND Water Users Association, ND Water Resource Districts Association

Mr. Chairman and Members of the Appropriations Committee:

My name is Dennis Reep and I serve on the Board of Directors for the ND Water Resource Districts Association, the ND Water Users Association, and the Burleigh County Water Resource District.

North Dakota water interests are dependent on the state's healthy economy and revenue outlook and can only be supported by a strong budget for State Water Commission operations and critical water project funding and grants. Water resource districts have a long history of providing valuable services in North Dakota to the local constituents in their respective counties and regions. Enabling legislation for the establishment of water resource districts was first passed in 1935. The responsibility of water resource districts includes water management from a local and regional perspective for beneficial uses of water, as well as for protection against flooding, erosion, and other detrimental effects of too much water.

The beneficial uses of water and protection against damages caused by flooding is critical to the agricultural and other local economies, as well as the social well-being of our citizens. Rural flood control provides crucial drainage relief not only for North Dakota farms and ranches, it also reduces flood damages to township, county, and state infrastructure.

An important piece of providing these vital services has been NDSWC funding. Without this funding, many important flood control, water supply, erosion protection, water management, and beneficial use projects would not have been completed. According to the NDSWC Water Development Plan, there exists approximately \$645M in current needs for water projects, \$342M is classified as high priority. There exists approximately \$48M in current needs for general water management projects, and approximately \$86M in current needs for water conveyance and local flood control projects. Water resource districts sponsor many of these types of projects. Our water resource districts request additional funding authorization for water resource districts' projects for this upcoming biennium.

To meet the needs of all projects, another funding source must be created. The ND Water Resource Districts Association supports creating a water infrastructure revolving loan fund in order to supply our communities with water and protect them from flooding. A water infrastructure revolving loan fund and bonds for infrastructure projects will help to meet those needs and provide shovel ready projects funding, reducing costs from extended project deadlines.

I would be happy to answer any questions the committee may have regarding this testimony.

Thank you.



PO Box 2599
Bismarck, ND 58502
701-355-4458
701-223-4645 (fax)

**Testimony of Darrell Oswald
Chairman
North Dakota Ag Coalition
In Support of HB 1431**

#4641

Chairman Delzer and members of the committee, my name is Darrell Oswald, and I am here today as the chairman of the North Dakota Ag Coalition in support of HB 1431. The Ag Coalition has provided a unified voice for North Dakota agricultural interests for over 35 years. Today, we represent more than 40 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Through the Ag Coalition, our members seek to enhance the climate for North Dakota's agricultural producers.

The Ag Coalition takes a position on a limited number of issues, brought to us by our members, that have significant impact on North Dakota's agriculture industry. The Ag Coalition supports HB 1431, specifically as it relates to the Ag Products Development Center, as this project is needed to continue the high-quality research that is essential to the future of North Dakota's crop and livestock producers. This investment to North Dakota agriculture works to enhance all commodities to benefit the future of the state's economy. With agriculture being the number one industry in North Dakota, it is critical to support the producers through research and education.

The proposed Ag Products Development Center will serve as a replacement for Harris Hall and the Meats Research Laboratory, which will bring new technology and equipment to ag research as well as provide new teaching areas for crops, livestock and food science. The current facilities limit research and education as they can no longer provide the space, safety or technology that researchers and students need to carry out their important work.

The agricultural research facilities at NDSU are the foundation for North Dakota's ag economy. We recommend a do pass on HB 1431 as the Ag Products Development Center will significantly enhance research and education for the state's producers and future generations.

Testimony by Scott K. Olin
On behalf of the
North Dakota Ready Mix & Concrete Products Association
to the
House Appropriations Committee
Government Operations Subcommittee
Hearing on House Bill 1431
February 1, 2021

Good morning Mr. Chairman and Committee members. My name is Scott Olin, and I am the President and General Manager of Dickinson Ready Mix Co., a concrete and concrete products supplier with plants located throughout southwestern North Dakota. Thank you for the opportunity to provide my input on HB 1431. I urge your support of HB1431 which authorizes the State to issue bonds to pay for badly needed infrastructure projects.

A recent study by the Transportation Research Project (TRIP), indicates that rural states face a \$211 Billion backlog in needed repairs and improvements to roads, highways, and bridges. North Dakota, being a rural state is experiencing that backlog now. In that same TRIP study, North Dakota had the 10th highest percentage of structurally deficient rural bridges in the nation. Nearly 50% of the bridges in North Dakota are deficient according to the NDDOT. Stark County, where our main plant is located, has an estimated 108 bridges in need of maintenance and/or repairs. The Stark County Road Superintendent told me it can cost more than \$1 million to replace these structures and averages about \$300,000 per structure to repair them, which translates to a \$32 million backlog in Stark County alone. Many of these structures are off-system and Stark County would have to pay for them with no assistance. There is a demonstrated need for increased spending on infrastructure statewide.

These projects will have to be funded at some point and the maintenance, repairs or replacement will be more expensive if they are deferred. Interest rates on bonds are at an all-time low and the rates are currently less than the inflation rate so it will cost more to defer the project and pay cash in the future than it would to fund the project by issuing bonds now. Therefore, I believe HB1431 makes sense for North Dakota given our current situation. Utilizing a portion of the Legacy Fund earnings to service bond debt would result in long-term benefits for the entire State, which is the intent of the Legacy Fund, as I understand it. Further, funding infrastructure through bonding would take the pressure off political subdivisions to raise property taxes to pay for needed infrastructure repairs and it would multiply the benefits of traditional funding mechanisms for infrastructure projects, such as the Natural Resource Trust Fund and the NDDOT budget, etc.

To further strengthen this legislation and ensure that the State receives the maximum value for every dollar they spend on infrastructure, I would urge you to include language in the Bill requiring a Life Cycle Cost Analysis (LCCA) be performed for any project funded through bonding. Life Cycle Cost Analysis have been shown to increase value, safety, and sustainability for fewer tax dollars. While federal and state funding resources are limited, infrastructure needs are increasing, and it is vital to understand the full, life-cycle project costs. MIT Sustainability Hub has done several studies that indicate more than 50% of a project's total cost can be incurred after initial construction. LCCA take into account the projects total costs to aid decision makers in maximizing the return on taxpayer investment by selecting the most cost-effective alternative, with the lowest overall cost, and the longest performance life. Money saved, by selecting construction methods that provide the lowest overall project costs and longest service life, can be diverted to other needed projects.

As a life-long North Dakota citizen and taxpayer, I urge your support of House Bill 1431 to optimize the State's infrastructure investment. Strengthen the Legacy for today and for future generations. Thank You.

Respectfully,

Scott K. Olin

scott.olin@dickinsonreadymix.com

701-290-6979



#4648

**Testimony of Brenda Elmer
On behalf of the North Dakota Corn Growers Association
February 1, 2021
In Support of 1431**

Chairman Delzer and members of the House Appropriations Committee,

My name is Brenda Elmer and I am the Executive Director of the North Dakota Corn Growers Association. On behalf of our state's corn growers, I express our support of HB 1431.

The North Dakota Corn Growers Association supports the funding of the Agricultural Product Development Center, including the Northern Crops Institute. Funding these initiatives will help support the ever-changing agriculture scene in our state. These are important institutions to showcase North Dakota's ag products to the world, greatly increasing demand for our corn and other commodities and thereby increasing revenue not only for our growers, but for our state.

In particular, NCI has a long-standing reputation for being a jewel to northern ag and it needs and deserves adequate resources to continue its effective partnership with us in North Dakota.

We couldn't pass up the opportunity however, to say that we are greatly disappointed that the revised bonding proposal de-prioritized our local roads. They are in great need of deferred maintenance, many in tremendous disrepair and are a hinderance not only to our growers in agriculture but a numerous industries and North Dakotans in general. To continue to put such investments off will prove to be more costly to the taxpayers as inflation costs mount. Please, do everything you can to find funding for transportation in our state. It is extremely critical.

Thank you for your time and consideration.

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB1431
2/9/2021

Relating to a water infrastructure revolving loan fund and bonded debt repayments

4:15 Chairman Delzer- Opens the meeting for HB 1431

Representatives	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	A
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	A
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	A
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

Discussion Topics:

- Amendment 21.0899.03001

Chairman Delzer-Reviews the bill and amendment 21.0899.03001

Further Discussion

4:18 Representative Martinson-Make the motion to move the amendment

Representative Meier- Second

Voice Vote Motion Carries

4:19 Representative Meier-Motion for a Do Pass as Amended

Representative Schobinger-Seconds the motion

Further discussion

4:21 Representative Meier- Removes her motion

Representative Schobinger - Also removes

4:21 Representative Monson- Motion to further amend with language to not exceed 870 for the F-M Diversion plan

Representative Mitskog-Second

Further discussion

Voice Vote Motion Carries

Representative Meier-Do Pass as Amended

Representative Schobinger -Second

Further Discussion

Roll Call Vote was taken;

Representatives	Vote
Representative Jeff Delzer	N
Representative Keith Kempenich	A
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Tracy Boe	N
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	N
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	A
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Jim Schmidt	A
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigasaa	N

Motion Carries 13-5-3

Representative Schmidt- Will carry the bill

Additional written testimony: Amendment 21.0899.03002 #11688 never addressed

4:25 Chairman Delzer- closes the meeting for HB 1431

Risa Berube,

House Appropriations Committee Clerk

Reconsidered HB 1431 on 2/12/21

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1431

Page 7, line 20, replace "\$798,500,000" with "\$680,000,000"

Page 7, line 28, replace "\$798,500,000" with "\$680,000,000"

Page 8, line 4, after the first semicolon insert "and"

Page 8, line 7, remove the semicolon

Page 8, remove lines 8 through 25

Page 8, line 26, remove "compartmental information facility, and other expenses"

Page 9, remove lines 20 through 30

Page 10, remove lines 1 through 11

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes bonding authority for career and technical education projects, the North Dakota University System capital building fund, the Dickinson State University Pulver Hall project, and the University of North Dakota space command initiative.

21.0899.03002
Title.

Prepared by the Legislative Council staff for
Representative Schmidt
February 9, 2021

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1431

Page 1, line 10, after the second semicolon insert "to provide a statement of legislative intent;"

Page 10, after line 15, insert:

"SECTION 13. LEGISLATIVE INTENT - FARGO FLOOD CONTROL

PROJECT FUNDING. It is the intent of the sixty-seventh legislative assembly that the state provide a portion of the local cost-share of Fargo flood control projects, including constructing a federally authorized Fargo flood control project, and that total Fargo flood control project funding to be provided by the state not exceed \$850,000,000, which includes \$120,000,000 originally designated for Fargo interior flood control. It is the intent of the sixty-seventh legislative assembly that of the \$850,000,000, the state has provided \$414,500,000 through June 30, 2021, and the remaining \$435,500,000 is provided from bond proceeds as appropriated in section 7 of this Act for the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 14. LEGISLATIVE INTENT - MOUSE RIVER FLOOD CONTROL

PROJECT FUNDING. Excluding the funding provided for Mouse River flood control projects prior to the 2021-23 biennium, it is the intent of the sixty-seventh legislative assembly that the state provide no more than \$604,000,000 of state funding for Mouse River flood control projects. It is the intent of the sixty-seventh legislative assembly that the 2021-23 biennium appropriation from the resources trust fund in section 9 of this Act provides \$74,500,000 of the \$604,000,000."

Renumber accordingly

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1431
2/12/2021

Relating to a water infrastructure revolving loan fund and bonded debt repayments; relating to interest rates for infrastructure revolving loans, relating to a community water development fund and an infrastructure revolving loan fund within the resources trust fund

11:13 Chairman Delzer- Called the meeting to order for HB 1431

Attendance	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	A
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	A
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	A
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

Discussion Topics:

- Reconsider past action

11:14 Representative Martinson-Made a motion to reconsider action on HB 1431

Representative Monson-Second the motion

11:16 Roll call vote was taken;

Representatives	Vote
Representative Jeff Delzer	Y
Representative Keith Kempenich	A
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Tracy Boe	A
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	A
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigesaa	Y

Motion Carries 18-0-3

11:17 Representative Monson- Motion to further amend to remove 21.0899.03002 leaving amendment 21.0899.03001

Voice Vote- Motion carries

11:18 Representative Monson- Motion for a Do Pass as amended

Representative Schmidt- Seconds the motion

Further discussion

11:18 Roll call vote was taken;

Representatives	Vote
Representative Jeff Delzer	N
Representative Keith Kempenich	A
Representative Bert Anderson	Y
Representative Larry Bellew	N
Representative Tracy Boe	A
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	A
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigesaa	N

Motion Carries 14-4-3

Representative Schmidt will carry the bill

Additional written testimony: No written testimony

11:20 Chairman Delzer- Closes the meeting for

HB 1431

Risa Berube,

House Appropriations Committee Clerk

February 5, 2021

DA 2/15/21
1091

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1431

Page 7, line 20, replace "\$798,500,000" with "\$680,000,000"

Page 7, line 28, replace "\$798,500,000" with "\$680,000,000"

Page 8, line 4, after the semicolon insert "and"

Page 8, line 7, remove the semicolon

Page 8, remove lines 8 through 25

Page 8, line 26, remove "compartmental information facility, and other expenses"

Page 9, remove lines 20 through 30

Page 10, remove lines 1 through 11

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes bonding authority for career and technical education projects, the North Dakota University System capital building fund, the Dickinson State University Pulver Hall project, and the University of North Dakota space command initiative.

REPORT OF STANDING COMMITTEE

HB 1431: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 4 NAYS, 3 ABSENT AND NOT VOTING). HB 1431 was placed on the Sixth order on the calendar.

Page 7, line 20, replace "\$798,500,000" with "\$680,000,000"

Page 7, line 28, replace "\$798,500,000" with "\$680,000,000"

Page 8, line 4, after the semicolon insert "and"

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Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment removes bonding authority for career and technical education projects, the North Dakota University System capital building fund, the Dickinson State University Pulver Hall project, and the University of North Dakota space command initiative.

2021 SENATE FINANCE AND TAXATION

HB 1431

2021 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1431
3/17/2021

A BILL for an Act to create and enact a new section to chapter 6-09 and a new section to chapter 6-09.4 of the North Dakota Century Code, relating to a water infrastructure revolving loan fund and bonded debt repayments; to amend and reenact subsection 1 of section 6-09-49, and sections 6-09.4-06 and 6-09.4-10 of the North Dakota Century Code, relating to interest rates for infrastructure revolving loans, borrowing and lending authority of the public finance authority, and reserve funds associated with bonds; to repeal chapter 6-09.5 and section 61-02-78 of the North Dakota Century Code, relating to a community water development fund and an infrastructure revolving loan fund within the resources trust fund; to provide an appropriation; to provide a continuing appropriation; to provide for a transfer; to provide for a contingent transfer; to provide a bond issue limit; and to provide a loan repayment.

Chair Bell calls the meeting to order. Chair Bell, Vice Chair Kannianen, Senators Meyer, J. Roers, Patten, Piepkorn, Weber are present. [9:13]

Discussion Topics:

- FM Diversion
- Infrastructure loan fund
- Highway trust fund
- Harris Hall replacement
- Gap bonding
- Water funding
- Township road funding
- Career and technical centers
- Deferred maintenance and Capital improvements
- Meat processing lab
- UND Space Command

Representative Pollert [9:14] introduces in favor.

Joel Paulson [9:19] Executive Director, Metro Flood Diversion Authority in favor #9723.

Greg Svenningsen [9:24] Chair, ND Wheat Commission in favor #9420

Senator Wardner [9:29] in favor and submitted a proposed amendment #9848.

Art Thompson [9:46] North Dakota Concrete Council in favor and submitted a proposed amendment #9722.

Julie Ellingson [9:51] North Dakota Stockman's Association orally in favor.

Shaun Simpa [9:54] Mayor, City of Minot in favor #9747.

William Panos [10:06] Director, North Dakota Department of Transportation in favor #9655

Matt Perdue [10:13], Government Relations Director, North Dakota Farmers Union, in favor #9771.

Wayde Sick [10:15] State Director, ND Department of CTE in favor #9626, 9768 and 9769

Cory Steiner [10:17] Superintendent, Northern Cass School District in favor #9487.

Beth Slette [10:25] Superintendent, West Fargo Public Schools in favor #9699.

Additional written testimony:

Arik Spencer, President and CEO, Greater North Dakota Chamber in favor #9017.

Phil Murphy, Government Liaison, ND Soybean Growers Association in favor #9216.

Blake Crosby, NDLC, North Dakota League of Cities in favor #9244.

Dan Jacobson, Chairman, North Dakota Water Resources District Association in favor #9266.

David Lang, President, North Dakota Water Users Association in favor #9492.

Ken Royse, Chairman, North Dakota Water Coalition in favor #9505.

Gregory Lardy, VP, Agricultural Affairs, North Dakota State University in favor #9519.

Eric Volk, Executive Director, ND Rural Water in favor #9596.

Russ Hanson, Executive Vice President, Associated General Contractors of North Dakota in favor #9601.

Joel Paulsen, Executive Director, Metro Flood Diversion Authority, in favor #9609 and 9610.

Neal Fisher, Administrator, North Dakota Wheat Commission in favor #9657.

Shannon Berndt, Executive Director, Northern Pulse Growers Association in favor #9683.

Delore Zimmerman, Executive Director, Valley Prosperity Partnership in favor #9684.

Kylee Merkel, Business Banker – Government Programs & Economic Development, Bank of North Dakota in favor #9685.

Darrell Oswald, Chairman, North Dakota Ag. Coalition in favor #9692

Steve Perdue, Director, US Durum Growers Association in favor #9693.

Denise Jonas, West Fargo Public Schools in favor #9696, 9697 and 9698.

Allyn Sveen, Auditor, City of Stanley in favor #9719.

Tom Bernhardt, Self and President of the North Dakota Grain Growers Association in favor #9726 and 9727.

Merri Mooridian, Administrative Officer, Garrison Diversion Conservancy District in favor #9740.

Mike Krumwiede, Executive Director, American Council of Engineering Companies in favor #9743.

Katie Ralston, Director, Workforce Development, Department of Commerce in favor #9755

David Ashley, Chairman, Souris River Joint Board in favor #9766.

Katie Mastel, Government Affairs & Advocacy Manager, FMWF Chamber of Commerce in favor #9781.

Kim Schneider, Chief Executive Officer, ND Association of Builders, in favor #9812.

DeAnn Ament, Executive Director, ND Public Finance Authority in neutral #9774.

Chair Bell adjourns the meeting. [10:33]

Joel Crane, Committee Clerk

March 17, 2021

Chair Bell and members of the Senate Finance and Taxation committee,

I. Introduction.

My name is Joel Paulsen, the Executive Director for the Authority. I am here to express the support of the Authority for this critical piece of legislation, one that will play a pivotal role in securing the completion of the Diversion as early as 2028.

II. Background.

As a lead beneficiary of this piece of legislation, it is important for us to be clear about what is being funded through your support.

Our Project has three major elements that work together to provide a comprehensive flood protection project. Two are being delivered with a combination of local and state dollars, which are the in-town work in Fargo and Moorhead and the Diversion Channel and its associated infrastructure. The third component, which is being delivered with federal funds by the US Army Corps of Engineers, is the Southern Embankment and its associated infrastructure. Please note that the Authority is also responsible for the acquisition of lands and mitigation required to construct and operate the Project.

In addition to the substantial support we are receiving from the Federal Government and from dedicated long-term sales taxes voted in by the citizens of Fargo and Cass County, the State of North Dakota is committed to a vital share of our overall support. In the last legislative session, we requested a total funding commitment of the State of North Dakota of \$850 million. The legislature committed a total of \$750 million in legislative intent to the Project, allocated over several bienniums, and suggested that before considering the full amount of our request the Authority obtain bids on the largest component of the Authority's direct cost obligations, the construction of the Diversion Channel through a P3 delivery model.

The timing of the P3 procurement process was delayed by legal and permit constraints that have recently been resolved through the Settlement Agreement reached with the upstream opposition to the project.

This delay has obviously created a disconnect with the mechanics and schedule of the legislative process, specifically for the House's consideration of our funding needs. While we are pleased that the final Request for Proposals has been issued for the P3 bids, and the Authority's construction cost estimate has not changed, we regret that we will not be able to provide definitive information about any impact those bids may have on our total funding needs until early May.

III. Position.

In summary, we fully support HB 1431 for the following main reasons:

- This legislation provides the Project with financial certainty, a real benefit given the urgency and complexity of keeping construction on schedule. Enactment of this legislation give us the financial certainty to complete construction without deferral of any key components, deferrals which would add complexity and cost.
- This legislation accelerates the funding intent of the 2019 Legislature and satisfies the full request of the Authority while reducing the burden on taxpayers by approximately \$20 million due to the elimination of short-term borrowing and its added expenses, based on our current financial plan and access to the full funding amount in 2021.
- Passage of this legislation would remove the Diversion from the collection of projects seeking funding from the Resources Trust Fund, producing a more efficient funding approach both for the Diversion and for the projects that specifically require Resources Trust Fund support.
- The Authority also supports HB 1431 as a wise way to allow all taxpayers that support projects included in the Bill to benefit from today's low interest rate environment.

We view the Project's relationship with the legislature as a state-local partnership. This state-local partnership has benefitted from the strong support of the North Dakota legislature and has greatly assisted the Authority in getting the Project underway. The Authority is not just "shovel ready". We have had shovels dirty and in the ground for many years and have, with your greatly appreciated help, invested over \$600 million of State and local dollars in the Program to date.

I very much appreciate your willingness to give my testimony and passage of HB 1431 your full consideration. We're seeking the funding and your continued support to keep digging!

Thank you for your time and for your support today.

Sincerely,



Joel Paulsen
Executive Director
Metro Flood Diversion Authority
mobile: 701-781-4758
email: PaulsenJ@fmdiversion.gov

#9420

Madam Chairwoman Bell and Members of the Senate Finance and Taxation Committee,

For the record, my name is Greg Svenningsen. I am currently serving as the Chair of the North Dakota Wheat Commission, but today I come before you as a diversified farmer/rancher that produces wheat, corn, soybeans and cattle near Valley City in Barnes County. Because of that diversification, I have been chosen to share testimony with you today. I am a strong supporter of House Bill 1431 and I want you to know that the Ag Coalition's broad base of members have also expressed unanimous support for the Ag Products Development Center.

North Dakota has a long history of leading the nation in agriculture. Agriculture is a primary revenue generator for our state to the tune of approximately \$10 Billion dollars **annually** over the past decade. The Northern Crops Institute will be included in the Development Center and I have served on that Board. I have seen the value and importance of bringing participants and potential customers from around the world to North Dakota to showcase what we have to offer. These groups are made up of millers, bakers, and procurement personnel for example. We have hosted some of the NCI groups at our farm and been able to demonstrate, from a producer perspective, how the crops are grown, cared for and harvested. Innovative product development and product/ingredient promotion efforts go "hand in hand" in today's food business. Recognizing that fact, NCI has been increasingly successful at differentiating our ag products as "ingredients". Our ND ag products have developed a strong reputation, world-wide, for being reliable, consistent, and high quality ingredients and therefore, a formula for repeat business. Best of all, this creates more demand and revenue for our producers and our state. A new Development Center is

really an opportunity to build on this platform and continue that upward momentum.

Every North Dakota citizen benefits when we can create additional opportunities, add value and generate additional revenue through greater market access in both domestic and foreign markets. We are a family farm, like many others across the state. It's very important to me that those new opportunities be available for our future farmers.

I believe that building the Ag Products Development Center shows foresight in sustaining our next generation of producers and will help to keep North Dakota as a cutting edge leader for agriculture in our nation. I don't believe that the Center is a cost to North Dakota but actually an investment in an asset that will provide a return many times over in the future. I'm sure the commodity groups have submitted valuable written testimony with additional facts and references in support of HB 1431. I want to thank you for this opportunity on behalf of North Dakota producers, to express our enthusiasm and backing for the Development Center and also thank you for your past and ongoing support of North Dakota's #1 industry.

I would be happy to try and answer any questions you may have.

GAP-BONDING PROPOSAL HB 1431
SUMMARY 2021 LEGISLATIVE SESSION
Senator Rich Wardner

<u>AMOUNT</u>	<u>PROJECT</u>
\$510.0 Million	Water Projects a. \$435.5 Million Fargo Diversion b. \$ 74.5 Million Mouse River Flood Control
\$ 50.0 Million	Infrastructure Revolving Low Interest Loan Fund \$175.0 M Exists in the fund <u>\$ 50.0 M New Additional Funds</u> \$225.0 M Total in the Fund
\$ 70.0 Million	Highway Fund \$35.0 M Bridge Projects \$35.0 M Federal Match Dollars for roads.
\$ 30.0 Million	Townships Road Funding \$20 M for DOT to use to leverage Federal Dollars \$10 M to be distributed to non-oil county townships.
\$ 60.0 Million	Career and Technical Educate \$45.0 M New Career and Tech Centers One project can receive up to \$15.0 M with one to one match. \$15.0 M Grant dollars available to existing Career and Tech Centers.
\$ 50.0 Million	Ag Development Center There is \$20 million reserved in the General Fund from 2019-21. The \$50 million plus another 6.0 million along with the \$20 million equals a \$76 million dollar project. It includes the Meat Lab, Crop Commodities Lab, Northern Crops Institute and the Trade Office.

\$ 90.0 Million

Infrastructure, Construction and Improvement

\$65.0 Million deferred maintenance on state buildings.

4.0 Million Pulver Hall, Meat Processing Lab remodel and digitization.

4.7 Million Maintenance of State Historical Buildings

10.0 Million maintenance of state park facilities.

4.0 Million UND Space Command Initiative

1.0 Million North Dakota Arts Initiative

0.7 Million State Capital ADA

0.6 Million State Capital Brynhild Haugland Room

\$860.0 Million

Total

HB 1431
Senate Finance and Tax
March 17, 2021

Chair Bell and Members of the Committee,

My name is Art Thompson. I am here today representing the North Dakota Concrete Council. Our association represents ready-mixed concrete and concrete product manufacturing and distribution companies along with their raw material suppliers. In addition, we also represent the ND Chapter of the American Concrete Pavement Association, which includes concrete contractors. On average, the production and placement of concrete in North Dakota provides over \$500 million in annual economic impact. Unlike more specialized industries, our members are in every corner of the state and range from those with multi-state operations to family-owned local businesses.

On behalf of our members, I am here today to encourage you to support HB 1431.

We believe capitalizing on today's low-interest rates for bonds is a sound choice to finance much needed infrastructure expansion and improvement across the state.

However, in conversations I've had with some legislators, I became concerned about feedback from those who aren't sold on bonding for infrastructure because "the roads will be worn out before they are paid for." That can be viewed as valid concern based on initial performance design and material selection.

The other concerning issue is that future maintenance and repair costs for bonded projects will come from the NDDOT's annual budget, which means less money for other needed repairs or expansions.

I understand these concerns and believe we can alleviate them by requiring a science-based approach to determining the total cost of ownership and maintenance of an asset over its design life.

We believe HB 1431 can be strengthened by including language that requires any projects paid for by bond method to have a minimum performance life expectation of 35 years, or more, preferably, and life cycle cost analysis utilized to evaluate the total economic cost of construction and maintenance of the asset over its lifetime.

Draft language of our proposed amendment is included in today's testimony and has been distributed to each committee member:

Amendment Language

(1) For all projects financed by bond method, life-cycle cost analysis (LCCA) shall be used to evaluate the total economic cost of a transportation project over its expected (35 year minimum) performance lifetime, and

(2) data indicating that future repair costs associated with a transportation project frequently total more than half of the initial cost of the project, and that conducting life-cycle cost analysis prior to construction will help North Dakota identify the most cost-effective option, improve the economic performance, and lower the total cost of building and maintaining the project over its service life.

I would like to take a few minutes to describe why life-cycle cost analysis is an important component to this legislation.

First, when performed thoroughly and correctly, LCCA will identify a best value solution with the desired performance at the lowest cost over an economic analysis period. It is based on proven and well-founded economic principles that evaluate the long-term economic efficiency between competing alternate options, each providing equivalent or near-equivalent engineering designs.

In the highway context, LCCA is typically a means to evaluate and then compare the cost to an owner/agency of any number of alternates, including options for pavements, bridges, or other major infrastructure investments.

Second, LCCA is not a new concept. AASHTO recognized in 1960 that LCCA helps to enhance decision making to realize savings. The Federal Highway Administration affirmed the importance of LCCA in a 1981 policy statement. To date, 38 states utilize LCCA in some form to make public project decisions – North Dakota is not one of the 38 states.

Third, LCCA is not a means to favor one industry over another. The most important component to LCCA is ensuring equivalent or near-equivalent designs and taking into consideration things like traffic counts, traffic weights, traffic growth projections, etc. Using LCCA does not mean that concrete will win every project; nor does it mean asphalt will. What it does do is require thorough research into several factors to ensure taxpayers get the long-lasting, best value to their investment. In other words, sometimes the lowest bid is not always the best option or the least expensive option.

Fourth, LCCA is not overly cumbersome and will not result in the need to hire additional FTEs. In most cases, once all information has been gathered, performing an LCCA can be done with formulas in a simple spreadsheet and be completed in a matter of a couple of hours.

The next area I would like to address is the importance of the minimum design life criteria, which we propose to be 35 years.

If you look at most industry recommendations, we should be asking for this figure to be 50 years. Designing and building 50-year pavements is quite attainable. Because we are introducing this concept for the first time here, we have used the minimum requirement of 35 years. For LCCA to be effective, all future repair and maintenance costs must be included for each paving material. For concrete, that generally comes between 25 and 30 years.

Another question I've been asked is why introduce this into a bonding bill.

First, the legislation states that bonding debt will be serviced by earnings from the Legacy Fund. The Legacy Fund is a one-time resource that is intended to benefit future generations. Perhaps the question should be, why would we not want to evaluate and choose an alternative that may not be the lowest first cost but will provide the most long-term economic value for North Dakota taxpayers.

Second, the infrastructure projects built with bonded funds are heavily traveled routes. These major corridors are where we should be focusing our efforts to improve public safety, increase service life and reduce frequent maintenance.

Third, we believe including this concept in bonding legislation will allow policymakers and the public to see the value of utilizing design life expectations and LCCA - a walk, don't run approach to implementation.

Mr. Chairman and members of the committee, I could continue with my testimony by talking about other state's successes with LCCA, long-term concrete pavements in use today in North Dakota and more. However, in the interest of time, I am willing to come back to a working session of your committee, conclude my testimony by stating this: we have an opportunity to work together right now, incorporating two paragraphs of text into HB 1431, that will improve our state's network of roads and bridges today for the benefit of future generations.

Thank you for your time. I will stand for any questions you may have.

Senate Finance and Taxation Committee
Chairman – Senator Jessica Bell
March 17, 2021

Testimony

By: Shaun Sipma, Mayor, City of Minot
shaun.sipma@minotnd.org
701.721.6839

HB 1431

Good morning Chairman Bell and members of the Senate Finance and Taxation Committee. Thank you for the opportunity to be here today. My name is Shaun Sipma, Mayor of Minot, and on behalf of our City and in conjunction with the Souris River Joint Board (SRJB), I am here today to testify in support of House Bill 1431.

The Mouse River Enhanced Flood Control project is a basin-wide flood control project and is a top legislative priority for Minot. The priority is paramount because of life, health, and safety.

The Billion Dollar project has been moving steadily forward for four (4) years now. As funding has been allocated by the State for the project, the City of Minot has provided the local match for construction both inside city limits and for projects outside city limits and elsewhere in the Basin. The Souris River Joint Board, the entity in charge of building the project, has stayed on course, on time and on several occasions under budget.

In 2020 when revenues came in behind projections into the Water Resources Trust Fund, due to economics stemming from COVID-19, the City of Minot and the SRJB shared shortfall by turning back more than \$30 Million Dollars of what would have been appropriated funding towards flood control.

Several sessions ago a plan was approved that was aimed at funding work inside the City of Minot for flood control to a total of \$193 million dollars to get to Milestone 1. Milestone 1 represents protections for approximately 62% of the

river valley that runs through Minot. To date the remaining intent of that commitment is \$114,586,716.00.

To be clear the current funding allocation schedule puts the Mouse River Flood Control Project with a completion date somewhere around 2041. That is 20 more years of construction, 20 more years of not being fully protected from another flood, 20 more years of inflationary construction costs and 20 more years of increasing flood insurance premium to residents.

My goal today in testifying in support of the bill is to also emphasize the intent language from the 2017 legislature was never meant to be the signal of the finality of the project, but rather a milestone—again what we call Milestone 1. That is well represented in all testimony given from my predecessors and colleagues.

Moving forward it is also critical for this project to focus on the timetable for completion rather than just the next milestone. That is why when I testified in House Appropriations, I mentioned that the SRJB and the City of Minot would like to begin a conversation with all of you about shortening the construction build from 20 years to a number closer to 12 years.

A 12-year buildout would save more than \$100 million on inflationary construction costs. A quicker completion would provide flood protection sooner to more to residents in Minot and many more throughout the basin. A quicker completion would also provide direct relief to property owners whose flood insurance rates will soon start increasing dramatically in the years ahead.

I do want to spend a moment focusing on flood insurance projections. Flood insurance rates, for a homeowner – primary dwelling, are currently more than \$600 a year in Minot. When FEMA remaps the Mouse River Basin, which is coming in the next 12 months or so, and we fast forward a dozen years the same policy will cost approximately \$2,400 a year based on an escalation rate of 12% the first two years and 18% every year after. If we factor 20 years of increases that policy is likely to be more than \$10,000 a year. For non-primary dwellings, or rentals, and commercial properties those rates climb higher much faster due to mandatory increases of 25% a year set by the National Flood Insurance Program. By year 12 the average rate for a rental property will be more than \$6,100

annually and commercial hitting the actuarial rates which is a bit uncertain but could be well north of \$12,000 a year. With the projections included in the handout you can see the insurance premiums in total are staggering.

All that money, from all those policies will be leaving the Basin and North Dakota headed to Washington. I could talk about economic impact to the housing market in the river valley and how that then ripples throughout the community, but I think it becomes clear quick. The projected savings on flood insurance premium from a 12 year and a 20-year build would be more than \$45 million.

Minot's local cost share modeling based on the current sales tax allocation does run short on an accelerated build model. However, before the current allocation of sales tax funding runs short, the Northwest Area Water Supply (or NAWWS) will be complete and fully funded. The allocation for that Basin Wide Project being funded out of Minot sales tax can be diverted to make up the shortfall for basin wide funding for flood control. This will have to be paired with a financial vehicle for long term-low interest funding rather than traditional bonding debt.

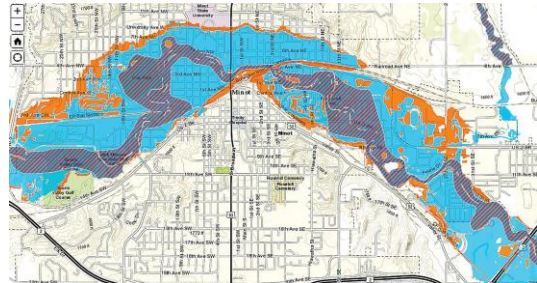
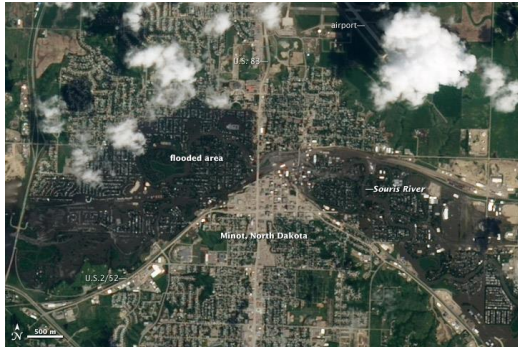
The state has the tools and the assets. Now we must find the will. That conversation will come in the near future.

In the meantime, I am here today to support House Bill 1431. Let me say thanks for the fantastic progress we have made with the state and local partnership that will be continued with the funding in this bill. I invite all of you to Minot to see how we have implemented the past dollars and how we will implement the funds outlined in the bill you have before you today.

Lastly, this bill when it was first introduced it had funding for a career and technical program in Minot. When I testified in the House, I expressed support for maintaining that provision. I will not express an opinion today on whether bonding is the right way to fund such a program, but I do want to express support for the program itself—and if your discussions about funding this kind of program enters back into the bonding discussion, the City of Minot would be supportive.

Thank you again for the opportunity to testify before you today. I would be happy to stand for questions.

City of Minot North Dakota



- Flood Plain Properties 2,761
 - Residential Dwellings 1,822
 - Rental Dwellings 723
 - Commercial Properties 216
- FEMA Map Change from 'X' Low Risk Expected To Change to 'AE' High- Risk In 2022.
- FEMA Rate Increase Maximum 12% First 2 Years, Maximum 18% Every Year After (Primary Dwelling).
- FEMA Ratee Increase Mandatory 25% For All Non-Primary & Commercial Properties

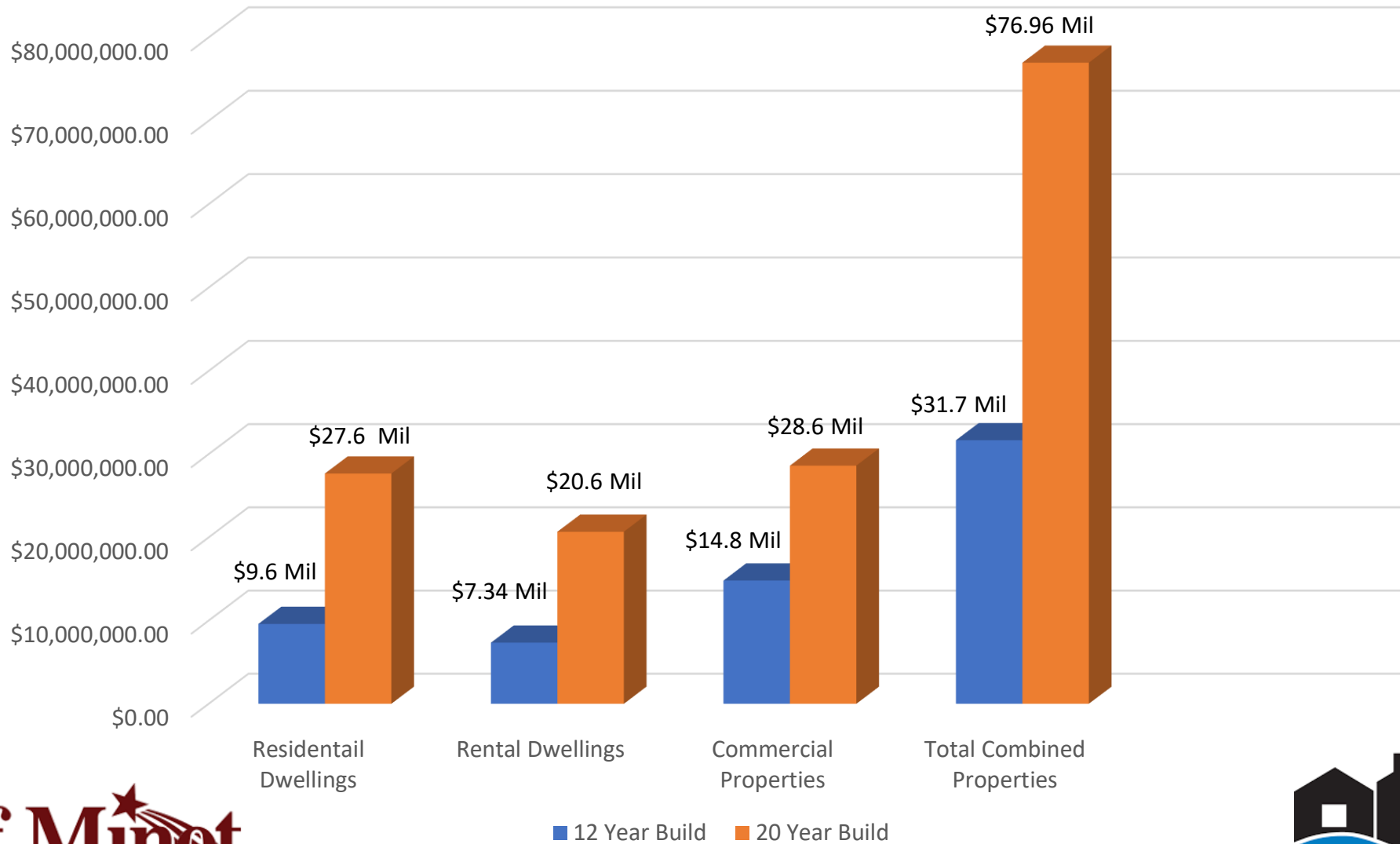


Flood Insurance Projected Increases

- 12 Year Build Rate Versus 20 Year Build Rate

Property Description	12 Year Build	20 Years Build	Cost Savings
Residential Dwellings	\$9,603,627	\$27,670,084	\$18,066,457
Rental Dwellings	\$7,349,209	\$20,677,490	\$13,328,281
Commercial Properties	\$14,812,416	\$28,619,870	\$13,807,454
Combined Properties	\$31,675,252	\$76,967,445	\$45,202,192

Minot Flood Insurance Projected Costs



#9655

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HB 1431 Testimony

**North Dakota Department of Transportation
In Support Of**

Senate Finance and Taxation Committee

March 17, 2021

Thank You



HB 1431 – Section 10

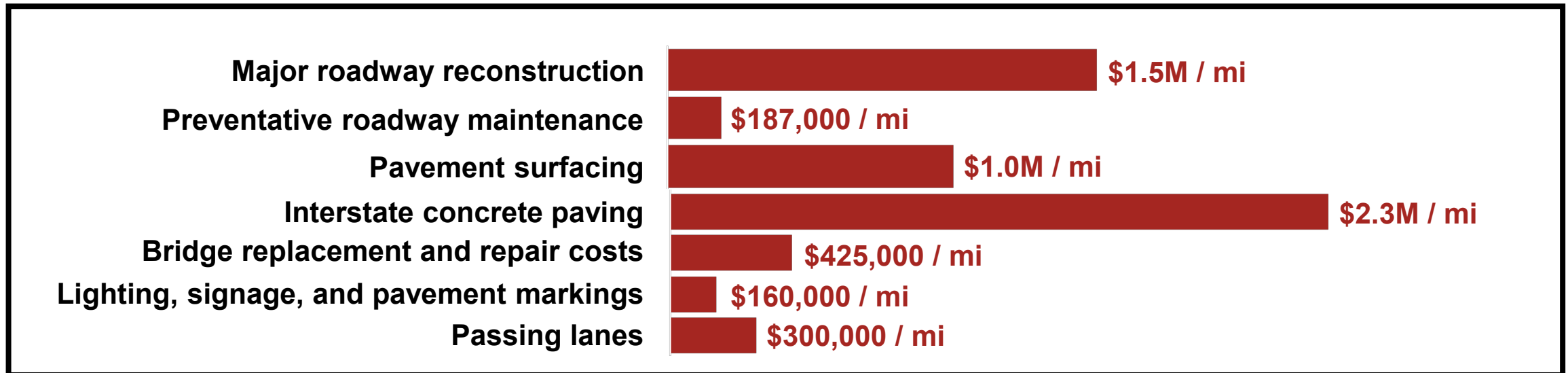
SECTION 10. APPROPRIATION – HIGHWAY FUND – CONTINGENT TRANSFER

- \$70 million derived from bond proceeds to the department of transportation for state highway bridge projects and for matching funds that may become available for the 21 – 23 biennium.
 - \$35 million designated for state highway bridge projects.
 - \$35 million designated for matching federal funds that may become available for state highway projects.
 - The department of transportation is required to certify to the office of management and budget the amount of funding committed to matching excess federal funds by October 1, 2022. Uncommitted funds will be transferred to the infrastructure revolving loan fund.

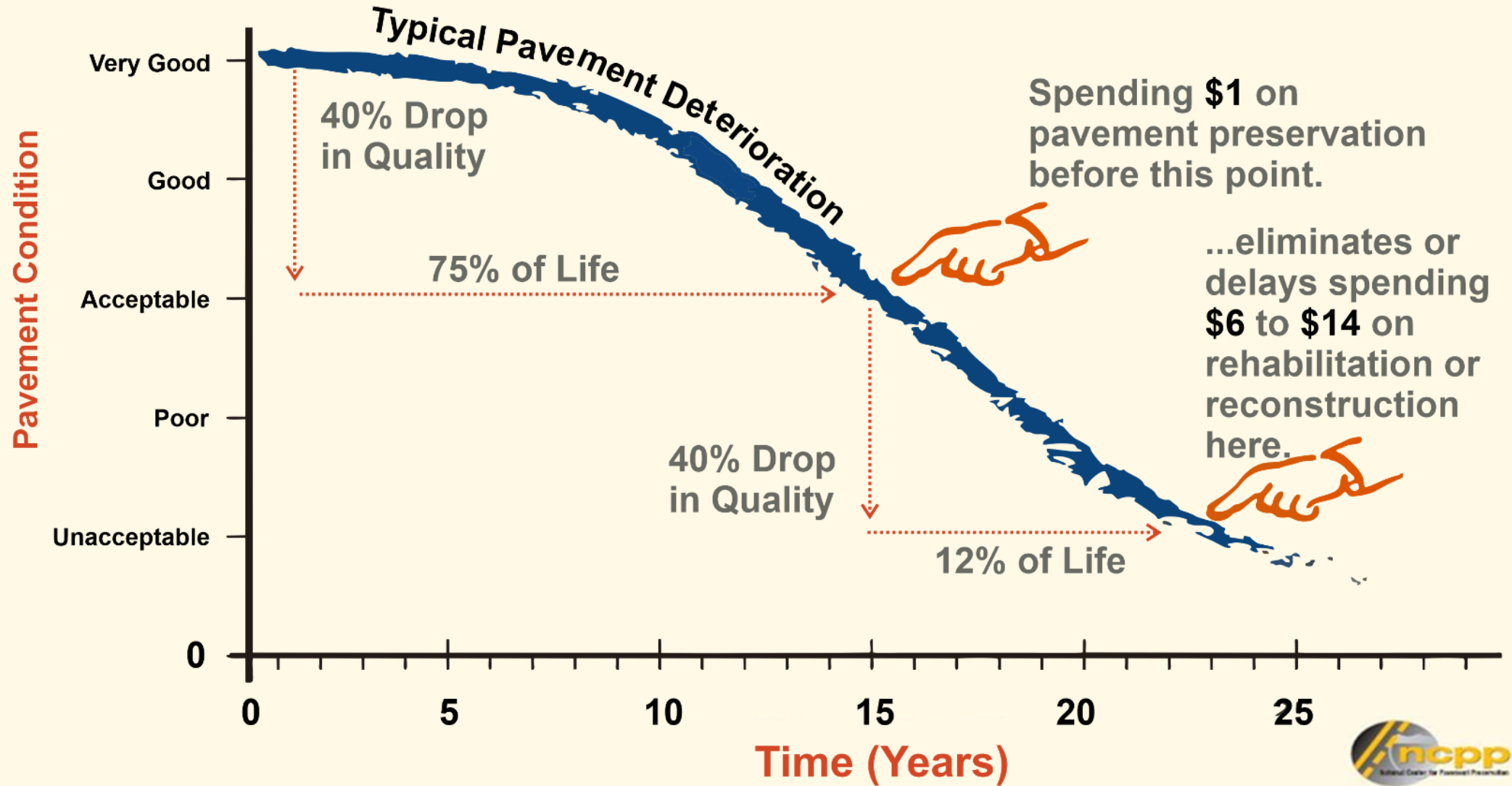
How much does it cost to maintain the system?

With rising costs of transportation services and construction materials, funding does not stretch as far as it used to. Since 2001, the relative cost of North Dakota construction projects – materials, equipment, and services – has increased by 131%.

Chart below shows current costs per mile:



PAVEMENT PRESERVATION IS COST EFFECTIVE



Source: National Center for Pavement Preservation.

Where should we invest?

NDDOT measures performance on a regular basis so that we invest funds when and where it is needed to maintain the transportation system and meet travelers' expectations. Investments are made to preserve assets in good condition, to minimize future costs, to perform preventative maintenance that limits the risk of future wear-and-tear on asset condition, and to ensure that the system works for you.

The example below highlights the range of outcomes for maintenance and repair activities for state roads and bridges. NDDOT measures road and bridge condition on a regular basis and fixes these roads to maintain performance targets. Today, NDDOT invests enough funding to maintain roads and bridges in fair to good condition. But increased travel and decreased revenue from fuel taxes point towards a long-term decline in the condition and performance of our roads and bridges.

HOW SMOOTH OUR ROADS AND BRIDGES ARE



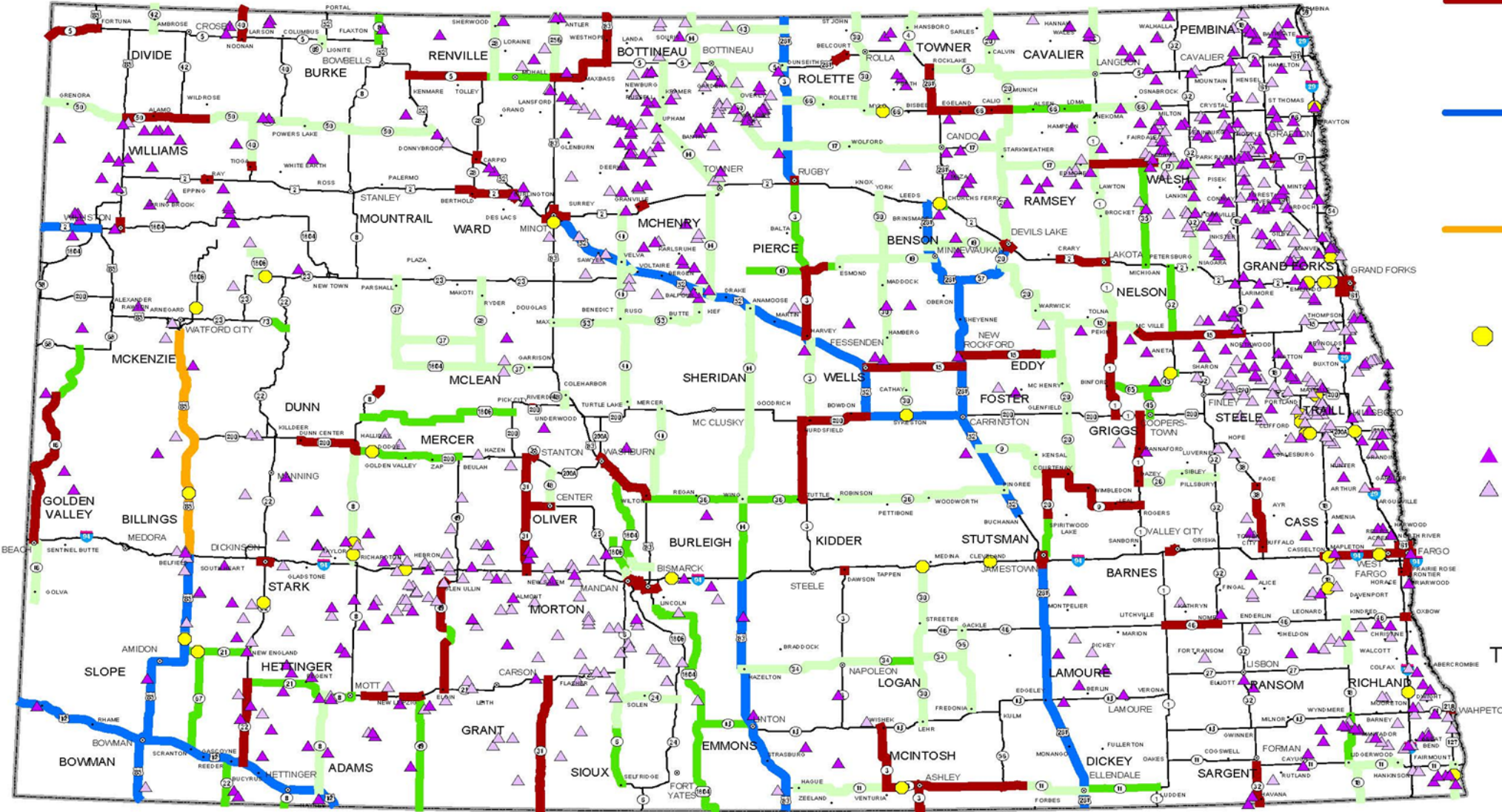
10-Year Infrastructure Plan

10-Year Infrastructure Plan - The proposed plan will provide dedicated state funding for transportation.

- There hasn't been a change in how ND invests in transportation for over 50 years.
- NDDOT has stretched every dollar as far as it can.
- A recent national report ranked North Dakota's transportation system 1st in the nation in overall cost-effectiveness and performance.
- But more work needs to be done, North Dakota ranked 42nd for bridges in the nation due to the number of our structurally deficient bridges.
- We need to improve our bridges on state and local roads so that we can reduce the need for load restrictions.



10-Year Infrastructure Plan



- Load Restricted Roadways
 - Restricted by Classification
 - Other Load Restrictions
 Estimated Cost to Correct = \$625,000,000
- Roadway Width Restricted Roadways

Estimated Cost to Correct = \$700,000,000
- Two Lane Interregional Corridors

Estimated Cost to Add Passing Lanes = \$160,000,000
- Future Four Lane Interregional Corridor

Estimated Cost to Four Lane = \$450,000,000
- Structurally Deficient State Bridges

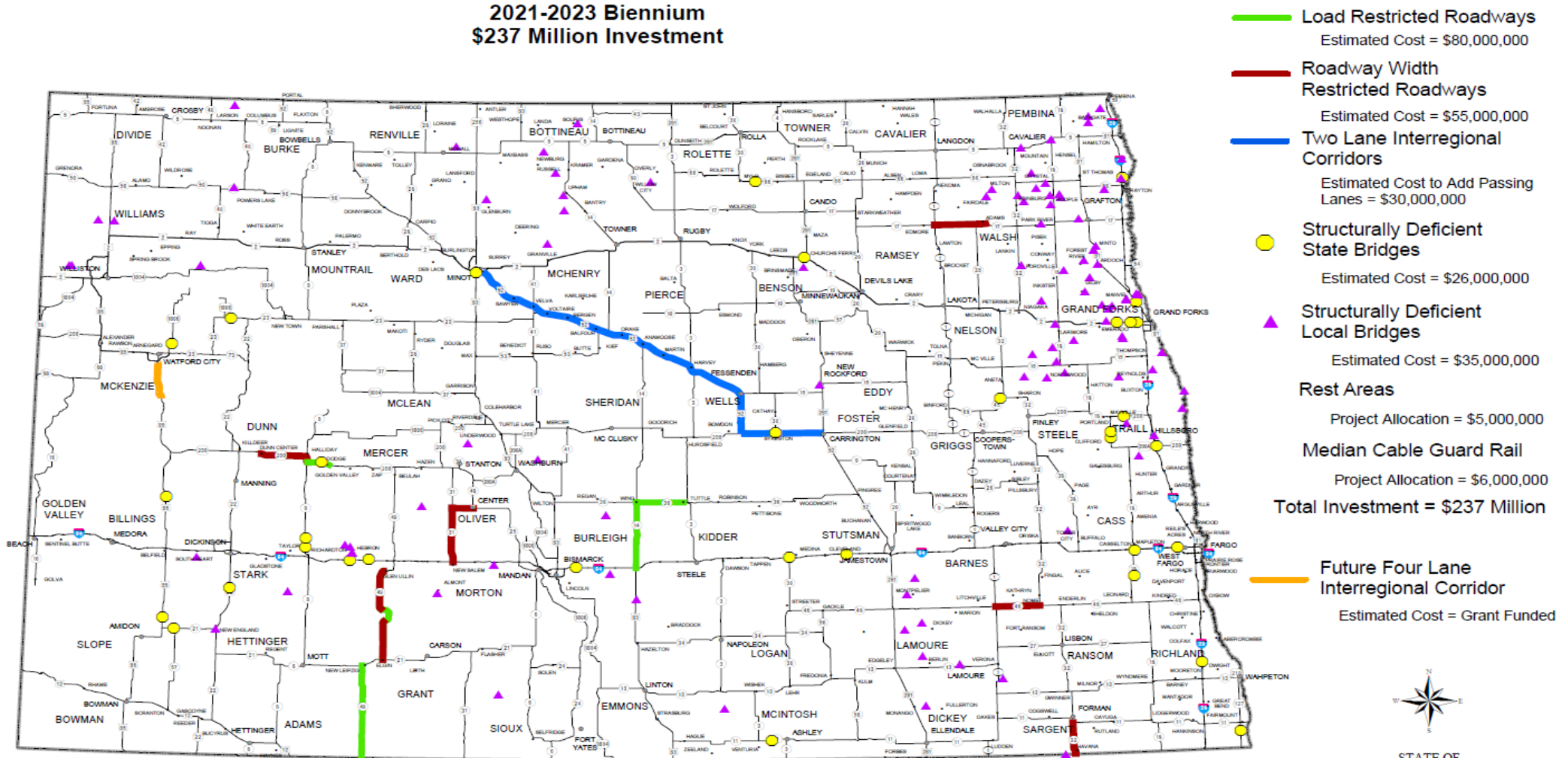
Estimated Cost to Correct = \$25,000,000
- Local Bridges
 - ▲ Structurally Deficient
 - ▲ Load Restricted
 Estimated Cost to Correct = \$200,000,000
- Rest Areas

Estimated Cost to Improve = \$20,000,000

Total Investment = \$2.18 Billion

First Phase of 10-Year Plan = \$237M

2021-2023 Biennium
\$237 Million Investment



Notes

- * One time investment for the 21-23 Biennium.
- Four laning US 85 is anticipated to be grant funded with matching state funds and that value is not included in the investment total.
- ▲ Legislative approval would be needed to spend money on local bridges that are off of the state system.

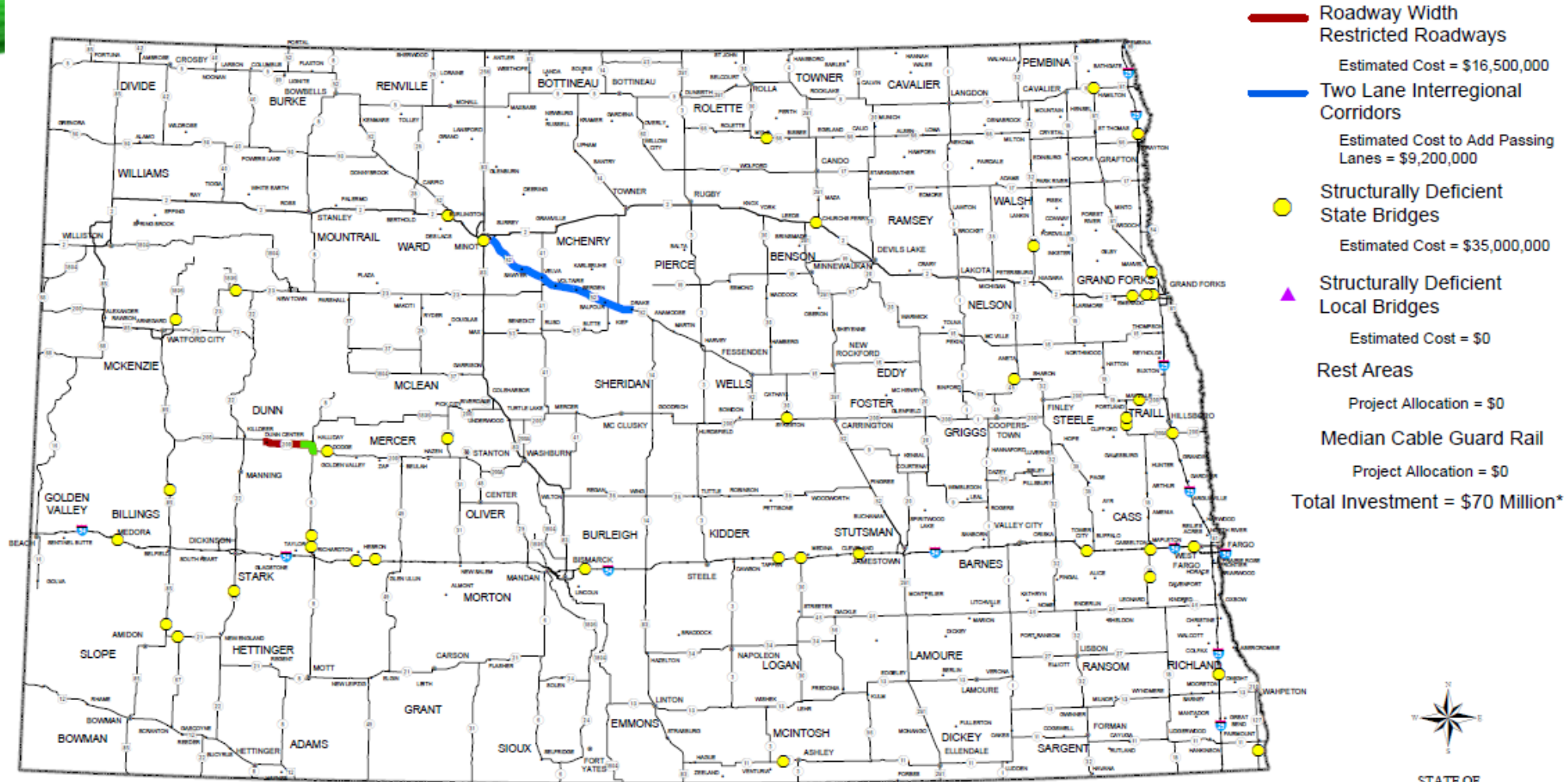


STATE OF
NORTH DAKOTA

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

NOVEMBER, 2020

HB 1431 Bridge and Road Funding = \$70M



Notes

- * One time investment for the 21-23 Biennium.
- ▲ Legislative approval would be needed to spend money on local bridges that are off of the state system.



STATE OF NORTH DAKOTA

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FEDERAL HIGHWAY DEPARTMENT

March 2021

Federal Funding

The NDDOT has the ability to leverage federal funding in conjunction with state funding to increase investment in transportation infrastructure, safety, and innovation across North Dakota.

The NDDOT receives federal funding two primary ways:

- Formula Funding
 - 90% of federal highway assistance is distributed to the states by formula.
 - Rural states significantly benefit from this type of funding.
 - Requires states to provide a 20% funding match.
- Discretionary Grant Funding Programs
 - Awards funding to support projects addressing specific purposes.
 - Distributed through a competitive selection process.
 - Requires states to provide 50% - 80% funding match.

Summary

Built by generations of North Dakotans over that last 122 years, our transportation system is a key component to our economy and daily life.

To raise our families, support our businesses, and remain globally competitive, we'll need to maintain a sound and integrated transportation system.

- We request that HB 1431 be amended to provide the NDDOT with bond proceeds in the amount of \$302 million consistent with the executive budget request.
- This will allow the NDDOT to implement the first phase of the 10-year infrastructure plan and achieve our mission to safely move people and goods.



Questions?

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#9771



Contact:
Matt Perdue, Lobbyist
mperdue@ndfu.org | 701.641.3303

**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
Senate Finance and Taxation Committee
March 17, 2021**

Chairwoman Bell and members of the committee,

Thank you for the opportunity to testify on House Bill No. 1431. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's (NDFU) members. NDFU supports HB 1431 and believes bonding represents a major opportunity to support critical infrastructure investments.


NDFU appreciates the inclusion of \$50 million for establishment of the Agricultural Products Development Center (APDC) in the current version of HB 1431. Public agricultural research is critical to the success of family farmers and ranchers. North Dakota State University's (NDSU) agricultural research is currently conducted in severely outdated facilities. NDSU's crop science and meats research, along with the Northern Crops Institute, should be housed in a facility that allows them to continue providing world-class research and promotion. The APDC will deliver a strong return on investment.

NDFU also supports the funding provided for water and highway infrastructure. However, we urge the committee to add funding specifically for county and township roads and bridges. Wet conditions, flooding and increased traffic have created significant stress on and, in some cases, overwhelmed rural roads and bridges. Disruptions during the busy planting and harvest seasons have proven costly for farmers and ranchers.

According to the Upper Great Plains Transportation Institute, North Dakota's county and township roads require \$9.3 billion in investment over the next 20 years. Bonding offers an important opportunity to invest in county and township infrastructure.

Again, we appreciate the committee's consideration of bonding to meet our state's growing needs. Additional investments in rural roads are vital to the success of our state's farmers, ranchers and rural communities and merit inclusion in a final package.

Thank you for your consideration.



#9626

**Senate Finance and Tax
HB1431**

March 17, 2021

Chair Bell and members of the committee, my name is Wayde Sick, State Director of the Department of Career and Technical Education. I am submitting testimony in support for HB1431, but ask that it is amended to include intent that was within the original version of the bill.

As introduced, Section 11 of HB1431 would provide funds to the Department of Career and Technical Education to award grants for the purpose to expand Career and Technical Education, specifically for buildings and equipment. Section 11 of HB1431 included \$92.5 million for this purpose but was removed prior to crossover. Currently the state of North Dakota has ten area career and technology centers, providing Career and Technical Education in a variety of ways, either face to face or virtually via online or the state Interactive Television or ITV system. Five of the centers are considered brick and mortar centers as most of the method of delivery is face-to face. Five are virtual, meaning they lack a central physical space. They provide their coursework either online or through ITV, but all provide some face-to-face instruction as well. Eight of our area career and technology centers provide some level of virtual career and technical education, either via online or interactive television (ITV). Students that take face to face CTE courses through a center are either bussed into the center, attend satellite sites or have traveling teachers. The point of that clarification, or possibly confusion, is to illustrate one size does not fit all when it comes to the needs of the region.

The ten centers serve approximately one hundred school districts and provided instruction to around 6000 students in the 2019-20 school year. I have included a current map of the ten area career and technology centers and the school districts they serve.

Although our centers do an excellent job, there are gaps within our state, not just in access to a CTE center, but also the programming our existing centers are able to provide. Every student in the state does have access to Career and Technical Education as state statute does require schools to offer CTE. Our comprehensive high schools do a phenomenal job offering CTE, either by providing it themselves or utilizing an area career and technology center. The benefit though of a center is a center can scale programs that many of the state's schools are unable to. A prime example is a health careers program, offered by the Roughrider Area Career and Technology Center out of Hebron. A few health careers teachers can serve all twelve of the member schools. This is just one example the partnership of a center and the efficiency it can provide. Area Career and Technical Education Centers are not to replace the CTE programs that is offered in our high schools, but to supplement.

I am here to state the Department of Career and Technical Education is here to partner with the Legislative Assembly to continue to expand access to more CTE programs, through the development and expansion of centers and the programs offered through our high schools. Additional centers, strategically placed in various parts of the state, can supplement what member high schools are offering in CTE, bring in workforce training and post-secondary offerings and potentially serve populations with barriers to employment, such as English Language Learners, Adult Education, etc.

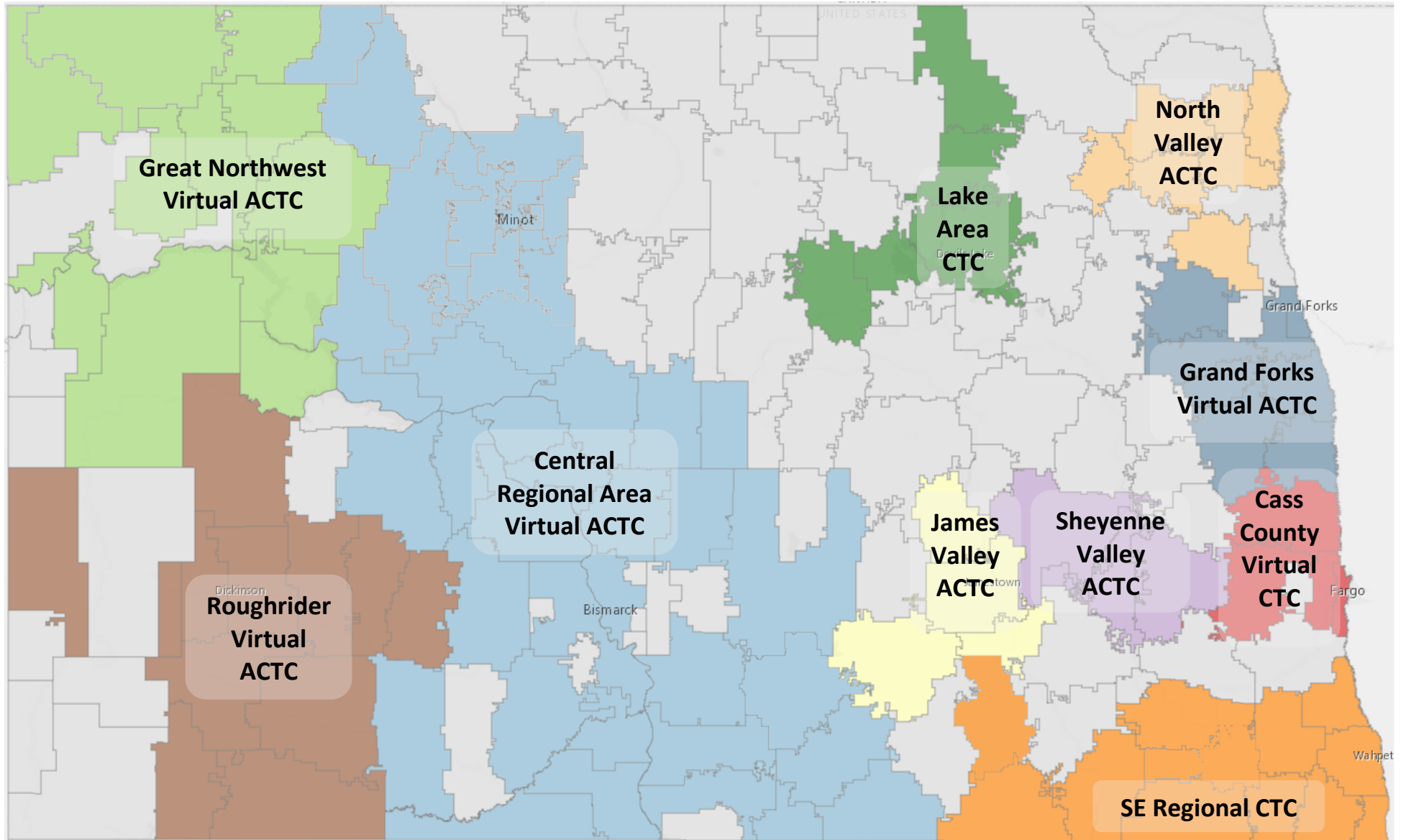
Future CTE Centers could become a one stop shop for K12 education, Post-Secondary programs, and workforce training.

The original version of HB1431 set aside funds for specific communities and a portion that was a competitive grant. I believe a better route would be to have a competitive process for all the funds, awarding communities and their partners with grants that require local matching funds, to establish centers. This selection process would be based on availability of matching funds, labor market interest alignment, student interest, school district buy in and innovative practices and delivery. A selection committee would need to be established, consisting of representatives of various entities, such as NDCTE, NDDPI, Department of Commerce, the Workforce Development Council and others, to ensure expertise in the areas of K12 education, post-secondary education and workforce was represented.

This concludes my testimony and I am here to answer any questions you may have.

Thank you.

North Dakota Area Career and Technology Centers





Area Career and Technology Centers

www.cte.nd.gov/sites/www/files/documents/AreaCTCs/Area_Center_Members.pdf

Member School Districts - 113

Secondary Programs Offered 2020-21

Cass County Career & Technical Education Center (Virtual)																																									
www.casscte.com																																									
<p>Member Schools</p> <ul style="list-style-type: none"> Central Cass Fargo Northern Cass West Fargo 	<p>Programs</p> <ul style="list-style-type: none"> Agricultural Education Automated Manufacturing Aviation Technology Career Development Diesel Technology Health Sciences Information Technology Welding Technology 																																								
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Grand Forks	May-Port CG																																								
Hatton	Northwood																																								
Hillsboro	Thompson																																								

Great Northwest Area Career and Technology Center (Virtual)

<https://www.gnwec.org/career-and-technical-education>

Member Schools

Alexander
Burke Central
Divide County
Eight Mile/Trenton
Grenora
Mandaree
McKenzie Co./Watford City
Nesson Valley/Ray

New Town
Parshall
Powers Lake
Stanley
Tioga
Williston
Yellowstone

Programs

Agricultural Education
Career Development
Electronics/Petroleum
Health Sciences
Information Technology
Welding Technology

James Valley Area Career & Technology Center (Jamestown)

www.jamestown.k12.nd.us/james-valley-ctc

Member Schools

Gackle-Streeter
Jamestown
Montpelier
Pingree-Buchanan

Programs

Agricultural Education
Automotive Collision
Automotive Technology
Building Trades
Business Education
Career Development
Early Childhood Education
Health Sciences
Machining Technology

Lake Area Career & Technology Center (Devils Lake)

www.devils-lake.k12.nd.us/lactc

Member Schools

Devils Lake High School
Minnewaukan
Munich
North Dakota School for the Deaf
Starkweather

Programs

Automotive Technology
Building Trades
Business Education
Career Development
Culinary Arts
Early Childhood Education
Health Sciences
Information Technology
Marketing Education
Special Populations
Welding Technology

North Valley Area Career & Technology Center (Grafton)

www.northvalleyctc.org

<p>Member Schools</p> <p>Cavalier Grafton Midway/Inkster North Border Pembina North Border Walhalla Park River St. Thomas Valley-Edinburg</p>	<p>Programs</p> <p>Agricultural Education Automotive Technology Building Trades Business Education Career Development Health Sciences Machining Technology Marketing Education Welding Technology</p>
<p>Roughrider Area Career and Technology Center (Virtual) http://ractc.weebly.com</p>	
<p>Member Schools</p> <p>Beach Belfield Dickinson Glen Ullin Hebron Hettinger</p> <p>Killdeer Mott-Regent New England Richardton-Taylor Scranton South Heart</p>	<p>Programs</p> <p>Agricultural Education Business Education Career Development Emerging Technology Health Sciences</p>
<p>Sheyenne Valley Area Career and Technology Center (Valley City) www.sheyennevalleyctc.k12.nd.us</p>	
<p>Member Schools</p> <p>Barnes County North Litchville-Marion Maple Valley-Tower City Valley City</p>	<p>Programs</p> <p>Agricultural Education Automotive Technology Building Trades Career Development Graphic Communications Health Sciences Information Technology Welding Technology</p>
<p>Southeast Region Career & Technology Center (Wahpeton & Oakes) www.srctc.k12.nd.us</p>	
<p>Member Schools</p> <p>Campbell-Tintah Edgeley Ellendale Fairmount Hankinson Lidgerwood Lisbon Milnor North Sargent Oakes Richland #44 Sargent Central Wahpeton Wyndmere</p>	<p>Programs</p> <p>Agricultural Education Automotive Technology Building Trades Career Development Early Childhood Education Health Sciences Marketing Education Restaurant Management</p>

**Testimony of Dr. Cory Steiner
Northern Cass Superintendent
HB 1431: Support of Funding for Department of Career & Technical
Education
Wednesday, March 17th, 2021**

Good afternoon Chairman Bell and members of Finance and Taxation committee. It is my privilege to testify in support of a HB 1431 and funding for Career Workforce Academies. My name is Dr. Cory J. Steiner and I'm the Superintendent of Schools at Northern Cass School District in Hunter, North Dakota. Northern Cass is a PK-12 district with 660 learners located 25 miles northwest of Fargo. We are an innovative school district which is in the midst of a transformation to personalized, competency-based learning.

The issues in education are profound, but more importantly, they are urgent. The structure and function of our schools today must change to meet the needs of a world which is changing at an exponential rate. Every system is designed to get the results it gets. Our system is getting the results it is supposed to get. Unfortunately, what is being asked of schools has changed dramatically since the design of the system. In schools, we have been tasked to prepare learners to be productive members of society. We have been asked to prepare learners for college, career, and military. We are asked to prepare learners of today for jobs that don't exist while also making sure learners have the skills for jobs in the workplace now. We must develop academic, social, and emotional skills while developing long-lasting relationships in a safe environment. In other words, we must prepare learners to be choice ready for the future. The list of important things to do and accomplish is never-ending. However, now is the time to transform our system of education in order to better meet the needs of our society. It must be our mission moving forward.

I testify today in support of funding for Career Workforce Academies. The Career Workforce Academy concept will allow us to accomplish the goals of creating choice ready learners. The Career Workforce Academy will challenge us to think differently and reframe the abilities learners need while also changing the roles learners play in our society. It is my belief we have the most gifted generation of learners in the history of our great state. It is why we must act with a sense of urgency and cannot afford to let this opportunity pass. By not supporting funding for Career Workforce Academies, our state will miss out on an opportunity to take advantage of our learners and allow them to impact the future of our state.

Today, I would like to share with you five advantages of the academy concept. First, it expands opportunities for learners. At Northern Cass, we have an agriculture, marketing, and FACS program which provide Career and Technical Education options for our learners. We are fortunate to have a supportive board, strong financial standing, and highly qualified and effective educators in our district for these areas. Many districts in our state don't have the ability to offer a variety of options for CTE on-site. An academy will reduce this barrier for rural learners while increasing the opportunities for them to engage in passion areas before they graduate from high school. It is essential we provide opportunities for all learners so they can enter the workforce with a well-rounded skill set.

The academy model will be a collaborative approach enhancing everyone's effectiveness and efficiencies. In Cass County, we have been engaging in this work for the past four years. This includes collaborative discussions and planning among the districts of Central Cass, Northern Cass, Fargo, and West Fargo. The conversations have also included North Dakota State College of Science (NDSOS), the Fargo-Moorhead Chamber of Commerce, and many businesses in the metro area. With a commitment of funding and human capital from local school districts, local government agencies, and the private sector, our academy will be public-private funded and support not only K-12 education but also the business community as a whole. For the academies to become a reality, both private and public interests must have a stake.

The third reason the academy model is important is it will provide a workforce development solution. Throughout the state of North Dakota, we have issues with lack of qualified applicants for job openings. Each region of our state has their own workforce issues which require a different approach and solution. The academy model is proven to address these concerns by being flexible enough to meet the specific needs of the various regions throughout our state. It will allow for multiple career clusters to be established regionally which will meet diverse needs. Although I represent PK-12 education, the academy model will also provide training for those already in the workforce. This will provide opportunities for adults to develop new skills that can better serve our changing workforce needs. There is also the potential to work with our immigrant and refugee population as well as adults who are incarcerated. The possibilities are limitless.

The next reason to support funding for academies is to increase career exploration and skill development. Learners in our districts are exposed to career exploration and skill development. However, it is not done with fidelity across our state due to a lack of resources. Through the expertise of those involved in the academy,

districts will be able to develop a career program which begins with career awareness at the primary levels followed by purposeful career exploration at the middle level which leads to career preparation through job shadows, internships, and career training at the secondary level. Through a partnership with the private sector, the academies will make sure every learner (especially in our rural communities), no matter the school they attend, will have the opportunity to be exposed to authentic career exploration at all levels.

Finally, the academy is a proven model that has been utilized not only across the country but right here in Bismarck. The Bismarck Career Academy and Technical Center is a model for other academies in our state. This model has been implemented throughout the country from Sioux Falls, SD to Alexandria, MN to Nashville, TN. Each model has elements necessary to meet the unique conditions of their region. However, the common theme is the model works. It benefits communities, schools, and the workforce.

Let me share a short story with you to reiterate why the academy is so important. A learner in our district wanted to be an architect and had wanted this since they could remember. They attended a job shadow. They spent three hours in this experience and realized this was not the career path they wanted. What if they never had that experience? What if they could have taken a course in architecture at an academy? Think of the money saved for the learner and the potential benefit. All of this would be possible if we can implement the academy model throughout our state. This is one story, but it is far too common in our schools. The academy model will provide authentic experiences to prepare learners to make informed choices about their future.

Our schools and higher education produce a high-quality product due to the dedicated and passionate leaders, educators, parents, and learners throughout our state. I'm proud of our state, our educational system, and our learners, but I worry about our future. We have boards, administrators, businesses, and colleges ready to change the model into one which promotes learning through authentic experiences. I understand the financial commitment for this aspect of the bill is significant. However, I believe the negative impact by not doing this is far greater. By supporting funding for career and technical workforce academies, the legislature will make a statement it stands in support of doing what must be done for the state's future success. You have the power to create a different version of tomorrow by supporting this funding. You have an opportunity to change our future and allow us to do it together through a collaborative effort which will make

North Dakota the educational and economic leader in our great nation. I ask for a 'do pass' on HB 1431 and thank you for your time and consideration.

Good morning, Chairperson Bell and members of the Senate Finance and Tax Committee. My name is Beth Slette and I am the superintendent for West Fargo Public Schools (WFPS). I am speaking in support of the original version of HB 1431 which included funding to build Career Workforce Academies to serve students across the great state of North Dakota, including Cass County.

The Career Workforce Academy (CWA) model has been a three-pronged collaborative conversation for several years between K-12 education, post-secondary, and industry, resulting in a collaborative vision, strategic plan, programming, and operational framework, and WFPS is in full support of this project. Our district has committed \$1 million in sustained funding towards the operations of this building. North Dakota School of Science (NDSCS), Northern Cass, Central Cass, Fargo Public Schools, as well as many private donors, recognize the needs and benefits of a CWA in our metro community.

No Child Left Behind (2001-2014) was a time of high stakes testing and so called 'high accountability' with naming and shaming; as a result districts spent their energy and resources on preparing students to pass tests and prepare for college. The model created many problems for our students and their communities. Students were encouraged to attend four-year institutions and they incurred a great deal of college debt. Some earned a diploma, but many did not. The result? Young adults had some post-secondary schooling, but they lacked the skills and dispositions necessary to gain anything more than an entry level job with low pay. Meanwhile, our businesses and industries were, and still are, screaming for a skilled labor force. According to the 1-2-7 ratio, there will be 7 technical jobs, for every 2 requiring a four degree, and 1 requiring a masters or more.

The Every Student Succeeds Act (ESSA) of 2015 requires states to do so much more than give tests. North Dakota stakeholders have adopted the framework of Choice Ready as an indicator to measure school growth in high schools. A student who graduates Choice Ready has met the criteria in two of three areas: post-secondary ready, career ready, and/or military ready. This concept focuses on the accumulation of academic growth and gains, in combination with specific indicators of school success for postsecondary, workforce, and military readiness. The Choice Ready framework is inclusive of all students, and helps students identify career clusters and related skills which prepare and enhance success in multiple areas beyond high school.

It is important to know that this shift has created a great need for authentic learning experiences and skills training for our students. Right now, we are meeting the needs, but we do have constraints in specialized lab spaces such as construction labs, diesel, and aviation. We also have a significant need in agriculture education with zero programs in Fargo and West Fargo. We must go beyond our current programming to create better options for students to learn high-tech skills and transition to meaningful college course programs. Training beyond high school is necessary for success in today's economy.

The Career Academy model advances CTE experiences by aligning secondary and post-secondary learning experiences in high-tech learning spaces, centralized business partnerships, and skilled instructors. The CWA also increases adult learning and retraining options in the region it supports.

The state's K-12 mission statement is: "All students will graduate choice ready with the knowledge, skills, and dispositions to be successful." With that as our end goal, our entire state needs to pull together. Ultimately, the CWA is about the future of ND. Trained workers lead to successful business attraction, thriving economies, and increase revenues for the state of North Dakota.

Big challenges require big collaboration. To make these centers a reality in more than a single district, it will take a coordinated effort: districts committing local dollars to ensure sustainable operations, private sector leaders supporting capital construction and providing direction on the needs of our 21st century workforce, and state investment that both improves the educational experience of thousands of North Dakota students while intentionally addressing the workforce challenges that existed before, during and after the COVID-19 pandemic. I respectfully ask that you preserve funding for Career Academies in HB 1431 with a DUE PASS recommendation to support the innovative ideas ready and waiting for the learners and businesses of North Dakota.

**Greater North Dakota Chamber
HB 1431
Senate Finance and Tax Committee
March 17th, 2021**

Chair Bell and members of the Finance and Tax Committee, my name is Arik Spencer, President and CEO of the Greater North Dakota Chamber (GNDC). GNDC is affiliated with the US Chamber of Commerce and the National Association of Manufacturers and supports House Bill 1431.

GNDC supports fiscally responsible infrastructure funding initiatives that do not increase costs to businesses. Further, GNDC believes a portion of the Legacy fund earnings should be invested in one-time projects that improve the state's infrastructure, support economic diversification, and promote workforce development.

HB 1431 accomplishes these objectives by funding key projects, which otherwise would not be funded during the 21-23 biennium at a cost less than the cost of inflation. The passage of HB 1431 also demonstrates to North Dakota citizens uses for the Legacy Fund beyond paying for general obligations of the state.

Chair Bell, this concludes my remarks. I urge the committee to give HB 1431 a do pass recommendation.

#9216

Testimony on 1431 Phil Murphy for NDSGA

The ND Soybean Growers stand in full support of 1431 for the many opportunities it affords our state during this time of low interest rates. We do so not only for its promise of sorely needed transportation infrastructure, but also the Agriculture Products Development Center and Northern Crops Institute to bolster and continue the research efforts critical to the success of our industry. Please further the passage of 1431, and thank you for your efforts to help the future of North Dakota.



March 17, 2021
Senate Finance and Taxation
Sen. Bell, Chairperson
HB 1431

Good morning Madame Chair and members of the Senate Finance and Taxation Committee. For the record, Blake Crosby, Executive Director, North Dakota League of Cities.

I am here in support of HB 1431. The bill addresses some concerns, needs, and recognizes that now is the time for the State to pass a bonding bill.

This bill in particular addresses a situation that impacts water projects requesting cost-share from the Resources Trust Fund (RTF). Flood control has the high priority for funding from the State Water Commission, but it is also the most expensive. Often the flood control associated funding requests leave little to no money remaining for other project requests. I do a lot of work with municipal water project sponsors and have advocated for a few years that the high cost, flood control projects, need to have their own source of funding source outside the RTF. This bill addresses that concern.

The bill also includes adding additional capital to the infrastructure revolving loan fund which has been around long enough to show that it is an important source of low interest loans for cities. And, the \$70 million to NDDOT is needed for transportation infrastructure and federal match.

The League provided copies of the bill to cities and the response was generally favorable with one common concern. There is concern about the starting interest rate of 2% and escalating from that point. The U.S. Federal Reserve Committee continues to affirm their intent to keep the fed rate steady in a range of 0 to .25%. That decision drives municipal bond rates, just as it drives mortgage rates, which are now at historic lows. This past Friday, the 30-year muni bond rate was 1.75%. I have cities issuing refunding bonds, or in some cases combinations of refund bonds and regular bonds at interest rates in the 1.4% to 1.9% range. Any bonding bill considered by the Legislature must take into account the private market.

I am aware this bill will likely come before you with amendments but as I have stated the time to strike is now. We need to address the critical infrastructure and capital needs of the state and political subdivisions. Bonding this Session is the smart business thing to do. The longer we kick the can, the more expensive it gets.

Thank you for your time. I respectfully request a DO-PASS on HB 1431. I will do my best to answer questions.

The logo for the North Dakota Water Resource Districts Association features the text "North Dakota Water Resource Districts Association" in white, bold, sans-serif font. The text is set against a dark blue background that is shaped like the outline of the state of North Dakota.

JACK P. DWYER, EXECUTIVE SECRETARY
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P.O. Box 2254 • Bismarck, North Dakota 58502
701-223-4615 (o) • staff@ndwater.net

Testimony, HB1431

March 17, 2021

Senate Finance and Taxation Committee

Dan Jacobson, Chairman, North Dakota Water Resource Districts Association

Chair Bell and Members of the Senate Finance and Tax Committee:

My name is Dan Jacobson and I serve as the Chairman of the ND Water Resource Districts Association.

North Dakota water interests depend on the state's healthy economy and revenue outlook and can only be supported by a strong budget for the North Dakota State Water Commission's (NDSWC) operations and critical water project funding and grants. Water resource districts have a long history of providing valuable services in North Dakota to the local constituents in their respective counties and regions. Enabling legislation for the establishment of water resource districts was first passed in 1935. The responsibility of water resource districts includes water management from a local and regional perspective for beneficial uses of water, as well as for protection against flooding, erosion, and other detrimental effects of too much water.

The beneficial uses of water and protection against damages caused by flooding is critical to the agricultural and other local economies, as well as the social well-being of our citizens. Rural flood control provides crucial drainage relief not only for North Dakota farms and ranches, it also reduces flood damages to township, county, and state infrastructure.

An important piece of providing these vital services has been NDSWC funding. Without this funding, many important flood control, water supply, erosion protection, water management, and beneficial use projects would not have been completed. According to the NDSWC Water Development Plan, there exists approximately \$645M in current needs for water projects, \$342M is classified as high priority. There exists approximately \$48M in current needs for general water management projects, and approximately \$86M in current needs for water conveyance and local flood control projects. Water resource districts sponsor many of these types of projects. Our water resource districts request additional funding authorization for water resource districts' projects for this upcoming biennium.

To meet the needs of all projects, we cannot rely solely on funding from the NDSWC—another funding source must be created. The ND Water Resource Districts Association supports the water infrastructure revolving loan fund and the bonding authority authorized in HB 1431 in order to supply our communities with water and protect them from flooding. A water infrastructure revolving loan fund and bonds for infrastructure projects will help to meet those needs and provide shovel ready projects funding, reducing costs from extended project deadlines.

I would be happy to answer any questions the committee may have regarding this testimony.

Thank you.



#9492 & 9505

PO Box 2254 • Bismarck, ND 58502-2254

Senate Finance and Taxation Committee

House Bill 1431 Committee Hearing March 17, 2021

Testimony of David Lang, North Dakota Water Users Association

Chair Bell and members of the Senate Finance and Tax Committee. I am David Lang and I serve as the President of the North Dakota Water Users Association. The North Dakota Water Users Association supports passage of House Bill 1431.

The Water Users Association was organized in 1959 to protect, develop, and manage North Dakota's water resources. It is currently comprised of over 300 local, statewide and regional organizations in North Dakota who have an active interest in water. We work closely with the North Dakota Water Coalition to build consensus within the water community regarding funding needs and priorities. Collaboration is essential in meeting the water resource management needs of North Dakota.

The State of North Dakota has been a generous partner in advancing critical local and regional water projects. Through House Bill 1431, we have an exciting opportunity to expand that legacy. Using earnings of the Legacy Fund to establish creative finance options for important water infrastructure projects will allow us to invest in important water projects in communities across the state.

In addition to the bonding authority in this bill, HB 1431 authorizes an infrastructure revolving loan fund which important water projects can access. In concept, we support this loan fund. However, we believe this program could use some amendments to make it workable for water projects. Specifically, we would request that the terms of the fund found in HB 1431 be altered slightly to allow for 40-year loans at a fixed interest rate. A longer term with a fixed, low, interest rate would make these loans accessible for projects funded by communities both large and small.

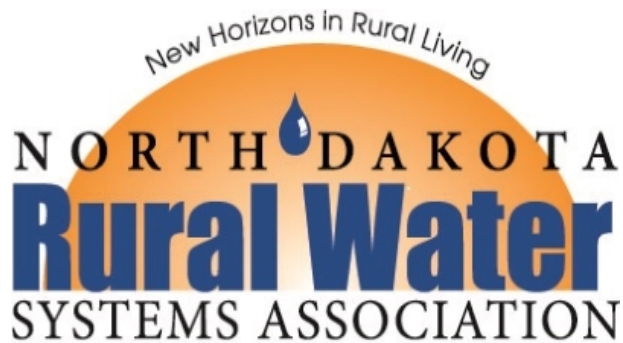
We appreciate the state's long-standing commitment to fund water projects and urge your continued support of North Dakota's water infrastructure financing through passage of House Bill 1431.

#9519

Good morning Members of the Senate Finance and Taxation Committee. My name is Greg Lardy and I currently serve as the Vice President of Agricultural Affairs at North Dakota State University. We support HB 1431 and its' provision for funding the construction of the Agricultural Products Development Center and the Northern Crops Institute. The construction of this facility would provide many benefits to the state which I have outlined below.

- Growth of New and Existing Markets — Developing new and growing existing markets is critical to agricultural success. The facility will provide research and development to support this need, including expanded testing and developing new and better uses of these ingredients. Improvements in product quality open new markets and enhance existing markets.
- More Graduates Ready for the Workforce — The APDC will increase the number of students graduating from the grain, food and meat science programs. This facility will ensure graduates are ready to fill the industry's need for graduates in these important fields and provide more opportunities for these students to enter the work force as employees or develop their own businesses in the future.
- Enhanced Value-Added Opportunities and Partnerships with Industry — The technical expertise of NDSU scientists and NCI professionals helps existing businesses grow, assists with development of value-added businesses and creates entrepreneurial opportunities. Further processing of our agricultural commodities provides economic opportunity and growth for rural areas, creates jobs, and grows and diversifies the tax base. A long-term outcome of this investment will be further enhancements in value-added agricultural processing businesses across the state.
- Improved Ability to Educate Foreign and Domestic Customers — North Dakota has long been known for excellent quality agricultural commodities. NCI's role in educating our customers will be expanded and enhanced. Foreign and domestic buyers will learn from experts about the quality of our products, how to best use them in their product lines, and how to manage purchases and logistics from regional suppliers. This translates into market access as well as enhanced revenues for North Dakota farmers and ranchers, and rural communities.

Thank you for the opportunity to testify on this bill and your consideration of funding this important component of infrastructure related to our state's agricultural and food processing industry.



#9596

Eric Volk, Executive Director

ND Rural Water Systems Association

In Support of House Bill 1431

Senate Finance & Taxation

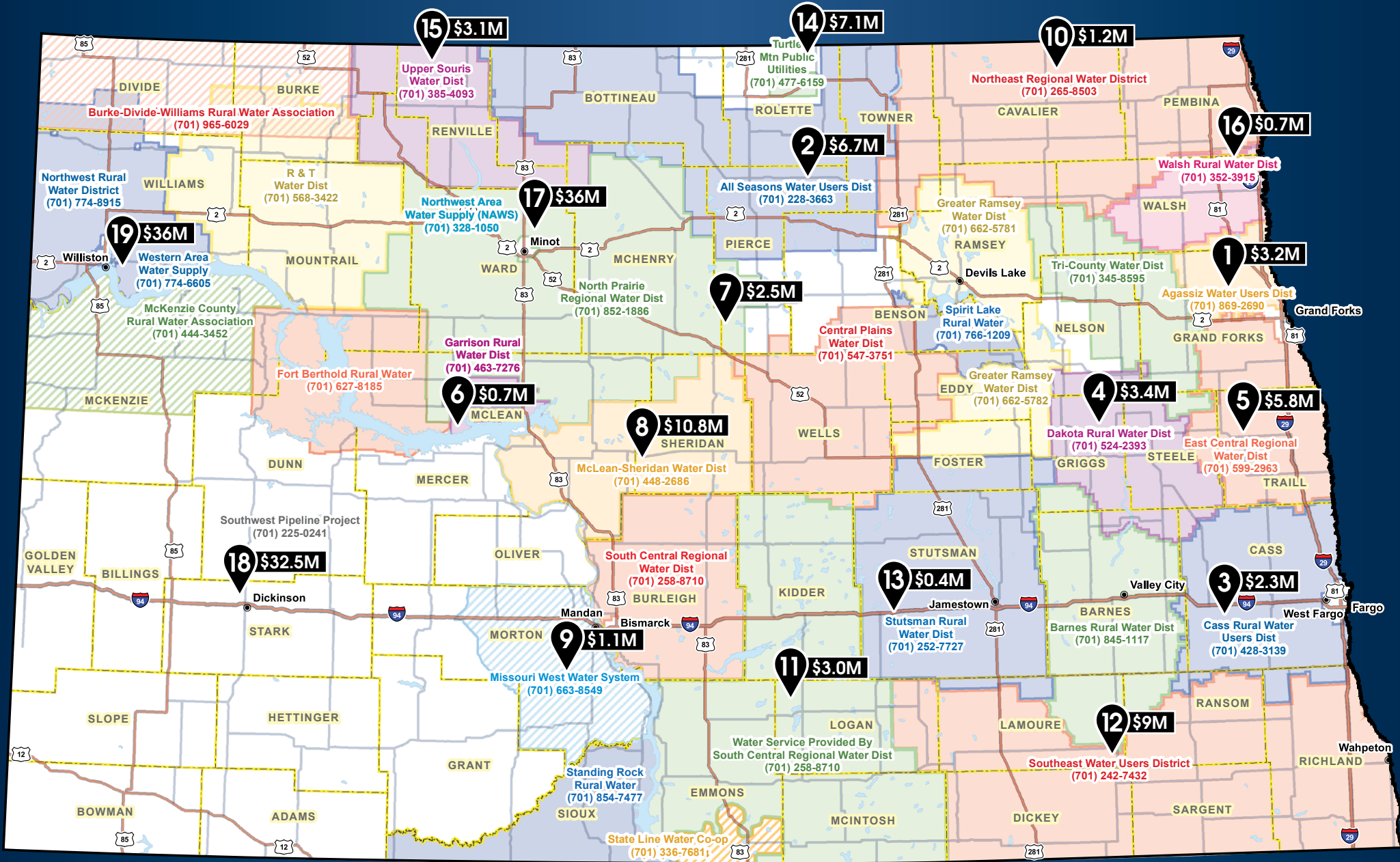
March 17, 2021

Chair Bell and members of the Senate Finance & Taxation Committee, my name is Eric Volk. I am the executive director of the North Dakota Rural Water Systems Association (NDRWSA). Our vision is to ensure all of North Dakota has access to affordable, ample, and quality water. NDRWSA is committed to completing and maintaining North Dakota's water infrastructure for economic growth and quality of life. Today, I am submitting written testimony in support of Engrossed House Bill 1431.

The Resources Trust Fund (RTF) provides cost-share for water projects across the state. Some of these projects are small (thousands of dollars), some are moderate (millions), and some are HUGE (billions). Each biennium there is only a finite amount of assistance the RTF can provide. The amount is never enough to meet the critical water needs of the state. Passage of HB 1431 would help fund the state's major flood control projects with bonding. This biennium alone, the use of bond revenue would allow for approximately \$142M of RTF dollars to be used for other important water projects. HB 1431 would also meet the state's promise for the Fargo Diversion Project. Completing this promise would have future benefits for other water projects using RTF dollars, as that promise was being paid out at \$66.5M/biennium.

For reference, the attached funding map highlights the rural & regional water supply projects that would benefit from the RTF. **(Please see the attached 21-23 project funding map).**

With that said, the NDRWSA supports HB 1431 which will help meet the critical water needs of North Dakota. Thank you for giving me the opportunity to provide testimony on behalf of the NDRWSA. Eric Volk, ericvolk@ndrw.org.



#9601

Testimony HB 1431
Senate Finance & Taxation Committee
March 17, 2021

Chair Bell and members of the Senate Finance & Taxation committee, my name is Russ Hanson of the Associated General Contractors of North Dakota. AGC of ND is a 400 member association which has been in existence since 1951. Our membership consists of all aspects of commercial construction - highway contractors, vertical contractors, civil/heavy, specialty contractors, subcontractors as well as material and equipment suppliers.

I appreciate the opportunity to present this testimony in support of HB 1431. This concept of funding the critical infrastructure is being considered at the right time, for projects already being planned, and in the right concept of using the Legacy Fund earnings for projects which will truly be a Legacy to North Dakota.

Having legislation introduced and considering a bonding option this session is appreciated and we hope when the 2021 Legislature adjourns, there is a package to begin working on the critical infrastructure projects sooner, rather than later.

Thanks for the opportunity to comment on HB 1431. We respectfully request the committee issue a Do Pass Recommendation.

March 17, 2021

Chair Bell and members of the Senate Finance and Taxation committee,

I. Introduction.

It is an honor to be here and thank you for the invitation to speak with you about the Metro Flood Diversion Authority (MFDA), the state of the Metro Area Diversion Project (Program), and our imminent financial and funding needs. My name is Joel Paulsen, the Executive Director for the Metro Flood Diversion Authority. My testimony will be different than in prior years regarding the Program. First, I want to convey that I will be your direct point of contact during the remainder of the legislative session for any questions you may have. Second, I am not here to talk about delays due to litigation because these have all been resolved. Rather, I am here to talk about a Program that is now under construction and has secured multiple approvals and milestones since the last legislative session.

I would also like to note that I am not here asking for the creation of a low interest long-term loan program as was requested during last session. The Authority was able to secure a WIFIA loan from the US EPA (under the Water Infrastructure Finance and Innovation Act) in the amount of \$569 million dollars, which will be paid back using Cass County and City of Fargo sales tax dollars. I want to make clear that the US EPA WIFIA loan proceeds can only be used for the Diversion Channel construction and a few elements of the in-town work per the requirements of the federal program. Further, the MFDA also received approval to access a Private Activity Bond (PAB) allocation from the US DOT in the amount of \$296 million that will be available for the Public Private Partnership (P3) Joint Venture Teams to use to lower their cost of construction financing. However, once again the PABs can only be used for the Diversion Channel construction (also referred to as the P3 portion of the project).

With the resolution of all outstanding litigation challenging the construction of the Program settled late last year, the Program has already started constructing multiple major elements and is moving quickly towards the launch of construction of the Diversion Channel in the fall of this year. The key milestone between now and then will be on March 26th, 2021 when we receive final financial proposals (bids) from the Joint Venture Teams bidding on the contract to construct the Diversion Channel utilizing the innovative P3 procurement method.

II. Background.

As you may recall the Program has three major elements that work together to provide a comprehensive flood protection project. These three elements include (1) the in-town work in Fargo and Moorhead, (2) the Southern Embankment and staging area; and (3) the Diversion Channel and its Associated Infrastructure. The in-town work and the elements of the southern embankment have been under construction for some time, with major works consisting of in-town flood walls and levees, the diversion inlet control structure, and the Wild Rice River control structure. My testimony today will focus on the funding needs for the overall Program for the next biennium and beyond. A significant part of my testimony will cover the P3 procurement which involves only the Diversion Channel component of the Program. The reason the Diversion Channel procurement has such a significant impact on the Program funding needs is that the Diversion Channel component is being constructed pursuant to a single contract valued at nearly \$1 billion as compared to other elements of the Program that are constructed in a series of smaller contracts. With respect to this Program small is a relative term with some of the contracts for the control structures ranging from \$60 million to \$200 million. The rationale to use a single large contract for one element of the Program creates a significant savings and is part of the innovation associated with a P3 contract.

The timing of the P3 procurement process is driven by legal requirements that were activated once the litigation was settled. This obviously has created a disconnect with the mechanics and schedule of the legislative process, specifically for the House's consideration of our funding needs. Until after March 26, we will not be able to provide definitive information about the bids. What we can do is provide the clearest picture possible. Today I will concentrate on the funding of the Program, but if you would like to hear more about the elements of the Program that are currently under active construction, I can provide you with that information as well.

The Diversion Program has three main sources of capital funding, adding up to a total of \$2.75 billion (in 2018 dollars). Please note when I talk about Program funding, I am talking about today's capital cost, not tomorrow's or next year's dollars or the interest that the Cass County and City of Fargo taxpayers are paying on short-term debt and are going to pay on long-term debt.

The largest share of the \$2.75 billion capital cost comes from three local sales tax initiatives that were overwhelmingly passed by voters in the City of Fargo and another sales tax across all of Cass County (The City of Fargo has dedicated two .5-percent sales taxes and a fourth of the 1-percent infrastructure sales tax, and Cass County has dedicated its .5-percent sales tax for a total of 1.75 percent). These taxes are dedicated to pay some of the capital cost of construction and ultimately has been pledged for the payment of the long-term interest on the WIFIA loan. These successful sales tax initiatives were a huge commitment by the local taxpayers over the course of the next 64



years, one of the longest voter-approved sales tax initiatives in the nation. Generally, the total principal amount of locally paid loans, debt and bonds for the Project will equal a principal amount of \$1.1 billion or about 40% of the overall capital funding. Just like with a home mortgage, the debt service payments over time will be much greater than the \$1.1 billion in principle.

Federal grant funding, which has already been committed, adds up to a figure of \$750 million, amounting to about 30% of the total capital cost. That said the federal commitment is calculated in 2015 dollars and will be escalated to the year of appropriation, meaning that the federal dollars will equal approximately \$908 million at the completion of the project. Further this amount does not include the interest savings associated with the US EPA WIFIA Loan, as the Federal government has also offered federal loan subsidies to the Program.

The state of North Dakota has committed a total of \$750 million in legislative intent to the Project allocated over several bienniums, of which \$66.5 million reflects our current request for the 2021 Legislative Session that was previously authorized by legislative intent. As you are aware, the \$750 million is not indexed for inflation as the federal dollars are. Our partnership has emerged over a number of legislative sessions, and we are grateful for your support. I view the Program's relationship with the legislature as a state-local partnership, and for the good of our partnership I advocated, and the MFDA agreed to defer \$22.5 million from our 2019 cost share agreement due to the deficit in the Resources Trust Fund resulting from the COVID-19 Pandemic and other economic factors. This state-local partnership has benefitted from the strong support of the North Dakota legislature and allowed the MFDA to get to the point of being designated as "shovel ready" but in reality, the Program has had its shovels dirty and in the ground for many years and has invested, with your greatly appreciated help, over \$500 million in the Program to date.

III. Request.

Moving forward into the next biennium, we have identified the need for the \$22.5 million that was deferred from the 2019 cost share agreement to be returned to the Program to enable the timely completion following the award of the P3 contract.

I would now like to review our capital expenditure needs for the next biennium and show where our carry over amount of \$67 million (estimated after the December 2020 reimbursement request), the 2021/23 legislative intent of \$66.5 million and the deferred 2019 cost share amount of \$22.5 million have been identified for critical components:

- In-town flood protection - the Project also includes floodwalls, levees, and other flood protection measures in Fargo to allow up to 37-feet of water to run through town. The Red River reaches flood stage at 18-feet at Fargo Gage.
- Construction of Diversion Channel, aqueducts, and bridges, including relocating utilities to clear the path for the P3 construction – floodwaters will enter the 30-mile-long Diversion Channel and flow safely north around the metro area.
- Property acquisition for construction of the southern embankment and mitigation for Program operation – when the project operates during extreme flood events, the retention of floodwaters upstream of the southern embankment will create an area that must be properly mitigated, including many different components as well as the purchase of property rights.

As you consider the Authority’s funding request, I would like you to consider three scenarios:

Scenario 1: The Authority receives the requested \$89 million (\$66.5 + \$22.5) appropriation for 2021/23. How would that be utilized?

These funds, combined with local sales tax, will allow the MFDA to complete what we have anticipated through 2022 in line with our current schedule.

The MFDA will have \$427 million in expenditures next biennium that are eligible for State Water Commission (SWC) reimbursement. At a 50-percent cost share reimbursement, this represents \$213.5 million in state reimbursables. The total carry-over with the full appropriated request of \$89 million totals \$156 million. Under this scenario, we anticipate the Authority will end the 2021/2023 biennium with a zero carry over balance.

Scenario 2: The Authority receives the \$89 million (\$66.5 + \$22.5), the state commitment stays at \$750 million total. How does this impact the Program when the contract is awarded on April 22, 2021, and what problems would this scenario introduce?

If the state of North Dakota maintains its legislative intent at \$750 million, it will mean a funding deficit for the Program currently estimated at approximately \$120 million based on the Program’s indicative design and engineer’s estimate. As mentioned before, on March 26th we will receive final bids for the P3 portion of the Program. When the contract is awarded on April 22, 2021, we will capture significant cost certainty for the Program overall.

However, if we have a funding deficit, it will endanger the viability of project operation by 2028 by requiring us to leave certain essential elements unfunded: in-town flood protection, critical transportation components and land acquisition for flowage easements in the Upstream Mitigation Area. These issues had been presented in the 2019 Legislative Session and would persist through the next biennium causing uncertainty and potential schedule impacts for the date of operation.

Our US EPA WIFIA loan will not be able to help us in addressing these specific needs. The WIFIA loan only covers the Diversion Channel and some of the City of Fargo work, which rules out its use for any costs in the Upstream Mitigation Area, including lands and relocation of utilities.

Scenario 3: We receive all the previously discussed appropriations with the addition of the estimated \$120 million in additional legislative intent and the bids ultimately end up coming in over our engineers' estimates:

What do we do to move forward with the Program, and how do we deal with this situation?

- On April 14, we will receive bids from three Joint Venture Teams, the teams have had full visibility of our financial plan and know what will be realistic in terms of supporting a viable Project. The MFDA has performed the due diligence required to ensure that these bids will be feasible and affordable. The financial plan has been based on our intent to work with the State of North Dakota to ultimately fill the gap and has considered an \$870 million total contribution from the State to fund this Program.
- The manageability of an excess bid will depend on the extent to which it diverges from the financial plan. Our aim is to work this out within our existing financial resources. If the gap is too large, we will request sufficient additional legislative intent to ensure the completion of this vital Program.

With the EPA WIFIA, SRF (State Revolving Fund) loans and PABs (Private Activity Bonds) allocations from US DOT for the Joint Venture Team, the P3 Team will have access to over \$900 million for construction of the Diversion Channel. The bids would have to come in significantly higher for financial issues to become a genuine problem.

So, to be clear, the MFDA has pressing needs during this session of the Legislature.

The appropriation of \$89 million in existing legislative intent will make a vital contribution to the Program as it keeps construction on schedule and on budget. The estimated additional \$120 million



in future legislative intent will ensure full funding for critical activities that would prove more expensive and more difficult if left later in the project. Our proposal is truly conservative in the North Dakota sense of that word: prudent, reasonable, and absolutely necessary.

I very much appreciate your willingness to give these your full consideration.

Thank you for your time and for your support today.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel Paulsen", is positioned below the word "Sincerely,".

Joel Paulsen
Executive Director
Metro Flood Diversion Authority
mobile: 701-781-4758
email: PaulsenJ@fmdiversion.gov



#9610



LEGISLATIVE TESTIMONY

Senate Finance & Taxation Committee

Joel Paulsen

Executive Director

Metro Flood Diversion Authority

March 17, 2021



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PROGRAM UPDATE

- All litigation has been resolved
- Program is now under construction
- I'll be your direct point of contact



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PROGRAM UPDATE (continued)

WIFIA loan from US EPA eliminates our need for a low interest long-term loan program

Construction Underway

Construction is already underway on multiple major elements. Construction of the Diversion Channel will launch in the fall of this year.





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THREE MAJOR ELEMENTS OF PROGRAM

- In-town work in Fargo and Moorhead
- Southern embankment and staging area
- Diversion Channel and infrastructure



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P3 = SIGNIFICANT SAVINGS

The rationale to use a single large contract for one element of the Program creates a significant savings and is part of the innovation associated with a P3 contract



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TIMING

The timing of the P3 process is driven by legal requirements that were activated once the litigation was settled

This has created a disconnect with the mechanics and schedule of the legislative process



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THREE MAIN SOURCES OF CAPITAL FUNDING

Add up to a total of \$2.75 billion (in 2018 dollars)

- Local sales tax initiatives
- Federal grant funding
- State of North Dakota



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FARGO & CASS COUNTY: LARGEST SHARE OF \$2.75 B CAPITAL COST

Three local sales tax initiatives passed by voters in City of Fargo and Cass County

City of Fargo

- Two .5-percent sales taxes
- One fourth of the 1-percent infrastructure sales tax

Cass County

- .5-percent sales tax



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HUGE COMMITMENT BY LOCAL TAXPAYERS

These successful sales tax initiatives were a huge commitment by the local taxpayers over the course of the next 64 years, one of the longest voter approved sales tax initiatives in the nation

Just like with a home mortgage, the debt service payments over time will be much greater than the \$1.1 billion in principle



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FEDERAL GRANT FUNDING COMMITTED

Adds up to a figure of \$750 million, about 30% of the total capital cost

- Federal commitment is calculated in 2015 dollars and will be escalated to year of appropriation. Federal dollars will equal approx. \$908 million at the completion of the project
- This amount does not include the interest savings associated with the US EPA WIFIA Loan, as the Federal government has also offered Federal loan subsidies to the Program



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STATE OF NORTH DAKOTA

The State of North Dakota has committed a total of \$750 million in legislative intent to the Project allocated over several bienniums.

\$66.5 million reflects our current request for the 2021 Legislative Session that was previously authorized by legislative intent.

The 2021/23 legislative intent of \$66.5 million and deferred 2019 cost share amount of \$22.5 million identified for critical components:

IN-TOWN FLOOD PROTECTION

The Project also includes floodwalls, levees, and other flood protection measures in Fargo to allow up to 37-feet of water to run through town. The Red River reaches flood stage at 18-feet at Fargo Gage

CONSTRUCTION OF DIVERSION CHANNEL, AQUEDUCTS, BRIDGES AND UTILITY RELOCATION

Floodwaters will enter the 30-mile-long Diversion Channel and flow safely north around the metro area

PROPERTY ACQUISITION FOR SOUTHERN EMBANKMENT

When the Project operates during extreme flood events, the retention of floodwaters upstream of the Southern Embankment will create an area that must be properly mitigated, including many different components as well as the purchase of property rights

ONE: The Authority receives the requested \$89 million (\$66.5 + \$22.5) appropriation for 2021/23. How would that be utilized?

TWO: The Authority receives the \$89 million (\$66.5 + \$22.5), the state commitment stays at \$750M total. How does this impact our program and what problems does this scenario introduce?

THREE: We get all of the appropriations plus \$120M in intent and the bids come in over. What do we do to move forward with the program, and how do we deal with this situation?

The Authority receives the requested \$89 million (\$66.5 + \$22.5) appropriation for 2021/23. How would that be utilized?

These funds, combined with local sales tax, will allow the MFDA to complete what we have anticipated through 2022 in line with our current schedule.

The MFDA will have \$427 million in expenditures next biennium that are eligible for State Water Commission (SWC) reimbursement.

At a 50-percent cost share reimbursement, this represents \$213.5 million in state reimbursables. The total carry-over with the full appropriated request of \$89 million total \$156 million.

Under this scenario, we anticipate the Authority will end the 2021/2023 biennium with a zero carry-over balance.

The Authority receives the \$89 million (\$66.5 + \$22.5), the state commitment stays at \$750M total. How does this impact our program and what problems does this scenario introduce?

A funding deficit is currently estimated at approximately \$120 million based on the Program's indicative design and engineer's estimate. On March 26th, we will receive final bids for the P3 portion of the Program with contract to be awarded April 22, 2021. This will give us significant cost certainty.

If we do have a funding deficit, it will endanger the viability of project operation by 2028 by requiring us to leave certain essential elements unfunded, causing uncertainty and potential schedule impacts for the date of operation.

Our US EPA WIFIA loan will not be able to help us in addressing these specific needs. The WIFIA loan only covers the Diversion Channel and some of the City of Fargo work, which rules out its use for any costs in the Upstream Mitigation Area, including lands and relocation of utilities.

We get all of the appropriations plus \$120M in intent and the bids come over. What do we do to move forward with the program, and how do we deal with this situation?

On March 26, we will receive bids from three Joint Venture Teams, the teams have had full visibility of our financial plan and know what will be realistic in terms of supporting a viable Project. The MFDA has performed the due diligence required to ensure that these bids will be feasible and affordable. The financial plan has been based on our intent to work with the State of North Dakota to ultimately fill the gap and has considered an \$870 million total contribution from the State to fund this Program.

We get all of the appropriations plus \$120M in intent and the bids come over. What do we do to move forward with the program, and how do we deal with this situation?

The manageability of an excess bid will depend on the extent to which it diverges from the financial plan. Our aim is to work this out within our existing financial resources. If the gap is too large, we will request sufficient additional legislative intent to ensure the completion of this vital Program.

With the EPA WIFIA, SRF (State Revolving Fund) loans and PABs (Private Activity Bonds) allocations from US DOT for the Joint Venture Team, the P3 Team will have access to over \$900 million for construction of the Diversion Channel. The bids would have to come in significantly higher for financial issues to become a genuine problem.



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APPROPRIATION OF \$89 MILLION IS VITAL

The appropriation of \$89 million in existing legislative intent will make a vital contribution to the Program as it keeps construction on schedule and on budget.

The estimated additional \$120 million in future legislative intent will ensure full funding for critical activities that would prove more expensive and more difficult if left later in the project.

Our proposal is truly conservative in the North Dakota sense of that word: prudent, reasonable, and absolutely necessary.

Thank you



#9657

Testimony of Neal Fisher, Administrator of the North Dakota Wheat Commission

HB 1431

March 17, 2021

Good afternoon Chair Bell and members of the Senate Finance and Taxation Committee. For the record, my name is Neal Fisher, I am the Administrator of the North Dakota Wheat Commission.

The Wheat Commission has a long-standing, leveraged, research partnership with North Dakota State University's Agricultural Experiment Station. Today the Commission stands in strong support of House Bill 1431 and the funding for the Agricultural Products Development Center (APDC), which upgrades product research and development functions currently conducted in Harris Hall, the NDSU Meats Lab, and Northern Crops Institute (NCI), all on the NDSU campus.

1—The Agricultural Product Development Center is extremely important for all of North Dakota Agriculture, and for all of North Dakota. APDC will create additional opportunity for our dedicated producers and increased revenue generation capacity for our entire economy.

2—North Dakota Agriculture is an important legacy industry and is the primary revenue generator in our state.

3—Every citizen in every county of our state benefits from increased opportunity, value, and revenue generation capacity created by greater market access, durable demand, and continued success in high value domestic and foreign markets.

4—Annual Main Street Value of ND Agriculture (Simply Price X Production) is calculated at nearly \$10 Billion (with a “B”) over the past decade. Four main pillars, Wheat, Corn, Soybeans, and Livestock now account for 80% of the total; and High Value Specialty Crops such as sugar beets, potatoes, barley, sunflower, canola, dry beans, peas, lentils, flax, and hay crops, make up the remaining 20%.

5—ND Agriculture is performing at higher levels with greater consistency and resiliency than perhaps ever before. The APDC upgrade is an opportunity to continue that upward trajectory.

6—Innovative Product Development and Product/Ingredient Promotion Efforts go “hand in hand” in today’s rapidly evolving food business; And in recognizing that fact, we have been increasingly successful at differentiating our North Dakota agricultural products as “Ingredients”, moving away from the more Generic product identities of many of our competitors.

7—North Dakota has successfully developed a well recognized and enviable reputation as a reliable, consistent supplier of high quality, high value products to our high value and quality conscious customers worldwide. That is a “Formula for Repeat Business”.

—APDC will allow us to build on this Great Platform moving forward.

Thank you for this opportunity for us to show our support and enthusiasm for the Agricultural Products Development Center (APDC) and for your past and ongoing support of North Dakota’s Number One Industry.

I will certainly try to answer any questions you may have.



Testimony of Shannon Berndt
Northern Pulse Growers Association
HB 1431
March 16, 2021

Good afternoon Chairman and members of the committee. For the record, my name is Shannon Berndt, and I am the Executive Director for the Northern Pulses Growers Association. On behalf of the pulse industry, I offer testimony in support of HB1431.

The Northern Pulse Growers Association represents pea, lentil and chickpea growers and processors throughout North Dakota and Montana. The region currently accounts for more than 80% of all United States pulse production. Global protein markets, which include soy, wheat, and pea proteins, are forecast to increase from 10.3 billion USD (2020) to 14.5 billion USD in 2025. This represents a significant opportunity for not only pulse crops, but many other North Dakota commodities.

The Ag Products Development Center/NCI will play a vital role in the value-added development of North Dakota commodities. This facility will provide an opportunity to showcase North Dakota agriculture to customers around the world, ultimately increasing market share and producer profitability.

We urge your support of HB1431 for the establishment of the Ag Products Development Center and the inclusion of Northern Crops Institute. Thank you for your consideration and continued efforts to support all of North Dakota agriculture.

Testimony
Senate Finance and Tax Committee
HOUSE BILL NO. 1431
March 17, 2021

Chairman Bell and members of the Senate Finance and Tax Committee. The Valley Prosperity Partnership (VPP) is an initiative led by business executives to advance and advocate for shared strategic economic development opportunities that will strengthen and diversify the Red River Valley region and North Dakota. Thanks to the vision of these business leaders and to public policy leaders like yourself, the legislature will have multiple proposals to consider that seek to accomplish those goals by investing state dollars into infrastructure projects.

First, we want to thank the legislature for supporting water control and supply projects that are of vital importance to the regional and state economy and to ask you to earnestly consider further financial support of these projects to bring them to completion. Flood control, via the FM Diversion project, is of the utmost importance to the economy of the Valley and the state. As everyone knows from the Grand Forks flood of 1997, business and economic productivity was impacted for years. The consensus of the business community – those making investments in the communities and creating jobs – is clear: permanent flood protection is a must not only for human safety but for economic stability and vitality. Therefore, the VPP supports the issuance of bonds to complete the important infrastructure projects included in HB 1431.

The Valley Prosperity Partnership believes that funding these water control and supply priorities is a long-term economic strategy that has statewide implications. Our CEOs firmly stand behind the need of these projects and the certainty they will provide the businesses they lead.

Thank you for your consideration of HB 1431, which the VPP wholeheartedly supports.



The Valley Prosperity Partnership (VPP) is focused on developing a unified, shared vision for high value and sustained economic growth for all Red River Valley residents. A steering committee of private sector industry and higher education leaders, joined by economic development partners, work to advance strategic economic development opportunities for the Red River Valley region of North Dakota and Minnesota and for the entire State of North Dakota.

Marshal Albright, President & CEO
Cass County Electric Cooperative,
Co-Chair, Valley Prosperity Partnership

Steve Burian, President & CEO
Burian & Associates
Co-Chair, Valley Prosperity Partnership

Judd Graham, CEO Fargo Region
Bremer Bank, Vice Co-Chair

Brian Johnson, CEO
Choice Financial Group, Vice Co-Chair

Andrew Armacost, President
University of North Dakota

Tom Astrup, President & CEO
American Crystal Sugar

Barry Batcheller, Chairman
Appareo Systems

Dean Bresciani, President
North Dakota State University

Dan Conrad, President & CEO
Blue Cross Blue Shield North Dakota

Tim Curoe, CEO
RD Offutt Company

Mylo Einarson, President & CEO
Nodak Electric Cooperative

Chad Flanagan, Partner
Eide Bailly

Shawn Gaddie, Director of Infrastructure
Management Services
AE2S

Jim Galloway, Principal
JLG Architects

Keith Lund, President & CEO
Grand Forks Region EDC

William C. Marcil, Sr. Chairman
Forum Communications Company

Pat McAdaragh, President & CEO
Midco

Jeff Melgaard, Vice President
Construction Engineers

Dave Molmen, CEO
Altru Health System

Bryan Nermoe, President
Sanford Medical Center Fargo

Tony Grindberg, ND Principal Manager
Xcel Energy

Joe Raso, President & CEO
Greater Fargo Moorhead EDC

John Richman, President
North Dakota State College of Science

Jim Roers, President & CEO
Roers Construction & Development

Thomas Shorma, President & CEO
WCCO Belting, Inc.

Richard Solberg, Chairman & CEO
Bell State Bank & Trust

Steve Swiontek, Executive Chair
Gate City Bank

David White, President
Border States Electric

Chris Wolf, North Valley Market President
Alerus Financial

March 17, 2021

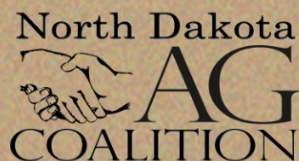
Kylee Merkel, Business Banker for Large Projects and Administrated Programs

Bank of North Dakota

HB1431

Position: Neutral

Kylee Merkel will not have formal testimony. She will be available for questions related to the infrastructure revolving loan fund.



PO Box 2599
Bismarck, ND 58502
701-355-4458
701-223-4645 (fax)

**Testimony of Darrell Oswald
Chairman
North Dakota Ag Coalition
In Support of HB 1431**

Chair Bell and members of the Committee, my name is Darrell Oswald, and I am here today as the chairman of the North Dakota Ag Coalition in support of HB 1431. The Ag Coalition has provided a unified voice for North Dakota agricultural interests for over 35 years. Today, we represent more than 40 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Through the Ag Coalition, our members seek to enhance the climate for North Dakota's agricultural producers.

The Ag Coalition takes a position on a limited number of issues, brought to us by our members, that have significant impact on North Dakota's agriculture industry. The Ag Coalition supports HB 1431, specifically as it relates to the Ag Products Development Center, as this project is needed to continue the high-quality research essential to the future of North Dakota's crop and livestock producers. This investment in North Dakota agriculture works to enhance all commodities to benefit the future of the state's economy. With agriculture being the number one industry in North Dakota, it is critical to support the producers through research and education.

The proposed Ag Products Development Center will serve as a replacement for Harris Hall and the Meats Research Laboratory, which will bring new technology and equipment to ag research and provide new teaching areas for crops, livestock and food science. The current facilities limit research and education as they can no longer provide the space, safety or technology researchers and students need to carry out their important work.

The agricultural research facilities at NDSU are the foundation for North Dakota's ag economy. We recommend a do pass on HB 1431 as the Ag Products Development Center will significantly enhance research and education for the state's producers and future generations.



Testimony of Steve Perdue

USDGA Director

In Support of HB 1431

Chair Bell and members of the Committee:

My name is Steve Perdue, and I am a farmer from Ray and a director for the United States Durum Growers Association (USDGA). On behalf of USDGA, I am here in support of HB 1431, specifically as it relates to the North Dakota State University (NDSU) Agricultural Products Development Center and Northern Crops Institute (NCI). USDGA recognizes the importance of updated facilities, as well as state-of-the-art technology and equipment to ensuring the growth and strength of the state's number one industry – agriculture.

The current facilities at Harris Hall no longer provide the space or safety needed to carryout research that is vitally important to the producers in our state. The Agricultural Products Development Center will allow NDSU to continue to deliver research-based solutions needed to ensure North Dakota's farmers and ranchers are able to produce and market superior commodities to global customers.

North Dakota produces around 50-60 percent of the nation's durum, and NDSU's durum breeding program is essential as no significant other public or private breeding programs exist. It is essential that the appropriate facilities exist to continue this research. In addition, Harris Hall hosts annual foreign trade delegations to showcase the quality of the regions crops for worldwide food production. Harris Hall's designation as one of the top two buildings in the poorest condition at NDSU and does not provide for a positive "showcase" of North Dakota's high-quality commodities.

Your support of the Northern Crops Institute (NCI) is also encouraged. Its collaborative efforts to support the promotion and market development of crops grown in a four-state region is more important than ever. NCI's educational and technical programs are essential to not only

maintaining but expanding domestic and international markets for northern-grown crops, including durum.

Agriculture is and will continue to be the foundation of our state's economy, and these facilities are essential to North Dakota agriculture maintaining its presence in the global marketplace. Therefore, we'd appreciate your support of the funding for the Ag Products Development Center and Northern Crops Institute within HB 1431.



March 17, 2021

Members of the North Dakota
SENATE FINANCE AND TAX COMMITTEE

Support for HB 1431 in its ORIGINAL Version – Dr. Denise Jonas, Director of Career and Technical Education

Chairperson Bell and members of the Senate Finance and Tax Committee. My name is Denise Jonas, Director of Career and Technical Education Center, supporting CTE programs in Central Cass, Fargo, Northern Cass and West Fargo Public Schools. Thank you for the opportunity to provide written testimony in support of the original version of HB 1431. I respectfully ask that you preserve the original version with a “DUE PASS” recommendation to honor funding earmarked for Career Workforce Academies.

As Director of CTE, I am approached almost daily by business and industry inquiring about opportunities to connect with our K-12 teachers and students. These requests are not limited to high school students but extend to elementary and middle school learners. With our State’s low unemployment, workforce demands, and natural employee attrition, K12-business partnerships are viewed as a mechanism to create company awareness, expose students to future careers, and provide experiential learning.

In Cass County, we are pleased to offer a variety of career and technical education programs and pathways in our current K-12 educational systems, yet in a 2018 Career Workforce Academy Program and Curriculum study, it revealed program gaps in agriculture education, construction, manufacturing, and transportation. In our region, there is also a growing demand in medical careers, information technology, transportation, and biomedical technologies influenced by Sanford Health, Microsoft, and Aldevron. Despite K-12 efforts, schools are challenged to meet local school district demands, along with workforce demands, without collaborative efforts to scale, support, and grow opportunities through a hub for coordination and expanded learning such as the CWA.

In our region, Career Workforce Academy (CWA) collaborative discussions began in 2016. Sparked by a shared vision to create a systemic pipeline; the CWA is a collective network of business partners, K-12 schools, post-secondary leaders, the cities of Fargo and West Fargo, the Cass County Commission, FM Economic Development, FMWF Chamber of Commerce, and local legislators. All driven to improve education, and the local and State’s economy.

Over the past five years our concerted efforts have moved a vision to action with committed stakeholder and we are ready to deliver workforce training career education programming!

- 2017-2018 - Phase I – Career Workforce Academy Strategic Plan complete (attached)
- 2018-2019 – Phase II - K-14 Program Priorities and Curriculum audit complete (attached)
- 2019-2020 - Fundraising, operational budget and governance planning to support Strategic Plan
- 2020-2021 – Phase III - architecture selection, design input, renderings, bids, and groundbreaking
- 2021-2022 – Phase IV – Build and program development for opening Fall 2022

As one of the fastest growing communities in North Dakota and serving as a diverse economic engine for the state, workforce development is critical Cass County. Manufacturing to information technology, agriculture to medical sciences, entrepreneurship to the trades, technical training is at the forefront of our discussions. Magnifying this need is projected regional growth, along with 8,000 jobs anticipated for the Fargo Diversion and Amazon alone. With this current need and anticipated demand, I respectfully ask for your support of the original version of HB 1431 to leverage career and technical education and Career Workforce Academies to create a systemic workforce pipeline for the state and future of North Dakota!

#9697



**CAREER WORKFORCE
ACADEMY**

**PROGRAM PRIORITIES AND
CURRICULUM DEVELOPMENT**

STRATEGIC PLAN – PHASE II
MAY 9, 2019

PROGRAM PRIORITIES AND CURRICULUM DEVELOPMENT

The vision of a Career Workforce Academy (CWA) began in 2016 with a purpose to design education that is responsive to changing employer needs and to increase learner success. This desire was the catalyst for collaboration amongst area secondary schools and two-year colleges. In phase one, career awareness, exploration and preparation for K-12 learners and adults were identified as key elements in the CWA Strategic Plan, May 2018. These elements serve as foundational elements in the research and design of the CWA's program and curriculum identification process for phase two 2019.

As stipulated in the **CWA Strategic Plan - Initiative #6, Curriculum Development and Implementation** are critical to achieving vision outcomes of the Academy. Alignment of the curriculum to student interests, skill sets necessary to fulfill the needs of business and industry, and alignment between secondary and post-secondary are also essential to the design. Curriculums were to be organized around identified career clusters and meet state educational standards and/or certification requirements. Curriculums will also need to be fluid, be more responsive to changing employers and student needs, and have the ability to adjust career shifts.

In order to gain a broad consensus of the potential programs and curriculum through the Career Workforce Academy (CWA), Flint Group was enlisted to facilitate stakeholder input sessions with area K-12 schools and two-year colleges. Participants included: Central Cass, Fargo, Kindred, Moorhead, Northern Cass, and West Fargo Public Schools, along with Minnesota State Community and Technical College-Moorhead (M State-Moorhead) and North Dakota State College of Science (NDSCS).

Representatives were engaged in a process to identify and prioritize initial and future curriculums for the CWA. The phase two desired outcomes were to address the following CWA Strategic Plan - Initiative #6 goals:

Goal 1. In collaboration with business and industry, identify clusters and skills required.

1.1 Confirm initial clusters.

- Manufacturing and STEM
- Information technology
- Health science pathway
- Architecture and construction
- Ag and transportation
- Business and hospitality

1.2 Set up a curriculum team from all three stakeholder groups.

- Align curriculum to defined employer-based, student interest and career pathways
- Develop curriculum to attain clear pathway to graduation and/or industry third-party credentials

- 1.4 Understand employer skill needs and gaps to ensure proper development.**
 - Conduct study to determine employer needs
 - Identify how work-based learning may differ among industries and adjust accordingly
 - Research current knowledge about existing industry-adopted examples to support ongoing conversation with employers
- 1.6 Reduce duplication among training providers.**
 - Encourage collaboration between colleges and other training providers

Goal 2. Match curriculum with cluster group needs.

- 2.1 Review existing curriculum.**
 - Determine areas where curriculum is insufficient

Goal 7. Create new programs or utilize existing program for expanding curriculum needs.

- 7.1 Determine what the ongoing and expanding needs are**
- 7.2 Determine if there is enough student interest to continue to expand curriculum**

Goal 9. Determine location of course offerings (what is going to be offered where).

- 9.1 Set up committee to develop matrix on existing course offerings.**
 - Work with curriculum team to develop policy on distribution of courses
 - Establish procedure to regularly review course distribution

To accomplish this, Flint conducted input sessions with K-12 schools, M State-Moorhead, and NDSCS representatives. Groups studied current and future industry workforce trends and concluded with a combined input and feedback session with all three groups. The report outlines findings and preliminary recommendations toward initial CWA curriculum.

Report Outline

1. The Assignment
2. Process
 - a. Input Session K-12
 - b. Input Session NDSCS
 - c. Input Session M State-Moorhead
 - d. Combined Input and Feedback Session
3. Recommendations
 - a. Career Workforce Academy Concept
 - b. Career Pathway Learning Continuum
 - c. Delivery System
 - d. Curriculum Offerings
 - e. Advancing the Vision - Career Awareness and Education
4. Conclusion
5. Appendix 1

THE ASSIGNMENT

The scope of work proposed led us through a collaborative, consensus-building approach for alignment and directional outcomes. OUR PROPOSED WORK INCLUDED THE FOLLOWING ELEMENTS:

1. Discovery
 - a. Conduct sessions with education partners to ascertain current training programs, course offerings, and their vision for new programs at the academy.
 - b. Conduct input sessions with selected team members to gain knowledge of cluster group industry needs.
 - c. Work with local groups to understand the current information available and other organizations' discussions on workforce training.
2. Share findings with input session stakeholders for feedback.
3. Draft preliminary findings and a final report for the CWA Steering Committee for refinement, approval and direction.
4. Write final report.

Note: The original Scope of Work included interviews with industry representatives to further understand current and future workforce needs. Due to budget restrictions, these interviews were eliminated. Also eliminated were the student interviews, as the committee felt they had a grasp of student awareness levels and felt they could address this in ongoing current research efforts. Added to the Scope of Work was M State-Moorhead, including an input session, their involvement in the joint session and their program offerings. Timelines were adjusted in order to accommodate each group's input session and the addition of M State-Moorhead.

THE PROCESS – INPUT SESSIONS

Three stakeholder input sessions were conducted with representatives from each of the educational groups. Each group followed a similar agenda. Steps 1-3 were identical and reported below. Steps 4-7 were specific to each group and reported on under their specific session.

1. Review Strategic Plan and Initiative 6
2. Career cluster groups identified
3. Review labor statistics
4. Analyze current K-12 programs and courses
5. Collaboration areas (gaps and duplications)
6. Criteria for regular review of courses
7. Education on career pathways (discussion)

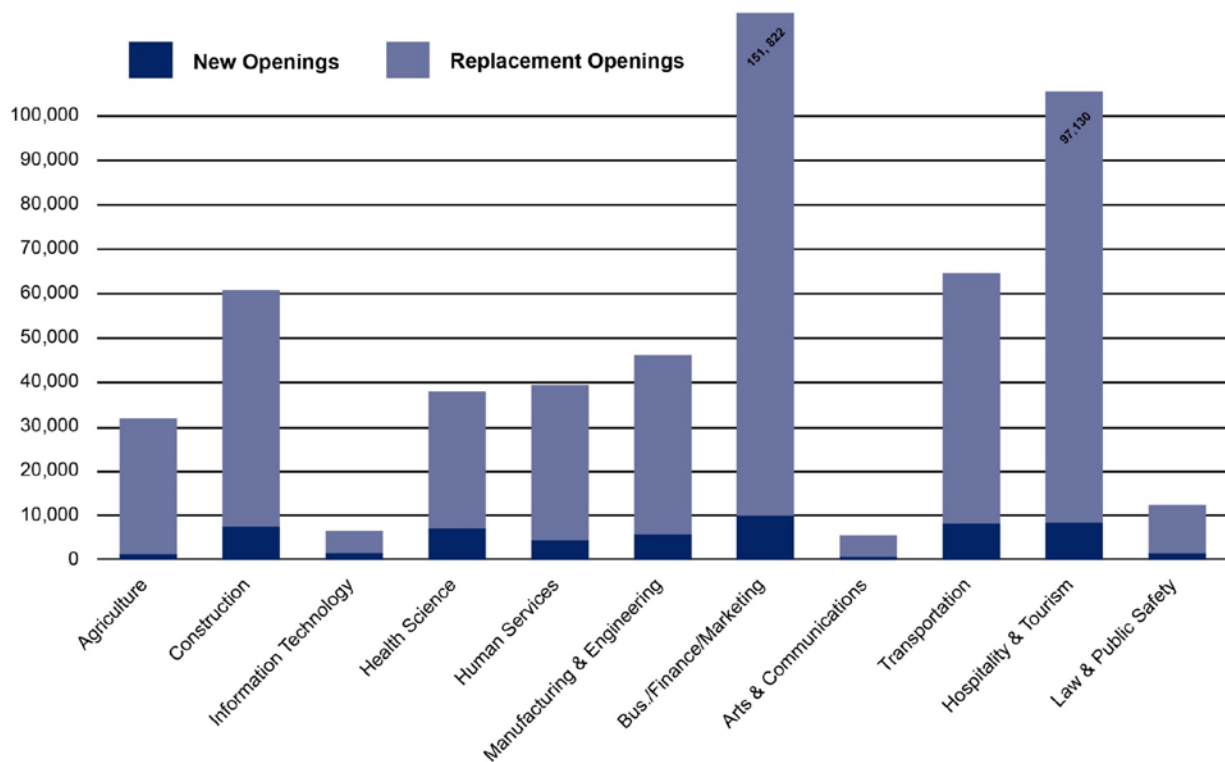
Career Cluster Groups

There was discussion around the identification of the career cluster groups, how they were formed and the overlap of jobs between each cluster. Examples included the need for transportation workers in almost all clusters, health care needs in all clusters, and IT positions open in every cluster. There was a general confirmation of these clusters and the formation of workforce needs under each of them.

Industry Labor Needs

We spent considerable time reviewing industry needs, with the emphasis on identifying careers, programs and classes that will help fill regional job openings now and into the near future (most labor reports went through 2026). These reports indicated that openings in regions served in NW Minnesota and eastern ND were very similar. High demands were found in Health Services, Hospitality and Tourism, Business Management and Administration, Transportation, Food Prep, Manufacturing, Architecture, and Construction; based on these reports, all will be in critical need. Openings included current new growth openings, exit worker openings and occupational transfer openings.

Projected 2025 Job Openings



Source: Labor Market Information Center, Job Service North Dakota

We also looked at input from CTE advisory committees. Many of the occupational needs they listed were in line with studies and analysis completed by North Dakota Job Service, Minnesota Department of Economic Development, and various regional reports. The advisory groups put much emphasis on soft skills and the need in most occupations to include them as part of a student's career path. (Note: the soft skills term has taken on many implications in the education world. It is important that it is defined with specific skill sets and what the industry needs.) Specifically mentioned were professional communications, business acumen, writing, and computer skills. The discussion around a student's approach to the workplace revealed many thoughts on how skill learning is not being applied to areas such as critical thinking, problem solving, communication skills, and the ability to work in a team environment. In addition, industry representatives also called out noticeable absence of pride in work, eagerness to learn, dependability and work ethic.

The following were specific careers identified as having high employment needs:

- Health Sciences: MLT, surgical technicians, CNA, LPN, RN, medical lab scientists, health care environmental services, dietary services
- Construction: carpenters, plumbers, electricians, all building trades
- Manufacturing: machining, welding, automated manufacturing, robotics
- Marketing: web designers, digital marketing, content writers, videographers, market research, social media, creative arts
- Business: sales and marketing, all entry levels, culinary, programmers
- Transportation: service technicians (diesel and auto), body shops, commercial drivers
- Agriculture: producers, agronomic technicians, animal science technicians, sales, ag mechanics, precision agriculture technicians, field techs, farm and ranch management
- Information Technology: network technicians, cyber security specialists, coders, web designers, programming
- Arts and Communications: varied occupations requiring creative skills, hospitality workers and management, culinary, technical writers, editing, entertainment industry
- Transfer Options: pre-programs for baccalaureate or professional degrees such as education, healthcare, criminal justice, engineering, computers, business

K-12 Input Session

The K-12 group was comprised of representatives from: Central Cass, Fargo, Northern Cass, Kindred, Northern Cass, Moorhead, and West Fargo. Stakeholders included superintendents, high school principals, and one counselor. Representatives reflected on proposed CWA cluster areas and were asked to consider student interest, current enrollments and industry needs for

potential CWA programs. A list of current class offerings by school district, M State-Moorhead, and NDSCS was supplied.

The following are K-12 group feedback, comments, or needs by career cluster:

- Agriculture received the lowest priority rating from most of the schools, although popular with schools currently offering the program. Schools reporting low interest do recognize an industry need and potential for course offerings through the “academy” to increase interest and access to classes for more students in the region. Many agriculture careers are intertwined with other career clusters, such as manufacturing; therefore, it was recommended that terminology and curriculum in this cluster be further defined with more input from industry input.
- Manufacturing showed moderate need by schools. Technology, engineering, automated systems and welding were listed as popular classes, with demand on the rise. Space and cost are an issue at district locations, as well as the need for qualified instructors. Stakeholder comments reveal that CWA offerings may contribute to student interest and the ability to fill classes with the sharing of students.
- Business and Finance most schools indicate high school students are interested in business. Marketing education was highly rated and popular as it fits with many cluster areas, including sales and hospitality. All schools have business course offerings on site. There is a desire to redesign course offerings at three high schools in the business areas. All agree business and marketing are high demand industry clusters. Some felt a comprehensive approach is needed in each high school because of the high student demand. There would be a need to evaluate how the “academy” could or would align with secondary, two-year and four-year programming in this cluster to create better alignment for programs.
- Construction introductory classes are currently offered at most schools. All rated this as a high need area, except for two high schools who currently offer advanced construction classes. Course offerings varied greatly by district based on course instructors. HVAC, plumbing, electrical, drafting, construction management, electrical technology are high areas of employment and were recommended as options to be considered at the “academy.”
- Transportation comments varied by district. Aviation was rated high by three high schools, with three indicating less interest. This program was not deemed cost-effective by some schools. Auto mechanics showed high interest at two high schools with others rating it lower. Diesel technology was also rated low due to cost of delivery. Two high schools confirmed interest in continuing recreational power sports due to high student success. Overall, comments reveal schools value transportation programs at a higher rate if they are a hosting site, as students can

- participate. Hosting sites recognize the high cost of operation, along with concern in securing highly qualified staff. Non-hosting sites reveal student interest for programs, yet transportation and time as a barrier for student participation.
- Information Technology varied due to availability of instructional staff. All schools indicated high student interest and high industry need. Some schools are participating in the Microsoft TEALS, a Microsoft teacher training program, and are interested in exploring further advanced offerings. Both M State-Moorhead and NDSCS have significant course offerings in this area for alignment.
 - Health Sciences is offered at most districts and there is a desire to keep courses at the high school due to a high concentration of student participation. High schools without direct access to health science curriculums reported a desire to have them available at their school or a central location. There are opportunities to provide advanced programming for students, yet staff qualifications, lab space, and teacher time create some limitations.
 - Arts and Communications was suggested to change to hospitality and tourism. Introductory photography and graphic communications are offered at some high schools, yet programs do not fully exist at any site.
 - General Education areas showed high interest in languages and varied rankings in science and math. One district expressed interest in exploring the integration of math and science – as they relate to the health sciences and business program areas.
 - Other areas identified by the K-12 group included public safety (with high demand), veterinary (possible health science cluster), and sound system engineers. Most of the rankings indicated a desire for culinary courses. Cosmetology has also been suggested as an area of interest by some schools.

Program or Class Identification

The K-12 group provided preliminary input on courses that may be offered for grades 10, 11, 12, 13, and 14+. These suggestions will be incorporated with those provided by M State-Moorhead and NDSCS to develop a master list of current academic offerings in the region. This list is included in the combined meeting results area of this report.

NDSCS Input Session

Academic leadership from NDSCS also evaluated the cluster areas. Their overall indication of need was generally higher than the K-12 rankings.

- Agriculture received an average rating. Comments were related to the importance of agriculture in the region. It was noted that many other cluster areas support agriculture and a definition for agriculture is necessary.
- Manufacturing was rated high. Automated manufacturing indicated a strong need but needs more exposure in high schools. Welding has high needs currently but will go down as automation takes over more of the industry.
- Business and Finance was rated high. It was noted that there are numerous areas for two-year degrees within the cluster. Marketing careers had similar comments. Many career opportunities can be enhanced with a four-year degree which tends to be desired by many employers.
- Construction rated high and career opportunities are expanding rapidly in the FM area, but can be cyclical and it was indicated that high school's numbers in this area are down. Current classes have good enrollment but many of these occupations are trained on the job.
- Transportation received middle ratings for this group. Growing interest for aviation (drone) and diesel but needs career exposure at the high school level. This cluster has strong industry support. Automotive and recreational powersports are available at many high schools. Many of these occupations are trained on the job.
- Information Technology was rated high in need but lacks student interest and enrollment. This is a critical need area with more demand on the software engineering aspect of IT. Computer programming will continue to evolve. Cyber security is becoming an area of greater emphasis.
- Health Science has a high need in FM area. Critical shortages exist now and are projected well into the future. There is high student interest, and this should be a high priority offering. It is important to note that the health science cluster includes many health related careers in addition to nursing.
- Arts and Communications changed to Hospitality and Tourism. Culinary agreement with K-12 input.
- General Education rated high as many of the soft skills (language, ELL, oral and written communication, teamwork, etc.) are needed in all clusters. There are currently many offerings in this area.
- Other indication was public safety (e.g., law enforcement, criminal justice, education).

M State-Moorhead Input Session

This was a smaller group with limited time – many of the comments came after the group session. They did go through the rating assignment and course evaluation. The rating findings are below.

- Agriculture was rated the lowest by the group, finding little interest and shrinking need. There is a need for terminology clarity for ag career programs, as it covers many areas (e.g., IT, sales, GIS, science, etc.).
- Manufacturing saw a higher need in the technology and engineering area but only for the support careers associated with four-year degrees. All students are hired before graduation. In the automated area, robotics was mentioned but the area was rated low. Welding was perceived as a short-term need.
- Business and Finance was rated in the middle range of need with social and digital area called out as a high need in the marketing sector.
- Construction was rated high for immediate need and based on current enrollment. Currently M State-Moorhead offers a two-week summer Herdina intro to construction trades for ages 15-21. Certificates could be awarded in specialty areas taught at M State-Moorhead. Stackable certificates in framing, roofing, concrete, siding, and tile could be offered.
- Transportation areas rated the highest were auto and diesel. An intro to auto and diesel at high schools or the academy facility with transferability to M State-Moorhead was suggested. Automotive NitroX summer camp to be offered at M State-Moorhead summer of 2019 and they are exploring a diesel camp. Currently offer a two-year automotive program sponsored by business partners. They also indicated a need for more certificates in the auto and diesel area.
- Information Technology needs to develop a pipeline so there is clear understanding of career paths. There is high need and interest. Security area, network administration, and programming, etc.
- General Education was ranked higher in the math and science areas. M State-Moorhead is open to exploring this further as there are a lot of options in these two areas. Also, a need is recognized for languages as they are aligned with languages in our region.
- Health Science is a major area for M State-Moorhead offering a core curriculum. All are needed, and they could fill the day with classes.
- Arts and Communications noted two areas – culinary and criminal justice.

Joint Session – Curriculum Identification

The participants at the final combined input and feedback meeting were representatives from K-12, M State-Moorhead, and NDSCS. Flint reviewed the results from previous input sessions, by cluster groups, course/program ratings, and industry needs.

Discussion was held on the value of creating programs of study (POS) as an essential element of the CWA, career pathways, and the impact for all stakeholders.

Representative feedback indicates:

- The POS represent the effort to better align high school and post-secondary education with the demands of the changing economy and provide a more coherent pathway for youth as they move toward adulthood.
- Shaped by labor market demand, POS align secondary and post-secondary curricula and offer students the ability to explore careers, earn industry recognized credentials and participate in dual credit-earning opportunities, thus potentially shortening their time to a post-secondary degree.

Representatives noted some potential challenges for implementation of the CWA. Future scheduling issues will surface once initial career clusters and programs of study are confirmed, and location determined. School districts may have to move to block scheduling in some cases in order to accommodate CWA course offerings. The CWA will have to look at full- or half-day programs to accommodate high school scheduling and transportation to and from high schools.

Throughout the process, groups recognized that programming and curriculum currently exist across the region in all career clusters. The existence of the programs, facilities, and staffing may influence the recommendation and final programming.

A graphic was provided to illustrate cluster crossover of classes that support multiple program areas. Groups were challenged to discuss and identify potential CWA curriculum courses for initial implementation and future expansion.

Input was solicited on career awareness strategies starting in the lower grades and through high school as reflected in the CWA Learning Continuum. This information will be further refined by K-12 and post-secondary representatives and as the CWA continues to evolve.

RECOMMENDATIONS

The Association of Career and Technical Education (ACTE) has developed a research-based quality framework that identifies the key components of a high-quality CTE programming. The framework provides criteria for programming that spans secondary and post-secondary career and technical education.

The CWA will utilize the ACTE frameworks to guide recommendations based on our analysis of the input of all stakeholders. Further discussion will help refine the final report. We have broken the recommendations into five key areas.

1. Career Workforce Academy Concept – **The CWA will provide a highly coordinated and collaborative approach** that serves varied student learners while helping meet the workforce needs of the region.

The Career Workforce Academy is an educational delivery model that utilizes an organized, facilitated and collaborative approach for all levels of students to explore careers, establish a career pathway, gain or enhance employable skills, and secure employment. Offerings will be located at participating school district facilities, the CWA Center, NDSCS-Wahpeton, M State-Moorhead, and by remote delivery when appropriate.

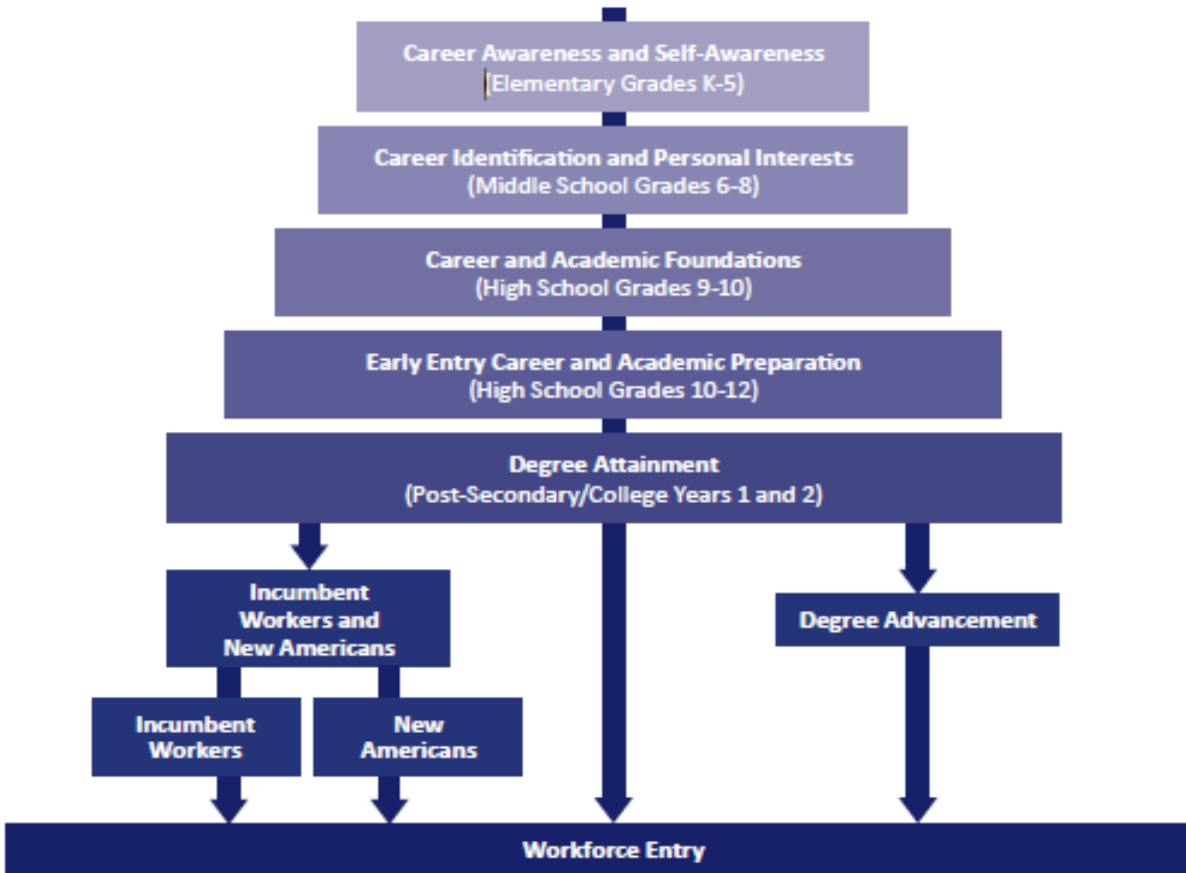
The CWA will provide needed coordination, support services and expanded delivery activities for secondary, post-secondary and adult worker classes in a new facility specifically designed for meeting the varied needs of the CWA. These needs are stated below:

- Provide exposure to multiple career paths for all levels of K-14 students.
- Present more opportunities for students to sample and experiment within a variety of careers.
- Create opportunity for those interested in a technical degree.
- Create a path for incumbent workers and new Americans for a new career.
- Provide appropriate facilities and equipment for hands-on career training.
- Focus on the region's workforce and employer.
- Engage with business and industry to strengthen K-14 relationships and programming.

The strength of the CWA will be based on the Career Pathway Model that draws upon collaboration between K-12 partners, business partners and post-secondary partners.



2. Career Pathway Learning Continuum – **The CWA will provide an integrated and developmental approach to serving all levels of learners.** It is based on serving students throughout the lifespan.

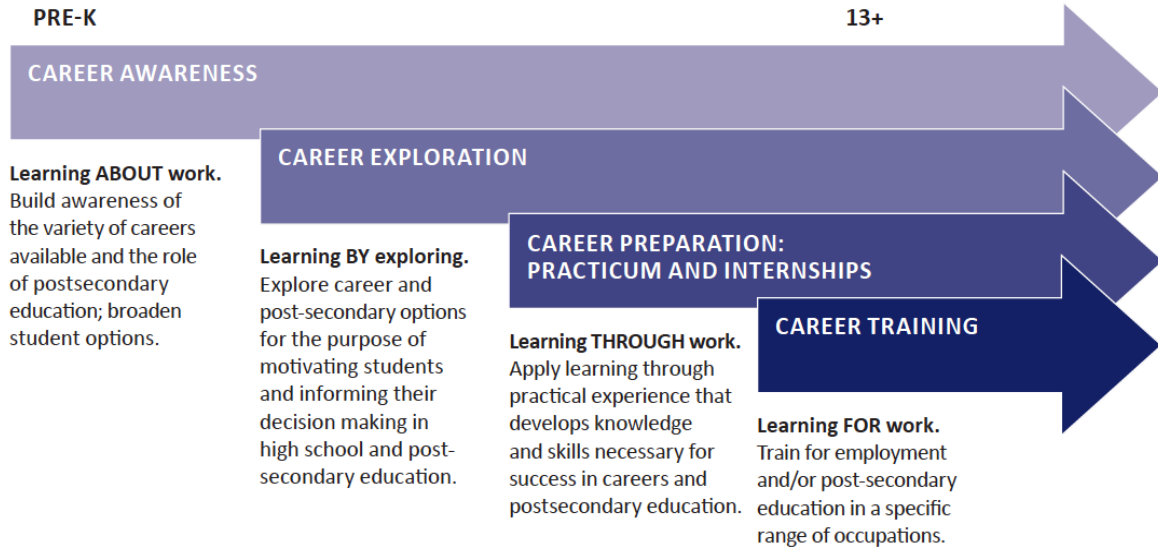


In developing our recommendation for the CWA delivery concept, we considered the courses and classes at all levels, from high school offerings through adults. This concept received a preliminary thumbs-up from participants in the input session.

Academic programming will follow the continuum as indicated in the graphic below. It will expose younger students to various jobs and begin identifying interest levels of the students; the next level will provide career choice exploration opportunities and help formulate their decision process of further career education; and lastly the program will give students the opportunity to have practical experience by learning through actual work experience. It will encourage students to participate in site visits and “on-the-job” training experiences. Opportunities for post-secondary degree attainment, industry certifications, and workforce training for New Americans or incumbent workers will also be facilitated through the CWA.

3. Delivery System – The CWA will provide a multi-faceted delivery system that leverages varied locations and delivery strategies.

Academy Learning Continuum



Instruction, educational activities and training will occur at the location and in the delivery mode that bests meets the needs of the learners and the activity being provided. Courses can be taught by the high school faculty, college faculty, via face to face, video, or online. Specifically, secondary offerings will be at participating high school facilities, at the CWA Center, at NDSCS-Wahpeton or at M State-Moorhead. Post-secondary offerings will be available at the CWA Center, NDSCS-Wahpeton or M State-Moorhead

Dual credit opportunities are a priority for CWA curriculum offerings, pathways for students to earn both high school and college credit toward a high school diploma, certificate or associate degree. Early entry coursework can motivate high school students to stay in school, improve high school graduation rates and creating a seamless transition from high school to college. Students who participate in dual credit have the opportunity to accelerate their college education as they engage in rigorous content and develop skills through advanced lab experiences, saving time and reducing their financial investment.

CAREER WORKFORCE ACADEMY Programming Model



CWA MODEL DEFINED

Career Workforce Academy - An overarching model for systemic coordination of curriculum, program alignment and business partnerships for the Center and satellite academies.

Satellite Academy - A school-based learning community providing academic and technical skills through a career-oriented pathway.

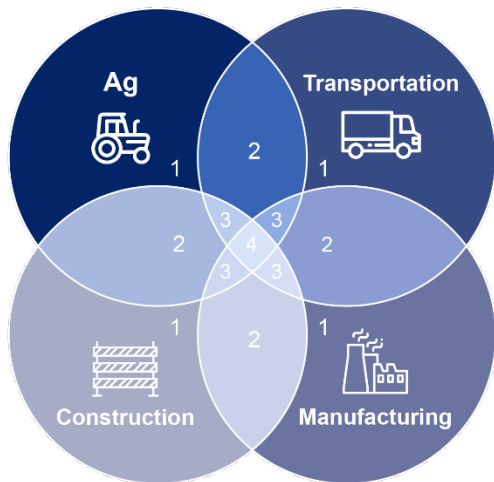
Career Workforce Center - A central location housing advanced secondary, post-secondary, adult workforce training solutions, and leadership coordination.

High School Satellites – CTE Foundations - Agriculture, Business, Construction, FACS, Graphics, Marketing, Health Science, Information Technology, Technology Education

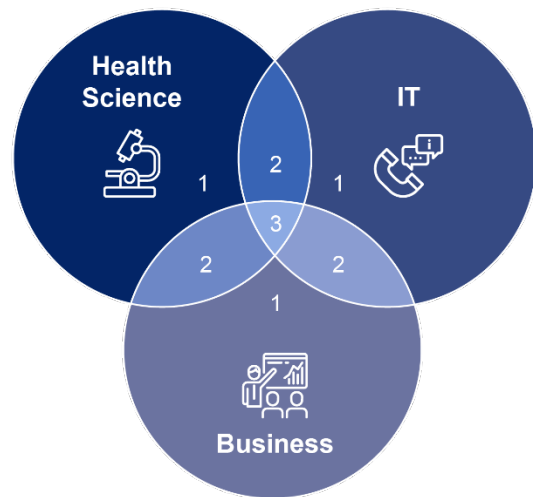
- Curriculum Offerings – A proposed listing of CWA courses, organized by industry cluster and delivery location, is attached as an appendix. In addition to the eight industry clusters, an additional cluster entitled Liberal Arts, Transfer and General Education was included. As stated previously, educational activities and training will occur at the location and in the delivery mode that best meets the needs of the learners and the activity being provided. Effectiveness of instruction and efficiency in delivery will be considered. Proposed offerings and locations listed in the appendix will be refined with the continued input of K-12, post-secondary and industry representatives. **See Appendix 1.**

Initial curriculum offerings were primarily identified through the input of K-12 and post-secondary participants. These are classes that would be initially offered through the CWA, with classes provided at varied locations. These offerings take into consideration both short- and long-term industry needs, institutional capabilities, and current student interest. In consideration of the courses recommended, we looked at cluster crossover. Many classes offered have educational and career implications in more than one cluster. This crossover happens as students explore all aspects of a career. A student interested in agriculture may look at courses in engineering and business and may want to learn more of the technical skills, like welding or UAS technology. This concept is reflected in the following diagram.

Cross Cluster Courses



Four Industry Clusters - Example



Three Industry Clusters - Example

1, 2, 3 and 4 indicate the number of industry clusters a selected course supports.

Academic offerings are dynamic in nature and will change to meet the evolving needs of the workplace. Although demand for a specific skill set may be recognized, student interest, space, instructor availability, and other resources will be weighed. Additionally, changes in industry needs may result in course offerings being modified. Flexibility and the ability to react quickly will be a hallmark of the CWA.

5. Advancing the Vision – Career Awareness and Education - The Career Workforce Academy will provide leadership and visibility in advancing the vision of a collaborative model focused on education and training workforce solutions. Building and sustaining community, industry and policy makers’ awareness and support for technical education, and the career opportunities available through such education, will be significantly enhanced by the creation of a CWA. The CWA and the resulting facility will provide an identifiable entity clearly focused on providing workforce education and training solutions.

Key components to successfully implement this recommendation include providing leadership and programming in the following areas:

- Actively involve community influencers
 - Chamber, GFMEDC, Marketplace for Kids, Fueling our Future, etc.
 - Community education groups, youth groups, Junior Achievement, etc.
- Actively involve parents, caregivers and other student influencers
 - Educate about career options and the impact on their children’s future
- Actively engage business and industry in career awareness, career exploration, career preparation, company specific training, and adult worker training or retraining
 - Work with all career cluster areas to identify and implement specific career exploration and awareness initiatives across the learner spectrum (K-12 through adult)
 - A wide array of potential activities were identified during the feedback sessions and will be made available to the CWA leadership for their consideration and use
- Actively provide programming designed to connect with high school graduates and/or young adults entering the workforce but lacking employable or technical skills
- Provide career pathway educational awareness activities for teachers, counselors and administrators in the broader educational community

Examples: roundtable discussions with industry experts, industry site tours, job shadows
- Provide coordinated and systematic career awareness and career exploration programming for K-12 students

Examples: industry presentations, industry site visits, hands on exploration activities, job shadowing, mentoring, enhancement activities, etc.

- Foster a strong connection between the secondary and post-secondary partners to ensure seamless and well-integrated programming

Examples: dual credit offerings, early college programs; curriculum alignment; shared professional learning; community and professional development activities; shared industry advisory committees, shared facilities/equipment, mentorships for new teachers, shared internship opportunities

- Shared marketing and public relations activities

Conclusion

The Career Workforce Academy is a proven, innovative educational model whose time has come for our region. The CWA has the potential to transform teaching and learning to the benefit of students, schools and colleges, the community, and employers. The identified proposed program offerings provide a foundation upon which to build the CWA model.

The Career Workforce Academy is a strong step in the journey to create an effective, efficient and enduring educational infrastructure that serves the needs of students, community, and the rapidly evolving workplace.

References and contributors

In the development of the Career Workforce Academy Program Priorities and Curriculum Development, background research and input sessions were facilitated by Flint Group. Additional information was obtained through CWA Steering Committee members, current career and technical education program advisory committee member feedback, and input from organizations engaged in coordinate input sessions, including:

- Cass County K-12 School Districts Superintendents and Secondary Principals
- M State – Moorhead President, Vice Presidents, Directors, and Faculty
- NDSCS Vice Presidents, Department Chairs, Deans, Instructional Leaders and Faculty

Career Workforce Academy

Proposed Listing of Academic Offerings



This document provides a proposed listing of courses, organized by industry cluster and delivery location. In addition to the eight industry clusters identified above, an additional cluster entitled Liberal Arts, Transfer and General Education is included. Proposed offerings and locations will be refined with the continued input of K-12, postsecondary and industry representatives.

March 28, 2019

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Agriculture Cluster

03/28/2019

Career Workforce Academy by Location

Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo High	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Secondary Courses													
Ag Intro Courses	C				C		C						
Foundations to Ag	C	VC	VC	VC	C		C	VC	VC	R			
World Ag	VC	VC	VC	VC	VC	VC	VC	VC	VC	R			
Plant Science I/Botany	C	VC	VC	VC	C		C	VC	VC	R			
Plant Science II/Botany	C	VC	VC	VC	C		C	VC	VC	R			
Small Animal Science I	C	VC	VC	VC	C		C	VC	VC	R			
Small Animal Science II	C	VC	VC	VC	C		C	VC	VC	R			
Vet Science I	C	VC	VC	VC	C		C	VC	VC	R			
Vet Science II	C	VC	VC	VC	C		C	VC	VC	R			
Ag Mechanical/Tech	C				C								
Post-Secondary Courses													
NDSCS													
AGRI 141 Principles of Ag Business										R		C	
ANSC 114 Intro to Animal Science										R		C	
PLSC 110 World Food Crops										R		C	
AGRI 275 Intro to Precision Ag										R		C	
MFG 110 Industrial Shop Practices										C-R		C	
M/State Moorhead													
BIOL 1107 Environmental Science Issues													C
BIOL 1108 Environmental Science Issues Lab													C
BIOL 1122 General Biology I													C
BIOL 1123 General Biology II													C
CHEM 1111 General Inorganic Chemistry I													C
CHEM 1112 General Inorganic Chemistry II													C
Post-Secondary Programs													
NDSCS													
Ag Business - AAS													C
Agronomy - AAS													C
Animal Science - AAS													C
Farm Management - AAS													C
Precision Agriculture - AAS													C
Ranch Management - AAS													C
M/State Moorhead													
Environmental Science - AS													C

Preliminary Recommendations

Business Management - Finance - Marketing - Hospitality Cluster

3/28/2019

Career Workforce Academy by Location													
Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Key: C = Currently offered E = Expanded offering (future) VC = Virtual Center (current) R = Recommended offering M = Move from present location VCE = Virtual Center expansion (future)													
Secondary Courses													
Intro to Business OR Basics of Business		C	C	C				C	C				
Accounting	C	C	C	C	C	C	C	C	C				
Accounting II	C	C	C	C		C		C	C				
Business Law		C	C	C				C	C				
Personal Law & Ethics						C							
Business Finance													
Personal Finance		C	C	C		C		C	C				
Computer Applications	C	C	C	C		C		C	C				
Web Design										R			
Web Design II										R			
Marketing I	C	C	C	C	VCE		C	C	C				
Management/Entrepreneurship	C	C	C	C	VCE	C	C	C	C				
Sports Marketing		C	C	C	VCE	C		C	C				
Store Manager		C	C	C	VCE	C	C	C	C				
Culinary Arts Classes - TBD										R			
Post-Secondary Courses													
NDSCS													
Business Administration and Management Classes													
ACCT 118 Applied Accounting										C-R		C	
ACCT 200 Elements of Accounting I										C-R		C	
ACCT 201 Elements of Accounting II										C-R		C	
ACCT 215 Business in the Legal Environment										C-R		C	
BADM 103 Leadership Techniques										C-R		C	
BADM 201 Principles of Marketing										C-R		C	
BADM 202 Principles of Management										C-R		C	
BADM 217 Promotion and Advertising										C-R		C	
BADM 230 Marketing Information Analysis										C-R		C	
BADM 234 Customer Service										C-R		C	
BADM 240 Sales										C-R		C	
BADM 244 Sales Seminar										C-R		C	
BADM 251 Personal Finance										C-R		C	
BADM 281 Organizational Behavior										C-R		C	
BADM 282 Human Resource Management										C-R		C	
BADM 291 Career Seminar										C-R		C	
BUSN 120 Fundamentals of Business										C-R	R	C	
BUSN 170 Entrepreneurship										C-R	R	C	
BUSN 254 Financial Statement Analysis										C-R		C	
BUSN 282 Professional Development										C-R		C	
CIS 101 Computer Literacy										C-R	C-R	C	
CSCI 116 Business Use of Computers										C-R	R	C	
Culinary Arts Classes - TBD													
TBD										R			
TBD										R			

Preliminary Recommendations

Academic Offerings														
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M/State Moorhead														
ACCT 1012 Principles of Bookkeeping														C
ACCT 1101 Payroll														C
ACCT 1108 Business Math and Calculators														C
ACCT 1120 Business Law														C
ACCT 1124 Spreadsheet Applications														C
ACCT 2201 Financial Accounting I Lab														C
ACCT 2202 Financial Accounting II Lab														C
ACCT 2203 Managerial Accounting Lab														C
ACCT 2210 Managerial Accounting														C
ACCT 2211 Financial Accounting I														C
ACCT 2212 Financial Accounting II														C
ACCT 2213 Managerial Accounting														C
ACCT 2215 Computerized Acct App														C
ACCT 2216 QuickBooks														C
ACCT 2217 Microsoft Dynamics GP														C
ACCT 2255 Income Tax-Individual														C
ACCT 2256 Income Tax-Business														C
ACCT 2620 Intermediate Accounting I														C
ACCT 2622 Intermediate Accounting II														C
ACCT 2640 Accounting Internship														C
ACCT 2800 Accreditation Council for Accountancy and Taxes or														C
ADMS 1100 Keyboarding I														C
ADMS 1110 Word Processing														C
ADMS 1112 Desktop Publishing														C
ADMS 1116 Business Communications I														C
ADMS 1120 Administrative Office Procedures														C
ADMS 1128 Records Management														C
ADMS 1130 Office Software Applications														C
ADMS 1190 Keyboarding II														C
ADMS 2124 Emerging Office Technologies														C
ADMS 2205 Advanced Word Processing														C
ADMS 2212 Integrated Office Software Applications														C
ADMS 2216 Business Communications II														C
ADMS 2240 Administrative Office Professional Internship II														C
BUS 1120 Spreadsheet & Database Concepts														C
BUS 1130 Introduction to Inventory Control and Purchasing														C
BUS 1141 Introduction to Business														C
BUS 1143 Office Procedures														C
BUS 1146 Personal Finance														C
BUS 1174 Principles of Banking														C
BUS 1175 Fundamentals of Investing														C
BUS 1300 Financial Statement Analysis														C
BUS 2150 Legal Environment of Business														C
BUS 2202 Management Information Systems														C
BUS 2204 Principles of Management														C
BUS 2206 Principles of Marketing														C

Preliminary
Recommendations

Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Key:													
C = Currently offered													
VC = Virtual Center (current)													
M = Move from present location													
VCE = Virtual Center expansion (future)													
													C
BUS 2220 Global Business													C
BUS 2275 Money and Banking													C
CULN 1200 Fundamentals of Baking and Pastry													C
CULN 1205 Theories of Baking and Pastry													C
CULN 1210 Fundamentals of Food Fabrication and Production													C
CULN 1215 Theory of Food Fabrication and Production													C
CULN 1220 Fundamentals of Pantry Production													C
CULN 1230 Introduction to Professional Food Service													C
CULN 1240 Sanitation Certification													C
CULN 1250 Kitchen Math and Measurements													C
CULN 1260 Meats													C
CULN 1270 Culinary Nutrition													C
ENTR 1100 Introduction to Entrepreneurship													C
ENTR 1400 Opportunity Analysis													C
ENTR 2200 Entrepreneurial Field Studies													C
ENTR 2220 Business Ethics/Professionalism													C
ENTR 2222 Business Plan Development													C
HRES 1122 Human Resource Management													C
HRES 1126 Employee Processes													C
HRES 1130 Benefits Administration													C
HRES 1134 Training and Development													C
HRES 2204 Policy Administration													C
HRES 2212 Wage/Salary Administration													C
HRES 2224 Employee/Labor Relations													C
HRES 2254 Human Resource Systems and Portfolio Evaluation													C
MKTG 1040 Consumer Behavior													C
MKTG 1106 Professional Selling													C
MKTG 1110 Customer Service													C
MKTG 1116 Advertising and Promotion													C
MKTG 2204 Advanced Professional Selling													C
MKTG 2214 E-Marketing													C
MKTG 2218 Retail Management													C
MKTG 2230 Marketing Research													C
MKTG 2234 Computer Marketing Applications													C
MKTG 2236 Small Business Management													C
MKTG 2250 Strategic Selling and Account Management													C
MKTG 2290 Management, Marketing and Sales Internship													C
MKTG 2410 Marketing, Management, and Sales Capstone													C

Preliminary
Recommendations

Academic Offerings														
Key: C = Currently offered VC = Virtual Center (current) M = Move from present location VCE = Virtual Center expansion (future)	E = Expanded offering (future) R = Recommended offering	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moor- head	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Post-Secondary Programs														
NDSCS														
Administration and Finance - AAS											C-R	C		
Business Technology Mgmt - AAS (3rd year option)											C-R	C		
Marketing, Sales, and Hospitality - AAS											C-R	C		
Restaurant Management - AAS (3rd year option)											C-R	C		
Entrepreneurship - Certificate											C-R	C		
Finance - Certificate											C-R	C		
Management/Supervision - Certificate											C-R	C		
Sales - Certificate											C-R	C		
Culinary Arts - Diploma and AAS														
M/State Moorhead														
Business: Management, Marketing and Sales - AAS														C
Business: Marketing and Sales - Diploma														C
Fundamentals of Culinary Arts - Diploma														C
Human Resources - AAS														C
Human Resources - AS														C
Payroll Specialist - Diploma														C
Accounting - AAS														C
Accounting - Diploma														C
Accounting Clerk - Diploma														C
Administrative Office Assistant - Finance - Certificate														C
Administrative Office Assistant - Human Resources														C
Administrative Office Assistant - Legal														C
Administrative Support - Diploma														C
Business Entrepreneurship - AAS														C
Business Entrepreneurship - Diploma														C
Professional Sales Skills - Certificate														C
Purchasing and Inventory Management - Certificate														C
Social Media Management - Certificate														C
Supervisory Leadership Essentials - Certificate														C

Preliminary
Recommendations

Construction Cluster

03/28/2019

Career Workforce Academy by Location													
Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Key: C = Currently offered E = Expanded offering (future) VC = Virtual Center (current) R = Recommended offering M = Move from present location VCE = Virtual Center expansion (future)													
Secondary Courses													
Woods I	C	C	C	C				C	C				
Woods II	C	C	C	C				C	C				
Construction I	C	C	C	C				C	C				
Construction II	C	C	C	C				C	C				
Woodworking & Cabinetry						C							
Advanced Cabinetry						C							
Exploring Carpentry						C							
Drafting & Technical Drafting						C		C					
Civil Engineering & Architecture (PLTW)		VC	VC	C		C				R			
Post Secondary Courses													
NDSCS													
Electrical Classes													
ECAL 101 DC Fundamentals										R	R	C	
ECAL 102 AC Fundamentals										R	R	C	
MFG 110 Industrial Shop Practices										C-R	R	C	
Plumbing Classes													
MFG 110 Industrial Shop Practices										C-R	R	C	
MSYS 101 Safety for Mech Syst Tech										R	R	C	
Architectural Drafting Classes													
ARCT 120 AutoCAD for Architecture										R	R	C	
ARCT 121 Revit Architecture										R	R	C	
UAS 111 Intro to UAS										R	R	C	
UAS 112 UAS Pilot Certification										R	R	C	
Building Construction Classes													
MFG 110 Industrial Shop Practices										C-R	R	C	
BCT 102 Core Curriculum for Construction										R	R		
BCT 222 Construction Safety										R	R	C	
Construction Management Classes													
ARCT 121 Revit Architecture										R	R	C	
CAD 120 Intro to AutoCAD										R	R	C	
BCT 222 Construction Safety										R	R	C	
UAS 111 Intro to UAS										R	R	C	
UAS 112 UAS Pilot Certification										R	R	C	
Land Surveying Classes													
CAD 120 Introduction to AUTOCAD										R	R	C	
CT 113 Introduction to Civil Design Applications										R	R	C	
UAS 111 Intro to UAS										R	R	C	
M/State Moorhead													
CADD 1000 AutoCAD Basics													C
COMM 1120 Introduction to Public Speaking													C
COMM 1130 Small Group Communication													C
CONM 1101 Construction Documents and Codes													C
CONM 1102 Site/Building Layout													C
CONM 1104 Construction Management Principles													C
CONM 1108 Principles of Estimating													C

Preliminary Recommendations

Academic Offerings													
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CONM 1124 Building Systems													C
CONM 2204 Materials Testing													C
CONM 2210 Construction Scheduling													C
CONM 2212 Site Management													C
CONM 2213 Safety Management													C
CONM 2217 Computer Estimating and Bidding													C
CONM 2222 Construction Management Internship													C
ELEC 1100 Electrical Safety													C
ELEC 1102 Introduction to Electric Circuit Theory													C
ELEC 1104 Introduction to National Electrical Code													C
ELEC 1107 Introduction to Residential Wiring													C
ELEC 1108 Electrical Circuit Theory													C
ELEC 1110 Electric Motors and Generators													C
ELEC 1112 Residential Wiring													C
ELEC 1114 National Electrical Code													C
ELEC 1116 Conduit/Tool Applications													C
ELEC 1118 Electrical Services													C
ELEC 1122 Introduction to Electrical Materials													C
ELEC 1124 Introduction to Electrical Blueprint Reading													C
ELEC 1130 Electrical Blueprints													C
ELEC 2202 Heating/Cooling Controls													C
ELEC 2205 Introduction to Commercial Wiring													C
ELEC 2206 Introduction to Motor Control Applications													C
ELEC 2208 Programmable Logic Controllers													C
ELEC 2211 Electronic Motor Control													C
ELEC 2212 Commercial Wiring													C
ELEC 2214 Industrial Wiring													C
ELEC 2216 Motor Control Application													C
ELEC 2225 Transformers													C
ELEC 2248 Code Applications													C
ENGT 1126 Engineering Graphics													C
FIRE 1100 Introduction to Fire Service													C
FIRE 1106 Firefighter I and II													C
FIRE 1108 Firefighter I and II Skills													C
FIRE 1130 Technical Rescue													C
FIRE 1140 Fire Inspection and Code Enforcement													C
FIRE 1150 HazMat Operational													C
FIRE 1152 Building Construction													C
HVAC 1102 Duct Fitting Construction													C
HVAC 1103 Electricity for Heating, Ventilating and Air Condi													C
HVAC 1104 Heating, Ventilating, and Air Conditioning Electr													C
HVAC 1128 Heating, Ventilating, and Air Conditioning Desig													C
HVAC 1224 Gas and Oil Heating													C
HVAC 2202 Air Handling													C
HVAC 2212 Hot Water Heating													C
HVAC 2221 Heat Pump Theory and Operation													C
HVAC 2290 Heating, Ventilating, and Air Conditioning Intern													C
MCDD 2220 Mechanical Engineering Drawing IV													C
PLBG 1101 Piping and Job Safety													C
PLBG 1103 Plumbing Trade Tools													C
PLBG 1115 Faucets and Fixtures													C
PLBG 1119 Materials and Fittings													C

Preliminary
Recommendations

Academic Offerings													
Key:	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
PLBG 1123 Plumbing Code I													C
PLBG 1125 Plumbing Lab I													C
PLBG 1131 Grade and Elevation													C
PLBG 1133 Blueprint Reading													C
PLBG 1135 Drainage, Waste and Venting													C
PLBG 1137 Water Distribution													C
PLBG 1139 Backflow Basics													C
PLBG 1141 Plumbing Code II													C
PLBG 145 Plumbing Lab II													C
REFR 1110 Refrigeration, Air Conditioning and Heating Principles													C
REFR 1112 Refrigeration, Air Conditioning and Heating Lab													C
REFR 2202 Commercial Refrig & A/C Principles													C
REFR 2204 Commercial Refrig & A/C Lab													C
REFR 2206 Commercial Electrical Principles													C
REFR 2208 Commercial Electrical Lab													C
REFR 2211 Advanced Refrigeration Principles													C
REFR 2212 Advanced Refrigeration Lab													C
REFR 2213 Advanced Electrical Theory													C
REFR 2215 Advanced Electrical Applications													C
REFR 2216 Refrigeration Internship													C
REFR 2217 Commercial Grocery Store Refrigeration													C
Post-Secondary Programs													
NDSCS													
Architectural Drafting & Estimating Technology - AAS													C
Building Construction Technology - AAS													C
Construction Management Technology - AAS													C
Land Surveying & Civil Engineering Technology - AAS													C
Electrical Technology - Electrical Construction - AAS													C
Electrical Technology - Industrial Electrical - AAS													C
HVAC/R Technology - Certificate & AAS													C
Plumbing - Certificate													C
Technical Studies - Certificate, Diploma, AAS										C-R			C
Technical Studies - Journeyworker Track - AAS										C-R			C
M/State Moorhead													
Construction Management - AAS													C
Electrical Technology: Electrician - Diploma													C
Fire Service Preparation - Certificate													C
Heating, Ventilation and Air Conditioning/Refrigeration - Diploma													C
Plumbing Technology - Diploma													C

Preliminary Recommendations

Health Science Cluster

03/28/2019

Career Workforce Academy by Location

Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Secondary Courses													
Health Science I	VCE	C	C	C	VCE	VCE	VCE	C	C	R			
Health Science II	VCE	VCE	VCE	VCE	VCE	VCE	VCE	VCE	VCE	R			
Medical Terminology	VC	C	C	C	VCE	VCE	VC	C	C	R			
Certified Nursing Assistant	VC	C	C	C	VCE	C	VC	C	C	R			
Prevention & Care of Athletic Injuries	VC	C-PE	C-PE	C-PE	VCE	VCE	VC	C	C	R			
Post-Secondary Courses													
NDSCS													
Emergency Medical Services (EMS) Classes													
EMS 100 Emergency Medical Responder										C-R			
EMS 101 Introduction into EMS										C-R			
EMS 110 EMT Fundamentals										C-R			
EMS 110L EMT Fundamentals Lab										C-R			
EMS 110P EMT Practicum										C-R			
EMS 150 AEMT Fundamentals										C-R			
EMS 150L AEMT Fundamentals Lab										C-R			
EMS 170 Trauma I										C-R			
EMS 180 Pharmacology I										C-R			
EMS 203 Pharmacology II										C-R			
EMS 204 Medical Emergencies I										C-R			
EMS 205 Medical Emergencies II										C-R			
EMS 207 Special Populations										C-R			
EMS 215 Cardiology										C-R			
EMS 217 Pulmonology										C-R			
EMS 218 Cardio-Pulmonology										C-R			
EMS 219 Trauma II										C-R			
EMS 231 Paramedic Lab I										C-R			
EMS 232 Paramedic Simulation Lab										C-R			
EMS 234 Paramedic Assessment Lab										C-R			
EMS 241 Advanced Provider Practicum I										C-R			
EMS 242 Advanced Practicum II										C-R			
EMS 243 Capstone in Paramedicine										C-R			
EMS 255 Leadership in EMS										C-R			
Health Information Classes													
BOTE 171 Medical Terminology										R	C-R	C	
Nursing Classes													
NURS 101 Introduction to Nursing										C-R		C	
NURS 102 Introduction to Adult Nursing										C-R		C	
NURS 231 Psychiatric Mental Health Nursing										C-R		C	
NURS 232 Adult Nursing										C-R		C	
NURS 233 Adult Nursing Clinical										C-R		C	
NURS 245 Maternal Child Nursing										C-R		C	
NURS 246 Maternal Child Nursing Clinical										C-R		C	
NURS 250 Leadership in Long-Term care setting										C-R		C	
NURS 251 NCLEX-PN Review										C-R		C	
NUTR 240 Principles of Nutrition & Diet Therapy										C-R		C	
PHRM 205 Pharmacology for Nursing										C-R		C	

Preliminary Recommendations

Academic Offerings														
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M/State Moorhead														
ADMM 1104 Medical Language Applications I														C
ADMM 1110 Medical Documentation Fundamentals														C
ADMM 1122 Medical Office Procedures														C
ADMM 1150 Medical Billing/Insurance														C
ADMM 1152 Outpatient Coding														C
ADMM 1160 Beginning Medical Transcription														C
ADMM 1200 Medical Office Technology Tools														C
ADMM 2104 Medical Language Applications II														C
ADMM 2122 Medical Office Management														C
ADMM 2130 Medical Office Career Insight														C
ADMM 2150 Medicare Coding and Billing Applications														C
ADMM 2152 Advanced Coding														C
ADMM 2154 Hospital Billing														C
ADMM 2256 Certified Professional Biller Examination														C
ADMM 2258 Certified Professional Coder Examination Review														C
ADMM 2320 Medical Office Capstone														C
ADMM 2500 Human Disease Applications for Administrative H														C
ADMS 1116 Business Communications I														C
CRJU 1101 Introduction to Criminal Justice														C
CRJU 1102 Policing and Practices														C
CRJU 1108 Physical Control Tactics for Corrections														C
CRJU 1109 Law Enforcement Behavioral Science														C
CRJU 2201 Criminal Law														C
CRJU 2206 Police Report Writing														C
CVRI 1100 Cardiovascular Technology Survey														C
CVRI 1105 Introduction to Cardiovascular Technology														C
CVRI 1110 Cardiovascular Anatomy and Physiology														C
CVRI 1120 Principles of Patient Care														C
CVRI 1130 Cardiovascular Technology I														C
CVRI 1136 Cardiovascular Technology Clinical														C
CVRI 2130 Cardiovascular Technology II														C
CVRI 2141 Pharmacology for Cardiovascular Technology														C
CVRI 2145 Intravenous Therapy														C
CVRI 2250 Radiation Safety														C
CVRI 2262 Cardiovascular Technology Practicum I														C
CVRI 2263 Cardiovascular Technology Practicum II														C
CVRI 2264 Cardiovascular Technology Practicum III														C
DENT 1100 Biomaterials														C
DENT 1102 Dental Anatomy														C
DENT 1103 Introduction for Dental Health Care Providers														C
HITM 1150 Introduction to Health Care Delivery														C
HITM 1152 Health Information Systems														C
HITM 1155 Medicolegal Aspects														C
HITM 1159 Professional Practice Experience Function														C
HITM 2204 Fundamentals of Electronic Health Records														C
HITM 2216 Introduction to Procedure Coding														C
HITM 2218 Intermediate Procedure Coding														C

Preliminary
Recommendations

Academic Offerings														
Key: C = Currently offered VC = Virtual Center (current) M = Move from present location VCE = Virtual Center expansion (future)	E = Expanded offering (future) R = Recommended offering	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moor- head	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
HITM 2230 Medical Science for Health Information Profession														C
HITM 2250 Supervisory Leadership in Health														C
HITM 2253 Quality Management Studies														C
HITM 2263 Reimbursement Systems														C
HITM 2272 Professional Practice Experience III														C
HITM 2282 Introduction to Diagnosis Coding														C
HITM 2283 Intermediate Diagnosis Coding														C
HITM 2290 Health Care Data Management and Analysis														C
HLTH 1110 Introduction to Anatomy and Physiology														C
HLTH 1116 Medical Terminology														C
PHRM 1100 Personal and Professional Responsibilities of the														C
PHRM 1101 Personal and Professional Responsibility Applicat														C
PHRM 1110 Medication Processing, Handling, and Safety I														C
PHRM 1111 Medication Processing, Handling and Safety Lab I														C
PHRM 1120 Pharmaceutical Calculations														C
PHRM 2010 Experiential / Hospital														C
PHRM 2012 Experiential / Retail														C
PHRM 2100 Pharmacotherapy														C
PHRM 2110 Medication Processing, Handling and Safety II														C
PHRM 2111 Medication Processing, Handling and Safety Lab II														C
PHRM 2120 Professional Preparation														C
PSYC 2226 Behavior and Environmental Management														C
SURT 1200 Introduction to Surgical Technology														C
SURT 1210 Surgical Technology I														C
SURT 1215 Surgical Pharmacology														C
SURT 1220 Surgical Technology II														C
SURT 1230 Surgical Technology III														C
SURT 1250 Surgical Clinical I														C
SURT 1255 Surgical Clinical II														C

Preliminary
Recommendations

Academic Offerings														
Key: C = Currently offered VC = Virtual Center (current) M = Move from present location VCE = Virtual Center expansion (future)	E = Expanded offering (future) R = Recommended offering	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moor- head	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Post-Secondary Programs														
NDSCS														
Dental														
Dental Assisting - Certificate, AAS													C	
Dental Hygiene - AAS													C	
Emergency Medical Services														
Emergency Medical Technician (EMT) - Certificate											C-R			
Advanced EMT - Certificate											C-R			
Paramedic Technology - Certificate, AAS											C-R			
Health Information														
Medical Coding - Certificate													C	
Health Information Technician - AAS													C	
Nursing														
Practical Nursing - AAS LPN											C-R		C	
Registered Nursing - ASN RN													C	
Registered Nursing - AAS RN													C	
Occupational Therapy Assistant - AAS													C	
Pharmacy Technician - Certificate, AAS											R		C	
M/State Moorhead														
Autism Spectrum Disorder - Certificate														C
Cardiovascular Technology - Invasive - AAS														C
Childcare and Education - Certificate														C
Correctional Officer - Certificate														C
Criminal Justice - AS														C
Dental Assisting - AAS														C
Dental Assisting - Diploma														C
Dental Hygiene - AAS														C
Health Information Technology/Coding - AAS														C
Medical Administration Assistant - AAS														C
Medical Coding and Insurance - Diploma														C
Medical Office Assistant - Diploma														C
Medical Receptionist - Diploma														C
Pharmacy Technology - Diploma														C
Surgical Technology - AAS														C

Preliminary
Recommendations

Information Technology Cluster

03/28/2019

Career Workforce Academy by Location

Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Secondary Courses													
Intro to Coding	VC	C	C	C	C	C	C	C	C				
Mobile Apps & Security	VC	VC	VC	VC	VCE		VC	C	VC				
Computer Programming I - Java	VC	C	C	C			VC	C	C	R	E		
Advanced Programming - Java	VC	C	C	C			VC	C	C	R			
HTML													
IT Essentials I	VC	VC	VC	C			VC	C	VC	R	E		
IT Essentials II	VC	VC	VC	C			VC	C	VC	R	E		
Cisco I	VC	VC	VC	C			VC	VC	VC	R	E		
Cisco II	VC	VC	VC	C				VC	VC	R	E		
Cisco III		VC	VC	M				C	C	R	E		
Cisco IV		VC	VC	M						R	E		
Web Design		C				C				R			
Web Development						C				R			
Security Course (Future Course)										R			
Post-Secondary Courses													
NDSCS													
CIS 101 Computer Literacy										C-R	C	C	
CIS 128 IT Essentials I										C-R			
CIS 129 IT Essentials II										C-R			
CIS 164 Networking Fundamentals I										C-R		C	
CIS 165 Networking Fundamentals II										C-R		C	
CIS 180 HTML and CSS										C-R		C	
CIS 181 Web Authoring Software										C-R		C	
CIS 182 Image Editing Software										C-R		C	
CIS 197 Internship										C-R		C	
CIS 212 Microsoft Windows Operating System Client										C-R			
CIS 215 Implementing a Microsoft Windows Server										C-R			
CIS 216 Implementing a Microsoft Windows Network										C-R			
CIS 220 Operating Systems (Unix)										C-R		C	
CIS 232 Graphics Design										C-R		C	
CIS 241 IT Forensics I										C-R			
CIS 242 IT Forensics II										C-R			
CIS 244 Web Server Management										C-R			
CIS 267 Intermediate Networking I										C-R			
CIS 268 Intermediate Networking II										C-R			
CIS 279 Security Awareness and Policy										C-R		C	
CIS 280 Fundamentals of Network Security I										C-R			
CIS 282 Computer System Security										C-R			
CSCI 116 Business Use of Computers										C-R		C	
CSCI 160 Computer Science I										C-R		C	
CSCI 230 Web Database I (ASP/PHP)										C-R		C	
M/State Moorhead													
CPTR 1001 Introduction To Programming and Scripting													C
CPTR 1106 Microcomputer Databases													C
CPTR 1108 CISCO I													C

Preliminary Recommendations

Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Key: C = Currently offered VC = Virtual Center (current) M = Move from present location VCE = Virtual Center expansion (future)													
E = Expanded offering (future) R = Recommended offering													
CPTR 1110 Visual Basic Program I													C
CPTR 1115 COBOL Programming													C
CPTR 1118 CISCO II													C
CPTR 1122 Microcomputer Maintenance													C
CPTR 1129 RPG Programming													C
CPTR 1170 Web Engineering I													C
CPTR 1178 Robotics													C
CPTR 2000 Mobile Application Development													C
CPTR 2200 CISCO III													C
CPTR 2208 CISCO IV													C
CPTR 2210 Database Report Generation													C
CPTR 2224 Linux I													C
CPTR 2230 Structured Query Language													C
CPTR 2234 Linux II													C
CPTR 2236 Network Security													C
CPTR 2238 Database Integration													C
CPTR 2240 Database Administration													C
CPTR 2242 Java Programming													C
CPTR 2245 Enterprise Network Technologies													C
CPTR 2250 IT Supervised Occupational Experience													C
CPTR 2260 Advanced Structured Query Language													C
CPTR 2272 Network Operating Systems													C
CPTR 2275 Data Analytics													C
CPTR 2294 Internship													C
CPTR 2296 Topics in Computers													C
CSCI 1110 Informatics													C
CSCI 1121 Computer Science I													C
CSCI 1122 Computer Science II													C
CSEC 2204 Managing Directory Services													C
CSEC 2210 Security Breaches and Countermeasures													C
CSEC 2212 Web Security													C
CSEC 2214 Topics in Network Security													C
CSEC 2228 Network Defense													C
CVNP 2212													C
Post-Secondary Programs													
NDSCS													
IT Forensics and Security - Certificate										C-R			
Information Technology Support - Certificate										C-R			
Information Systems Administrator - AAS										C-R			
Web Design - Certificate										C-R		C	
Web Developer - AAS										C-R		C	
Technical Studies													
Technical Studies - Certificate, Diploma, AAS										C-R		C	
M/State Moorhead													
Cisco Networking - Certificate													C
Computer Programming - AAS													C
Information Technology - AS													C
Information Technology - Database Administration - AAS													C
Network Administration and Security - AAS													C
Network Security - Certificate													C

Preliminary
Recommendations

Manufacturing - Engineering Cluster

03/28/2019

Career Workforce Academy by Location													
Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Key: C = Currently offered E = Expanded offering (future) VC = Virtual Center (current) R = Recommended offering M = Move from present location VCE = Virtual Center expansion (future)													
Secondary Course Courses													
Metals I									C				
Metals II									C				
Welding I	VC	VC	VC	VC	VCE	C	VC	VC	VC	R	E		
Welding I	VC	VC	VC	VC	VCE	C	VC	VC	VC	R	E		
Automated Manufacturing I	VC	VC	VC	C	VCE		VC	VC	VC	R	E		
Automated Manufacturing II	VC	VC	VC	C	VCE		VC	VC	VC	R	E		
Automated Manufacturing III	VC	VC	VC	C	VCE		VC	VC	VC	R			
Intro to Engineering (PLTW)		C	C	C		C		C	C	R			
Principles of Engineering (PLTW)		C	C	C		C		C	C	R			
Digital Electronics (PLTW)									C	R			
Post-Secondary Courses													
NDSCS													
Manufacturing/Welding Classes													
MFGT 101 Robotics I										C-R		C	
MFGT 110 Industrial Shop Practices										C-R	C-R	C	
MFGT 123 Fabrication Methods I										C-R	C-R	C	
MFGT 135 Basic Metallurgy										C-R		C	
MFGT 137 Print Reading I										C-R		C	
MFGT 140 Fabrication Methods II										C-R		C	
MFGT 141 Print Reading II										C-R		C	
WELD 151 Welding Theory I										C-R		C	
WELD 152 Welding Theory II										C-R		C	
WELD 153 Welding Lab I										C-R		C	
WELD 154 Welding Lab II										C-R		C	
WELD 201 Welding Theory III										C-R		C	
WELD 202 Welding Theory IV										C-R		C	
WELD 211 Welding Lab III										C-R		C	
WELD 212 Welding Lab VI										C-R		C	
Robotics Classes													
RAMT 137 Print Reading, Drafting & Safety										R		C	
MFGT 110 Industrial Shop Practices										C-R	C-R	C	
Robotics Classes - TBD													
M/State Moorhead													
ENGR 2210 Engineering Mechanics I													C
ENGR 2220 Engineering Mechanics II													C
ENGR 2230 Mechanics of Materials													C
MATH 1134 Calculus I													C
MATH 1135 Calculus II													C
MATH 2231 Calculus III													C
MATH 2259 Differential Equations													C
PHYS 1412 University Physics II													C

Preliminary Recommendations

Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Key: C = Currently offered Center (current) location VCE = Virtual Center expansion (future)													
E = Expanded offering (future) VC = Virtual Center (current) R = Recommended offering M = Move from present location													
Post-Secondary Programs													
NDSCS													
Precision Machining - Certificate, AAS												C	
Robotics, Automation & Mechatronics (RAMT) - AAS												C	
Welding - Certificate, AAS												C	
Technical Studies													
Technical Studies - Certificate, Diploma, AAS										C-R		C	
M/State Moorhead													
Drafting and 3D Technologies - Diploma													C
Drafting and 3D Technologies - AAS													C
Engineering - AS													C

Preliminary
Recommendations

Transportation Cluster

03/28/2019

Career Workforce Academy by Location

Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Key: C = Currently offered E = Expanded offering (future) VC = Virtual Center (current) R = Recommended offering M = Move from present location VCE = Virtual Center expansion (future)													
Secondary Courses													
Aviation IA	VC	VC	VC	VC	VCE	VCE	VC	C	VC				
Aviation IB	VC	VC	VC	VC	VCE	VCE	VC	C	VC				
Aviation II	VC	VC	VC	VC	VCE	VCE	VC	C	VC				
Automotive I	VCE	VCE	VCE	C	VCE	VCE	VCE	VCE	VCE				
Automotive II	VCE	VCE	VCE	C	VCE	VCE	VCE	VCE	VCE				
Diesel I								C-M		M	R-E		
Diesel II								C-M		M	R-E		
Recreational Engines I	VCE	VCE	VCE	VCE	VCE	C	VCE	VCE	C				
Recreational Engines II	VCE	VCE	VCE	VCE	VCE	C	VCE	VCE	C				
UAS Introduction										R	R-E		
Post-Secondary Courses													
NDSCS													
Auto Body Classes													
MFG 110 Industrial Shop Practices										C-R	R	C	
Automotive Classes													
MFG 110 Industrial Shop Practices										C-R	R	C	
AUTO 133 Power Trains I											R	C	
AUTO 134 Power Trains II											R	C	
Diesel Classes													
MFG 110 Industrial Shop Practices										C-R	R	C	
DTEC 135 Medium/Heavy Duty Brakes										R	R	C	
DTEC 125 Intro to Heavy Duty Drive Sys										R	R	C	
Powersports Classes													
MFG 110 Industrial Shop Practices										C-R	R	C	
PST - TBD											R	C	
UAS Classes													
UAS 111 Intro to UAS										R	R	C	
UAS 112 UAS Pilot Certification										R	R	C	
UAS 121 UAS Advanced Data Collection										R		C	
UAS 122 UAS Photography and Videography										R		C	
UAS 132 Advanced UAS Flight										R		C	
Technical Studies													
Technical Studies - Certificate, Diploma, AAS										C-R		C	
M/State Moorhead													
AMST 1101 Automotive Equipment Fundamentals													C
AMST 1102 Alignment and Suspension I													C
AMST 1105 Brakes I													C
AMST 1110 Batteries, Starting and Charging Systems													C
AMST 1111 Automotive Electronics													C
AMST 1122 Engines I													C
AMST 1126 Engines II													C
AMST 1132 Drivetrains I													C
AMST 1136 Drivetrains II													C

Preliminary Recommendations

Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moor-head	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Key: C = Currently offered E = Expanded offering (future) VC = Virtual Center (current) R = Recommended offering M = Move from present location VCE = Virtual Center expansion (future)													
AMST 2201 Alignment and Suspension II													C
AMST 2206 Body Electrical and Mechanical I													C
AMST 2210 Body Electrical and Mechanical II													C
AMST 2211 Exhaust Analysis and Fuel Systems													C
AMST 2214 Electronic Powertrain Control I													C
AMST 2218 Electronic Powertrain Control II													C
AMST 2220 Ignition Systems													C
AMST 2225 Brakes II													C
AMST 2233 Automatic Transmissions I													C
AMST 2237 Automatic Transmissions II													C
AMST 2240 Heating, Ventilation and Air Conditioning													C
BIOL 1107 Environmental Science Issues													C
COMM 1120 Introduction to Public Speaking													C
CPTR 1100 Fund Computer Concepts													C
DCNH 2210 Mobile Hydraulics													C
DCNH 2218 CNH (Case New Holland) Supervised Occupati													C
DCNH 2238 Transmissions and Drive Systems													C
DCNH 2242 Advanced Engines and Fuel Systems													C
DCNK 1116 CNH (Case New Holland) Supervised Occupati													C
DCNK 1118 CNH (Case New Holland) Supervised Occupati													C
DSET 1100 Diesel Equipment Fundamentals													C
DSET 1101 Software Systems in Transportation													C
DSET 1106 Fuel Systems													C
DSET 1110 Power Train I													C
DSET 1112 Hydraulics I													C
DSET 1114 Vehicle Brakes													C
DSET 1124 Diesel Shop Management													C
DSET 1130 Trans Elec/Start/Charge													C
DSET 1132 Introduction to Engine Theory													C
DSET 1134 Introduction to Engines													C
DSET 1144 Electrical Troubleshooting													C
DSET 2204 Advanced Electrical and Emission Systems													C
DSET 2206 Electronic Controls													C
DSET 2210 Mobile Hydraulics													C
DSET 2214 Suspension and Alignment													C
DSET 2218 Advanced Fuels													C
DSET 2220 Internship													C
DSET 2238 Transmissions & Drive Systems													C
DSET 2242 Advanced Engines and Fuel Systems													C
ENGL 1101 College Writing													C
TRNS 1112 Heating Ventilation A/C													C

Preliminary
Recommendations

Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Key: C = Currently offered E = Expanded offering (future) VC = Virtual Center (current) R = Recommended offering M = Move from present location VCE = Virtual Center expansion (future)													
Post-Secondary Programs													
NDSCS													
Auto Body Repair & Refinishing Tech - AAS												C	
Automotive Technology - AAS												C	
Powersports Technology - Certificate & AAS												C	
Diesel Technology - AAS												C	
John Deere Tech - AAS												C	
Caterpillar Dealer Service Technician - AAS												C	
Unmanned Aircraft Systems (UAS) - Certificate										R		C	
M/State Moorhead													
Automotive Service Technology - AAS													C
Automotive Service Technology - Diploma													C
Diesel Equipment Technology - AAS													C
Diesel Equipment Technology - Diploma													C

Preliminary
Recommendations

Arts & Communications Cluster

03/28/2019

Career Workforce Academy by Location

Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Secondary Course Courses													
Photography I		C	C	C				C	C				
Photography II		C	C	C				C	C				
DigiTools I						C							
DigiTools II						C							
Communications Tech		C	C	C									
Graphics Communication								C	C				
News Media													
Broadcasting								C	C				
TV Production						C							
Publications								C	C				
Performing Arts		C	C	C				C	C				
Visual Arts courses		C	C	C				C	C				
Post-Secondary Course Courses													
NDSCS													
Performing Arts													
MUSC 101 Music Appreciation										R		C	
MUSC 101 Fundamentals of Music										R		C	
MUSC 207 History of Rock and Roll										C-R		C	
Communication													
COMM 110 Fundamentals of Public Speaking										C-R		C	
COMM 212 Interpersonal Communication										R		C	
COMM 216 Intercultural Communication										R		C	
M/State Moorhead													
ASL 1111 American Sign Language and Deaf Culture I													C
ASL 1112 American Sign Language and Deaf Culture II													C
ASL 1113 American Sign Language and Deaf Culture III													C
ASL 1114 American Sign Language and Deaf Culture IV													C
ASLM 1110 Introduction to Medical Interpreting													C
ASLM 1111 Ethical Decision Making for Medical Interpreters													C
ASLM 1112 Medical Signs													C
ASLM 1113 Special Topics in the Field of Medical Interpretin													C
ASLM 1114 Introduction to Mental Health Interpreting													C
COMM 2230 Intercultural Communication													C
GDTC 1100 Macintosh Production Processes													C
GDTC 1105 Adobe Photoshop I													C
GDTC 1113 Design and Layout I													C
GDTC 1115 Design and Layout II													C
GDTC 1120 Adobe InDesign I													C
GDTC 1124 Interactive Design I													C
GDTC 1126 Digital Photography													C
GDTC 1135 Adobe Illustrator I													C
GDTC 1150 Process Printing Theory													C

Preliminary Recommendations

Academic Offerings													
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E = Expanded offering (future) R = Recommended offering	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moor- head	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
GDTC 2120 Adobe InDesign II													C
GDTC 2205 Adobe Photoshop II													C
GDTC 2212 Design and Layout III													C
GDTC 2224 Interactive Design II													C
GDTC 2230 Design Portfolio													C
GDTC 2245 Adobe Illustrator II													C
GDTC 2250 Design Campaigns													C
GDTC 2258 Graphic Design Prof Practice													C
GDTC 2278 Digital Preflight													C
HLTH 1110 Introduction to Anatomy and Physiology													C
HLTH 1116 Medical Terminology													C
Post-Secondary Programs													
NDSCS													
Liberal Arts - General - AA, AS										C-R		C	
Liberal Arts - Music - AA										R		C	
M/State Moorhead													
American Sign Language Studies - Certificate													C
Graphic Design Technology - AAS													C
Graphic Design Technology - Diploma													C
Sign Language Interpreter - Medical - Certificate													C

Preliminary
Recommendations

Liberal Arts, Transfer and General Education Cluster

03/28/2019

Career Workforce Academy by Location													
Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Key:													
C = Currently offered													
E = Expanded offering (future)													
VC = Virtual Center (current)													
R = Recommended offering													
M = Move from present location													
VCE = Virtual Center expansion (future)													
Secondary Course Courses													
English IV													
Foreign Language													
Psychology													
Mathematics													
Ramp Up - (Science of Success)?													
Sociology													
Sciences													
Post-Secondary Courses													
NDSCS													
Academic Services (Developmental)													
ASC 060 English Language and Grammar Skills										C-R		C	
ASC 067 English as a Second Language										C-R		C	
ASC 82 effective Reading										C-R		C	
ASC 84 Critical Reading										C-R		C	
ASC 86 College Writing Prep I										C-R		C	
ASC 87 College Writing Prep II										C-R		C	
ASC 88 Composition Lab										C-R		C	
ASC 90 Math Prep										C-R	C	C	
ASC 91 Algebra Prep I										C-R	C	C	
ASC 92 Algebra Prep II										C-R	C	C	
ASC 93 Algebra Prep III										C-R	C	C	
English, Communication, & Performing Arts													
COM 110 Fundamentals of Public Speaking										C-R	C	C	
ENGL 110 College Composition I										C-R	C	C	
ENGL 120 College Composition II										C-R	C	C	
ENGL 240 World Literature Masterpieces										C-R		C	
MUSC 207 History of Rock and Roll Music										C-R		C	
Mathematics and Science Classes													
BIOL 111 Concepts of Biology/Lab										C-R		C	
BIOL 150/L General Biology I/Lab										C-R	C	C	
BIOL 151/L General Biology II/Lab										C-R	C	C	
BIOL 220/L Anatomy & Physiology I/Lab										C-R	C	C	
BIOL 221/L Anatomy & Physiology II/Lab										C-R	C	C	
CHEM 121/L General Chemistry I/Lab										C-R	C	C	
CHEM 122/L General Chemistry II/Lab										C-R	C	C	
BOTE 108 Business Math										C-R		C	
MATH 103 College Algebra										C-R	C	C	
MATH 105 Trigonometry										C-R	C	C	
MATH 130 Technical Math										C-R		C	
MATH 132 Technical Algebra I										C-R		C	
MATH 136 Technical Trigonometry										C-R		C	
MATH 210 Elementary Statistics										C-R	C	C	
MICR 202/L Introductory Microbiology										C-R		C	
PHYS 211/L College Physics I										C-R		C	
Social & Behavioral Sciences													
CJ 160 The Legal System										C-R		C	
CJ 201 Introduction to Criminal Justice										C-R		C	
CJ 232 Administration of Justice										C-R		C	

Preliminary Recommendations

Academic Offerings	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moorhead	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Key: C = Currently offered VC = Virtual Center (current) M = Move from present location VCE = Virtual Center expansion (future)													
E = Expanded offering (future) R = Recommended offering													
CJ 297 Internship: Field Studies										C-R		C	
CJ 297 CJ Internship										C-R		C	
ECON 105 Elements of Economics										C-R	C	C	
ECON 201 Principles of Microeconomics										C-R		C	
ECON 202 Principles of Macroeconomics										C-R		C	
HIST 103 United States History To 1877										C-R		C	
HIST 104 United States History Since 1877										C-R		C	
PHIL 210 Ethics										C-R		C	
POLS 115 American Government										C-R		C	
POLS 115 State and Local Government										C-R		C	
PSYC 100 Human Relations in Organizations										C-R		C	
PSYC 111 Introduction to Psychology										C-R		C	
PSYC 230 Educational Psychology										C-R		C	
PSYC 250 Developmental Psychology										C-R		C	
PSYC 270 Abnormal Psychology										C-R		C	
RELS 203 World Religions										C-R		C	
SOC 110 Introduction to Sociology										C-R		C	
SOC 115 Social Problems										C-R		C	
SOC 221 Minority Relations										C-R		C	
M/State Moorhead													
ACCT 1108 Business Math and Calculators													C
ACCT 2210 Managerial Accounting													C
ACCT 2211 Financial Accounting I													C
ACCT 2212 Financial Accounting II													C
ACCT 2213 Managerial Accounting													C
ACCT 2215 Computerized Acct App													C
ACCT 2255 Income Tax-Individual													C
ART 1107 Foundations of Art, 2-D													C
ART 1108 Foundations of Art, 3-D													C
ART 1110 Introduction to Art													C
ART 1111 Drawing I													C
ART 1112 Painting I													C
ART 1117 Printmaking I													C
ART 1118 Watercolor I													C
ART 1121 World of Art I													C
ART 1122 World of Art II													C
ART 1124 American Art													C
ART 1140 Handbuilt Ceramics													C
ART 2111 Drawing II													C
ART 2112 Painting II													C
ART 2114 Photographic Art I													C
ART 2115 Introduction to Digital Photography													C
ART 2116 Mixed Media I													C
ART 2201 Foundations on Digital Imaging													C
ART 2260 Art, Portfolio Design and Professional Development													C
ART 2261 Art, Portfolio Design and Professional Development Internsh													C
ART 2999 AFA-Visual Art Capstone Exhibition													C
BIOL 1107 Environmental Science Issues													C
BIOL 1108 Environmental Science Issues Lab													C
BIOL 1115 Introduction to Biotechnology													C
BIOL 1122 General Biology I													C
BIOL 1123 General Biology II													C

Preliminary
Recommendations

Academic Offerings														
Key: C = Currently offered VC = Virtual Center (current) M = Move from present location VCE = Virtual Center expansion (future)	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moor- head	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead	
BIOL 1152 Food Science													C	
BIOL 1170 Essentials of Human Anatomy and Physiology													C	
BIOL 2010 General Ecology													C	
BIOL 2202 Principles of Nutrition													C	
BIOL 2220 General Microbiology													C	
BIOL 2240 Genetics													C	
BIOL 2260 Human Anatomy and Physiology I													C	
BIOL 2261 Human Anatomy and Physiology I Lab													C	
BIOL 2262 Human Anatomy and Physiology II													C	
BIOL 2263 Human Anatomy and Physiology II Lab													C	
BIOL 2267 Medical Microbiology													C	
BIOL 2268 Medical Microbiology Lab													C	
BIOL 1104 Biology of Human Concerns													C	
BUS 1120 Spreadsheet & Database Concepts													C	
BUS 1146 Personal Finance													C	
BUS 2150 Legal Environment of Business													C	
BUS 2204 Principles of Management													C	
BUS 2206 Principles of Marketing													C	
CHEM 1100 Fundamental Concepts of Chemistry													C	
CHEM 1101 Principles of General Chemistry													C	
CHEM 1111 General Inorganic Chemistry I													C	
CHEM 1112 General Inorganic Chemistry II													C	
CHEM 1115 Introduction to Organic and Biochemistry													C	
CHIN 1101 Introduction to Chinese													C	
COMM 1100 Power and Communications in Human Relations													C	
COMM 1120 Introduction to Public Speaking													C	
COMM 1130 Small Group Communication													C	
COMM 1140 Interpersonal Communication													C	
COMM 2220 Oral Interpretation													C	
COMM 2230 Intercultural Communication													C	
COMM 2240 Family Communication													C	
COMM 2250 Gender Communication													C	
COMM 2260 Computer-Mediated Communication													C	
CPTR 1104 Introduction to Computer Technology													C	
ECON 1150 Essentials of Economics													C	
ECON 2210 Macroeconomics													C	
ECON 2222 Microeconomics													C	
ENGL 1101 College Writing													C	
ENGL 1205 Writing About Literature													C	
ENGL 1210 Writing About Current Issues													C	
ENGL 1215 Professional and Technical Writing													C	
ENGL 2234 Introduction to Literature: Short Stories													C	
ENGL 2236 Introduction to Literature: Novel													C	
ENGL 2238 Literature, Illness and the Human Condition													C	
ENGL 2310 Introduction to Mythology													C	
ENGL 2321 Women in Literature													C	
ENGL 2325 Contemporary World Literature													C	
ENGL 2372 Children's Literature													C	
GEOG 1160 Global Physical Geography													C	
HIST 1101 Western Civilization: Ancient to 1600s													C	
HIST 1102 Western Civilization: 1600's to the Present													C	
HIST 1113 Western Civilization: 20th Century													C	
HIST 1201 American History to 1877													C	

Preliminary
Recommendations

Academic Offerings														
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HIST 1202 American History since 1877													C	
HIST 1600 History of Baseball													C	
HIST 1700 The History of America's National Parks													C	
HIST 2212 American History 19th Century													C	
HIST 2213 American History: 20th Century													C	
HIST 2220 Minnesota and Northern Plains History													C	
HUM 1101 Introduction to the Humanities													C	
HUM 1105 Religion in the Humanities													C	
HUM 1201 Religion and the American Experience													C	
HUM 2236 Technology in the Humanities													C	
HUM 2301 Heroes, Moral and Cultural													C	
MATH 1100 World of Math													C	
MATH 1102 Finite Math													C	
MATH 1114 College Algebra													C	
MATH 1115 Functions/Trigonometry													C	
MATH 1116 College Trigonometry													C	
MATH 1118 Precalculus													C	
MATH 1122 Applied Calculus and Linear Algebra													C	
MATH 1134 Calculus I													C	
MATH 1135 Calculus II													C	
MATH 1207 Elementary Statistics													C	
MATH 1213 Introduction to Statistics													C	
MATH 2200 Principles of Arithmetic													C	
MATH 2231 Calculus III													C	
MATH 2257 Linear Algebra													C	
MCOM 1122 Introduction to Mass Communication													C	
MCOM 1142 Popular Culture and Social Media													C	
MCS 2230 Multicultural America													C	
MIS 1100 Business Computers													C	
MUSC 1117 Beginning Class Guitar													C	
MUSC 1160 Music Business: Creating and Promoting Music													C	
MUSC 1191 Individual Piano Lessons													C	
MUSC 2214 Class Piano II													C	
PHIL 1130 Critical Thinking													C	
PHIL 1200 Applied and Professional Ethics													C	
PHIL 1201 Ethics													C	
PHIL 1211 Introduction to Philosophy													C	
PHIL 2220 Environmental Ethics													C	
PHIL 2225 Bioethics													C	
PHIL 2230 Existentialism													C	
PHIL 2235 Symbolic Logic													C	
PHIL 2240 Non-Western Philosophical Perspectives													C	
PHIL 2300 Political and Social Philosophy													C	
PHYS 1105 Fundamental Concepts in Physics													C	
PHYS 1106 Fund of Physics - Mechanics													C	
PHYS 1107 Physics of Music													C	
PHYS 1108 Physics of Flight													C	
PHYS 1120 Introduction to Astronomy													C	
PHYS 1401 College Physics I													C	
PHYS 1402 College Physics II													C	
PHYS 1411 University Physics I													C	
PHYS 1412 University Physics II													C	
POLS 1120 American National Government													C	

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POLS 1130 State and Local Government													C
POLS 2204 Comparative Government													C
POLS 2206 Global Politics													C
POLS 2220 Introduction to Constitutional Theory													C
POLS 2310 Ideas and Ideologies													C
POLS 2950 Introduction to Social Research													C
PSYC 1101 Human Interaction													C
PSYC 1200 General Psychology													C
PSYC 1202 Introduction to Autism Spectrum Disorders													C
PSYC 1500 Positive Psychology													C
PSYC 2220 Abnormal Psychology													C
PSYC 2222 Lifespan Development													C
PSYC 2224 Social Psychology													C
PSYC 2226 Behavior and Environmental Management													C
PSYC 2230 Personality Psychology													C
PSYC 2302 Cross-Cultural Psychology													C
PSYC 2900 Statistics for Behavioral and Social Sciences													C
PSYC 2950 Introduction to Social Research													C
SOC 1111 Introduction to Sociology													C
SOC 1113 Social Problems													C
SOC 1114 Sociology Service Learning													C
SOC 2210 Social Deviance													C
SOC 2950 Introduction to Social Research													C
SPAN 2211 Intermediate Spanish I													C
SPAN 2212 Intermediate Spanish II													C
SW 2250 Introduction to Social Work/Social Welfare													C
THTR 1100 Introduction to Theatre													C
THTR 1105 Acting I													C
THTR 1120 Theatre Performance Practicum													C
THTR 1125 Theatre Technical Practicum													C
THTR 1130 Stage Make-up													C
THTR 1140 Stagecraft													C
THTR 2120 Script Analysis													C
THTR 2130 Design for the Stage													C
WMST 1136 Global Perspectives of Women													C

Preliminary
Recommendations

Academic Offerings														
Key: C = Currently offered VC = Virtual Center (current) M = Move from present location VCE = Virtual Center expansion (future)	E = Expanded offering (future) R = Recommended offering	Central Cass	Fargo Davies	Fargo North	Fargo South	Kindred	Moor- head	Northern Cass	West Fargo Sheyenne	West Fargo HS	CWA Center	NDSCS Early Entry	NDSCS Wahpeton	M-State Moorhead
Post-Secondary Programs														
NDSCS														
Liberal Arts - AA, AS														
Agriculture Transfer													C	
Biotechnology Transfer													C	
Business Administration Transfer													C	
Chemistry Transfer													C	
Chiropractic Transfer													C	
Clinical Laboratory Science Transfer													C	
Computer Science Transfer											C-R		C	
Criminal Justice Transfer											C-R		C	
Dental Transfer													C	
Early Childhood Education Transfer													C	
Education Transfer													C	
Engineering Transfer													C	
General Liberal Arts Transfer											C-R		C	
Health, Physical Ed & Recreation Transfer													C	
Law Transfer													C	
Management Information Systems Transfer											C-R		C	
Mathematics Transfer													C	
Medical Transfer													C	
Music Transfer													C	
Natural Science Transfer													C	
Nursing Transfer													C	
Optometry Transfer													C	
Paralegal Transfer													C	
Pharmacy Transfer													C	
Physical Science Transfer													C	
Psychology Transfer													C	
Social Work Transfer													C	
Wildlife Management Transfer													C	
M/State Moorhead														
Accounting Transfer Pathway - AS														C
Associate of Arts (AA) Degree														C
Associate of Arts Degree: Social Science Emphasis - AA														C
Biology Transfer Pathway - AS														C
Business Transfer Pathway - AS														C
History Transfer Pathway - AA														C
Individualized Studies - AAS														C
Political Science Transfer Pathway - AA														C
Psychology Transfer Pathway - AA														C
Theatre Transfer Pathway														C

Preliminary
Recommendations

#9698



CAREER WORKFORCE ACADEMY

STRATEGIC PLAN

MAY 9, 2018

CAREER WORKFORCE ACADEMY

The Career Workforce Academy is a program initiated by the North Dakota State College of Science (NDSCS) and the school districts of Fargo, West Fargo, Northern Cass, Central Cass, Kindred and Moorhead. It is designed to deliver workforce training and education that is more responsive to changing employer and student needs. This plan will expand and enhance our ability to attract, retain and grow businesses and develop opportunities for student success in the workforce.

What Is An Academy?

A career academy is a type of school that can provide K-14 students, incumbent workers* and new Americans a curriculum to prepare them for a successful career through:

- Career path education.
- Curriculum that matches their identified career path.
- Strong partnerships that work together to enhance curriculum with relevant learning for successful outcomes.

Academy Vision Statement

The Academy will build the awareness of multiple career clusters and the skills necessary to be career ready through experiential education, classroom training, student connection to business and industry, and career path counseling. It will present real-time opportunities and real-life experiences by responding and adapting quickly to industry demands and student interest. Success will depend on engaged student interest and on the collaboration of all stakeholders.

*For the purpose of this report, an incumbent worker is defined as a person who was previously employed and is seeking training for a new job or is currently employed and is seeking further training.

ACADEMIES

What Experts Say About Career Academies

“The number of career academies has been expanding rapidly, in part because academies have been found to be effective, and in part because they embody ideas promoted by several major high school reform movements. ... [R]igorous evaluations have found that individual career academies within larger high schools help improve students’ academic performance, prepare them for postsecondary education, and boost earnings after high school.”¹

Career Academies Supported By Research

The number of career academies nationwide has grown dramatically, one reason being a conceptual grounding in strong research and evaluation. In 2008, MDRC, a prominent education policy research organization, released a study entitled, “Career Academies: Long Term Impacts on Labor Market Outcomes, Educational Attainment, and Transitions to Adulthood.”² The researchers employed a random assignment research design in a group of nine high schools across the United States to determine the effect of attending a career academy. Their findings included the following:

- An average increase in earnings of 11 percent. The effect was concentrated among young men; in fact, an increase of 17 percent was seen in this demographic.
- An increase in the percentage of individuals living independently with children and a spouse or partner after leaving secondary education.
- An improvement in attendance, increased academic course taking, and an increased likelihood of graduating on time.
- An increase in the level of interpersonal support students experienced during high school from career academy staff.
- An increase in student participation in career awareness and work-based learning.

Very recent academic literature on career technical education (CTE) continues to highlight the many positive outcomes from CTE offerings. A research report in the April 2018 American Educational Research Journal concludes, “By providing CTE coursework, especially later in a student’s high school career, relevance between coursework and long-term goals is potentially increased, thereby increasing the odds of high school graduation. ... This lends support to the idea of further expansion of CTE coursework in high school.”³

What Students Say About Career Academies

“The academy has taught me a lot of life skills. Before, it was about me coming home just to do homework and now it’s about me working towards something.”¹

“It really helps us figure out our future and what we want to do.”

“The job shadow experience has really given me a better perspective on what I want to achieve in life. [With] the academy you take that extra step to see if it’s really something you might want to do.”¹

¹“Career Academies: A Proven Strategy to Prepare High School Students for College and Careers.” Career Academy Support Network, 2010, University of California, Berkeley, Graduate School of Education.

²“Career Academies: Investing in Students, the Workforce and Career Technical Education,” May 2013, National Association of State Directors of Career Technical Education (NASDCTEc).

³“Linking the Timing of Career and Technical Education Course taking With High School Dropout and College-Going Behavior,” April 2018, American Educational Research Journal, M. Gottfried & J. Plasman, University of California, Santa Barbara.

STRATEGIC PLANNING PROCESS

In order to gain vital information for the development of the Cass-Clay Career Workforce Academy (Academy) strategic plan, a planning committee commissioned Flint Group to take the lead in developing a strategic plan for the Academy. Flint personnel conducted several discovery sessions with Academy stakeholders and reviewed documents from other programs around the United States. During the review of other programs, a wide variety of approaches were found in how strategic plans were developed and in what they included. Each had objectives tied to local needs; there were significant differences in the number of stakeholders, and the size of the region and the number of districts they serve. In other words, no two plans were alike. Despite the differences, a number of best practices were discovered and utilized in this plan.

Discovery Methodology:

- Reviewed documents from prior meetings pertaining to the Academy.
- Conducted and facilitated input sessions including members of the following stakeholder groups around the theme “pathways to success”:
 - K-12 counselors, career advisors and administrators
 - NDSCS faculty
 - Business and industry representatives
Note: Two sessions were held with K-12 group and two with the NDSCS group. Business and industry representatives were interviewed one on one. After these separate sessions, a combined session was held with representatives from all three stakeholder groups.
- Interviewed select directors of other academies across the country.
- Researched and reviewed documents relevant to effective academies in other states.
- Researched best practices at national associations and centers focused on career academies.
- Met with Academy steering committee to review findings and present directional draft of plan and garner further comment and input.
- Considerable time was spent discussing the challenges involving curriculum development and scheduling, two areas that will be the most challenging due to the number of school districts participating in the Academy.

Planning participants

“Students don’t know what they don’t know.”

“We always want more exposure for students to explore careers ... whether it’s diesel, auto or tech careers. We want more people to know what’s available because we want to see if there is interest in our industry.”

“We have craft workers who have a Bachelor of Science or a Bachelor of Fine Arts in the field making \$80,000-85,000 a year, or \$130,000 if they’re an operator; they went to four years of college and they’re not using their degree the way they thought they were going to, but they’re in a career they enjoy. So, if we can eliminate the cost and time of a four-year degree – where people end up in a career that doesn’t require a four-year degree – that would be success.”

KEY DISCUSSION POINTS

Stakeholders identified essential elements that will be prevalent throughout the strategic plan. These elements are vital in understanding stakeholders' needs and maintaining strong partnerships.

- Collaboration – between all stakeholders on each initiative of the plan.
- Communication – ongoing discussion on all aspects of the Academy, including changing perceptions, outcome assessments, stakeholder issues and successes.
- Transparency – full disclosure to all stakeholders.
- Resources – upfront disclosure on resources needed to achieve goals.

KEY ELEMENTS

As part of the input sessions, stakeholders identified essential elements that will serve as the cornerstones of the strategic plan. These elements are vital in understanding stakeholders' needs and maintaining strong partnerships. They include the following:

- Collaboration – between all stakeholders on each initiative of the plan.
- Communication – ongoing discussion on all aspects of the Academy, including changing perceptions, outcome assessments, stakeholder issues and successes.
- Transparency – full disclosure to all stakeholders.
- Resources – upfront disclosure on resources needed to achieve goals

During the discovery process a vision statement, value statements and expected outcomes for the Academy were developed. It was also agreed there should be assessment and evaluation standards to determine gain toward desired outcomes.

Academy Value Statements

The Academy concept is:

- A proven model in responding to the needs of industries and students.
- Effective in improving outcomes for students during and after high school.

The Academy will:

- Provide exposure to multiple career paths for all levels of K-14 students.
- Present more opportunities for students to sample and experiment within a variety of careers.
- Create opportunity for those interested in a technical degree.
- Create a path for incumbent workers and new Americans for a new career.
- Provide appropriate facilities and equipment for hands-on career training.
- Focus on the region's workforce and employer needs.

Stakeholders identified 10 critical issues that must be addressed for realizing the vision for the Academy:

1. Changing perceptions
2. Buy-in at all levels
3. Ownership/governance/decision-making process
4. Curriculum development
5. Synchronized calendars and schedules between all schools
6. Trained instructors/qualifications for HS staff/teachers
7. Grow too fast/start too small
8. Who's paying for this? Taxpayers' response
9. Transportation
10. Safety

The Academy Will Help Gain Respect For Multiple Career Pathways

- Parents will be informed about diverse careers and be encouraged to start having earlier conversations with their children about career path options.
- We will inspire a change in the mindset of parents currently working in technical and trade careers who in the past might have said to their children, “I don’t want you to do what I do; I don’t want you to work with your hands,” and push them into “white-collar work” and getting a four-year college education.
- Students will want to learn about and develop skills in technical and trade careers and will gain respect for having a career in these high-demand, high-wage fields.
- Counselors, teachers and parents will not just be focused on, “Where are you going to college?” but instead, “What are you interested in going to college for?”

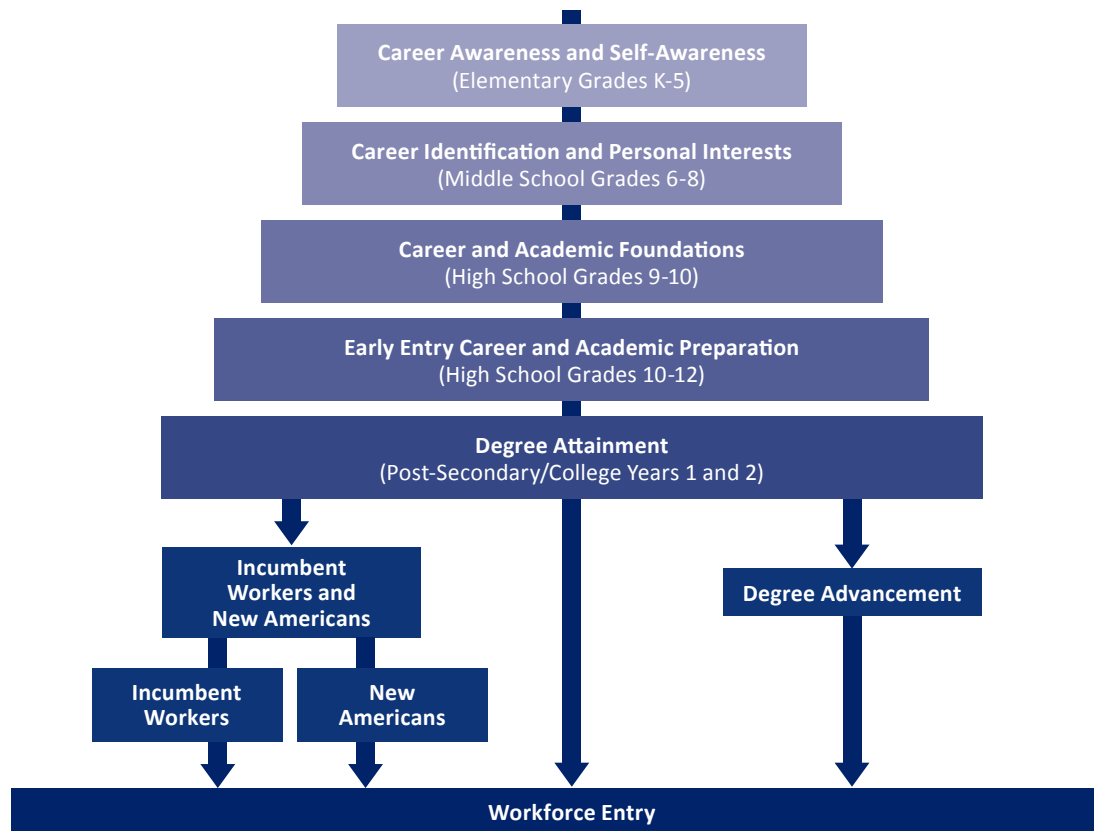
CAREER PATHWAY MODEL

The following graphic illustrates the collaborative career pathway model that guided the initial development of the Academy. In this model, K-12 schools promote comprehensive career awareness in elementary grades, a career exploration component that includes a four-year rolling career path planning that begins in middle school, and applied/hands-on career preparation in high school. Post-secondary schools collaborate with the high schools to facilitate classes focused on preparation for technical and trade careers; college credit is available for high school students taking these classes. Business partners are an integral part of the Academy by working with K-12 schools to provide career awareness and exploration opportunities in the elementary and middle school grades, and work/learning opportunities for high school students. Business and industry are sectors of the community that anticipate seeing trained workers exiting the Academy prepared to either join the workforce or continue their education.



Initial Academy Concept

The idea of an academy began with a plan that has evolved over the past two years. Career awareness, exploration and preparation were initially included and are still included as key elements guiding the framing of the academy concept, as illustrated in the following graphic. These components have been associated with more or less distinct periods of learning: elementary school, middle school and high school/post-secondary, as illustrated in the graphic below. Career awareness and self-awareness in grades kindergarten through five; career identification and personal interests in middle school (grades six through eight); career and academic foundations in grades nine through 10 of high school; early entry career and academic preparation in grades 10 through 12; and attainment of a two-year or associate degree in post-secondary education. Incumbent workers and new Americans would also be given the same opportunity for career preparation/training as Academy high school students.

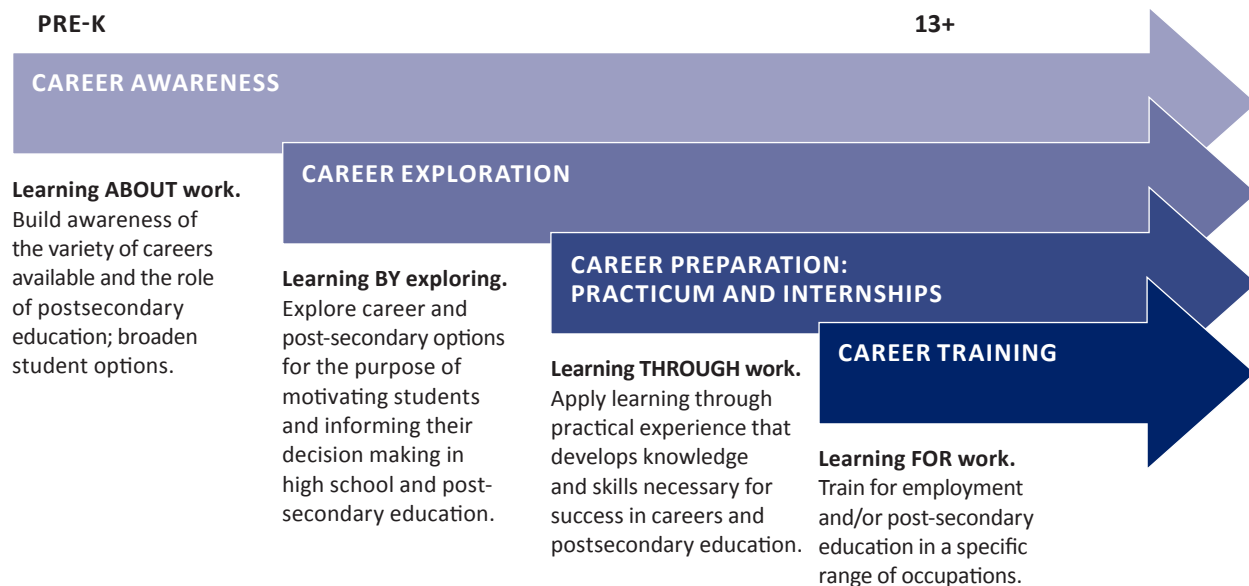


Academy Conceptual Framework

The Academy’s conceptual framework can be depicted with a diagram showing a continuum of career awareness and career exploration taking place throughout the K-12 educational experience. Developed by Linked Learning, the diagram below⁴ illustrates this continuum stretching from kindergarten into adulthood in four areas:

- Career awareness, where “Learning ABOUT work” begins at kindergarten and continues into adulthood. This aspect of the continuum is focused on broadening student career options by building awareness of the variety of careers available and the role of post-secondary education in the learning process.
- Career exploration, where middle school students are given “Learning ABOUT work” opportunities to explore career and post-secondary options. The purpose of career exploration is to motivate students and inform their decision-making through high school and beyond. This exploration component of the Academy will continue at every level of student participation and involvement.
- Career preparation, or “Learning THROUGH work,” begins in high school, where students apply what they are learning through practical experience. This hands-on experience helps them develop the knowledge and skills necessary for them to be successful in careers and post-secondary education. In addition to serving high school students, incumbent workers and new Americans are given the same opportunities in career preparation within the academy setting.
- Career training, where the Academy offers high school and post-secondary students “Learning FOR work” opportunities that might include classroom and non-classroom training, such as apprenticeships, internships and clinical experiences. These opportunities will also be available to incumbent workers and new Americans.

Academy Learning Continuum



⁴“Work-Based Learning in Linked Learning: Definitions, Outcomes, and Quality Criteria, Field Review Draft,” Nov. 2012, Linked Learning, Sacramento, CA.

Conceptual Framework: K-14 Focus

The K-14 aspect of the Academy will be centered on the concept of workplace- or experience-based learning, similar to work-based learning defined by Linked Learning as follows:

“An instructional strategy that is essential in preparing all students for success in postsecondary education and careers ... The primary purposes of work-based learning are to expose students to future options and provide opportunities for skill development and mastery over time. All work-based learning experiences involve interactions with industry or community professionals that are linked to school-based instruction. These learning experiences are intentionally designed to help students extend and deepen classroom work and to make progress toward learning outcomes that are difficult to achieve through classroom or standard project-based learning alone. The term ‘work-based’ does not mean the experience must occur at a workplace or during the standard ‘work day.’”⁵

Conceptual Framework: Incumbent Workers and New Americans Focus

We will follow an experience-based learning concept for K-14 students but will include an additional component focused on incumbent workers and new Americans. This aspect of the Academy will have access to the same instructional opportunities in a true multi-use educational facility.

While incumbent workers and new Americans may not have benefited from career awareness and exploration offered in their elementary and middle school experience, they will be given these opportunities during their career preparation and training offered by the Academy.

Plan Purpose

- Provide clarity for all partners
- Increase alignment among all partners
- Identify and define strategic initiatives and goals to accomplish desired outcomes
- Determine key performance indicators

Focus Areas

- Employer engagement
- Student (motivation, interest, value-added)
- Perceptions of technical and trade careers
- Educational system

Major Benefactors

- Students
- Business and industry

Enablers/Facilitators

- K-12
- Two-year colleges
- Business and industry
- Other secondary educational institutions

⁵“Work-Based Learning in Linked Learning: Definitions, Outcomes, and Quality Criteria, Field Review Draft,” Nov. 2012, Linked Learning, Sacramento, CA.

ACADEMY STRATEGIC PLAN

The strategic planning process was designed to elevate our region in the complementary fields of workforce training and education, hoping to become ever more responsive to changing employer and student needs. This plan will expand and enhance the community's ability to attract, retain, and grow businesses and develop educational opportunities to support student success in the workforce. It will also enhance the region's ability to address the economic and workforce shifts well into the future.

Specifically, the strategic plan for the Academy will:

- Ensure education and economic competitiveness.
 - Strengthen business and industry relationships with K-14.
 - Maximize employer engagement in the development of career clusters and relevant programs that will lead to jobs and careers.
 - Enhance education and training at all levels.
 - Provide multiple options for students to move into a career pathway.
 - Provide Choice Ready opportunities for K-12 students to assist students to be workforce ready.*
-

IN SUMMARY

The academy concept has a proven track record of effectiveness for introducing students to multiple career paths – matching their skill sets and interests to job opportunities. It has become the best-tested strategy and accepted principles to prepare students for life after high school. Additionally, by including incumbent workers and new Americans, the Academy will benefit the business and industry community by having these groups access the same career preparation and training opportunities as Academy high school students.

*https://www.nd.gov/dpi/uploads/1494/ND_ConsolidatedStatePlan_4302018.pdf

Strategic Plan and Goal Statements

Strategic Initiative 1

Identify and implement an academy governance and management structure to ensure long-term success. Setting the proper structure from the start will be critical. Letting the numerous stakeholders have representation and a voice will be important, but having a defined organizational structure and a strong management team will give clear direction and help avoid conflicts.

Goal 1. Career Workforce Academy facility ownership will require appropriate approvals and will be determined in the future.

Goal 2. Academy will be operated and managed by NDSCS.

Goal 3. Develop leadership model.

Goal 4. Develop model for oversight of strategic initiatives; include assessment and evaluation plan.

Goal 5. Academy will be responsive to stakeholders' needs.

Goal 6. Engage parents.

Strategic Initiative 2

Increase early childhood career awareness. An important finding in recent research on career decision-making is that young people have a limited view of many of the careers not requiring a four-year college degree. A central underpinning of our strategic plan is that young people need to be introduced to a variety of careers and learn about work much earlier in their education. This starts at the elementary level through educational programs and direct exposure and interaction with real jobs.

Goal 1. Create engaged exposure to a variety of careers.

Goal 2. Develop well-rounded career awareness education.

Goal 3. Engage business and industry.

Goal 4. Gain teacher support.

Goal 5. Engage parents of elementary school students.

Strategic Initiative 3

Prepare middle school students for career pathway decisions through exploration. Students will be given the opportunity to explore career options that will motivate them to learn about careers, the skills needed in each field of work and the educational options to fulfill a career path. This level gives students a more active role in selecting a career pathway that matches their interests through interaction.

Goal 1. Identify student strengths and interests.

Goal 2. Begin five-year career path planning.

Goal 3. Engage business and industry.

Goal 4. Gain teacher support.

Goal 5. Engage parents of middle school students.

Strategic Initiative 4

Invest high school students in career path preparation and participation. Career preparation marks a shift in the continuum, moving students into more active experiential programs for career readiness. It includes more interaction with professionals from businesses and the community and is designed to give students supervised, practical hands-on application through the Academy. This will assist students to be workforce ready, as described in the North Dakota Every Student Succeeds Act (ESSA) State Plan.

Goal 1. Match curriculum with skill set.

Goal 2. Provide direct exposure to chosen career(s), i.e., doing, internships, hands-on (Career Ready Practices).

Goal 3. Engage business and industry, i.e., technical assessment/industry credentialing, workplace learning experience, co-curricular activities, 21st century skills, dual-credit courses.

Goal 4. Gain teacher support.

Goal 5. Engage parents of high school students.

Strategic Initiative 5

Create opportunity for incumbent workers and new Americans to enter workforce.

The Academy will provide an additional way to increase the Cass-Clay workforce and help meet the employee recruitment needs of business and industry. The Academy will be active in training and retraining individuals looking to enter the workforce in specific job skill areas. This will not be a separate program, but one that is combined with regular classes.

Goal 1. Determine skill sets and interests.

Goal 2. Assess gaps in learning and skills.

Goal 3. Align training/education to meet employer needs.

Goal 4. Provide training, curriculum, etc.

Strategic Initiative 6

Curriculum development and implementation. Critical to achieving the outcomes of the Academy is alignment of the curriculum to the interests of the students and the skill sets necessary to fulfill the needs of business and industry. Curriculum will be designed around identified cluster groups and must meet state educational and/or certification requirements. It will also need to be fluid and have the ability to adjust to changing skill sets and career shifts.

Goal 1. In collaboration with business and industry, identify clusters and skills required.

Goal 2. Match curriculum with cluster group needs.

Goal 3. Align to North Dakota and Minnesota school standards.

Goal 4. Meet accreditation requirements.

Goal 5. Teacher professional development and certification.

Goal 6. Align with North Dakota and Minnesota CTE objectives.

Goal 7. Create new programs or utilize existing program for expanding curriculum needs.

Goal 8. Identify faculty to teach curriculum.

Goal 9. Determine location of course offerings (what is going to be offered where).

Goal 10. Increase support for dual credit/early college models.

Goal 11. Imbed “soft skills” across curriculum.

Strategic Initiative 7

Align scheduling. Due to the number of school districts, this is one of the most difficult initiatives to administer. Flexibility and willingness to alter current set practices will be needed to accommodate the needs of students and the availability of instructors and classrooms. Many elements will have to be considered at the high school level to achieve success, including transportation, extracurricular activities and maintaining graduation standards. For incumbent workers and new Americans, language and current employment could be obstacles.

Goal 1. Influence policy for more K-12 hands-on training.

Goal 2. Hire scheduling coordinator to facilitate Academy class schedules.

Goal 3. Identify existing class schedules for CTE-related courses at participating high schools and post-secondary institutions.

Goal 4. Align and coordinate schedules of high schools and Academy.

Goal 5. Develop transportation plan for class and extracurricular activities.

Goal 6. Streamline and facilitate process for registration, credits, etc.

Goal 7. Engage parents at all levels.

Strategic Initiative 8

Strengthen connections. A key intention of the Academy is to strengthen the connections between businesses and the education stakeholders, and among districts, two-year colleges and other institutions. Stronger relationships will help develop seamless transitions through the continuum and help align the desired outcomes. They will also help increase the confidence level of all stakeholders.

Goal 1. Build relationships of and assurances for state and local educational systems on value and outcomes of Academy.

Goal 2. Become true partners with business and industry in mission and vision of Academy by sector-based engagement and development efforts in order to identify with and respond to workforce challenges and needs.

Goal 3. Participate in local economic development planning, workforce activities and initiatives to understand and communicate role of Academy and build trust.

Goal 4. Better understand and identify the roles of K-12 districts, adult education, CTE, NDSCS and other contributing entities as a way to build stronger relationships.

Goal 5. Engage with students at appropriate level, allowing them to be a “partner” in the development of programs.

Goal 6. Engage parents, allowing them to be a “partner” in giving feedback to the Academy.

Strategic Initiative 9

Educate stakeholders, partners, influencers and community of the value of the Academy. Creating an atmosphere of support for our role in developing careers in technical and trade careers will be an important objective for us. This includes changing perceptions apparent at multiple levels; parents, students, and even counselors and teachers themselves have been found to promote the four-year degree as the “ideal” career choice, discounting a two-year degree mostly due to lack of awareness of its benefits. To realize desired Academy outcomes, intentional efforts will be developed and implemented to change inaccurate or limited perceptions of technical and trade careers. In addition, education of policy makers will help in changing and developing policy that allows the Academy build successful programs.

Goal 1. Review current perceptions and raise awareness of career opportunities.

Goal 2. Change policies and regulations that are roadblocks in developing a smooth path for students to receive necessary education from career awareness through training and degree and/or certificate achievement.

Goal 3. Develop and implement comprehensive communications plan to build awareness of Academy and influence perceptions of technical and trade degrees.

Goal 4. Identify and engage community and state partners, organizations, and networks in support of Academy.

Strategic Initiatives and Action Steps

Strategic Initiative 1

Identify and implement an academy governance and management structure to ensure longterm success. Setting the proper structure from the start will be critical. Letting the numerous stakeholders have representation and a voice will be important, but having a defined organizational structure and a strong management team will give clear direction and help avoid conflicts.

Goal 1. Career Workforce Academy facility ownership will require appropriate approvals and will be determined in the future.

- 1.1 The intent of ownership will be a private non-profit that has full responsibility for differed maintenance.
- 1.2 Funding for the facility will consist of participation from stakeholders.

Goal 2. Academy will be operated and managed by NDSCS.

- 2.1 A fiscal agent will be appointed to oversee financial aspects of Academy operations.
- 2.2 NDSCS will reach out to other institutions for input and advisement on all aspects of operations.
- 2.3 Operational funding will come from revenue generated by the Academy.
 - Student and user fees.
 - Participation in operational funding from other educational entities may come through different sources and in different forms (fees, equipment, personnel).

Goal 3. Develop leadership model.

- 3.1 Appoint Academy leadership team under NDSCS (dean, program director, financial manager, etc.) to implement strategic plan.
 - Seek input and approval from SBHE, North Dakota Department for Career and Technical Education and local school districts.
- 3.2 Create an advisory board made up of K-12, two-year colleges, and business and industry representatives from workforce partner program to help guide the Academy.

Goal 4. Develop model for oversight of strategic initiatives; include assessment and evaluation plan.

- 4.1 Implement coordinator position to oversee the interaction among the Academy program models at all levels including K-12 and post-secondary.
 - Initiate proper training; set goals and timeline.
- 4.2 Develop plan for continual review and update of plan, allowing to address improvements, new initiatives and needs as they change.
 - Set up yearly strategic planning review.
 - Utilize advisory board for feedback and input.

Goal 5. Academy will be responsive to stakeholders' needs.

- 5.1 Implement evaluation system of intended Academy outcomes.
- 5.2 Conduct annual community review.
- 5.3 Conduct student exit reviews.

Goal 6. Engage parents.

- 6.1 Provide regular opportunities for Academy personnel to meet with parents.

Strategic Initiative 2

Increase early childhood career awareness.

An important finding in recent research on career decision-making is that young people have a limited view of many of the careers not requiring a four-year college degree. A central underpinning of our strategic plan is that young people need to be introduced to a variety of careers and learn about work much earlier in their education. This starts at the elementary level through educational programs and direct exposure and interaction with real jobs.



All elementary students will receive a well-rounded career awareness education, through hands-on activity, in which they will be exposed to the different career clusters and be able to identify personal careers of interest while demonstrating a mindset of curiosity and reasoning.

Goal 1. Create engaged exposure to a variety of careers.

- 1.1 Appoint and train career awareness coordinator.
- 1.2 Introduce Academy concepts at teacher meetings.
- 1.3 Academy career awareness coordinator and staff facilitate professional development for teachers.

Goal 2. Develop well-rounded career awareness education.

- 2.1 Organize K-8 task force of teachers/administrators to develop program components for career awareness education.
 - Identify the most effective models and strategies for early career exposure and align funding.
 - Develop materials to illustrate career attributes, i.e., videos, demonstrations, class projects, hands-on activities.
- 2.2 Influence policy shifts to allow time for career education.

Goal 3. Engage business and industry.

- 3.1 Form advisory committee to include employers and teachers.
 - Prioritize opportunities for students to hear from industry, i.e., career fairs, speaker engagements, visit parents at work, workplace tours.

Goal 4. Gain teacher support.

- 4.1 Academy has regular engagement with teachers/school administrators.
- 4.2 Assess student awareness of career options.
- 4.3 Assess teacher support.
- 4.4 Teachers will have credentials required to offer professional certifications.

Goal 5. Engage parents of elementary school students.

- 5.1 Provide regular opportunities for Academy personnel to meet with parents.

Strategic Initiative 3

Prepare middle school students for career pathway decisions through exploration.

Students will be given the opportunity to explore career options that will motivate them to learn about careers, the skills needed in each field of work and the educational options to fulfill a career path. This level gives students a more active role in selecting a career pathway that matches their interests through interaction.



All middle school students will be given the opportunity to identify their strengths and skills and explore real life work experiences through planned project-based learning from industry speakers, demonstrations and field trips that culminate in the understanding of connecting classroom education with the job skills necessary to pursue real life careers.

Goal 1. Identify student strengths and interests.

- 1.1 Use testing and other academic assessments to determine strengths.
- 1.2 Relate skills and interests to careers.

Goal 2. Begin five-year career path planning.

- 2.1 Determine strategies for preparing students for college and career assessments.
- 2.2 Offer career exploration fair, field trips, videos, and speakers.

Goal 3. Engage business and industry.

- 3.1 Work with businesses to develop and keep program current.
- 3.2 Promote to other businesses and industries that might be interested.
- 3.3 Form advisory committee to include employers and teachers.

Goal 4. Gain teacher support.

- 4.1 Academy will have regular engagement with teachers/ school administrators.
- 4.2 Assess student awareness of career options.
- 4.3 Assess teacher support.
- 4.4 Teachers have individual learning plans by grade level.
- 4.5 Need teacher assessment training (are there standards to follow?).
- 4.6 Teachers will have the required professional certifications.

Goal 5. Engage parents of middle school students.

- 5.1 Provide regular opportunities for Academy personnel to meet with parents.

Strategic Initiative 4

Invest high school students in career path preparation and participation.

Career preparation marks a shift in the continuum, moving students into more active experiential programs for career readiness. It includes more interaction with professionals from businesses and the community and is designed to give students supervised, practical hands-on application through the Academy.



All high school students will be personally invested in their career path and be able to make informed educational decisions through job shadows, internships with hands-on experience and counseling to be college and/or career ready.

Goal 1. Match curriculum with skill set.

- 1.1 Review and follow individual learning plans that were put into place.
- 1.2 Students meet with school counselor to discuss progress plan towards graduation.
- 1.3 Ninth graders participate in freshman Academy transition course.
- 1.4 Introduce Academy summer classes.

Goal 2. Provide direct exposure to chosen career(s), i.e., doing, hands-on, internships, etc.

- 2.1 Organize high school task force of teachers/administrators/counselors to develop curriculum components.
- 2.2 Offer career fairs, field trips, speakers to explore and discuss career options.
- 2.3 Look at options for internships, apprenticeships, job shadowing, mentorships.

Goal 3. Engage business and industry.

- 3.1 Continue meetings with business and industry to get their buy-in and make sure it is relevant to what their needs are.
- 3.2 Form advisory committee to include employers and teachers.

Goal 4. Gain teacher support.

- 4.1 Continue workshops and guidelines for teachers.
- 4.2 Teachers will have the required professional certifications.
- 4.3 Organize teacher round tables for learning and training.

Goal 5. Engage parents of high school students.

- 5.1 Provide regular opportunities for Academy personnel to meet with parents.

Strategic Initiative 5

Create opportunity for incumbent workers and new Americans to enter workforce.

The Academy will provide an additional way to increase the workforce in Cass and Clay counties and help meet the employee recruitment needs of business and industry. The Academy will be active in training and retraining individuals looking to enter the workforce in specific job skill areas. This will not be a separate program, but one that is combined with regular classes.

Goal 1. Determine skill sets and interests.

- 1.1** Assess skill sets by testing.
- 1.2** Assess interests by exploring options.

Goal 2. Assess gaps in learning and skills.

- 2.1** Assess student learning needs prior to attending classes.
- 2.2** Assess additional training needs at the end of classes.

Goal 3. Align training/education to meet employer needs.

- 3.1** Create plan.

Goal 4. Provide training, curriculum, etc.

Strategic Initiative 6

Curriculum development and implementation.

Critical to achieving the outcomes of the Academy is alignment of the curriculum to the interests of the students and the skill sets necessary to fulfill the needs of business and industry. Curriculum will be designed around identified cluster groups and must meet state educational and/or certification requirements. It will also need to be fluid and have the ability to adjust to changing skill sets and career shifts.

Goal 1. In collaboration with business and industry, identify clusters and skills required.

- 1.1 Confirm initial clusters.
 - Manufacturing and STEM
 - Information technology
 - Health science pathway
 - Architecture and construction
 - Ag and transportation
 - Business and hospitality
- 1.2 Set up a curriculum team from all three stakeholder groups.
 - Align curriculum to defined employer-based, student interest and career pathways.
 - Develop curriculum to attain clear pathway to graduation and/or industry third-party credentials.
- 1.3 Utilize employer-driven work-based learning to assure on-the-job competencies.
- 1.4 Understand employer skill needs and gaps to ensure proper development.
 - Conduct study to determine employer needs.
 - Identify how work-based learning may differ among industries and adjust accordingly.
 - Research current knowledge about existing industry-adopted examples to support ongoing conversation with employers.
- 1.5 Document best practices of employer-driven models.
 - Seek curriculum sharing from other programs.
- 1.6 Reduce duplication among training providers.
 - Encourage collaboration between colleges and other training providers.

Goal 2. Match curriculum with cluster group needs.

- 2.1 Review existing curriculum.
 - Determine areas where curriculum is insufficient.
- 2.2 Incorporate best practices into curriculum development efforts.
- 2.3 Identify skills deemed essential for employment by cluster.
 - Develop effective practices.
 - Provide plan for implementation of training.
 - Create a rubric to measure performance outcomes.
 - Engage student employees to assess level of effective training.

Goal 3. Align to North Dakota and Minnesota school standards.

- 3.1** Curriculum team will lead this effort, assigning tasks to groups at the three academic levels, i.e., K-6, middle school, high school.
- Work with North Dakota Department of Career and Technical Education.
 - Work with North Dakota Department of Public Instruction.
 - Work with Minnesota Department of Education.

Goal 4. Meet accreditation requirements.

- 4.1** Identify accrediting bodies for appropriate discipline, including K-12 and post-secondary.
- 4.2** Establish protocol and procedures to ensure accreditation is being monitored.

Goal 5. Teacher professional development and certification.

- 5.1** Meet credentials for professional certificates.
- 5.2** Assessment training.
- 5.3** Guidelines or workshops for working with businesses.

Goal 6. Align with North Dakota and Minnesota CTE objectives.

- 6.1** High school curriculum team will lead effort to assure CTE objectives are aligned with Academy curriculum.
- Work with North Dakota Department of Career and Technical Education.
 - Work with Minnesota Department of Education's CTE unit.

Goal 7. Create new programs or utilize existing program for expanding curriculum needs.

- 7.1** Determine what the ongoing and expanding needs are.
- 7.2** Determine if there is enough student interest to continue to expand curriculum.

Goal 8. Identify faculty to teach curriculum.

- 8.1** Identify the teacher persona that is needed for these positions.
- 8.2** Identify teachers that match the persona.

Goal 9. Determine location of course offerings (what is going to be offered where).

- 9.1** Set up committee to develop matrix on existing course offerings.
- Work with curriculum team to develop policy on distribution of courses.
 - Establish procedure to regularly review course distribution.

Goal 10. Increase support for dual credit/early college models.

10.1 Set up committee to review and monitor dual credit/early college models.

10.2 Coordinate with post-secondary institutions and governing bodies.

- Suggest policy changes as needed at K-12 and post-secondary level.
- Oversee various registration procedures.

Goal 11. Imbed “soft skills” across curriculum.

11.1 Set up committee to determine what “soft skills” are needed and feasible.

- Review best practices and academic literature.

11.2 Determine processes to implement the introduction of soft skills into curriculum.

- Monitor process in which soft skills are incorporated across curriculum.

Strategic Initiative 7

Align scheduling.

Due to the number of school districts, this is one of the most difficult initiatives to administer. Flexibility and willingness to alter current set practices will be needed to accommodate the needs of students and the availability of instructors and classrooms. Many elements will have to be considered at the high school level to achieve success, including transportation, extracurricular activities and maintaining graduation standards. For incumbent workers and new Americans, language and current employment could be obstacles.

Goal 1. Influence policy for more K-12 hands-on training.

- 1.1** Hold ongoing meetings with top leadership of the Academy, participating school districts and participating post-secondary institutions.
- 1.2** Involve all Academy-related advisory groups, curriculum committees and other groups.
- 1.3** Hold period public meetings conveying the work and goals of the Academy.

Goal 2. Hire scheduling coordinator to facilitate Academy class schedules.

- 2.1** Establish scheduling committee with representation from all participating high schools and post-secondary institutions.
- 2.2** Scheduling coordinator will maintain regular contact and interaction with classroom schedulers at all participating high schools and post-secondary institutions.
- 2.3** Scheduling coordinator will identify data sources and how to access and use data needed to develop Academy schedule.

Goal 3. Identify existing class schedules for CTE-related courses at participating high schools and post-secondary institutions.

- 3.1** Academy class scheduler will develop process and data system in collaboration with school schedulers.
- 3.2** Academy class scheduler in cooperation with scheduling committee and curriculum committees will develop a process to prioritize CTE-related courses.

Goal 4. Align and coordinate schedules of high schools and Academy.

- 4.1** Using data acquired by Academy scheduler, the scheduler and scheduling committee will develop prototype of Academy schedule that works with class schedules at high schools and post-secondary institutions.
- 4.2** Academy director and Academy scheduler will prepare/aggregate/disseminate prototype of Academy schedule and relevant data in advance of meeting focused on scheduling.
- 4.3** Curriculum committee chairs, school schedulers and school leaders (or their representatives) will meet to review prototype of Academy schedule that works with class schedules at high schools and post-secondary institutions.
- 4.4** Academy scheduler will revise/amend Academy schedule based on input from meeting.

Goal 5. Develop transportation plan for class and extracurricular activities.

- 5.1** Academy director will assign transportation planning and oversight to staff with responsibility as Academy transportation coordinator.
- 5.2** Transportation coordinator will establish transportation committee including school district staff responsible for transportation/busing.
- 5.3** Transportation coordinator, with input from transportation committee, will develop plan to transport Academy students to and from schools.

Goal 6. Streamline and facilitate process for registration, credits, etc.

- 6.1** An Academy registration task force will be established to facilitate registration procedures among participating schools and post-secondary institutions.

Goal 7. Engage parents at all levels.

- 7.1** Provide regular opportunities for Academy personnel to meet with parents.
- 7.2** Hold annual public forums on Academy scheduling, registration and transportation.

Strategic Initiative 8

Strengthen connections.

A key intention of the Academy is to strengthen the connections between businesses and the education stakeholders, and among districts, two-year colleges and other institutions. Stronger relationships will help develop seamless transitions through the continuum and help align the desired outcomes. They will also help increase the confidence level of all stakeholders.

Goal 1. Build relationships of and assurances for state and local educational systems on value and outcomes of Academy.

- 1.1 Develop training for counselors at all levels to participate together to build relationships and assure consistent content messaging.
- 1.2 Ensure ongoing and consistent communications.
 - Share data across all systems.
- 1.3 Establish and approve priorities as they impact each educational partner.

Goal 2. Become true partners with business and industry in mission and vision of Academy by sector-based engagement and development efforts in order to identify with and respond to workforce challenges and needs.

- 2.1 Hire Academy business partner coach (works with the businesses and teachers to ensure needs are being met).
- 2.2 Engage business in the design and delivery of training programs.
 - Utilize industry subject matter experts.
 - Assure the ability to meet their needs in development of curriculum and instruction.
- 2.3 Develop outreach program.
 - Conduct meetings for businesses and education stakeholders to keep communication open.
 - Establish business and industry advisory group, including workforce organizations, i.e., chamber, GFMEDC, VPP, to assess business needs.
 - Document engagement concerns, solutions.
 - Be responsive and adaptive to the changing needs of employers.

Goal 3. Participate in local economic development planning, workforce activities and initiatives to understand and communicate role of Academy and build trust.

- 3.1 Adopt joint goals that will incentivize partner collaboration.
 - Identify responsibilities so educational systems have clear objective.

Goal 4. Better understand and identify the roles of K-12 districts, adult education, CTE, NDSCS and other contributing entities as a way to build stronger relationships.

Goal 5. Engage with students at appropriate level, allowing them to be a “partner” in the development of programs.

- 5.1 Assess students’ perceptions of the Academy and where it can be improved.
- 5.2 Find out what the student needs are and if there is an interest in the proposed curriculum.

Goal 6. Engage parents, allowing them to be a “partner” in giving feedback to the Academy.

- 6.1 Provide regular opportunities for Academy personnel to meet with parents.
- 6.2 Hold open house at Academy for parents.

Strategic Initiative 9

Educate stakeholders, partners, influencers and community of the value of the Academy.

Creating an atmosphere of support for our role in developing careers in technical and trade careers will be an important objective for us. This includes changing perceptions apparent at multiple levels; parents, students, and even counselors and teachers themselves have been found to promote the four-year degree as the “ideal” career choice, discounting a two-year degree mostly due to lack of awareness of its benefits. To realize desired Academy outcomes, intentional efforts will be developed and implemented to change inaccurate or limited perceptions of technical and trade careers. In addition, education of policy makers will help in changing and developing policy that allows the Academy build successful programs.

Goal 1. Review current perceptions and raise awareness of career opportunities

- 1.1 Conduct an assessment of the current understanding and perspectives to develop a baseline of knowledge gaps and misconceptions.
 - Utilize current research where available.
 - Parents’, students’ and counselors’ current perceptions are key to determining needed messaging.
- 1.2 Build factual background on advantages of expanding perceptions of career options and the success of the Academy approach.

Goal 2. Change policies and regulations that are roadblocks in developing a smooth path for students to receive necessary education from career awareness through training and degree and/or certificate achievement.

- 2.1 Develop comprehensive policy document on policies that impact the Academy, i.e., dual credits, scheduling for awareness education, scheduling for Academy attendance.
 - Build case and messaging for updating policies.
- 2.2 Understand regulations that hinder the system’s ability to move forward quickly to meet community and business partners’ needs.
- 2.3 Partner with key partners to advocate for necessary changes.

Goal 3. Develop and implement comprehensive communications plan to build awareness of Academy and influence perceptions of technical and trade degrees.

- 3.1 Identify target audiences and build database by category.
- 3.2 Develop key messages and construct message matrix by key audience categories.
 - Review all stakeholders’ messaging and speak as one voice.
- 3.3 Determine best vehicles for delivering messages.
- 3.4 Develop materials to promote Academy.
 - Materials will be audience-based.
 - Demonstrate ROI for business, community.

Goal 4. Identify and engage community and state partners, organizations, and networks in support of Academy.

- 4.1** Encourage and secure local government support.
- 4.2** Utilize existing support from work force advocates to help tell the Academy story, i.e., local and state chamber, GFMEDC, Department of Commerce, Valley Prosperity Partnership.
 - Arm them with key messaging and materials.
- 4.3** Make ambassadors of community-based organizations that are not part of the educational system but are educational in nature, i.e., DECA, FFA, Boy/Girl Scouts.
 - Engage their leadership in delivering a broader perspective on career exposure through exploration activities.

EVALUATING PROGRESS

An important part of any venture is the evaluation of all the strategic initiatives. This will help determine progress, what is working and what can be improved. The first step in any evaluation is to set goals and determine what key performance indicators (KPIs) will be most important in moving forward. A number of areas were discussed and many of them will be used in multiple strategic areas. The following KPIs have been identified as valuable in determining the success of the Academy.

- Results of existing standardized assessment measurements that have components related to Academy goals.
- Classroom time (hours) devoted to career awareness, exploration and preparation in K-12 settings.
- The number and quality of engagements between schools and business/industry.
- The number of high school students taking Academy coursework.
- The number of teachers participating in Academy class offerings.
- High school retention and graduation rates.
- High school graduates going on to two- and four-year colleges.
- High school graduates obtaining jobs in technical and trade careers right out of high school.
- The number of incumbent workers and new Americans in the trade and technology area through the Academy.
- Employment statistics from Cass and Clay Counties.
- Satisfaction ratings from students, school teachers, college faculty, administrators, parents and employers (ratings would be on a variety of relevant topics).
- Perception of two-year degrees among stakeholders.
- Perceived value of Academy among stakeholders.
- External academic accreditation reviews for both K-12 schools and post-secondary institutions.
- The findings from regular, ongoing program evaluation of Academy.

Advisory groups/committees

An important inclusion in the Cass-Clay Career Workforce Academy Strategic Plan is the notion of participation and transparency. This is based on the idea that an organization that involves actors, administrators and stakeholders from many diverse areas will function at an optimal level if the voices of the various groups can be represented in decision-making and allocation of effort and resources. This representation of participant views is demonstrated by the numerous advisory groups and committees described in the Academy Strategic Plan. Below, the various groups and committees identified in the Strategic Plan are enumerated with their membership noted.

Academy Steering Committee

Academy Leadership Team under NDSCS

Advisory board from K-12, two-year colleges, businesses and industry representatives

K-8 task force of teachers/administrators

Advisory committee of employers and teachers for K-8

Advisory committee of employers and teachers for middle school

High school task force of teachers/administrators/counselors for curriculum

Advisory committee of employers and teachers for high school

Curriculum team from all three stakeholder groups for overall K-12

Committee to develop matrix on existing course offerings

Committee to review and monitor dual credit/early college models

Committee to determine what “soft skills” are needed

Scheduling committee with representation from all participating high schools and post-secondary institutions

Transportation committee including school district staff responsible for transportation/busing

Registration task force

References and contributors

In the development of the Cass-Clay Workforce Academy Strategic Plan, background research included reviewing relevant topical information found in academic literature and at the websites of professional associations, think tanks, universities and K-12 schools/academies. Additional information was also acquired by communicating directly with individuals knowledgeable about academies in various parts of the country. Multiple telephone interviews were also conducted with business and industry leaders in the Cass-Clay community to gain further understanding of the local dimension and interest in the Academy.

Below are those organizations included in the research conducted in the production of the Academy Strategic Plan:

Bismarck Career Academy, Bismarck, ND
 CTE Academy, Sioux Falls, SD
 Linked Learning, Sacramento, CA
 The Academies of Nashville, Nashville, TN
 National Career Academy Coalition (NCAC), Nashville, TN
 North Dakota Department of Public Instruction
 Career Academy Support Network (CASN), Berkeley, CA
 Advance CTE, Silver Springs, MD
 Association for Career & Technical Education (ACTE), Alexandria, VA
 Career and Technical Education, Lake County Schools, FL
 Illinois Community College Board, Springfield, IL
 Metro Career Academy, Oklahoma City, OK

Business leaders representing the following:

FM Area Foundation
 First International Bank
 WCCO Belting
 Cardinal IG
 Intercept Corp
 Cass County Electric
 General Equipment
 Industrial Builders
 Matrix Properties
 McNeilus Steel
 Xcel Energy
 Midco

K-12 Participants in the Strategy Planning Input Groups

NDSCS Participants in the Strategy Planning Input Groups



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March 15, 2021

Senate Finance and Taxation Committee

HB #1431 – (3/17/2021 – 9:00 A.M.)

Dear Chair Bell and Honorable Members of the Senate Finance and Taxation Committee:

Although I am very appreciative to see House Bill #1431 passed the House with overwhelming support, it was disappointing that Section 1, Subsection 1 of the proposed bill still includes an interest rate starting at 2% per year and increasing by 1% every five years, up to a maximum rate of 5% per year. I am respectfully requesting you to support a **“DO PASS”** on House Bill #1431 relating to infrastructure revolving loan funds, however, I am urging you to closely examine the interest rate escalator for the fund and propose an amendment to include a rate not to exceed two percent per year. It is important to all political subdivisions to have a guaranteed set low interest rate throughout the maximum loan term.

For the past few years, the City of Stanley has been working on a capital improvement project consisting of 35 blocks of water, sewer and/or street improvements. The improvements to replace aging and failing infrastructure are in historical residential neighborhoods. The existing water lines installed 50-70 years ago are cast iron and asbestos cement water main, there have been a number of water main breaks, there are lead service lines, poor pressure and undersized services lines and lack of valves with inability to isolate blocks causing lengthy shutdowns to a large portion of the City. This necessary project is “shovel ready”, but needs to be affordable to the property owners in this older development and to all the taxpayers in the City that will be sharing in the cost. Many of the property owners are on a fixed income. Stanley City is likely not the only city facing these issues.

An infrastructure revolving loan fund with substantial funding, fixed interest, and flexibility for longer terms than can be found in the market, can really make the difference for local funding, allowing us to better manage the debt service over a longer period of time. A fund managed in this way would be extremely beneficial to the City of Stanley and other political subdivisions that are looking for ways to make infrastructure projects more affordable to property owners. It is imperative that funding allocated to the infrastructure revolving loan fund be at a low-interest FIXED rate. The City of Stanley, like many communities in oil country, moved forward with new developments to accommodate the housing needs for the oil industry. With the slowdown in the oil industry, many newer developments are being left in disarray and cities are being faced with other challenges that will be costly to the taxpayers. The cities are in dire need of an alternative funding source, a fixed low interest infrastructure revolving loan fund, with lengthy terms, would provide cities with the right alternative to local funding challenges and the needed support to move forward with infrastructure improvement projects.

Again, your support for a **“DO PASS”** on HB #1431, with a low-interest FIXED rate, would be greatly appreciated.

Sincerely,
Allyn Sveen
Stanley City Auditor

E-mail: District #2 & #4 Senate Representatives

drust@nd.gov

jkannianen@nd.gov

#9726



**North Dakota Grain Growers Association
Testimony in Support of HB 1431
Senate Finance and Tax Committee
March 17, 2021**

Chairman Bell, members of the Senate Finance and Tax Committee, for the record my name is Tom Bernhardt; my family and I operate a diversified farming and ranching operation in Linton, North Dakota. I am also the President of the North Dakota Grain Growers Association. I am submitting testimony today in both roles in support of HB 1431 as it pertains to the Ag Products Development Center.

Chairman Bell, members of the Senate Finance and Tax Committee, my family and I are very proud of our farm and our agricultural heritage in North Dakota. My wife, Tamie, and I are bringing our family back to the farm because of the opportunities it affords them for their futures. As all of you are very aware, agriculture, as in many businesses, is a very competitive occupation. You need as much “going for you” as you can which leads me to my support for the Ag Products Development Center.

In order to stay competitive in today’s global economy, farmers need all of the support they can get. The Ag Products Development Center will not only maintain that support it will enhance that support by providing world class facilities to our already world class research and extension faculty and staff in North Dakota. This will allow cereal sciences, meat sciences, and the Northern Crops Institute to continue to make North Dakota agriculture the best in the world. The Ag Products Development Center will also allow for better retention and recruitment of faculty and staff which enhances critical agricultural research and extension services in this state. This will help pave the way for my family and my farm to continue our success.

"You Raise; We Represent"

Phone: 701-282-9361 | Fax: 701-404-5187 | 1002 Main Ave W. #3 West Fargo, N.D. 58078

As a vital component of the North Dakota economy the state's agriculture needs the Ag Products Development Center to maintain our leading edge in world food production. Therefore, Chairman Bell, members of the Senate Finance and Tax Committee, I request from myself, my family and the North Dakota Grain Growers Association that you give HB 1431 a Do Pass recommendation regarding the Ag Products Development Center and would ask that the full Senate concur.

#9727



**North Dakota Grain Growers Association
Testimony in Support of HB 1431
Senate Finance and Tax Committee
March 17, 2021**

Chairman Bell, members of the Senate Finance and Tax Committee, for the record my name is Tom Bernhardt; my family and I operate a diversified farming and ranching operation in Linton, North Dakota. I am also the President of the North Dakota Grain Growers Association. I am submitting testimony today in both roles in support of HB 1431 as it pertains to the Ag Products Development Center.

Attached please find the following link to a video for your review which illustrates the issues related to Harris Hall:

<https://vimeo.com/videoarts/review/507131399/5cfa3560f0>

Thank you for your consideration. Both myself and the North Dakota Grain Growers Association would ask the Senate Finance and Tax Committee give HB 1431 a Do Pass recommendation as it pertains to the Ag Products Development Center and would respectfully request that the North Dakota Senate concur.

"You Raise; We Represent"

Phone: 701-282-9361 | Fax: 701-404-5187 | 1002 Main Ave W. #3 West Fargo, N.D. 58078

**Testimony of Merri Mooridian, Administrative Officer
HB 1431 Water Infrastructure Revolving Loan Fund
Senate Finance and Taxation Committee
Bismarck, North Dakota – March 17, 2021**

Hello, Madame Chairman Bell and members of the Senate Finance and Taxation Committee. Thank you for this opportunity to testify about House Bill 1431. My name is Merri Mooridian, and I am the Administrative Officer of the Garrison Diversion Conservancy District (Garrison Diversion). Garrison Diversion is a cosponsor of the Red River Valley Water Supply Project with the Lake Agassiz Water Authority (Lake Agassiz).

The Red River Water Supply Project is crucial to protecting North Dakota from the harmful and costly effects of moderate and severe droughts. According to the U.S. Drought Monitor, 80% of North Dakota is in a severe drought and the rest is experiencing moderate drought conditions. When the Red River Valley Water Supply Project is constructed, it will have the ability to save the State approximately \$32 billion in economic impact over the course of a 10-year severe drought, according to the latest REMI model.

Construction began in December 2020 and swiftly moves along as other portions of the project have been and will be bidding this spring. The Project will have \$200 million of shovel ready portions in construction for 2021-2023, but we are only able to go as far as the users can afford.

It is critically important that we maintain affordability for the 35 communities and rural water systems that signed up for the development portion of the Project. The cost to participate in the Red River Valley Water Supply Project is an added expense for the local users of the Project, as they need to continue to maintain and operate their existing water supply facilities.

Garrison Diversion and Lake Agassiz are grateful to be included in HB 1431 under Section 6-09-49 related to both entities being eligible for infrastructure revolving loan funds for essential infrastructure projects. However, since affordability is key to the Project's success, we are asking this Committee NOT to approve the passage of HB 1431 as currently amended.

As it is currently amended, the interest rates start at two percent and increase by one percent every five years, up to a maximum of five percent on a 30-year loan. **This would add approximately \$73 million of interest to the local users' portion of the cost.** Meaning, local residents will ultimately be burdened by the excessive interest rates and render the project unaffordable when they need it most.

We are respectfully requesting the bill to return to as it was originally written, with **interest rates that do not exceed two percent.** In addition, Garrison Diversion and Lake Agassiz ask this Committee to consider increasing the maximum loan term under this section to 40 years. As currently written, HB 1431 puts a cap on loans at 30 years. A long-term, low-interest loan from the State is absolutely necessary to provide affordable and predictable financing for the 35 local users providing vital water service to almost half of North Dakotans.

We agree that "projects not eligible for state revolving loan funds must be given priority for loans from the water infrastructure revolving loan fund", as there are projects, such as the Red River Valley Water Supply Project, that do not qualify for state revolving loan funds.

Garrison Diversion fully supports bonding for large multi-generational projects. These projects will be used for generations and bonding for these projects makes fiscal sense.

Thank you, Madame Chairman Bell and members of the Senate Finance and Taxation Committee.



Senate Finance and Taxation

Testimony in Support HB 1431

Madam Chair Bell and Members of the Committee, my name is Mike Krumwiede appearing on behalf of the American Council of Engineering Companies in support of HB 1431. The American Council of Engineering Companies of North Dakota (ACEC/ND) is a nonprofit, voluntary, self-governing organization which represents 29 member firms and nearly 1500 employees. The American Council of Engineering Companies of North Dakota (ACEC/ND) is the business voice of North Dakota's consulting engineering industry. ACEC Member Firms are at the heart of the built environment, bringing us bridges, roads, water, sanitation, transit, rail, buildings, environmental protection and cleanup.

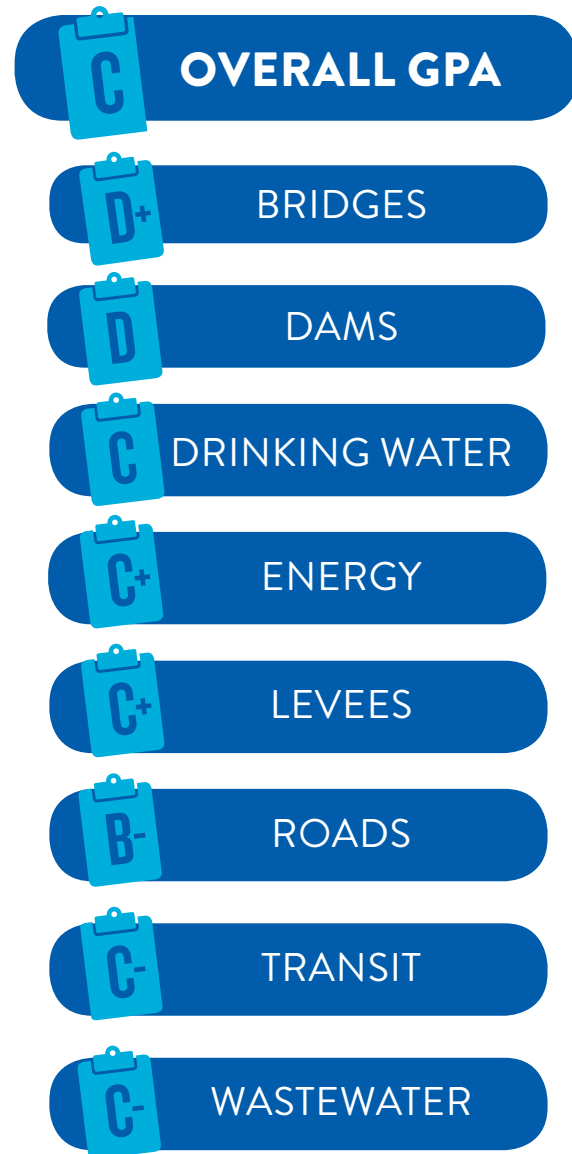
ACEC North Dakota has long recognized the importance of investing in our states critical infrastructure needs, including transportation, water, energy, buildings, airports, parks and communication systems. Beyond those, a well-maintained infrastructure is the backbone of all sectors in a healthy and vibrant economy.

While ACEC North Dakota supports occasional one-time infusions of additional funds in those areas as budgets allow, current funding shortfalls and long-term funding gaps need to be addressed with long-term funding solutions. We believe additional resources help grow a solid business environment by providing jobs in every field from health care to education. As a result, ACEC North Dakota advocates for predictable, sustainable, infrastructure support and consistent policies across all North Dakota state agencies.

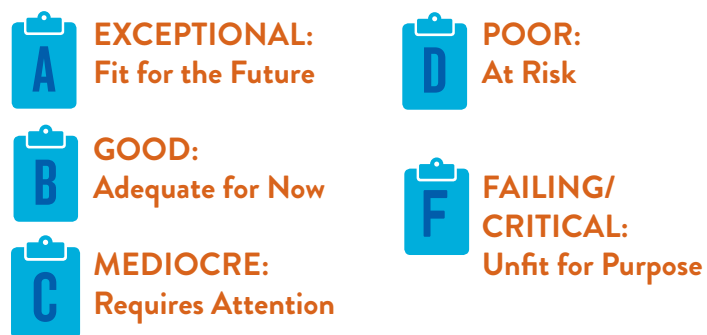
Recently American Society of Civil Engineers (ASCE) published a report card outlining the status of infrastructure in the state of North Dakota. This Report Card is the first of its kind for the state of North Dakota, providing a snapshot for eight categories of infrastructure: Bridges, Dams, Drinking Water, Energy, Levees, Roads, Transit, and Wastewater. Our state's infrastructure received an overall GPA of C, which is slightly better than the national GPA of D+. A GPA letter grade of C means the infrastructure in our state is in mediocre condition. Our networks show general signs of deterioration and require attention, and some elements exhibit significant deficiencies in conditions and functionality, with increasing vulnerability to risk. I have included a copy of this report card at the end of my testimony.

ACEC North Dakota supports HB 1431 because it is an effective tool in the toolbox to get projects going and move infrastructure projects along earlier while investing back in our state. We believe that through fiscally and responsible infrastructure funding mechanisms we can build things more promptly to accelerate the economic recovery. Support of North Dakota's pro-business environment through agency infrastructure budgets reinforces all aspects of both the public and private sectors. For these reasons we would urge a DO PASS recommendation on HB 1431. Thank you for your time and consideration.

NORTH DAKOTA'S GRADE SUMMARY



Individual Report Card categories were analyzed based on the following criteria:



Cover Photo: Garrison Dam
Photo by Harry Weddington, USACE, used with permission

RECOMMENDATIONS TO RAISE THE GRADE

IMPLEMENT SUSTAINABLE FUNDING SOURCES

- ◆ Increase the motor fuel tax to provide a sustainable transportation funding source and allow us to meet the local portion of the federal gas tax match. Currently, the North Dakota fuel tax is 23 cents per gallon. This is the second lowest in the Midwest and it hasn't been raised since 2005. The North Dakota state taxes and fees per gallon of gasoline are lower than neighboring states: Minnesota (28.6 cents), South Dakota (30 cents), and Montana (32.25 cents) per gallon. The national average fuel tax is 31 cents per gallon.
- ◆ Provide funds for programs that offer low interest loans for all types of infrastructure projects. Legacy Funds can be transferred to programs within the Bank of North Dakota, such as the Infrastructure Loan Fund, to provide low interest loans for transportation and new development infrastructure improvements.
- ◆ Encourage and assist cities to develop user rate structures that can fully support the local share of capital improvements for infrastructure, not just operation and maintenance (O&M). Rates should be adjusted to reflect the true cost of service for the infrastructure.

ENCOURAGE INNOVATIVE DESIGN SOLUTIONS AND TECHNOLOGIES

Historically, our state has been cautious to implement new design solutions and technologies. Innovation can improve the efficiency of the infrastructure systems. Additional funds for planning, design and construction of innovative projects can support better deployment of new technologies, such as connected vehicles and infrastructure.

ENCOURAGE INFRASTRUCTURE OWNERS TO DEVELOP ASSET MANAGEMENT PLANS

Asset management plans help infrastructure owners anticipate future infrastructure needs. North Dakota should consider providing financial assistance as asset management plans enable better ownership and save money down the line.

ABOUT THE REPORT CARD

The 2019 Report Card for North Dakota's Infrastructure was prepared by a local committee of civil engineers from North Dakota. These civil engineers volunteered to collect and analyze data, prepare the facts and trends to assist in grading each category, hold meetings with the respective agencies overseeing the infrastructure, and ultimately prepare the final reports and grades for each category of infrastructure.

CONTACT

- PHONE: 800-548-ASCE (2723)
- EMAIL: reportcard@asce.org
- WEB: infrastructurereportcard.org/north-dakota

INFRASTRUCTURE MATTERS

North Dakota's infrastructure is the backbone of our state's economy. Infrastructure provides our most important asset – our people – with the ability to effectively push our state and nation forward into the future. The condition of our state's infrastructure impacts our ability to be competitive in the national and international markets and provides the quality of life that all North Dakotans expect to have and be proud of. North Dakota, known for the unwavering work ethic of its people, can position its next generation of people by implementing changes in funding, asset management and innovative solutions for maintaining, improving and expanding the state's infrastructure.

This Report Card is the first of its kind for the state of North Dakota, providing a snapshot for eight categories of infrastructure: Bridges, Dams, Drinking Water, Energy, Levees, Roads, Transit, and Wastewater. Our state's infrastructure received an overall GPA of C, which is slightly better than the national GPA of D+. A GPA letter grade of C means the infrastructure in our state is in mediocre condition. Our networks show general signs of deterioration and require attention, and some elements exhibit significant deficiencies in conditions and functionality, with increasing vulnerability to risk.

As civil engineers, our responsibility is to protect the public health, safety, and welfare of those who use our state's infrastructure. We hope the public and policymakers find this Report Card insightful so the important and difficult conversations can happen and action can take place.

HOW TO GET INVOLVED

1

Get the full story behind this Report Card at InfrastructureReportCard.org/North-Dakota.

2

Find out the condition of the infrastructure near you on the Save America's Infrastructure app available on iTunes and GooglePlay.

3

Ask your elected leaders what they're doing to make sure your infrastructure is reliable for the future. Use your zip code to find your list of elected officials at infrastructurereportcard.org/take-action.

REPORT CARD FOR NORTH DAKOTA'S INFRASTRUCTURE

2019



North Dakota Section of the American Society of Civil Engineers

INFRASTRUCTUREREPORTCARD.ORG/NORTH-DAKOTA

ASCE
AMERICAN SOCIETY OF CIVIL ENGINEERS



NORTH DAKOTA'S INFRASTRUCTURE REPORT CARD

Executive Summary

BRIDGES

North Dakota is home to 4,377 bridges. Statewide, 14% of bridges are structurally deficient, compared with 8.9% nationally. While not unsafe, structurally deficient bridges require significant maintenance, rehabilitation, or replacement because critical load-carrying elements were found to be in poor condition. Meanwhile, 43% of North Dakota bridges are over 50 years in age, meaning they are past their initial design life. Most structurally deficient bridges are owned by local jurisdictions and there is a more than \$400 million backlog of necessary projects on the local bridge network. Another challenge in North Dakota is the weather; cold and snowy conditions with heavy freeze/thaw cycles increase bridge deterioration. Overall, North Dakota bridges are in worse shape than the national average.

DAMS

North Dakota has approximately 3,153 intact dams, with a wide range of purposes from flood control to recreation. According to the National Inventory of Dams (NID), there are 49 high hazard potential (HHP) dams in the state (including federal and state-regulated dams). A HHP dam is a dam in which failure is expected to result in loss of life. Seventy-three percent of the HHP dams in the NID have a condition assessment rating and half of those are considered deficient and do not meet accepted safety standards in some way.

The condition of these dams is concerning; however, inspections are occurring regularly. Eighty-eight percent of HHP dams have emergency action plans (EAPs), which is higher than the national average of 77%. This is a positive but does not offset the overall concern with the condition of the HHP dams. The State Water Commission has

cost-share policies in place to assist owners in developing EAPs; however, commodity prices and legislatively directed funding priorities greatly influence available funding.

DRINKING WATER

Public water systems provide potable drinking water to 98.8% of North Dakota's residents. Most of the state's public water systems are small, serving 3,300 residents or less. Major new drinking water infrastructure projects, such as the Williston Regional Water Treatment Plant expansion and the Western Area Water Supply Project, were completed in response to the oil boom's population growth. However, other portions of the distribution system are at the end of their service lives and require either rehabilitation or replacement. The North Dakota Drinking Water State Revolving Fund (DWSRF) Intended Use Plan indicated that in 2018, there were approximately \$594 million worth of DWSRF-eligible infrastructure projects state-wide. Fortunately, investments are being made. Approximately \$125 million will be available from the 2017-2019 biennium for water projects from the State Water Commission, while the DWSRF is funding approximately \$46 million in projects. Despite challenges associated with an aging system, the state has an excellent public health record.

ENERGY

North Dakota's 65,000 miles of transmission and distribution lines transmit about twice the amount of electricity the state uses on average. Most of the electricity is generated by coal, but recently wind has made a considerable addition to the market, up to 1/4 of the total generation. This has impacted the way the coal industry needs to look at daily demands and long-term

planning. Meanwhile, hundreds of miles of transmission line were planned during the early 2000s oil boom, but portions of projects were canceled when oil prices declined. Rates are capped at investor owned utilities and increasing fees to pay for transmission line land acquisition, permitting and routing has proven difficult. North Dakota's electric rates are relatively low, averaging \$0.12 per kwh.

LEVEES

The North Dakota State Water Commission has issued permits for 627 flood control levees, totaling 325 miles. Heavy flooding across North Dakota in 2009, 2010 and 2011 exposed deficiencies in the levee systems, and major investments are now underway to improve the condition and capacity of levees to reduce flood damage in the future. Over \$1 billion has been spent, from all funding sources, on flood-related projects along the Red River alone since 1997. Residents in Fargo, Grafton, Valley City and Minot approved sales tax increases to pay for the local share of various flood mitigation project costs.

The state and local governments have done a commendable job of prioritizing investment in levees in recent years and great strides have been made. The United States Army Corps of Engineers periodically inspects 94.19 miles of North Dakota levees, 21.54 miles of which are presently rated as unacceptable, but these bad marks are sometimes the result of incomplete paperwork rather than reflective of the actual condition of the structures. North Dakota does not require periodic levee inspections nor reports on levee conditions after their construction.

ROADS

North Dakota ranks among the highest-spending states per capita on highways. Currently, 67% of urban roads and 77% of county and township roads are in good or very good condition. However, looking ahead, significant work will need to be done to address roadside safety, find alternative sources of funding, and ensure equitable assignment of resources among high-growth areas.

Should funding remain stagnate, estimates show that state-maintained roads in poor condition will nearly double between 2018 and 2021, from 443 miles to 872 miles. And while capacity remains adequate across the state, despite a 64%

increase in vehicle miles traveled over the last 20 years, the state has major challenges during winter months responding quickly to snow removal and de-icing.

TRANSIT

Public transportation plays a major role in improving livability for transit-dependent populations in the state of North Dakota. Three of the 29 transit agencies in the state are classified as urban transit providers, four are tribal transit providers, and the remaining 22 are rural operators. Three modes of public transportation are available in North Dakota: Fixed-Route Bus, Demand Response Transit, and Demand Response Taxi. Public transit ridership in North Dakota dropped 6.5% from 2015 to 2016 and 4.9% from 2014 to 2015, mirroring a national trend of decreased ridership. The farebox recovery rate (percent of trip's operating costs recovered through passenger fares) for all transit operations across the state is observed as 8.4%, which is close to the national average (9%) for rural transit agencies. Meanwhile, with operating expenses totaling over \$34 million, increased funding is needed to improve accessibility and public transportation services and facilities.

WASTEWATER

North Dakota's 755,000 residents are served by over 350 municipal wastewater systems. Rapid population growth associated with the oil industry resulted in many recently completed or ongoing upgrades and expansions of municipal wastewater treatment facilities (WWTFs).

Over the last 10 years, more than \$265 million was spent to improve and upgrade the mechanical WWTFs in the larger communities. Approximately \$180 million is expected to be invested in the WWTFs of Fargo, Grand Forks, Bismarck, and Minot over the next 10 years. However, per capita spending on wastewater operations and maintenance has remained flat and older communities struggle with stormwater infiltration and inflow issues as the collection systems age. Additionally, communities served by wastewater pond treatment systems are challenged by storage volume needs, dike erosion protection, seasonal odors, and delayed discharges due to pollutant variability.



March 17, 2021

Senate Finance & Taxation Committee

HB 1431

Katie Ralston, Director of Workforce Division, ND Department of Commerce

Good morning, Chair Bell and members of the committee. My name is Katie Ralston, and I have served as the director of the workforce division at the North Dakota Department of Commerce since January 2020. In my role, I also have the great pleasure of serving as the director of the industry-led Workforce Development Council. Although I am not here on behalf of the Council, I'll lean on the work the Council has done to inform my testimony. I'm testifying in support of HB 1431 with an amendment to include funding for career and technical education centers.

The Department of Commerce would ask the committee to consider amending 1431 to include \$45 million to incentivize and support career and technical education centers across the state. We recommend that the language create a competitive grant to be run by state workforce agencies such as CTE, Commerce and K12 with a requirement for a match from the private sector and/or political subdivisions.

The role of the Workforce Development Council is to advise the Governor and the public concerning the nature and extent of workforce development in the context of North Dakota's economic development needs, and identify ways to meet these needs effectively while maximizing the efficient use of available resources and avoiding unnecessary duplication of effort. Two of the Council's main areas of focus are earlier and more diverse career exploration and addressing the technical skills gap to prepare North Dakota students for in-demand jobs in the state.

Career and technical education opportunities are amplified when provided through CTE centers as these facilities employ instructors with advanced subject matter expertise, supply specialized tools and equipment, leverage relationships with employers, and may provide career preparation experiences not typically accessible within a standard K-12 building. The Council has long endorsed CTE centers as they not only provide hands-on career exploration, they provide skilled workforce training, which helps many students determine and prepare for their post-graduation pathway. 60% of North Dakota's labor market is comprised of jobs that require more than a high school education, but less

than a four-year degree. In fact, 50% of the jobs that are currently available in the state fall into this category. Students can begin training for many of these jobs at CTE centers while still in high school, which could expedite their path to the workforce, especially when dual credit opportunities are available.

Finally, employer involvement is crucial in career and technical education. Interaction between employers and students is often based on relationships that teachers or administrators might have with a business leader in their community, which may make equity in opportunity a challenge. CTE centers can streamline communication and connections between employers and students from multiple school districts, which expands an employer's reach and exposes more students to industry expertise, and local work-based learning experiences such as job shadows and internships.

The state continues to make tremendous investments in economic development, which is North Dakota's vehicle to success; but workforce development is the fuel and our investments in this area need to start with our youngest learners, so that when they're ready for the workforce, pursuing high demand jobs in North Dakota will be their first choice.

Thank you for the opportunity to testify today. I am happy to answer any questions you may have.

**Senate Finance and Taxation
Chairman – Senator Jessica Bell
March 17, 2021**

**Testimony of David Ashley
Chairman, Souris River Joint Board
dashley@mouseriverplan.com
701.626.1566**

HB 1431

Good morning, Chairman Bell and members of the Senate Finance and Taxation Committee. My name is David Ashley, and I am chairman of the Souris River Joint Board. The Souris River Joint Board is the project sponsor for the Mouse River Enhanced Flood Protection Project. I am here to express support for House Bill 1431 on behalf of all residents of the Mouse River basin.

The current version of the bill includes \$74.5 million for Mouse River flood control activities. It is our understanding that the State Water Commission budget bill will not include any additional funding for Mouse River flood control, so this bill is incredibly important.

We have provided a four-page brochure that identifies the status of the current biennium activities, the phases that we intend to advance in the next biennium (dependent on funding), a review of previous legislative intent, and a summary of the phases of the project for which no funding has been secured. In the interest of time, I will not review that information in detail, but I would invite you to review the information and reach out to us with any questions regarding that information. We intend to share more detail with your colleagues on Senate Appropriations during the hearing on House Bill 1020, which is the State Water Commission budget bill.

For all water projects across the state to continue, bonding is necessary. Providing funding for the large water projects within this bill will provide relief to the Resources Trust Fund that will allow for funding critical rural and municipal water needs across the state.

Bonding will allow these large projects to progress in a more rapid fashion and will help to curtail the costs associated with construction inflation. In our brochure, we outlined three funding scenarios ranging from \$46 million per biennium to \$140 million per biennium. These funding scenarios included completion schedules ranging from 20 years to 7 years, respectively.

If an appropriation of \$74.5 million is made in this and subsequent biennia, the Mouse River flood control project would be completed in approximately 16 years.

We ask that you include a 'do pass' recommendation on this bill. It is incredibly important for the residents of the Mouse River basin and will free up funding in the Resources Trust Fund for water projects across the State.



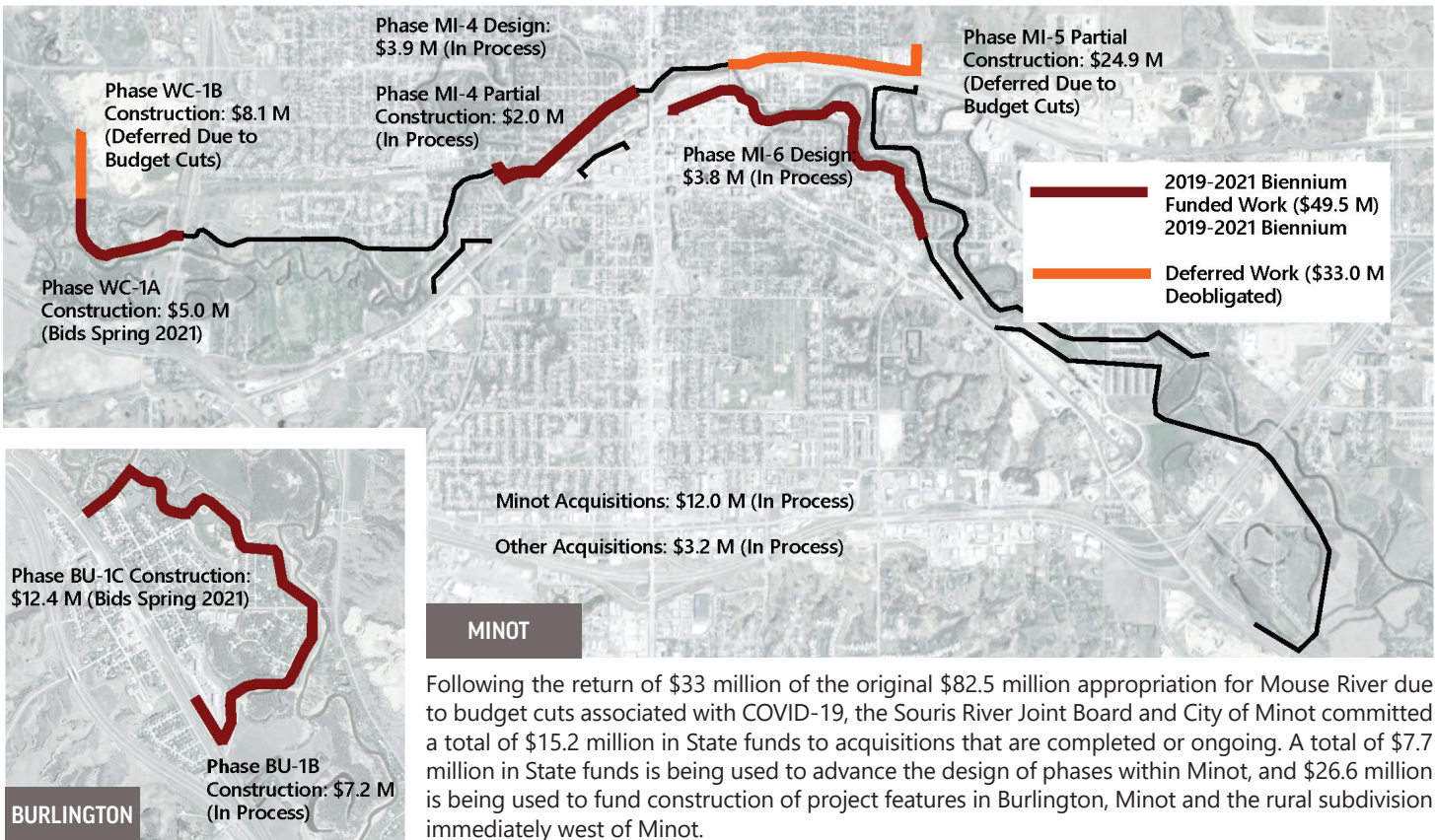
MOUSE RIVER PLAN

BASIN-WIDE FLOOD RISK MANAGEMENT

FOR MINOT, RURAL COMMUNITIES, AND BASIN RESIDENTS

PROJECT SUMMARY : JANUARY 2021

2019-2021 Biennium Work Status Update:



2021-2023 Biennium Request

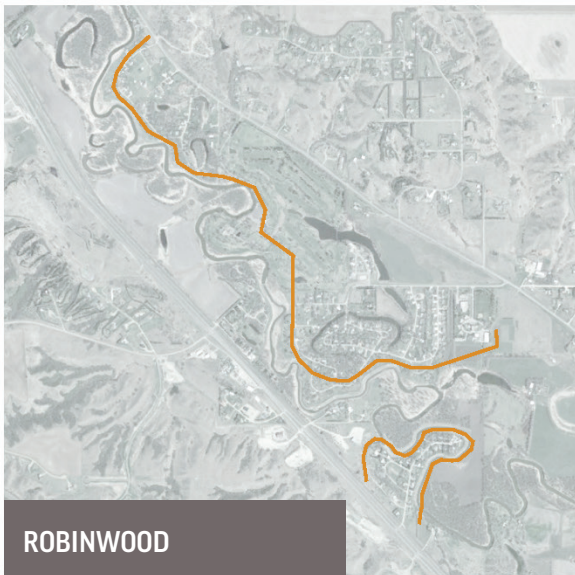
		TOTAL ESTIMATED COST	
PROPERTY ACQUISITIONS	Minot	\$10M	
	Outside of Minot	\$4.7M	
DESIGN & PERMITTING	Phase WC-2: Robinwood Levee	\$4M	
	Phase MI-7: Valker Road South Levee	\$3M	
	Phase RU-1: Rural Conveyance Improvements	\$1M	
CONSTRUCTION	Phase MI-5: Northeast Tieback Floodwall	\$64M	
	Phase WC-1B: Tierrecita Vallejo Levee North	\$13M	
	Phase SA-1: Sawyer Bridge	\$4M	
	Phase VE-1: Velva Bridge	\$4M	
	Phase RC-1: Mouse River Park Bridge	\$4M	
	Phase RU-1: Rural Conveyance Improvements	\$3M	
The executive proposal includes \$76 million in State funds, which will be used to advance additional acquisitions, design and construction of features as shown in this table.		Total	\$114.7M
		State Funds	\$76M
		Local Funds	\$38.7M



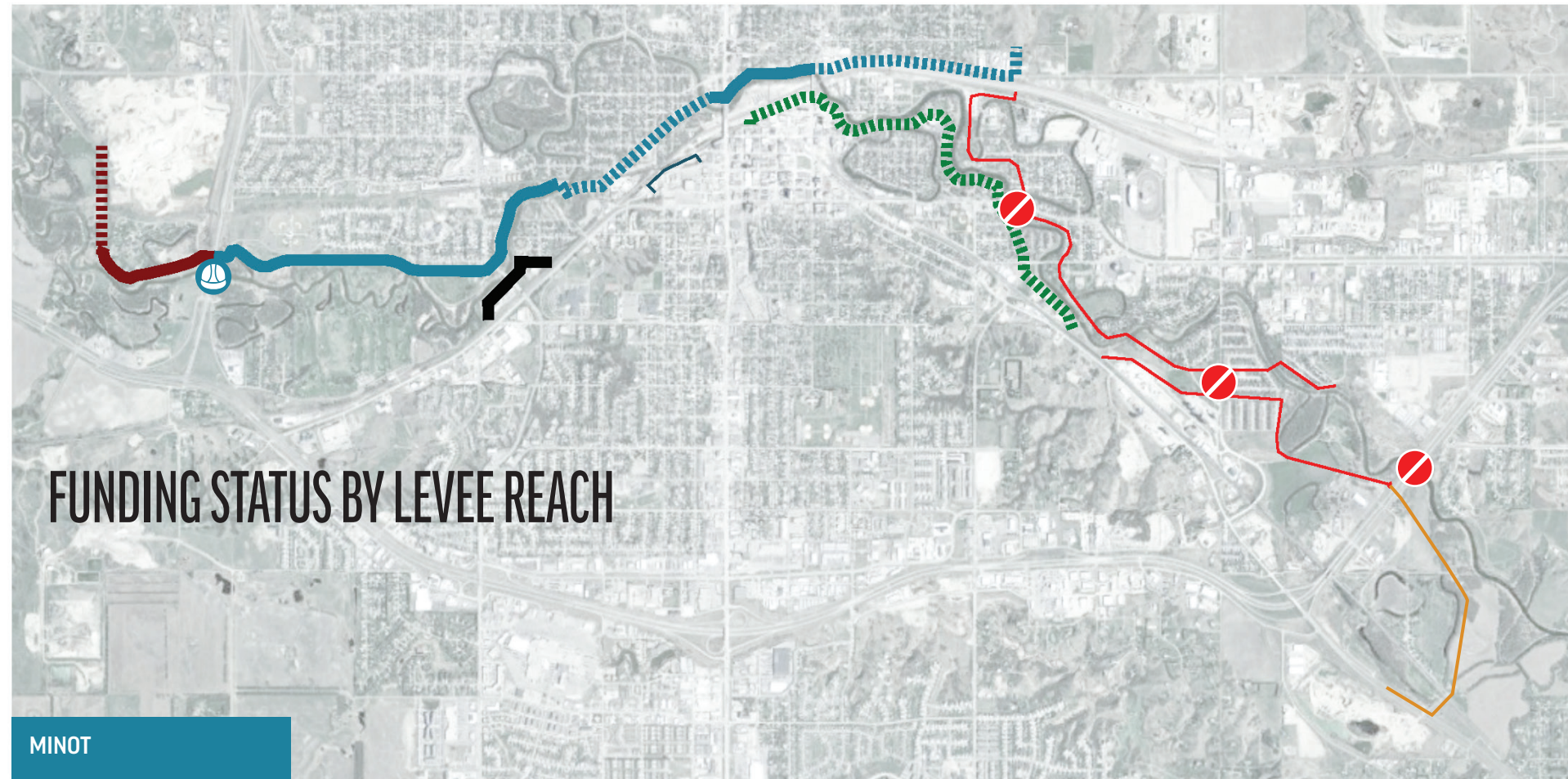
MOUSE RIVER PARK



BURLINGTON



ROBINWOOD



FUNDING STATUS BY LEVEE REACH

MINOT

MINOT SYSTEMS

- Levee/Floodwall Construction Funded
- MINOT MILESTONE 1**
 - Levee/Floodwall Construction Funded
 - Levee/Floodwall Design Funded
 - Bridge Construction Funded
- MINOT MILESTONE 2**
 - Levee/Floodwall Design Funded
- MINOT MILESTONE 3**
 - Unfunded Levee/Floodwall
 - Unfunded Bridge

RURAL COMMUNITY SYSTEMS

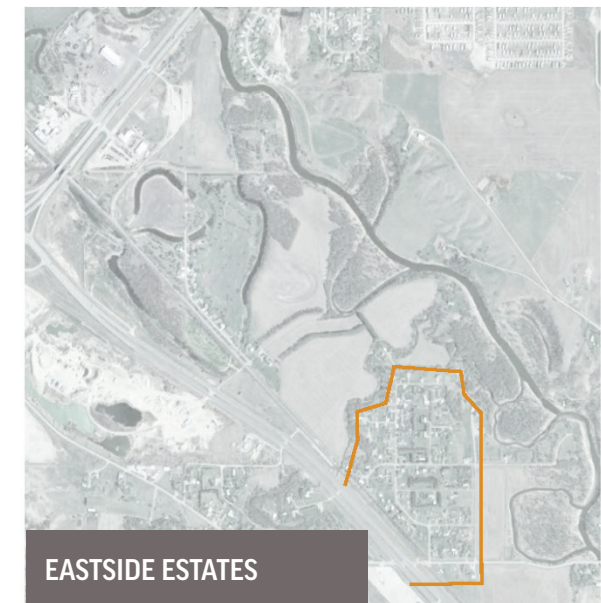
- RURAL COMMUNITY SYSTEMS**
 - Rural Community Levee Construction Funded
 - Rural Community Levee Design Funded
 - Rural Community Bridge Construction Funded
 - Rural Community Bridge Design Funded
- Unfunded Rural Community Levee



VELVA



SAWYER



EASTSIDE ESTATES

Previous Legislative Support:

To date, the State of North Dakota has committed a total \$228.7 million for flood risk management activities in the Mouse River basin since the record flood of 2011. In the current biennium, a total of \$82.5 million was originally appropriated. However, due to the anticipated reductions in revenue related to the COVID-19 pandemic, the Souris River Joint Board voluntarily released a total of \$33 million in State funding back to the State Water Commission. The activities originally planned for implementation in the current biennium that were voluntarily deferred include the construction of the Northeast Tieback and Minot Milestone 1 and the north portion of the Tierrecita Vallejo levee (rural community immediately west of Minot).

Past Legislative Intent:

During the 2017 Legislative Session, Legislative Intent was established to fund up to \$193 million for improvements within the city limits of Minot. The basis for that amount was the State's share of the total estimated costs to construct only Minot Milestone 1. The previously established Legislative Intent does not provide a funding commitment for the construction of Minot Milestone 2, Minot Milestone 3, or any of the improvements within the rural communities outside of Minot city limits.



Current Biennium Design:

Through the current biennium, design has been funded for several phases inside and outside of Minot. Within Minot, the design of multiple phases of Minot Milestone 1 is ongoing, including the Northeast Tieback and the Maple Diversion. Design is beginning on Minot Milestone 2 as well. Outside of Minot, design has been completed for levee systems at Burlington and Tierrecita Vallejo. In addition, the design of bridge replacements for Mouse River Park, Sawyer and Velva is ongoing.



Current Biennium Construction:

In the current biennium, construction has been funded for levee improvements at Burlington and Tierrecita Vallejo. In addition, construction for relocating utilities associated with the Maple Diversion has been funded.

FASTER IMPLEMENTATION WILL SAVE MILLIONS

SCENARIO 1

\$902M

SCENARIO 2

\$735M

SCENARIO 3

\$767M

City of Minot
Shaun Sipma, Mayor
515 2nd Avenue SW
Minot, North Dakota 58701
Ph: (701) 721-6839

City of Minot

Souris River Joint Water Resource Board
David Ashley, Chairman
P.O. Box 1516
Minot, North Dakota 58702
Ph: (701) 626-1566



PREVIOUS FUNDING

To date, the project has received funding from State, federal and local agencies totaling \$409 million, with \$228.7 million being provided by the State of North Dakota. This funding has been used for acquisitions, relocations, design, permitting and construction activities. Taking into account the reduction in funding during the 19-21 biennium, the average State appropriation level for the Mouse River Enhanced Flood Protection Project has been \$45.7 million per biennium since 2011. It is estimated that the total new appropriation (State, federal and local) needed to complete the project is \$674 million.

INFLATION

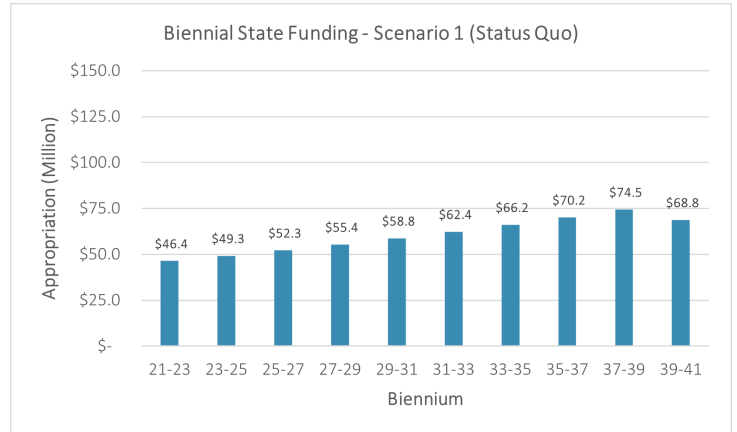
Thus far, the project has been able to counteract the effects of inflation through value engineering. The initial budget for the project, established in 2013, was \$1.028 billion. The current total budget for the project is \$1.083 billion, with \$674 million currently unfunded. The estimated State share to complete the project is \$452 million (2021 dollars), assuming no additional federal funding.

As the schedule for the project is extended, the costs will increase due to inflation. Three funding scenarios have been developed for the project based on varying degrees of funding.

Scenario 1 is based on assuming the average of the State appropriations since 2011 in the 2021-2023 biennium with a 3% annual escalator. Based on this assumed funding scenario, the project will be completed in 2041, and the total cost to complete the project would be \$902 million.

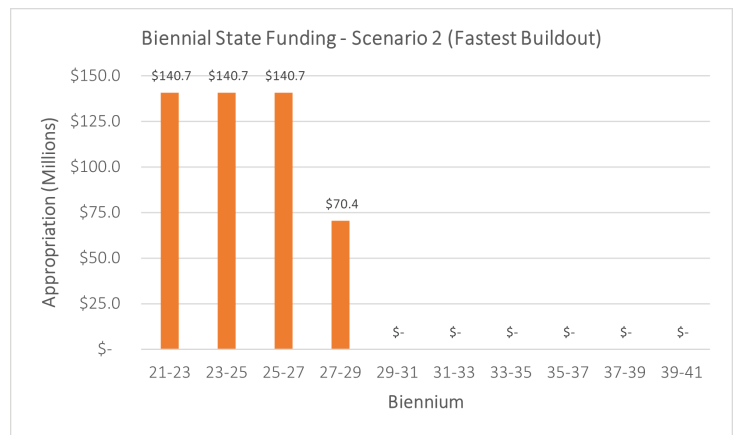
Scenario 2 is based on assuming funding being made available during a fast-track project implementation over the next 7 years. Based on this assumption, the project will be completed in 2028 and the total cost to complete the project would be \$735 million. This represents a \$167 million reduction in the total project costs as compared to Scenario 1.

Scenario 3 is based on assuming funding being made available during a 10-year project implementation. Based on this assumption, the project will be completed in 2031, and the total cost to complete the project would be \$767 million. This represents a \$135 million reduction in the total project costs as compared to Scenario 1.



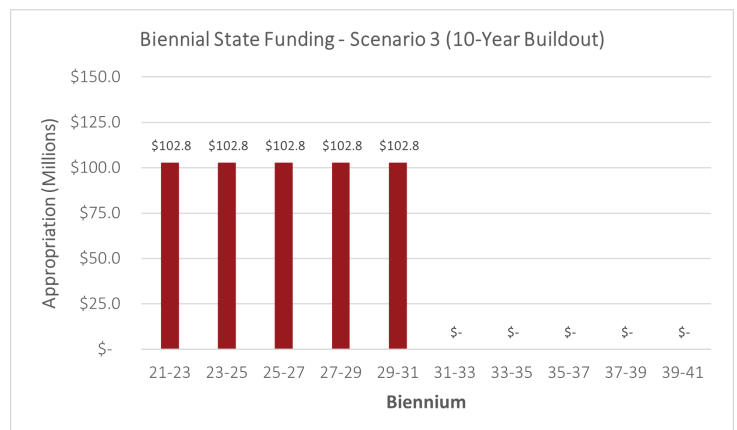
Total Cost to Complete: \$902 million
State Share to Complete: \$604 million

COMPLETION DATE 2041



Total Cost to Complete: \$735 million
State Share to Complete: \$493 million

COMPLETION DATE 2028



Total Cost to Complete: \$767 million
State Share to Complete: \$514 million

COMPLETION DATE 2031



THE CHAMBER
FARGO MOORHEAD WEST FARGO

To: Senate Finance and Taxation Committee
From: Katie Mastel, Government Affairs Manager, FMWF Chamber of Commerce
Date: March 17, 2021
RE: **Support HB 1431**

Chair Bell, members of the Senate Finance and Taxation committee,

For the record my name is Katie Mastel and I serve as the Government Affairs and Advocacy Manager of the Fargo Moorhead West Fargo Chamber of Commerce. Thank you for the opportunity to provide testimony in regards to House Bill 1431, the bonding bill. On behalf of our over 2,000 Chamber member businesses, we **support House Bill 1431**, as it includes critical funding for multiple projects. This bill is an opportunity to have significant wide-spread impact for the entire state, and now is the time to take advantage of this opportunity.

We are particularly grateful for the inclusion of the **FM Diversion Project funding** in this bill. As litigation and permitting issues are now behind us, we need to focus on how to build this project as efficiently as possible. This legislation accomplishes just that through reducing the cost of the project by \$20 million by eliminating short-term borrowing costs. I trust you are all aware of the importance of this project, mindful of the devastation that a major flood could have, both ruining livelihoods and the state's economy. I want to sincerely thank you for all the hard work you have done to make funding for this critical project possible, prioritizing the protection of livelihoods and the economic stability of our region.

In addition, we are supportive of the funding included for the **Ag Productions Development Center on NDSU's campus**. The current spaces used are less than adequate. The new facility will ensure high-quality research through innovation and advanced teaching activities will be continued. Not only does NDSU's agriculture related research have state-wide impacts, but globally too. It is imperative that we invest in the infrastructure needed to provide support for NDSU's robust reaching and research activities.

One funding restoration we would respectfully ask for the Senate to consider, is grant dollars for Career Workforce Academies across the state. Workforce continues to be a number one concern hindering the future success of many businesses statewide. We have to invest in workforce solutions on a statewide level, and the career academy model has already proven successful with a significant success story being the academy in Bismarck. These



academies help alleviate long-term workforce shortage, which is critical for continued growth of our communities and state.

In order to make the Cass County project possible, our public and private sectors have already stepped up with commitments amounting to \$21 million. Access to state grant dollars would greatly impact this project, as only \$9 million more is needed to fully complete this project and ensure we can get the facility up and running to train our future and immediate workforce as soon as possible. We respectfully ask for the Senate's strong consideration of restoring Career Workforce Academy funding in this legislation.

All three of the aforementioned projects should be viewed as critical investments to the state. As such, we ask for your **support of HB 1431** and urge you to take advantage of the outlined opportunities. Workforce solutions, economic stability through permanent flood protection and adequate infrastructure for research are all critical contributors to our state's overall economic prosperity. This bonding package is about more than just the potential to build a career academy, complete the FM area diversion or build a new agriculture center, but about how the effects of these investments will have long-term benefits for the entire state of North Dakota.

I welcome any questions you may have at any time – my contact information can be found below. Thank you for your consideration.

Sincerely,

Katie Mastel
Government Affairs and Advocacy Manager
Fargo Moorhead West Fargo Chamber of Commerce
kmastel@fmwfchamber.com | 701.516.2114



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Senate Finance and Taxation
North Dakota House of Representatives
State Capitol Building
600 East Boulevard Avenue
Bismarck, ND 58505

March 17, 2021

RE: HB 1431 - Support

Chair Bell and Members of the Committee,

Thank you for the opportunity to provide this written testimony. My name is Kim Schneider and I represent the North Dakota Association of Builders. Our home building industry is proud to support a growing North Dakota and we are fueled by the talents of workers including electricians, plumbers, masons, carpenters, and the many trades that make up the construction industry. We partner with six local associations across North Dakota located in Fargo, Grand Forks, Bismarck-Mandan, Minot, Dickinson, and Williston. HB 1431 is a bill that provides funding for critical infrastructure projects.

Prior to crossover, this bill also had funding for Career and Technical Education specified for local cities which included Bismarck, Dickinson, Fargo, Watford City, and Minot. The bill also included a competitive grant program. This funding is vital for the students and future workforce in the building industry. We would encourage discussion to bring back the CTE funding in HB 1431.

Finally, HB 1431 addresses the needs for flood control and helps with the high cost. The Mouse River enhanced flood control project and the Fargo diversion project are of high importance to our members, and we appreciate the support on this important matter.

On behalf of the North Dakota Association of Builders and our 2,000 members across the state, we urge a Do Pass recommendation on HB 1431.

We appreciate the support and continued partnership,

Kim Schneider
Chief Executive Officer
North Dakota Association of Builders

Affiliated With



#9774

Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Wayne Stenehjem
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



**North Dakota Public
Finance Authority**

Date: March 17, 2021

From: DeAnn Ament, Executive Director of the North Dakota Public Finance Authority

RE: House Bill 1431 – Related to Interest Rates for Infrastructure Revolving Loans

Position: Neutral

DeAnn Ament will not have formal testimony. She will be available to answer questions related to bonding.

2021 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1431
3/24/2021
AM

A BILL for an Act to create and enact a new section to chapter 6-09 and a new section to chapter 6-09.4 of the North Dakota Century Code, relating to a water infrastructure revolving loan fund and bonded debt repayments; to amend and reenact subsection 1 of section 6-09-49, and sections 6-09.4-06 and 6-09.4-10 of the North Dakota Century Code, relating to interest rates for infrastructure revolving loans, borrowing and lending authority of the public finance authority, and reserve funds associated with bonds; to repeal chapter 6-09.5 and section 61-02-78 of the North Dakota Century Code, relating to a community water development fund and an infrastructure revolving loan fund within the resources trust fund; to provide an appropriation; to provide a continuing appropriation; to provide for a transfer; to provide for a contingent transfer; to provide a bond issue limit; and to provide a loan repayment.

Chair Bell calls the meeting to order. Chair Bell, Vice Chair Kannianen, Senators Meyer, J. Roers, Patten, Piepkorn, Weber are present. [10:26]

Discussion Topics:

- Gap bonding items
- Township road funding
- Clean Sustainable Energy Authority

Committee discussion – No Action.

Chair Bell adjourns the meeting. [10:33]

Joel Crane, Committee Clerk

2021 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1431
3/24/2021
PM

A BILL for an Act to create and enact a new section to chapter 6-09 and a new section to chapter 6-09.4 of the North Dakota Century Code, relating to a water infrastructure revolving loan fund and bonded debt repayments; to amend and reenact subsection 1 of section 6-09-49, and sections 6-09.4-06 and 6-09.4-10 of the North Dakota Century Code, relating to interest rates for infrastructure revolving loans, borrowing and lending authority of the public finance authority, and reserve funds associated with bonds; to repeal chapter 6-09.5 and section 61-02-78 of the North Dakota Century Code, relating to a community water development fund and an infrastructure revolving loan fund within the resources trust fund; to provide an appropriation; to provide a continuing appropriation; to provide for a transfer; to provide for a contingent transfer; to provide a bond issue limit; and to provide a loan repayment.

Chair Bell calls the meeting to order. Chair Bell, Vice Chair Kannianen, Senators Meyer, J. Roers, Patten, Piepkorn, Weber are present. [3:20]

Discussion Topics:

- Bond issuance language
- Capitalized interest
- Clean sustainable energy fund
- Bond terms
- Non-Oil producing counties
- Revolving loan fund

Chair Bell [3:32] submits an amendment [LC 21.0899.04006] #10680.

Adam Mathiak [3:34] Legislative Council provides oral information

Chair Bell adjourns the meeting. [3:43]

Chair Bell calls the meeting back to order [4:16]

Adam Mathiak [4:17] Legislative Council submits additional amendments #10693.

Senator J. Roers [4:21] moved amendment [LC 21.0899.04006]
Senator Kannianen seconds

Kylee Merkel [4:22] Business Banker, Bank of North Dakota provides additional information orally.

Motion carries by voice vote

Senator Weber [4:25] moves to further amend with amendments to section 9 as identified in testimony #10693.

Senator J. Roers seconds
Motion carries by voice vote

Senator J. Roers [4:26] moves DO PASS as Amended and re-refer to appropriations.
Senator Weber seconds

Senators	Vote
Senator Jessica Bell	Y
Senator Jordan Kannianen	Y
Senator Scott Meyer	Y
Senator Dale Patten	Y
Senator Merrill Piepkorn	Y
Senator Jim Roers	Y
Senator Mark Weber	Y

Motion carries 7-0-0

Chair Bell carries

Chair Bell adjourns the meeting [4:28]

Joel Crane, Committee Clerk

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1431

Introduced by

Representatives Pollert, Schmidt

Senators Sorvaag, Wardner

1 A BILL for an Act to create and enact ~~a new section to chapter 6-09 and~~ a new section to
 2 chapter 6-09.4 of the North Dakota Century Code, relating to ~~a water infrastructure revolving~~
 3 ~~loan fund and~~ bonded debt repayments; to amend and reenact ~~subsection 1 of section 6-09-49,~~
 4 ~~and~~ sections 6-09.4-06 and 6-09.4-10 of the North Dakota Century Code, relating to ~~interest~~
 5 ~~rates for infrastructure revolving loans,~~ borrowing and lending authority of the public finance
 6 authority; and reserve funds associated with bonds; to repeal chapter 6-09.5 and section
 7 61-02-78 of the North Dakota Century Code, relating to a community water development fund
 8 and an infrastructure revolving loan fund within the resources trust fund; to provide an
 9 appropriation; to provide a continuing appropriation; to provide for a transfer; to provide for a
 10 contingent transfer; to provide a bond issue limit; ~~and~~ to provide a loan repayment; to provide
 11 an exemption; to provide a statement of legislative intent; and to provide a report.

12 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

13 ~~SECTION 1. AMENDMENT.~~ Subsection 1 of section 6-09-49 of the North Dakota Century
 14 Code is amended and reenacted as follows:

15 ~~1.~~ The infrastructure revolving loan fund is a special fund in the state treasury from which
 16 the Bank of North Dakota shall provide loans to political subdivisions, the Garrison
 17 Diversion Conservancy District, and the Lake Agassiz water authority for essential
 18 infrastructure projects. The Bank shall administer the infrastructure revolving loan
 19 fund. The maximum term of a loan made under this section is thirty years. A loan
 20 made from the fund under this section must have an interest rate that does not exceed
 21 two percent per year starting at two percent per year and increasing by one percent
 22 every five years, up to a maximum rate of five percent per year.

23 ~~SECTION 2.~~ A new section to chapter 6-09 of the North Dakota Century Code is created
 24 and enacted as follows:

1 ~~**Water infrastructure revolving loan fund - State water commission - Continuing**~~
2 ~~**appropriation.**~~

3 ~~1. There is created in the state treasury the water infrastructure revolving loan fund to~~
4 ~~provide loans for water supply, flood protection, or other water development and water~~
5 ~~management projects. The fund consists of moneys transferred into the fund, interest~~
6 ~~earned on moneys in the fund, and principal and interest payments to the fund. All~~
7 ~~moneys in the fund are appropriated to the Bank of North Dakota on a continuing~~
8 ~~basis for loan disbursements and administrative costs.~~

9 ~~2. The state water commission shall approve eligible projects for loans from the water~~
10 ~~infrastructure loan fund. The state water commission shall consider the following when~~
11 ~~evaluating eligible projects:~~

12 ~~a. A description of the nature and purposes of the proposed infrastructure project,~~
13 ~~including an explanation of the need for the project, the reasons why the project~~
14 ~~is in the public interest, and the overall economic impact of the project.~~

15 ~~b. The estimated cost of the project, the amount of loan funding requested, and~~
16 ~~other proposed sources of funding.~~

17 ~~c. The extent to which completion of the project will provide a benefit to the state or~~
18 ~~regions within the state.~~

19 ~~3. Projects not eligible for the state revolving funds under chapters 61-28.1 and 61-28.2~~
20 ~~must be given priority for loans from the water infrastructure revolving loan fund.~~

21 ~~4. In consultation with the state water commission, the Bank of North Dakota shall~~
22 ~~develop policies for the review and approval of loans under this section. Loans made~~
23 ~~under this section must be made at the same interest rate as the revolving loan funds~~
24 ~~established under chapters 61-28.1 and 61-28.2.~~

25 ~~5. The Bank of North Dakota shall manage and administer loans from the water~~
26 ~~infrastructure loan fund. The Bank shall deposit in the fund all principal and interest~~
27 ~~paid on loans made from the fund. Annually, the Bank may deduct one-quarter of one~~
28 ~~percent of the outstanding loan balance as a service fee for administering the water~~
29 ~~infrastructure revolving loan fund. The Bank shall contract with a certified public~~
30 ~~accounting firm to audit the fund. The cost of the audit must be paid from the fund.~~

1 **SECTION 1. AMENDMENT.** Section 6-09.4-06 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **6-09.4-06. Lending and borrowing powers generally.**

4 1. The public finance authority may lend money to political subdivisions or other
5 contracting parties through the purchase or holding of municipal securities which, in
6 the opinion of the attorney general, are properly eligible for purchase or holding by the
7 public finance authority under this chapter or chapter 40-57 and for purposes of the
8 public finance authority's capital financing program the principal amount of any one
9 issue does not exceed five hundred thousand dollars. However, the public finance
10 authority may lend money to political subdivisions through the purchase of securities
11 issued by the political subdivisions through the capital financing program without
12 regard to the principal amount of the bonds issued, if the industrial commission
13 approves a resolution that authorizes the public finance authority to purchase the
14 securities. The capital financing program authorizing resolution must state that the
15 industrial commission has determined that private bond markets will not be responsive
16 to the needs of the issuing political subdivision concerning the securities or, if it
17 appears that the securities can be sold through private bond markets without the
18 involvement of the public finance authority, the authorizing resolution must state
19 reasons for the public finance authority's involvement in the bond issue. The public
20 finance authority may hold such municipal securities for any length of time it finds to
21 be necessary. The public finance authority, for the purposes authorized by this chapter
22 or chapter 40-57, may issue its bonds payable solely from the revenues available to
23 the public finance authority which are authorized or pledged for payment of public
24 finance authority obligations, and to otherwise assist political subdivisions or other
25 contracting parties as provided in this chapter or chapter 40-57.

26 2. The public finance authority may lend money to the Bank of North Dakota under terms
27 and conditions requiring the Bank to use the proceeds to make loans for agricultural
28 improvements that qualify for assistance under the revolving loan fund program
29 established by chapter 61-28.2.

30 3. The public finance authority may transfer money to the Bank of North Dakota for
31 allocations to infrastructure projects and programs and the clean sustainable energy.

1 fund. Bonds issued for these purposes are payable in each biennium solely from
2 amounts the legislative assembly may appropriate for debt service for any biennium or
3 from a reserve fund established for the bonds. ~~This section may not be construed to~~
4 ~~require the state to appropriate funds sufficient to make debt service payments with~~
5 ~~respect to the bonds or to replenish a related reserve fund. The bonds are not a debt~~
6 ~~of the Bank of North Dakota or the state. The full faith, credit, and taxing powers of the~~
7 ~~state are not pledged to the payment of the bonds. As of the date appropriated funds~~
8 ~~and reserves are not sufficient to pay debt service on the bonds, the obligation of the~~
9 ~~public finance authority with respect to the bonds must terminate, and the bonds are~~
10 ~~no longer outstanding~~ Neither the obligation of the state to pay the bonds nor the
11 obligation of the issuer to pay debt service will constitute a debt of the state or any
12 agency or political subdivision of the state within the meaning of any constitutional or
13 statutory provision. The issuance of the bond does not directly or contingently obligate
14 the state to pay the bond payments beyond the appropriation for the current biennium
15 of the state. The issuer has no taxing power. In addition to providing funds for the
16 transfers, the public finance authority may use the bond proceeds to pay the costs of
17 issuance of the bonds, capitalized interest and establish a reserve fund for the bonds.

18 4. Bonds of the public finance authority issued under this chapter or chapter 40-57 are
19 not in any way a debt or liability of the state and do not constitute a loan of the credit of
20 the state or create any debt or debts, liability or liabilities, on behalf of the state, or
21 constitute a pledge of the faith and credit of the state, but all such bonds are payable
22 solely from revenues pledged or available for their payment as authorized in this
23 chapter. Each bond must contain on its face a statement to the effect that the public
24 finance authority is obligated to pay such principal or interest, and redemption
25 premium, if any, and that neither the faith and credit nor the taxing power of the state
26 is pledged to the payment of the principal of or the interest on such bonds. Specific
27 funds pledged to fulfill the public finance authority's obligations are obligations of the
28 public finance authority.

29 5. All expenses incurred in carrying out the purposes of this chapter or chapter 40-57 are
30 payable solely from revenues or funds provided or to be provided under this chapter or
31 chapter 40-57 and nothing in this chapter may be construed to authorize the public

1 finance authority to incur any indebtedness or liability on behalf of or payable by the
2 state.

3 **SECTION 2. AMENDMENT.** Section 6-09.4-10 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **6-09.4-10. Reserve fund.**

6 1. The public finance authority shall establish and maintain a reserve fund in which there
7 must be deposited all moneys appropriated by the state for the purpose of the fund, all
8 proceeds of bonds required to be deposited therein by terms of any contract between
9 the public finance authority and its bondholders or any resolution of the public finance
10 authority with respect to the proceeds of bonds, any other moneys or funds of the
11 public finance authority which it determines to deposit therein, any contractual right to
12 the receipt of moneys by the public finance authority for the purpose of the fund,
13 including a letter of credit or similar instrument, and any other moneys made available
14 to the public finance authority only for the purposes of the fund from any other source
15 or sources. Moneys in the reserve fund must be held and applied solely to the
16 payment of the interest on and the principal of bonds and sinking fund payments as
17 the same become due and payable and for the retirement of bonds, including payment
18 of any redemption premium required to be paid when any bonds are redeemed or
19 retired prior to maturity. Moneys in the reserve fund may not be withdrawn therefrom if
20 the withdrawal would reduce the amount in the reserve fund to an amount less than
21 the required debt service reserve, except for payment of interest then due and payable
22 on bonds and the principal of bonds then maturing and payable and sinking fund
23 payments and for the retirement of bonds in accordance with the terms of any contract
24 between the public finance authority and its bondholders and for the payments on
25 account of which interest or principal or sinking fund payments or retirement of bonds,
26 other moneys of the public finance authority are not then available in accordance with
27 the terms of the contract. The required debt service reserve must be an aggregate
28 amount equal to at least the largest amount of money required by the terms of all
29 contracts between the public finance authority and its bondholders to be raised in the
30 then current or any succeeding calendar year for the payment of interest on and
31 maturing principal of outstanding bonds, and sinking fund payments required by the

- 1 terms of any contracts to sinking funds established for the payment or redemption of
2 the bonds.
- 3 2. If the establishment of the reserve fund for an issue or the maintenance of an existing
4 reserve fund at a required level under this section would necessitate the investment of
5 all or any portion of a new reserve fund or all or any portion of an existing reserve fund
6 at a restricted yield, because to not restrict the yield may cause the bonds to be
7 taxable under the Internal Revenue Code, then at the discretion of the public finance
8 authority no reserve fund need be established prior to the issuance of bonds or the
9 reserve fund need not be funded to the levels required by other subsections of this
10 section or an existing reserve fund may be reduced.
- 11 3. No bonds may be issued by the public finance authority unless there is in the reserve
12 fund the required debt service reserve for all bonds then issued and outstanding and
13 the bonds to be issued. Nothing in this chapter prevents or precludes the public
14 finance authority from satisfying the foregoing requirement by depositing so much of
15 the proceeds of the bonds to be issued, upon their issuance, as is needed to achieve
16 the required debt service reserve. The public finance authority may at any time issue
17 its bonds or notes for the purpose of providing any amount necessary to increase the
18 amount in the reserve fund to the required debt service reserve, or to meet such
19 higher or additional reserve as may be fixed by the public finance authority with
20 respect to such fund.
- 21 4. In order to assure the maintenance of the required debt service reserve, there shall be
22 appropriated by the legislative assembly and paid to the public finance authority for
23 deposit in the reserve fund, such sum, if any, as shall be certified by the industrial
24 commission as necessary to restore the reserve fund to an amount equal to the
25 required debt service reserve. However, the commission may approve a resolution for
26 the issuance of bonds, as provided by section 6-09.4-06, which states in substance
27 that this subsection is not applicable to the required debt service reserve for bonds
28 issued under that resolution.
- 29 5. If the maturity of a series of bonds of the public finance authority is three years or less
30 from the date of issuance of the bonds, the public finance authority may determine that
31 no reserve fund need be established for that respective series of bonds. If such a

1 determination is made, holders of that respective series of bonds may have no interest
2 in or claim on existing reserve funds established for the security of the holders of
3 previously issued public finance authority bonds, and may have no interest in or claim
4 on reserve funds established for the holders of subsequent issues of bonds of the
5 public finance authority.

6 6. The industrial commission may determine ~~that~~ this section is inapplicable in whole or
7 in part for bonds issued under ~~section~~;

8 a. Section 6-09.4-06;

9 b. Section 6-09.4-24; or under the

10 c. The public finance authority's state revolving fund program.

11 **SECTION 3.** A new section to chapter 6-09.4 of the North Dakota Century Code is created
12 and enacted as follows:

13 **Debt service requirements - Bonds for infrastructure projects and programs and**
14 **clean sustainable energy fund.**

15 Each biennium, the public finance authority shall request from the legislative assembly an
16 appropriation from the general fund, derived from legacy fund earnings, Bank of North Dakota
17 profits, or other sources to meet the debt service requirements for bonds issued by the authority
18 for allocations to infrastructure projects and programs and the clean sustainable energy fund.

19 **SECTION 4. REPEAL.** Chapter 6-09.5 and section 61-02-78 of the North Dakota Century
20 Code are repealed.

21 **SECTION 5. PUBLIC FINANCE AUTHORITY - BOND ISSUE LIMITATION - BANK OF**
22 **NORTH DAKOTA - APPROPRIATION.**

23 1. Pursuant to the bonding authority under section 6-09.4-06, the public finance authority
24 may ~~issue provide~~ up to ~~\$680,000,000~~ \$1,110,000,000 of bonds ~~s proceeds~~ for transfer to
the Bank of
25 North Dakota for allocations to infrastructure projects and programs and the clean
26 sustainable energy fund, for the biennium beginning July 1, 2021, and ending June 30,
27 2023.

28 2. The term of any bonds issued under this section may not exceed ~~twenty~~ thirty years.
29 The public finance authority may issue bond anticipation notes or borrow from the
30 Bank to support the allocations to infrastructure projects and programs and the clean
31 sustainable energy fund prior to a bond issue. ~~The public finance authority shall make~~

1 ~~available up to ten percent of the bonds for sale directly to North Dakota residents and~~
2 ~~financial institutions~~ The state investment board may purchase the bonds as
3 investments for the funds under its management.

4 3. After payment of any issuance costs, capitalized interest, or any transfers to a reserve
5 fund, ~~\$680,000,000~~ \$1,110,000,000 from the bond proceeds issued by the public
6 finance authority is appropriated to the Bank of North Dakota for allocations to
7 infrastructure projects and programs and the clean sustainable energy fund, for the
8 biennium beginning July 1, 2021, and ending June 30, 2023, as follows:

- 9 a. \$435,500,000 for the Fargo diversion project;
10 b. \$74,500,000 to the resources trust fund;
11 c. \$50,000,000 to the infrastructure revolving loan fund under section 6-09-49;
12 d. \$70,000,000 to the highway fund; ~~and~~
13 e. \$50,000,000 to North Dakota state university, which is appropriated to North
14 Dakota state university, for an agriculture products development center including
15 a northern crops institute project;
16 f. \$250,000,000 to the clean sustainable energy fund;
17 g. \$30,000,000 to the township highway aid fund;
18 h. \$60,000,000 to the department of career and technical education operating fund;
19 i. \$71,000,000 to the strategic investment and improvements fund;
20 j. \$10,000,000 to the state park fund;
21 k. \$4,000,000 to Dickinson state university, which is appropriated to Dickinson state
22 university for a Pulver hall project, a meat processing laboratory remodel, a
23 digitization project, and other projects;
24 l. \$4,000,000 to the University of North Dakota, which is appropriated to the
25 University of North Dakota for a space command initiative and related technical
26 programs at the University of North Dakota, including equipment, renovation, a
27 sensitive compartmental information facility, and other expenses; and
28 m. \$1,000,000 to the cultural endowment fund under section 54-54-08.1.

29 **SECTION 6. RESOURCES TRUST FUND - LOAN REPAYMENT.** The state water
30 commission shall use the bond proceeds allocated to the resources trust fund under section ~~75~~

1 of this Act to repay loans issued to the western area water supply authority from the resources
2 trust fund.

3 **SECTION 7. APPROPRIATION - RESOURCES TRUST FUND.** There is appropriated out
4 of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the
5 sum of \$74,500,000, or so much of the sum as may be necessary, to the state water
6 commission for Mouse River flood control, for the biennium beginning July 1, 2021, and ending
7 June 30, 2023.

8 **SECTION 8. APPROPRIATION - HIGHWAY FUND - CONTINGENT TRANSFER.** There is
9 appropriated out of any moneys in the highway fund in the state treasury, not otherwise
10 appropriated, the sum of \$70,000,000, or so much of the sum as may be necessary, derived
11 from bond proceeds to the department of transportation for state highway bridge projects and
12 for matching federal funds that may become available, for the biennium beginning July 1, 2021,
13 and ending June 30, 2023. Of the \$70,000,000, \$35,000,000 is designated for state highway
14 bridge projects, and \$35,000,000 is designated for matching federal funds that may become
15 available for state highway projects in excess of the federal funds appropriated to the
16 department of transportation as part of its 2021-23 biennial budget. By October 1, 2022, the
17 director of the department of transportation shall certify to the office of management and budget
18 the amount of funding committed to matching excess federal funds from the \$35,000,000
19 provided under this section. If the amount committed is less than \$35,000,000, the office of
20 management and budget shall transfer any uncommitted amounts to the infrastructure revolving
21 loan fund under section 6-09-49.

22 **SECTION 9. APPROPRIATION - TOWNSHIP HIGHWAY AID FUND - EXEMPTION -**
23 **REPORT.** There is appropriated out of any moneys in the township highway aid fund in the state
24 treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be
25 necessary, derived from bond proceeds to the department of transportation for distributions to
26 non-oil-producing townships for road and bridge infrastructure needs for the biennium beginning
27 July 1, 2021, and ending June 30, 2023, as follows:

- 28 1. The department of transportation shall distribute \$10,000,000 to non-oil-producing
29 townships in the same manner as directed in section 54-27-19.1.
- 30 2. a. Notwithstanding the provisions of section 54-27-19.1, the department of
31 transportation shall make available \$20,000,000 for grants to non-oil-producing

1 townships. The department shall award grants based on township roadway miles
2 with preference given to grant applications for projects that:

- 3 (1) Leverage available state, local, or federal funding;
- 4 (2) Coordinate with state, county, and other township projects;
- 5 (3) Focus on flood control and infrastructure resilience;
- 6 (4) Reduce road restrictions, improve mobility, and improve safety;
- 7 (5) Improve the agricultural economy and goods movement; and
- 8 (6) Confirm participating townships' ability to maintain the improvements.

9 b. The department shall establish an application process that must include the
10 following eligibility requirements:

- 11 (1) The roadways or bridges associated with the project must provide continuity
12 and connectivity to efficiently integrate and improve paved and unpaved
13 corridors within the township and across township borders;
- 14 (2) The project must be consistent with applicable township long-range
15 planning;
- 16 (3) The project must result in the roadway segment meeting an appropriate
17 legal load limit;
- 18 (4) The project must result in speeds on the roadway of at least fifty-five miles
19 per hour unless the department of transportation provides an exemption;
20 and
- 21 (5) The project must comply with the American association of state highway
22 transportation officials pavement and bridge design procedures and
23 standards developed by the department of transportation in conjunction with
24 the local jurisdiction.

25 c. For approved projects, the department shall initially distribute the portion of the
26 approved grant funding for engineering and plan development costs. Upon
27 execution of a construction contract by the township, the department shall
28 distribute the remainder of the approved funding. Townships shall report to the
29 department upon awarding of each contract and upon completion of each project.

30 d. Grants may be awarded for construction, engineering, and plan development
31 costs, but may not be used for routine maintenance. Grants awarded may be

1 applied to engineering, design, and construction costs incurred on related
2 projects as of January 1, 2021. Section 54-44.1-11 does not apply to funding
3 under this subsection and any funds not spent by June 30, 2023, must be
4 continued into the biennium beginning July 1, 2023, and ending June 30, 2025,
5 and may be expended only for the purposes authorized by this subsection.

6 3. For the purposes of this section, a "non-oil-producing county" means a county that has
7 received no allocation of funding or a total allocation of funding under subsection 2 of
8 section 57-51-15 of less than \$5,000,000 for the period beginning September 1, 2019,
9 and ending August 31, 2020.

10 4. The funding provided in this section is considered a one-time funding item and the
11 department shall report to the budget section and to the appropriations committees of
12 the sixty-eighth legislative assembly on the use of this one-time funding, including the
13 amounts awarded and distributed to each township, the amounts spent to date, and
14 the amounts anticipated to be continued into the 2023-25 biennium.

15 **SECTION 10. APPROPRIATION - DEPARTMENT OF CAREER AND TECHNICAL**

16 **EDUCATION OPERATING FUND.** There is appropriated out of any moneys in the department
17 of career and technical education operating fund in the state treasury, not otherwise
18 appropriated, the sum of \$45,000,000, or so much of the sum as may be necessary, derived
19 from bond proceeds to the department of career and technical education for the purpose of
20 providing grants for buildings and equipment, for the biennium beginning July 1, 2021, and
21 ending June 30, 2023. The department of career and technical education shall distribute up to
22 \$45,000,000 of the grants for the construction of new career and technical education centers
23 with a limit of up to \$15,000,000 per center, and a center must provide one dollar of matching
24 funds for each dollar of grant funding received for the construction of a new career and
25 technical education center. The remaining amount is available for grants for equipment at other
26 career and technical education programs located in the state, which must be distributed by the
27 department of career and technical education through a competitive grant process without a
28 matching requirement.

29 **SECTION 11. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS**

30 **FUND - TRANSFER.** There is appropriated out of any moneys in the strategic investment and
31 improvements fund in the state treasury, not otherwise appropriated, the sum of \$66,300,000, or

1 so much of the sum as may be necessary, derived from bond proceeds to the office of
2 management and budget for deferred maintenance and other improvement projects, for the
3 biennium beginning July 1, 2021, and ending June 30, 2023. The office of management and
4 budget shall use up to \$700,000 for accessibility improvements on the state capitol grounds for
5 costs relating to compliance with the Americans with Disabilities Act of 1990 improvements and
6 other accessibility improvements. In consultation with the legislative management, the office of
7 management and budget shall use up to \$600,000 to remodel the Brynhild Haugland room in
8 the state capitol. The office of management and budget shall use up to \$65,000,000 for deferred
9 maintenance on state buildings with priority given to the most critical maintenance projects
10 based on an assessment conducted during the 2019-20 interim. The office of management and
11 budget may transfer funds from the \$65,000,000 for deferred maintenance under this section to
12 other eligible state agencies for deferred maintenance projects on state buildings, for the
13 biennium beginning July 1, 2021, and ending June 30, 2023.

14 **SECTION 12. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS**

15 **FUND.** There is appropriated out of any moneys in the strategic investment and improvements
16 fund in the state treasury, not otherwise appropriated, the sum of \$4,700,000, or so much of the
17 sum as may be necessary, derived from bond proceeds to the state historical society for the
18 maintenance of state historical buildings, for the biennium beginning July 1, 2021, and ending
19 June 30, 2023.

20 **SECTION 13. TRANSFER - WATER PROJECT LOAN FUNDS.** The Bank of North Dakota
21 shall transfer all outstanding loans and moneys in the community water facility loan fund and all
22 outstanding loans and moneys in the infrastructure revolving loan fund within the resources
23 trust fund to the ~~water~~ infrastructure revolving loan fund [under section 6-09-49](#) on July 1, 2021.

24 **SECTION 14. LEGISLATIVE INTENT - CULTURAL ENDOWMENT FUND.** It is the intent of
25 the sixty-seventh legislative assembly that the council on the arts expend up to \$50,000
26 annually from the cultural endowment fund pursuant to the appropriation authority provided in
27 section 2 of Senate Bill No. 2010 during the 2021-23 biennium for the maintenance of the public
28 art projects constructed as part of the North Dakota creative placemaking program. It is further
29 the intent of the legislative assembly that the council on the arts continue to expend \$50,000
30 annually from the cultural endowment fund for the maintenance of the public arts projects
31 constructed as part of the North Dakota creative placemaking program until the moneys derived

1 from the bond proceeds authorized in this Act and deposited in the fund have been fully
2 expended.

1 of this Act to repay loans issued to the western area water supply authority from the resources
2 trust fund.

3 **SECTION 7. APPROPRIATION - RESOURCES TRUST FUND.** There is appropriated out
4 of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the
5 sum of \$74,500,000, or so much of the sum as may be necessary, to the state water
6 commission for Mouse River flood control, for the biennium beginning July 1, 2021, and ending
7 June 30, 2023.

8 **SECTION 8. APPROPRIATION - HIGHWAY FUND - CONTINGENT TRANSFER.** There is
9 appropriated out of any moneys in the highway fund in the state treasury, not otherwise
10 appropriated, the sum of \$70,000,000, or so much of the sum as may be necessary, derived
11 from bond proceeds to the department of transportation for state highway bridge projects and
12 for matching federal funds that may become available, for the biennium beginning July 1, 2021,
13 and ending June 30, 2023. Of the \$70,000,000, \$35,000,000 is designated for state highway
14 bridge projects, and \$35,000,000 is designated for matching federal funds that may become
15 available for state highway projects in excess of the federal funds appropriated to the
16 department of transportation as part of its 2021-23 biennial budget. By October 1, 2022, the
17 director of the department of transportation shall certify to the office of management and budget
18 the amount of funding committed to matching excess federal funds from the \$35,000,000
19 provided under this section. If the amount committed is less than \$35,000,000, the office of
20 management and budget shall transfer any uncommitted amounts to the infrastructure revolving
21 loan fund under section 6-09-49.

22 **SECTION 9. APPROPRIATION - TOWNSHIP HIGHWAY AID FUND - EXEMPTION -**
23 **REPORT.** There is appropriated out of any moneys in the township highway aid fund in the state
24 treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be
25 necessary, derived from bond proceeds to the department of transportation for distributions to
26 townships for road and bridge infrastructure needs for the biennium beginning July 1, 2021, and
27 ending June 30, 2023, as follows:

- 28 1. Notwithstanding the provisions of section 54-27-19.1, the department of
29 transportation shall distribute \$10,000,000 to non-oil-producing townships based
30 on township roadway miles without a matching requirement.
- 31 2. a. Notwithstanding the provisions of section 54-27-19.1, the department of
transportation shall make available \$20,000,000 for grants to

- 1 townships. The department shall award grants
2 with preference given to grant applications for projects that:
- 3 (1) Leverage available state, local, or federal funding;
 - 4 (2) Coordinate with state, county, and other township projects;
 - 5 (3) Focus on flood control and infrastructure resilience;
 - 6 (4) Reduce road restrictions, improve mobility, and improve safety;
 - 7 (5) Improve the agricultural economy and goods movement; and
 - 8 (6) Confirm participating townships' ability to maintain the improvements.
- 9 b. The department shall establish an application process that must include the
10 following eligibility requirements:
- 11 (1) The roadways or bridges associated with the project must provide continuity
12 and connectivity to efficiently integrate and improve paved and unpaved
13 corridors within the township and across township borders;
 - 14 (2) The project must be consistent with applicable township long-range
15 planning;
 - 16 (3) The project must result in the roadway segment meeting an appropriate
17 legal load limit;
 - 18 (4) ~~The project must result in speeds on the roadway of at least fifty-five miles~~
19 ~~per hour unless the department of transportation provides an exemption;~~
20 ~~and~~
 - 21 (5) The project must comply with the American association of state highway
22 transportation officials pavement and bridge design procedures and
23 standards developed by the department of transportation in conjunction with
24 the local jurisdiction.
- 25 c. For approved projects, the department shall initially distribute the portion of the
26 approved grant funding for engineering and plan development costs. Upon
27 execution of a construction contract by the township, the department shall
28 distribute the remainder of the approved funding. Townships shall report to the
29 department upon awarding of each contract and upon completion of each project.
- 30 d. Grants may be awarded for construction, engineering, and plan development
31 costs, but may not be used for routine maintenance. Grants awarded may be

March 24, 2021

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PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1431

- Page 1, line 1, remove "a new section to chapter 6-09 and"
- Page 1, line 2, remove "a water infrastructure revolving"
- Page 1, line 3, remove "loan fund and"
- Page 1, line 3, remove "subsection 1 of section 6-09-49,"
- Page 1, line 4, remove the first "and"
- Page 1, line 4, remove "interest"
- Page 1, line 5, remove "rates for infrastructure revolving loans,"
- Page 1, line 6, remove the comma
- Page 1, line 10, remove "and"
- Page 1, line 10, after "repayment" insert "; to provide an exemption; to provide a statement of legislative intent; and to provide a report"
- Page 1, remove lines 12 through 23
- Page 2, remove lines 1 through 30
- Page 3, line 31, after "programs" insert "and the clean sustainable energy fund"
- Page 4, line 3, remove "This section may not be construed to require the state to appropriate funds"
- Page 4, remove lines 4 through 9
- Page 4, line 10, replace "outstanding" with "Neither the obligation of the state to pay the bonds nor the obligation of the issuer to pay debt service will constitute a debt of the state or any agency or political subdivision of the state within the meaning of any constitutional or statutory provision. The issuance of the bond does not directly or contingently obligate the state to pay the bond payments beyond the appropriation for the current biennium of the state. The issuer has no taxing power"
- Page 4, line 11, after "bonds" insert ", capitalized interest."
- Page 7, line 10, after "programs" insert "and clean sustainable energy fund"
- Page 7, line 14, after "programs" insert "and the clean sustainable energy fund"
- Page 7, line 20, after "may" insert "only"
- Page 7, line 20, after "issue" insert "bonds under this Act to provide"
- Page 7, line 20, replace "\$680,000,000 of bonds" with "\$1,110,000,000 in funds"
- Page 7, line 21, after "programs" insert "and the clean sustainable energy fund as authorized in this Act"
- Page 7, line 23, replace "twenty" with "thirty"

Page 7, line 25, after "programs" insert "and the clean sustainable energy fund"

Page 7, remove line 26

Page 7, line 27, replace "sale directly to North Dakota residents and financial institutions" with "The state investment board may purchase the bonds as investments for the funds under its management"

Page 7, line 28, after "costs" insert ", capitalized interest,"

Page 7, line 28, replace "\$680,000,000" with "\$1,110,000,000"

Page 7, line 30, after "programs" insert "and the clean sustainable energy fund"

Page 8, line 4, remove "and"

Page 8, line 7, after "project" insert ";

- f. \$250,000,000 to the clean sustainable energy fund;
- g. \$30,000,000 to the township highway aid fund;
- h. \$60,000,000 to the department of career and technical education operating fund;
- i. \$71,000,000 to the strategic investment and improvements fund;
- j. \$10,000,000 to the state park fund;
- k. \$4,000,000 to Dickinson state university, which is appropriated to Dickinson state university for a Pulver hall project, a meat processing laboratory remodel, a digitization project, and other projects;
- l. \$4,000,000 to the university of North Dakota, which is appropriated to the university of North Dakota for a space command initiative and related technical programs at the university of North Dakota, including equipment, renovation, a sensitive compartmental information facility, and other expenses; and
- m. \$1,000,000 to the cultural endowment fund under section 54-54-08.1"

Page 8, line 9, replace "7" with "5"

Page 8, after line 30, insert:

"SECTION 9. APPROPRIATION - TOWNSHIP HIGHWAY AID FUND - EXEMPTION - REPORT. There is appropriated out of any moneys in the township highway aid fund in the state treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be necessary, derived from bond proceeds to the department of transportation for distributions to townships for road and bridge infrastructure needs for the biennium beginning July 1, 2021, and ending June 30, 2023, as follows:

- 1. Notwithstanding section 54-27-19.1, the department of transportation shall distribute \$10,000,000 to non-oil-producing townships based on township roadway miles without a matching requirement.
- 2. a. Notwithstanding section 54-27-19.1, the department of transportation shall make available \$20,000,000 for grants to townships. The

department shall award grants with preference given to grant applications for projects that:

- (1) Leverage available state, local, or federal funding;
 - (2) Coordinate with state, county, and other township projects;
 - (3) Focus on flood control and infrastructure resilience;
 - (4) Reduce road restrictions, improve mobility, and improve safety;
 - (5) Improve the agricultural economy and goods movement; and
 - (6) Confirm participating townships' ability to maintain the improvements.
- b. The department shall establish an application process that must include the following eligibility requirements:
- (1) The roadways or bridges associated with the project must provide continuity and connectivity to efficiently integrate and improve paved and unpaved corridors within the township and across township borders;
 - (2) The project must be consistent with applicable township long-range planning;
 - (3) The project must result in the roadway segment meeting an appropriate legal load limit; and
 - (4) The project must comply with the American association of state highway transportation officials pavement and bridge design procedures and standards developed by the department of transportation in conjunction with the local jurisdiction.
- c. For approved projects, the department shall initially distribute the portion of the approved grant funding for engineering and plan development costs. Upon execution of a construction contract by the township, the department shall distribute the remainder of the approved funding. Townships shall report to the department upon awarding of each contract and upon completion of each project.
- d. Grants may be awarded for construction, engineering, and plan development costs, but may not be used for routine maintenance. Grants awarded may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2021. Section 54-44.1-11 does not apply to funding under this subsection and any funds not spent by June 30, 2023, must be continued into the biennium beginning July 1, 2023, and ending June 30, 2025, and may be expended only for the purposes authorized by this subsection.
3. For the purposes of this section, a "non-oil-producing county" means a county that has received no allocation of funding or a total allocation of funding under subsection 2 of section 57-51-15 of less than \$5,000,000 for the period beginning September 1, 2019, and ending August 31, 2020.
 4. The funding provided in this section is considered a one-time funding item and the department shall report to the budget section and to the

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appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding, including the amounts awarded and distributed to each township, the amounts spent to date, and the amounts anticipated to be continued into the 2023-25 biennium.

SECTION 10. APPROPRIATION - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION OPERATING FUND. There is appropriated out of any moneys in the department of career and technical education operating fund in the state treasury, not otherwise appropriated, the sum of \$45,000,000, or so much of the sum as may be necessary, derived from bond proceeds to the department of career and technical education for the purpose of providing grants for buildings and equipment, for the biennium beginning July 1, 2021, and ending June 30, 2023. The department of career and technical education shall distribute up to \$45,000,000 of the grants for the construction of new career and technical education centers with a limit of up to \$15,000,000 per center, and a center must provide one dollar of matching funds for each dollar of grant funding received for the construction of a new career and technical education center. The remaining amount is available for grants for equipment at other career and technical education programs located in the state, which must be distributed by the department of career and technical education through a competitive grant process without a matching requirement.

SECTION 11. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - TRANSFER. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$66,300,000, or so much of the sum as may be necessary, derived from bond proceeds to the office of management and budget for deferred maintenance and other improvement projects, for the biennium beginning July 1, 2021, and ending June 30, 2023. The office of management and budget shall use up to \$700,000 for accessibility improvements on the state capitol grounds for costs relating to compliance with the Americans with Disabilities Act of 1990 improvements and other accessibility improvements. In consultation with the legislative management, the office of management and budget shall use up to \$600,000 to remodel the Brynhild Haugland room in the state capitol. The office of management and budget shall use up to \$65,000,000 for deferred maintenance on state buildings with priority given to the most critical maintenance projects based on an assessment conducted during the 2019-20 interim. The office of management and budget may transfer funds from the \$65,000,000 for deferred maintenance under this section to other eligible state agencies for deferred maintenance projects on state buildings, for the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 12. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$4,700,000, or so much of the sum as may be necessary, derived from bond proceeds to the state historical society for the maintenance of state historical buildings, for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 9, line 4, remove "water"

Page 9, line 4, after the second "fund" insert "under section 6-09-49"

Page 9, after line 4, insert:

"SECTION 14. LEGISLATIVE INTENT - CULTURAL ENDOWMENT FUND. It is the intent of the sixty-seventh legislative assembly that the council on the arts

expend up to \$50,000 annually from the cultural endowment fund pursuant to the appropriation authority provided in section 2 of Senate Bill No. 2010 during the 2021-23 biennium for the maintenance of the public art projects constructed as part of the North Dakota creative placemaking program. It is further the intent of the legislative assembly that the council on the arts continue to expend \$50,000 annually from the cultural endowment fund for the maintenance of the public arts projects constructed as part of the North Dakota creative placemaking program until the moneys derived from the bond proceeds authorized in this Act and deposited in the fund have been fully expended."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1431, as engrossed: Finance and Taxation Committee (Sen. Bell, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1431 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "a new section to chapter 6-09 and"

Page 1, line 2, remove "a water infrastructure revolving"

Page 1, line 3, remove "loan fund and"

Page 1, line 3, remove "subsection 1 of section 6-09-49,"

Page 1, line 4, remove the first "and"

Page 1, line 4, remove "interest"

Page 1, line 5, remove "rates for infrastructure revolving loans,"

Page 1, line 6, remove the comma

Page 1, line 10, remove "and"

Page 1, line 10, after "repayment" insert "; to provide an exemption; to provide a statement of legislative intent; and to provide a report"

Page 1, remove lines 12 through 23

Page 2, remove lines 1 through 30

Page 3, line 31, after "programs" insert "and the clean sustainable energy fund"

Page 4, line 3, remove "This section may not be construed to require the state to appropriate funds"

Page 4, remove lines 4 through 9

Page 4, line 10, replace "outstanding" with "Neither the obligation of the state to pay the bonds nor the obligation of the issuer to pay debt service will constitute a debt of the state or any agency or political subdivision of the state within the meaning of any constitutional or statutory provision. The issuance of the bond does not directly or contingently obligate the state to pay the bond payments beyond the appropriation for the current biennium of the state. The issuer has no taxing power"

Page 4, line 11, after "bonds" insert ", capitalized interest."

Page 7, line 10, after "programs" insert "and clean sustainable energy fund"

Page 7, line 14, after "programs" insert "and the clean sustainable energy fund"

Page 7, line 20, after "may" insert "only"

Page 7, line 20, after "issue" insert "bonds under this Act to provide"

Page 7, line 20, replace "\$680,000,000 of bonds" with "\$1,110,000,000 in funds"

Page 7, line 21, after "programs" insert "and the clean sustainable energy fund as authorized in this Act"

Page 7, line 23, replace "twenty" with "thirty"

Page 7, line 25, after "programs" insert "and the clean sustainable energy fund"

Page 7, remove line 26

Page 7, line 27, replace "sale directly to North Dakota residents and financial institutions" with "The state investment board may purchase the bonds as investments for the funds under its management"

Page 7, line 28, after "costs" insert ", capitalized interest,"

Page 7, line 28, replace "\$680,000,000" with "\$1,110,000,000"

Page 7, line 30, after "programs" insert "and the clean sustainable energy fund"

Page 8, line 4, remove "and"

Page 8, line 7, after "project" insert ";

- f. \$250,000,000 to the clean sustainable energy fund;
- g. \$30,000,000 to the township highway aid fund;
- h. \$60,000,000 to the department of career and technical education operating fund;
- i. \$71,000,000 to the strategic investment and improvements fund;
- j. \$10,000,000 to the state park fund;
- k. \$4,000,000 to Dickinson state university, which is appropriated to Dickinson state university for a Pulver hall project, a meat processing laboratory remodel, a digitization project, and other projects;
- l. \$4,000,000 to the university of North Dakota, which is appropriated to the university of North Dakota for a space command initiative and related technical programs at the university of North Dakota, including equipment, renovation, a sensitive compartmental information facility, and other expenses; and
- m. \$1,000,000 to the cultural endowment fund under section 54-54-08.1"

Page 8, line 9, replace "7" with "5"

Page 8, after line 30, insert:

"SECTION 9. APPROPRIATION - TOWNSHIP HIGHWAY AID FUND - EXEMPTION - REPORT. There is appropriated out of any moneys in the township highway aid fund in the state treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be necessary, derived from bond proceeds to the department of transportation for distributions to townships for road and bridge infrastructure needs for the biennium beginning July 1, 2021, and ending June 30, 2023, as follows:

1. Notwithstanding section 54-27-19.1, the department of transportation shall distribute \$10,000,000 to non-oil-producing townships based on township roadway miles without a matching requirement.

2. a. Notwithstanding section 54-27-19.1, the department of transportation shall make available \$20,000,000 for grants to townships. The department shall award grants with preference given to grant applications for projects that:
 - (1) Leverage available state, local, or federal funding;
 - (2) Coordinate with state, county, and other township projects;
 - (3) Focus on flood control and infrastructure resilience;
 - (4) Reduce road restrictions, improve mobility, and improve safety;
 - (5) Improve the agricultural economy and goods movement; and
 - (6) Confirm participating townships' ability to maintain the improvements.
 - b. The department shall establish an application process that must include the following eligibility requirements:
 - (1) The roadways or bridges associated with the project must provide continuity and connectivity to efficiently integrate and improve paved and unpaved corridors within the township and across township borders;
 - (2) The project must be consistent with applicable township long-range planning;
 - (3) The project must result in the roadway segment meeting an appropriate legal load limit; and
 - (4) The project must comply with the American association of state highway transportation officials pavement and bridge design procedures and standards developed by the department of transportation in conjunction with the local jurisdiction.
 - c. For approved projects, the department shall initially distribute the portion of the approved grant funding for engineering and plan development costs. Upon execution of a construction contract by the township, the department shall distribute the remainder of the approved funding. Townships shall report to the department upon awarding of each contract and upon completion of each project.
 - d. Grants may be awarded for construction, engineering, and plan development costs, but may not be used for routine maintenance. Grants awarded may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2021. Section 54-44.1-11 does not apply to funding under this subsection and any funds not spent by June 30, 2023, must be continued into the biennium beginning July 1, 2023, and ending June 30, 2025, and may be expended only for the purposes authorized by this subsection.
3. For the purposes of this section, a "non-oil-producing county" means a county that has received no allocation of funding or a total allocation of funding under subsection 2 of section 57-51-15 of less than \$5,000,000 for the period beginning September 1, 2019, and ending August 31, 2020.

4. The funding provided in this section is considered a one-time funding item and the department shall report to the budget section and to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding, including the amounts awarded and distributed to each township, the amounts spent to date, and the amounts anticipated to be continued into the 2023-25 biennium.

SECTION 10. APPROPRIATION - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION OPERATING FUND. There is appropriated out of any moneys in the department of career and technical education operating fund in the state treasury, not otherwise appropriated, the sum of \$45,000,000, or so much of the sum as may be necessary, derived from bond proceeds to the department of career and technical education for the purpose of providing grants for buildings and equipment, for the biennium beginning July 1, 2021, and ending June 30, 2023. The department of career and technical education shall distribute up to \$45,000,000 of the grants for the construction of new career and technical education centers with a limit of up to \$15,000,000 per center, and a center must provide one dollar of matching funds for each dollar of grant funding received for the construction of a new career and technical education center. The remaining amount is available for grants for equipment at other career and technical education programs located in the state, which must be distributed by the department of career and technical education through a competitive grant process without a matching requirement.

SECTION 11. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - TRANSFER. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$66,300,000, or so much of the sum as may be necessary, derived from bond proceeds to the office of management and budget for deferred maintenance and other improvement projects, for the biennium beginning July 1, 2021, and ending June 30, 2023. The office of management and budget shall use up to \$700,000 for accessibility improvements on the state capitol grounds for costs relating to compliance with the Americans with Disabilities Act of 1990 improvements and other accessibility improvements. In consultation with the legislative management, the office of management and budget shall use up to \$600,000 to remodel the Brynhild Haugland room in the state capitol. The office of management and budget shall use up to \$65,000,000 for deferred maintenance on state buildings with priority given to the most critical maintenance projects based on an assessment conducted during the 2019-20 interim. The office of management and budget may transfer funds from the \$65,000,000 for deferred maintenance under this section to other eligible state agencies for deferred maintenance projects on state buildings, for the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 12. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$4,700,000, or so much of the sum as may be necessary, derived from bond proceeds to the state historical society for the maintenance of state historical buildings, for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 9, line 4, remove "water"

Page 9, line 4, after the second "fund" insert "under section 6-09-49"

Page 9, after line 4, insert:

"SECTION 14. LEGISLATIVE INTENT - CULTURAL ENDOWMENT FUND. It is the intent of the sixty-seventh legislative assembly that the council on the arts expend up to \$50,000 annually from the cultural endowment fund pursuant to the appropriation authority provided in section 2 of Senate Bill No. 2010 during the 2021-23 biennium for the maintenance of the public art projects constructed as part of the North Dakota creative placemaking program. It is further the intent of the

legislative assembly that the council on the arts continue to expend \$50,000 annually from the cultural endowment fund for the maintenance of the public arts projects constructed as part of the North Dakota creative placemaking program until the moneys derived from the bond proceeds authorized in this Act and deposited in the fund have been fully expended."

Renumber accordingly

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1431

Introduced by

Representatives Pollert, Schmidt

Senators Sorvaag, Wardner

1 A BILL for an Act to create and enact ~~a new section to chapter 6-09 and~~ a new section to
 2 chapter 6-09.4 of the North Dakota Century Code, relating to ~~a water infrastructure revolving~~
 3 ~~loan fund and~~ bonded debt repayments; to amend and reenact ~~subsection 1 of section 6-09-49,~~
 4 ~~and~~ sections 6-09.4-06 and 6-09.4-10 of the North Dakota Century Code, relating to ~~interest~~
 5 ~~rates for infrastructure revolving loans,~~ borrowing and lending authority of the public finance
 6 authority; and reserve funds associated with bonds; to repeal chapter 6-09.5 and section
 7 61-02-78 of the North Dakota Century Code, relating to a community water development fund
 8 and an infrastructure revolving loan fund within the resources trust fund; to provide an
 9 appropriation; to provide a continuing appropriation; to provide for a transfer; to provide for a
 10 contingent transfer; to provide a bond issue limit; ~~and~~ to provide a loan repayment; to provide
 11 an exemption; to provide a statement of legislative intent; and to provide a report.

12 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

13 ~~SECTION 1. AMENDMENT.~~ Subsection 1 of section 6-09-49 of the North Dakota Century
 14 Code is amended and reenacted as follows:

15 ~~1. The infrastructure revolving loan fund is a special fund in the state treasury from which~~
 16 ~~the Bank of North Dakota shall provide loans to political subdivisions, the Garrison~~
 17 ~~Diversion Conservancy District, and the Lake Agassiz water authority for essential~~
 18 ~~infrastructure projects. The Bank shall administer the infrastructure revolving loan~~
 19 ~~fund. The maximum term of a loan made under this section is thirty years. A loan~~
 20 ~~made from the fund under this section must have an interest rate that does not exceed~~
 21 ~~two percent per year~~ starting at two percent per year and increasing by one percent
 22 every five years, up to a maximum rate of five percent per year.

23 ~~SECTION 2.~~ A new section to chapter 6-09 of the North Dakota Century Code is created
 24 and enacted as follows:

1 ~~Water infrastructure revolving loan fund - State water commission - Continuing~~
2 ~~appropriation.~~

3 ~~1. There is created in the state treasury the water infrastructure revolving loan fund to~~
4 ~~provide loans for water supply, flood protection, or other water development and water~~
5 ~~management projects. The fund consists of moneys transferred into the fund, interest~~
6 ~~earned on moneys in the fund, and principal and interest payments to the fund. All~~
7 ~~moneys in the fund are appropriated to the Bank of North Dakota on a continuing~~
8 ~~basis for loan disbursements and administrative costs.~~

9 ~~2. The state water commission shall approve eligible projects for loans from the water~~
10 ~~infrastructure loan fund. The state water commission shall consider the following when~~
11 ~~evaluating eligible projects:~~

12 ~~a. A description of the nature and purposes of the proposed infrastructure project,~~
13 ~~including an explanation of the need for the project, the reasons why the project~~
14 ~~is in the public interest, and the overall economic impact of the project.~~

15 ~~b. The estimated cost of the project, the amount of loan funding requested, and~~
16 ~~other proposed sources of funding.~~

17 ~~c. The extent to which completion of the project will provide a benefit to the state or~~
18 ~~regions within the state.~~

19 ~~3. Projects not eligible for the state revolving funds under chapters 61-28.1 and 61-28.2~~
20 ~~must be given priority for loans from the water infrastructure revolving loan fund.~~

21 ~~4. In consultation with the state water commission, the Bank of North Dakota shall~~
22 ~~develop policies for the review and approval of loans under this section. Loans made~~
23 ~~under this section must be made at the same interest rate as the revolving loan funds~~
24 ~~established under chapters 61-28.1 and 61-28.2.~~

25 ~~5. The Bank of North Dakota shall manage and administer loans from the water~~
26 ~~infrastructure loan fund. The Bank shall deposit in the fund all principal and interest~~
27 ~~paid on loans made from the fund. Annually, the Bank may deduct one-quarter of one~~
28 ~~percent of the outstanding loan balance as a service fee for administering the water~~
29 ~~infrastructure revolving loan fund. The Bank shall contract with a certified public~~
30 ~~accounting firm to audit the fund. The cost of the audit must be paid from the fund.~~

1 **SECTION 1. AMENDMENT.** Section 6-09.4-06 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **6-09.4-06. Lending and borrowing powers generally.**

4 1. The public finance authority may lend money to political subdivisions or other
5 contracting parties through the purchase or holding of municipal securities which, in
6 the opinion of the attorney general, are properly eligible for purchase or holding by the
7 public finance authority under this chapter or chapter 40-57 and for purposes of the
8 public finance authority's capital financing program the principal amount of any one
9 issue does not exceed five hundred thousand dollars. However, the public finance
10 authority may lend money to political subdivisions through the purchase of securities
11 issued by the political subdivisions through the capital financing program without
12 regard to the principal amount of the bonds issued, if the industrial commission
13 approves a resolution that authorizes the public finance authority to purchase the
14 securities. The capital financing program authorizing resolution must state that the
15 industrial commission has determined that private bond markets will not be responsive
16 to the needs of the issuing political subdivision concerning the securities or, if it
17 appears that the securities can be sold through private bond markets without the
18 involvement of the public finance authority, the authorizing resolution must state
19 reasons for the public finance authority's involvement in the bond issue. The public
20 finance authority may hold such municipal securities for any length of time it finds to
21 be necessary. The public finance authority, for the purposes authorized by this chapter
22 or chapter 40-57, may issue its bonds payable solely from the revenues available to
23 the public finance authority which are authorized or pledged for payment of public
24 finance authority obligations, and to otherwise assist political subdivisions or other
25 contracting parties as provided in this chapter or chapter 40-57.

26 2. The public finance authority may lend money to the Bank of North Dakota under terms
27 and conditions requiring the Bank to use the proceeds to make loans for agricultural
28 improvements that qualify for assistance under the revolving loan fund program
29 established by chapter 61-28.2.

30 3. The public finance authority may transfer money to the Bank of North Dakota for
31 allocations to infrastructure projects and programs and the clean sustainable energy.

1 fund. Bonds issued for these purposes are payable in each biennium solely from
2 amounts the legislative assembly may appropriate for debt service for any biennium or
3 from a reserve fund established for the bonds. ~~This section may not be construed to~~
4 ~~require the state to appropriate funds sufficient to make debt service payments with~~
5 ~~respect to the bonds or to replenish a related reserve fund. The bonds are not a debt~~
6 ~~of the Bank of North Dakota or the state. The full faith, credit, and taxing powers of the~~
7 ~~state are not pledged to the payment of the bonds. As of the date appropriated funds~~
8 ~~and reserves are not sufficient to pay debt service on the bonds, the obligation of the~~
9 ~~public finance authority with respect to the bonds must terminate, and the bonds are~~
10 ~~no longer outstanding~~ Neither the obligation of the state to pay the bonds nor the
11 obligation of the issuer to pay debt service will constitute a debt of the state or any
12 agency or political subdivision of the state within the meaning of any constitutional or
13 statutory provision. The issuance of the bond does not directly or contingently obligate
14 the state to pay the bond payments beyond the appropriation for the current biennium
15 of the state. The issuer has no taxing power. In addition to providing funds for the
16 transfers, the public finance authority may use the bond proceeds to pay the costs of
17 issuance of the bonds, capitalized interest and establish a reserve fund for the bonds.

18 4. Bonds of the public finance authority issued under this chapter or chapter 40-57 are
19 not in any way a debt or liability of the state and do not constitute a loan of the credit of
20 the state or create any debt or debts, liability or liabilities, on behalf of the state, or
21 constitute a pledge of the faith and credit of the state, but all such bonds are payable
22 solely from revenues pledged or available for their payment as authorized in this
23 chapter. Each bond must contain on its face a statement to the effect that the public
24 finance authority is obligated to pay such principal or interest, and redemption
25 premium, if any, and that neither the faith and credit nor the taxing power of the state
26 is pledged to the payment of the principal of or the interest on such bonds. Specific
27 funds pledged to fulfill the public finance authority's obligations are obligations of the
28 public finance authority.

29 5. All expenses incurred in carrying out the purposes of this chapter or chapter 40-57 are
30 payable solely from revenues or funds provided or to be provided under this chapter or
31 chapter 40-57 and nothing in this chapter may be construed to authorize the public

1 finance authority to incur any indebtedness or liability on behalf of or payable by the
2 state.

3 **SECTION 2. AMENDMENT.** Section 6-09.4-10 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **6-09.4-10. Reserve fund.**

6 1. The public finance authority shall establish and maintain a reserve fund in which there
7 must be deposited all moneys appropriated by the state for the purpose of the fund, all
8 proceeds of bonds required to be deposited therein by terms of any contract between
9 the public finance authority and its bondholders or any resolution of the public finance
10 authority with respect to the proceeds of bonds, any other moneys or funds of the
11 public finance authority which it determines to deposit therein, any contractual right to
12 the receipt of moneys by the public finance authority for the purpose of the fund,
13 including a letter of credit or similar instrument, and any other moneys made available
14 to the public finance authority only for the purposes of the fund from any other source
15 or sources. Moneys in the reserve fund must be held and applied solely to the
16 payment of the interest on and the principal of bonds and sinking fund payments as
17 the same become due and payable and for the retirement of bonds, including payment
18 of any redemption premium required to be paid when any bonds are redeemed or
19 retired prior to maturity. Moneys in the reserve fund may not be withdrawn therefrom if
20 the withdrawal would reduce the amount in the reserve fund to an amount less than
21 the required debt service reserve, except for payment of interest then due and payable
22 on bonds and the principal of bonds then maturing and payable and sinking fund
23 payments and for the retirement of bonds in accordance with the terms of any contract
24 between the public finance authority and its bondholders and for the payments on
25 account of which interest or principal or sinking fund payments or retirement of bonds,
26 other moneys of the public finance authority are not then available in accordance with
27 the terms of the contract. The required debt service reserve must be an aggregate
28 amount equal to at least the largest amount of money required by the terms of all
29 contracts between the public finance authority and its bondholders to be raised in the
30 then current or any succeeding calendar year for the payment of interest on and
31 maturing principal of outstanding bonds, and sinking fund payments required by the

- 1 terms of any contracts to sinking funds established for the payment or redemption of
2 the bonds.
- 3 2. If the establishment of the reserve fund for an issue or the maintenance of an existing
4 reserve fund at a required level under this section would necessitate the investment of
5 all or any portion of a new reserve fund or all or any portion of an existing reserve fund
6 at a restricted yield, because to not restrict the yield may cause the bonds to be
7 taxable under the Internal Revenue Code, then at the discretion of the public finance
8 authority no reserve fund need be established prior to the issuance of bonds or the
9 reserve fund need not be funded to the levels required by other subsections of this
10 section or an existing reserve fund may be reduced.
- 11 3. No bonds may be issued by the public finance authority unless there is in the reserve
12 fund the required debt service reserve for all bonds then issued and outstanding and
13 the bonds to be issued. Nothing in this chapter prevents or precludes the public
14 finance authority from satisfying the foregoing requirement by depositing so much of
15 the proceeds of the bonds to be issued, upon their issuance, as is needed to achieve
16 the required debt service reserve. The public finance authority may at any time issue
17 its bonds or notes for the purpose of providing any amount necessary to increase the
18 amount in the reserve fund to the required debt service reserve, or to meet such
19 higher or additional reserve as may be fixed by the public finance authority with
20 respect to such fund.
- 21 4. In order to assure the maintenance of the required debt service reserve, there shall be
22 appropriated by the legislative assembly and paid to the public finance authority for
23 deposit in the reserve fund, such sum, if any, as shall be certified by the industrial
24 commission as necessary to restore the reserve fund to an amount equal to the
25 required debt service reserve. However, the commission may approve a resolution for
26 the issuance of bonds, as provided by section 6-09.4-06, which states in substance
27 that this subsection is not applicable to the required debt service reserve for bonds
28 issued under that resolution.
- 29 5. If the maturity of a series of bonds of the public finance authority is three years or less
30 from the date of issuance of the bonds, the public finance authority may determine that
31 no reserve fund need be established for that respective series of bonds. If such a

1 determination is made, holders of that respective series of bonds may have no interest
2 in or claim on existing reserve funds established for the security of the holders of
3 previously issued public finance authority bonds, and may have no interest in or claim
4 on reserve funds established for the holders of subsequent issues of bonds of the
5 public finance authority.

6 6. The industrial commission may determine ~~that~~ this section is inapplicable in whole or
7 in part for bonds issued under ~~section~~;

8 a. Section 6-09.4-06;

9 b. Section 6-09.4-24; or under the

10 c. The public finance authority's state revolving fund program.

11 **SECTION 3.** A new section to chapter 6-09.4 of the North Dakota Century Code is created
12 and enacted as follows:

13 **Debt service requirements - Bonds for infrastructure projects and programs and**
14 **clean sustainable energy fund.**

15 Each biennium, the public finance authority shall request from the legislative assembly an
16 appropriation from the general fund, derived from legacy fund earnings, Bank of North Dakota
17 profits, or other sources to meet the debt service requirements for bonds issued by the authority
18 for allocations to infrastructure projects and programs and the clean sustainable energy fund.

19 **SECTION 4. REPEAL.** Chapter 6-09.5 and section 61-02-78 of the North Dakota Century
20 Code are repealed.

21 **SECTION 5. PUBLIC FINANCE AUTHORITY - BOND ISSUE LIMITATION - BANK OF**
22 **NORTH DAKOTA - APPROPRIATION.**

23 1. Pursuant to the bonding authority under section 6-09.4-06, the public finance authority
24 may ~~issue provide~~ up to ~~\$680,000,000~~ \$1,110,000,000 of bond ~~s proceeds~~ for transfer to
the Bank of
25 North Dakota for allocations to infrastructure projects and programs and the clean
26 sustainable energy fund, for the biennium beginning July 1, 2021, and ending June 30,
27 2023.

28 2. The term of any bonds issued under this section may not exceed ~~twenty~~ thirty years.
29 The public finance authority may issue bond anticipation notes or borrow from the
30 Bank to support the allocations to infrastructure projects and programs and the clean
31 sustainable energy fund prior to a bond issue. ~~The public finance authority shall make~~

1 ~~available up to ten percent of the bonds for sale directly to North Dakota residents and~~
2 ~~financial institutions~~ The state investment board may purchase the bonds as
3 investments for the funds under its management.

4 3. After payment of any issuance costs, capitalized interest, or any transfers to a reserve
5 fund, ~~\$680,000,000~~ \$1,110,000,000 from the bond proceeds issued by the public
6 finance authority is appropriated to the Bank of North Dakota for allocations to
7 infrastructure projects and programs and the clean sustainable energy fund, for the
8 biennium beginning July 1, 2021, and ending June 30, 2023, as follows:

- 9 a. \$435,500,000 for the Fargo diversion project;
10 b. \$74,500,000 to the resources trust fund;
11 c. \$50,000,000 to the infrastructure revolving loan fund under section 6-09-49;
12 d. \$70,000,000 to the highway fund; ~~and~~
13 e. \$50,000,000 to North Dakota state university, which is appropriated to North
14 Dakota state university, for an agriculture products development center including
15 a northern crops institute project;
16 f. \$250,000,000 to the clean sustainable energy fund;
17 g. \$30,000,000 to the township highway aid fund;
18 h. \$60,000,000 to the department of career and technical education operating fund;
19 i. \$71,000,000 to the strategic investment and improvements fund;
20 j. \$10,000,000 to the state park fund;
21 k. \$4,000,000 to Dickinson state university, which is appropriated to Dickinson state
22 university for a Pulver hall project, a meat processing laboratory remodel, a
23 digitization project, and other projects;
24 l. \$4,000,000 to the University of North Dakota, which is appropriated to the
25 University of North Dakota for a space command initiative and related technical
26 programs at the University of North Dakota, including equipment, renovation, a
27 sensitive compartmental information facility, and other expenses; and
28 m. \$1,000,000 to the cultural endowment fund under section 54-54-08.1.

29 **SECTION 6. RESOURCES TRUST FUND - LOAN REPAYMENT.** The state water
30 commission shall use the bond proceeds allocated to the resources trust fund under section ~~75~~

1 of this Act to repay loans issued to the western area water supply authority from the resources
2 trust fund.

3 **SECTION 7. APPROPRIATION - RESOURCES TRUST FUND.** There is appropriated out
4 of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the
5 sum of \$74,500,000, or so much of the sum as may be necessary, to the state water
6 commission for Mouse River flood control, for the biennium beginning July 1, 2021, and ending
7 June 30, 2023.

8 **SECTION 8. APPROPRIATION - HIGHWAY FUND - CONTINGENT TRANSFER.** There is
9 appropriated out of any moneys in the highway fund in the state treasury, not otherwise
10 appropriated, the sum of \$70,000,000, or so much of the sum as may be necessary, derived
11 from bond proceeds to the department of transportation for state highway bridge projects and
12 for matching federal funds that may become available, for the biennium beginning July 1, 2021,
13 and ending June 30, 2023. Of the \$70,000,000, \$35,000,000 is designated for state highway
14 bridge projects, and \$35,000,000 is designated for matching federal funds that may become
15 available for state highway projects in excess of the federal funds appropriated to the
16 department of transportation as part of its 2021-23 biennial budget. By October 1, 2022, the
17 director of the department of transportation shall certify to the office of management and budget
18 the amount of funding committed to matching excess federal funds from the \$35,000,000
19 provided under this section. If the amount committed is less than \$35,000,000, the office of
20 management and budget shall transfer any uncommitted amounts to the infrastructure revolving
21 loan fund under section 6-09-49.

22 **SECTION 9. APPROPRIATION - TOWNSHIP HIGHWAY AID FUND - EXEMPTION -**
23 **REPORT.** There is appropriated out of any moneys in the township highway aid fund in the state
24 treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be
25 necessary, derived from bond proceeds to the department of transportation for distributions to
26 non-oil-producing townships for road and bridge infrastructure needs for the biennium beginning
27 July 1, 2021, and ending June 30, 2023, as follows:

- 28 1. The department of transportation shall distribute \$10,000,000 to non-oil-producing
29 townships in the same manner as directed in section 54-27-19.1.
- 30 2. a. Notwithstanding the provisions of section 54-27-19.1, the department of
31 transportation shall make available \$20,000,000 for grants to non-oil-producing

1 townships. The department shall award grants based on township roadway miles
2 with preference given to grant applications for projects that:

- 3 (1) Leverage available state, local, or federal funding;
- 4 (2) Coordinate with state, county, and other township projects;
- 5 (3) Focus on flood control and infrastructure resilience;
- 6 (4) Reduce road restrictions, improve mobility, and improve safety;
- 7 (5) Improve the agricultural economy and goods movement; and
- 8 (6) Confirm participating townships' ability to maintain the improvements.

9 b. The department shall establish an application process that must include the
10 following eligibility requirements:

- 11 (1) The roadways or bridges associated with the project must provide continuity
12 and connectivity to efficiently integrate and improve paved and unpaved
13 corridors within the township and across township borders;
- 14 (2) The project must be consistent with applicable township long-range
15 planning;
- 16 (3) The project must result in the roadway segment meeting an appropriate
17 legal load limit;
- 18 (4) The project must result in speeds on the roadway of at least fifty-five miles
19 per hour unless the department of transportation provides an exemption;
20 and
- 21 (5) The project must comply with the American association of state highway
22 transportation officials pavement and bridge design procedures and
23 standards developed by the department of transportation in conjunction with
24 the local jurisdiction.

25 c. For approved projects, the department shall initially distribute the portion of the
26 approved grant funding for engineering and plan development costs. Upon
27 execution of a construction contract by the township, the department shall
28 distribute the remainder of the approved funding. Townships shall report to the
29 department upon awarding of each contract and upon completion of each project.

30 d. Grants may be awarded for construction, engineering, and plan development
31 costs, but may not be used for routine maintenance. Grants awarded may be

1 applied to engineering, design, and construction costs incurred on related
2 projects as of January 1, 2021. Section 54-44.1-11 does not apply to funding
3 under this subsection and any funds not spent by June 30, 2023, must be
4 continued into the biennium beginning July 1, 2023, and ending June 30, 2025,
5 and may be expended only for the purposes authorized by this subsection.

6 3. For the purposes of this section, a "non-oil-producing county" means a county that has
7 received no allocation of funding or a total allocation of funding under subsection 2 of
8 section 57-51-15 of less than \$5,000,000 for the period beginning September 1, 2019,
9 and ending August 31, 2020.

10 4. The funding provided in this section is considered a one-time funding item and the
11 department shall report to the budget section and to the appropriations committees of
12 the sixty-eighth legislative assembly on the use of this one-time funding, including the
13 amounts awarded and distributed to each township, the amounts spent to date, and
14 the amounts anticipated to be continued into the 2023-25 biennium.

15 **SECTION 10. APPROPRIATION - DEPARTMENT OF CAREER AND TECHNICAL**

16 **EDUCATION OPERATING FUND.** There is appropriated out of any moneys in the department
17 of career and technical education operating fund in the state treasury, not otherwise
18 appropriated, the sum of \$45,000,000, or so much of the sum as may be necessary, derived
19 from bond proceeds to the department of career and technical education for the purpose of
20 providing grants for buildings and equipment, for the biennium beginning July 1, 2021, and
21 ending June 30, 2023. The department of career and technical education shall distribute up to
22 \$45,000,000 of the grants for the construction of new career and technical education centers
23 with a limit of up to \$15,000,000 per center, and a center must provide one dollar of matching
24 funds for each dollar of grant funding received for the construction of a new career and
25 technical education center. The remaining amount is available for grants for equipment at other
26 career and technical education programs located in the state, which must be distributed by the
27 department of career and technical education through a competitive grant process without a
28 matching requirement.

29 **SECTION 11. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS**

30 **FUND - TRANSFER.** There is appropriated out of any moneys in the strategic investment and
31 improvements fund in the state treasury, not otherwise appropriated, the sum of \$66,300,000, or

1 so much of the sum as may be necessary, derived from bond proceeds to the office of
2 management and budget for deferred maintenance and other improvement projects, for the
3 biennium beginning July 1, 2021, and ending June 30, 2023. The office of management and
4 budget shall use up to \$700,000 for accessibility improvements on the state capitol grounds for
5 costs relating to compliance with the Americans with Disabilities Act of 1990 improvements and
6 other accessibility improvements. In consultation with the legislative management, the office of
7 management and budget shall use up to \$600,000 to remodel the Brynhild Haugland room in
8 the state capitol. The office of management and budget shall use up to \$65,000,000 for deferred
9 maintenance on state buildings with priority given to the most critical maintenance projects
10 based on an assessment conducted during the 2019-20 interim. The office of management and
11 budget may transfer funds from the \$65,000,000 for deferred maintenance under this section to
12 other eligible state agencies for deferred maintenance projects on state buildings, for the
13 biennium beginning July 1, 2021, and ending June 30, 2023.

14 **SECTION 12. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS**

15 **FUND.** There is appropriated out of any moneys in the strategic investment and improvements
16 fund in the state treasury, not otherwise appropriated, the sum of \$4,700,000, or so much of the
17 sum as may be necessary, derived from bond proceeds to the state historical society for the
18 maintenance of state historical buildings, for the biennium beginning July 1, 2021, and ending
19 June 30, 2023.

20 **SECTION 13. TRANSFER - WATER PROJECT LOAN FUNDS.** The Bank of North Dakota
21 shall transfer all outstanding loans and moneys in the community water facility loan fund and all
22 outstanding loans and moneys in the infrastructure revolving loan fund within the resources
23 trust fund to the ~~water~~ infrastructure revolving loan fund [under section 6-09-49](#) on July 1, 2021.

24 **SECTION 14. LEGISLATIVE INTENT - CULTURAL ENDOWMENT FUND.** It is the intent of
25 the sixty-seventh legislative assembly that the council on the arts expend up to \$50,000
26 annually from the cultural endowment fund pursuant to the appropriation authority provided in
27 section 2 of Senate Bill No. 2010 during the 2021-23 biennium for the maintenance of the public
28 art projects constructed as part of the North Dakota creative placemaking program. It is further
29 the intent of the legislative assembly that the council on the arts continue to expend \$50,000
30 annually from the cultural endowment fund for the maintenance of the public arts projects
31 constructed as part of the North Dakota creative placemaking program until the moneys derived

1 from the bond proceeds authorized in this Act and deposited in the fund have been fully
2 expended.

1 of this Act to repay loans issued to the western area water supply authority from the resources
2 trust fund.

3 **SECTION 7. APPROPRIATION - RESOURCES TRUST FUND.** There is appropriated out
4 of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the
5 sum of \$74,500,000, or so much of the sum as may be necessary, to the state water
6 commission for Mouse River flood control, for the biennium beginning July 1, 2021, and ending
7 June 30, 2023.

8 **SECTION 8. APPROPRIATION - HIGHWAY FUND - CONTINGENT TRANSFER.** There is
9 appropriated out of any moneys in the highway fund in the state treasury, not otherwise
10 appropriated, the sum of \$70,000,000, or so much of the sum as may be necessary, derived
11 from bond proceeds to the department of transportation for state highway bridge projects and
12 for matching federal funds that may become available, for the biennium beginning July 1, 2021,
13 and ending June 30, 2023. Of the \$70,000,000, \$35,000,000 is designated for state highway
14 bridge projects, and \$35,000,000 is designated for matching federal funds that may become
15 available for state highway projects in excess of the federal funds appropriated to the
16 department of transportation as part of its 2021-23 biennial budget. By October 1, 2022, the
17 director of the department of transportation shall certify to the office of management and budget
18 the amount of funding committed to matching excess federal funds from the \$35,000,000
19 provided under this section. If the amount committed is less than \$35,000,000, the office of
20 management and budget shall transfer any uncommitted amounts to the infrastructure revolving
21 loan fund under section 6-09-49.

22 **SECTION 9. APPROPRIATION - TOWNSHIP HIGHWAY AID FUND - EXEMPTION -**
23 **REPORT.** There is appropriated out of any moneys in the township highway aid fund in the state
24 treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be
25 necessary, derived from bond proceeds to the department of transportation for distributions to
26 townships for road and bridge infrastructure needs for the biennium beginning July 1, 2021, and
27 ending June 30, 2023, as follows:

- 28 1. Notwithstanding the provisions of section 54-27-19.1, the department of
29 transportation shall distribute \$10,000,000 to non-oil-producing townships based
30 on township roadway miles without a matching requirement.
- 31 2. a. Notwithstanding the provisions of section 54-27-19.1, the department of
transportation shall make available \$20,000,000 for grants to

- 1 townships. The department shall award grants
2 with preference given to grant applications for projects that:
- 3 (1) Leverage available state, local, or federal funding;
 - 4 (2) Coordinate with state, county, and other township projects;
 - 5 (3) Focus on flood control and infrastructure resilience;
 - 6 (4) Reduce road restrictions, improve mobility, and improve safety;
 - 7 (5) Improve the agricultural economy and goods movement; and
 - 8 (6) Confirm participating townships' ability to maintain the improvements.
- 9 b. The department shall establish an application process that must include the
10 following eligibility requirements:
- 11 (1) The roadways or bridges associated with the project must provide continuity
12 and connectivity to efficiently integrate and improve paved and unpaved
13 corridors within the township and across township borders;
 - 14 (2) The project must be consistent with applicable township long-range
15 planning;
 - 16 (3) The project must result in the roadway segment meeting an appropriate
17 legal load limit;
 - 18 (4) ~~The project must result in speeds on the roadway of at least fifty-five miles~~
19 ~~per hour unless the department of transportation provides an exemption;~~
20 ~~and~~
 - 21 (5) The project must comply with the American association of state highway
22 transportation officials pavement and bridge design procedures and
23 standards developed by the department of transportation in conjunction with
24 the local jurisdiction.
- 25 c. For approved projects, the department shall initially distribute the portion of the
26 approved grant funding for engineering and plan development costs. Upon
27 execution of a construction contract by the township, the department shall
28 distribute the remainder of the approved funding. Townships shall report to the
29 department upon awarding of each contract and upon completion of each project.
- 30 d. Grants may be awarded for construction, engineering, and plan development
31 costs, but may not be used for routine maintenance. Grants awarded may be

2021 SENATE APPROPRIATIONS

HB 1431

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1431
3/31/2021
Senate Appropriations Committee

Relating to a water infrastructure revolving loan fund and bonded debt repayments; relating to interest rates for infrastructure revolving loans, borrowing and lending authority of the public finance authority, and reserve funds associated with bonds; relating to a community water development fund and an infrastructure revolving loan fund within the resources trust fund;

Senator Holmberg opened the hearing at 2:43 p.m.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

Discussion Topics:

- Bonding Benefits
- Bonding Outline

Rich Wardner, Senator, District 37, introduced the bill and submitted testimony #11204.

Art Thompson, ND Concrete Council, testified in favor and submitted testimony #11203.

Larry Syverson, Executive Secretary, ND Township Officers Association, testified in favor and submitted testimony #11146 and #11147

Tim Geinert, District 6 Director, ND Township Officers Association, testified in favor and submitted testimony #11112

Steve Mortenson, M&M Water LLC, testified in favor and submitted testimony #11234

Kim Konikow, Council on the Arts, testified in favor and submitted testimony #11103 and #11104

Greg Svenningsen, Chairman, ND Wheat Commission, testified in favor and submitted testimony #10998

Julie Ellingson, ND Stockman's Association, testified in favor

Marcus Lewton, CTE Director, Dickinson Public Schools, testified in favor and submitted testimony #11071

Additional written testimony: #10876, #10939, #10942, #10955, #10990, #11031, #11043, #11049, #11057, #11066, #11068, #11069, #11077, #11085, #11091, #11097, #11101, #11119, #11123, #11124, #11130, #11131, #11132, #11139, #11140, #11154, #11160, #11162, #11165, #11166, #11167, #11168, #11184, #11186, #11198.

Senate Appropriations Committee

HB 1431

03/31/21

Page 2

Senator Holmberg closed the hearing at 3:52 p.m.

Skyler Strand, Committee Clerk

GAP-BONDING PROPOSAL HB 1431
SUMMARY 2021 LEGISLATIVE SESSION
Senator Rich Wardner

<u>AMOUNT</u>	<u>PROJECT</u>
\$510.0 Million	Water Projects <ul style="list-style-type: none"> a. \$435.5 Million Fargo Diversion b. \$ 74.5 Million Mouse River Flood Control
\$ 50.0 Million	Infrastructure Revolving Low Interest Loan Fund <ul style="list-style-type: none"> \$175.0 M Exists in the fund <u>\$ 50.0 M New Additional Funds</u> \$225.0 M Total in the Fund
\$ 70.0 Million	Highway Fund <ul style="list-style-type: none"> \$35.0 M Bridge Projects \$35.0 M Federal Match Dollars for roads.
\$ 30.0 Million	Townships Road Funding <ul style="list-style-type: none"> \$20 M for DOT to use to leverage Federal Dollars \$10 M to be distributed to non-oil county townships.
\$ 60.0 Million	Career and Technical Educate <ul style="list-style-type: none"> \$45.0 M New Career and Tech Centers <ul style="list-style-type: none"> One project can receive up to \$15.0 M with one to one match. \$15.0 M Grant dollars available to existing Career and Tech Centers.
\$ 50.0 Million	Ag Development Center <p style="padding-left: 20px;">There is \$20 million reserved in the General Fund from 2019-21. The \$50 million plus another 6.0 million along with the \$20 million equals a \$76 million dollar project. It includes the Meat Lab, Crop Commodities Lab, Northern Crops Institute and the Trade Office.</p>

HB 1431
Senate Appropriations
March 31, 2021

Good afternoon Senator Holmberg and Members of the Committee.

For the record, I am Art Thompson, executive director of the North Dakota Concrete Council. Our association represents ready mixed concrete producers and concrete paving contractors across the state.

On behalf of our members, I am here today to support HB 1431. Our association believes in the value of capitalizing on today's low interest rates on bonds to pay for needed infrastructure improvements across the state.

As you know, by previously distributed information, we believe HB 1431 can be strengthened by adding language that requires bonded projects with an engineer's estimate of a certain dollar amount, be subject to undergo a Life Cycle Cost Assessment prior to construction. Our association has been promoting this concept from the minute this bonding bill was introduced. We have had several meetings with legislative leadership in both chambers, the Governor's office and the DOT – we have been trying to be as transparent as possible.

I am fully aware this committee does not routinely inject policy into appropriations bills, but if you would afford me a few minutes, I'll try to provide you with the reasons why you should consider it in this case.

First and foremost, the legislation states that bonding debt will be serviced by earnings from the Legacy Fund. The Legacy Fund is a one-time resource intended to benefit future generations. The question should be, why would we not want to evaluate and choose an alternative that may not be the lowest first cost but will provide the most long-term economic value.

A 2018 study from the Massachusetts Institute of Technology shows that "Future costs of a paving project can comprise more than 50 percent of its total cost." This means that the lowest first-cost option for a project is not always the most economical long-term investment. LCCA is a proven tool to help make solid, long-term economic decisions for infrastructure investment.

If HB 1431 does not require LCCA and minimum design life expectations, it is possible that projects constructed and paid for by bond method will require repairs and maintenance prior to the 20-year bond payoff. Future maintenance costs will then come out of future DOT budgets, meaning less available dollars down the road for other needs.

The recently released 10-Year Infrastructure Plan from the ND Governor's Office and the ND DOT, shows a need of \$2.3 billion just to maintain the current transportation network we have in place. We can do better. We need to evaluate and construct more long-term solutions.

Second, it is true that federal-aid projects are required to undergo a Cost/Benefit Analysis to determine whether the project is necessary or not. Cost/Benefit Analysis and LCCA are not one-in-the-same. The Cost/Benefit Analysis proves the need for a project; LCCA takes place after the project has been approved. LCCA is a tool for evaluating the long-term economic efficiency between competing alternate options, each providing equivalent or near-equivalent engineering designs. In the highway context, LCCA is typically used to evaluate and then compare the cost to an owner/agency of any number of alternates, including options for pavements, bridges or other major infrastructure investments.

LCCA is not a new concept. Currently 38 states utilize it in some form to make investment decisions. North Dakota is one of only 12 states that does not require it.

Third, while some may criticize our language as self-serving for the concrete industry, I'd counter by saying it is self-serving to your constituents – the taxpayers of North Dakota.

LCCA is not a means to favor one industry over another. The most important component to LCCA is ensuring equivalent or near-equivalent designs and taking into consideration things like traffic counts, traffic weights, traffic growth projections, etc. Using LCCA does not mean that concrete will win every project; nor does it mean asphalt will. What it does do is require thorough research into several factors to ensure taxpayers get the long-lasting, best value to their investment.

The fourth and final point is this, LCCA is not overly cumbersome and will not result in the need to hire additional FTEs. In most cases, once all information has been gathered, performing an LCCA can be done with formulas in a simple spreadsheet and be completed in a matter of a couple of hours.

In 2020, the NDDOT spent just over \$445 million on 199 projects in North Dakota – an average of just over \$2.2 million spent on each project.

If you were to make the trigger threshold as projects valued at \$5 million or higher – 21 LCCA's would have been required. If the threshold is \$10 million, 10 LCCA's would have been required. This is for the entire DOT budget.

Keep in mind, our suggested amendment, only applies to projects financed by bonding - \$70M in authorized spending and \$50 million for a revolving loan fund. This means the burden of conducting an LCCAs will be significantly less. Our association strategically targeted the bonding legislation to allow policymakers and the public to see the value of utilizing design life expectations and LCCA - a walk, don't run approach to implementation.

Most infrastructure projects built with bonded funds will be on heavily traveled routes. These major corridors are where we should be focusing our efforts to improve public safety, increase service life and reduce frequent maintenance. These are goals that we all can stand behind.

I will again hand out our suggested amendment to HB 1431 which would require LCCA for bonded projects. I encourage you to break from your traditional norms of not including policy in with an appropriations approval. This makes fiscal sense.

If you choose not to adopt this language, I would highly encourage you to adopt a second proposed amendment, which would require an interim study of this issue.

Thank you for your time and consideration. I will stand for any questions you may have.

Amendment Option 1

(1) For projects financed by bond method and with an engineer's estimate of \$5 million or more, life-cycle cost analysis shall be used to evaluate the total economic cost of a transportation project over its expected (35 year minimum) performance lifetime, and

(2) data indicating that future repair costs associated with a transportation project frequently total more than half of the initial cost of the project, and that conducting life-cycle cost analysis prior to construction will help the North Dakota Department of Transportation identify and select the most cost-effective option, improving the economic performance and lowering the total cost of building and maintaining the project over its service life.

Amendment Option 2

LEGISLATIVE MANAGEMENT STUDY – LIFE CYCLE COST ANALYSIS - NDDOT

During the 2021-22 interim, the legislative management shall study Life Cycle Cost Analysis on selected infrastructure projects with costs of \$5 million or higher and constructed by the North Dakota Department of Transportation to determine if the most cost-effective option was selected. Life Cycle Cost Analysis, based on well-founded economic principles, is a tool for evaluating the long-term economic efficiency between competing alternative options, each providing equivalent or near-equivalent engineering designs. Currently, 38 states utilize LCCA as a tool to help make public project decisions. North Dakota does not require it. The study will utilize life-cycle cost analysis to evaluate the total economic cost of a transportation project over its expected (35 year minimum) performance lifetime. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.

2021 Supplementary Township Survey

Overview

As part of the 2019-2021 Legislative Study of County, Township and Tribal Road Needs, the Upper Great Plains Transportation Institute conducted a survey of organized townships across the state. This survey focused on component costs such as gravel prices and blading costs as well as typical maintenance practices.

Since the initial survey was conducted, UGPTI has received multiple requests to assess township funding levels to present a more complete picture of the roadway maintenance situation at the township level. UGPTI plans to address township funding from two perspectives: actual funding derived from government sources, a survey of township expenditures and plans. Ongoing funding sources include: mill levies, highway tax distributions and state aid. UGPTI will work with state agencies to obtain information on statewide funding levels for townships. This report is a summary of a survey of township governments regarding typical expenditures and needed improvements.

Survey Process and Returns

The survey instrument was designed using Qualtrics which allowed for online responses to survey questions. In addition, the North Dakota Township Officers Association mailed out copies of the survey which were then entered into Qualtrics to provide a single data repository. The survey included questions about actual expenditures, budgeted amounts and additional improvements or maintenance activities not typically covered under general road maintenance and improvements. At the request of NDTOA, three questions regarding policy issues were added to the end of the survey. UGPTI neither endorses nor opposes policy positions or initiatives and the survey questions were added to minimize the cost of administering an additional survey as well as to increase survey response rates.

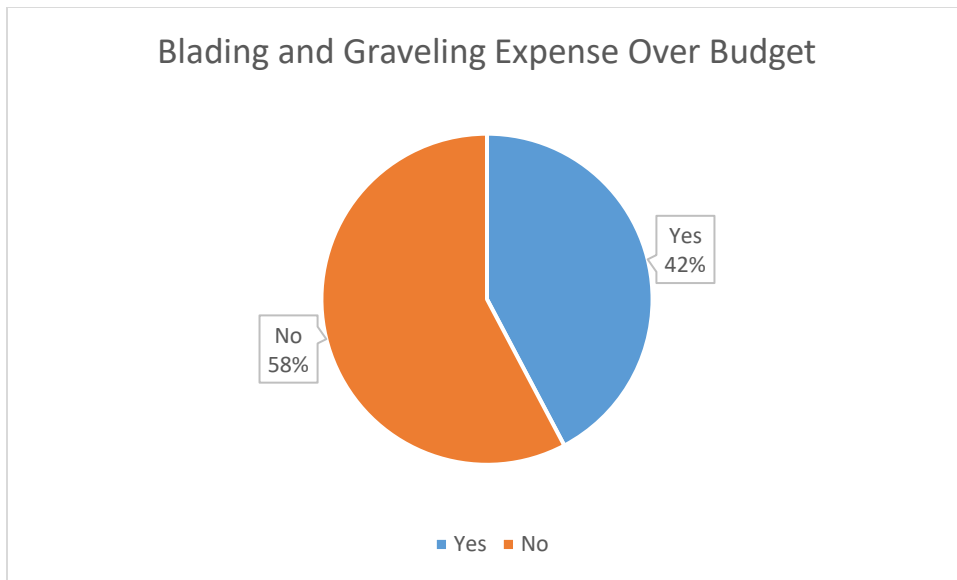
Survey Items and Results

Blading and Graveling Expenses

The first section of the survey asked township officers for information about typical improvement and maintenance activities. Questions 1-3 focused on expenditures for blading and graveling activities. Townships reported that in 2020 an average of \$27,137 was spent for blading and graveling activities in their townships. There was significant variation in the reported amounts, many of which were readily explained by the location of the township in proximity to significant traffic generators as is found in oil producing areas in western North Dakota.

Of the township responses, 42% indicated that their blading and graveling expenses exceeded the amount that was budgeted for 2020 (Figure 1). The average reported amount that blading and graveling expenses exceeded budget was \$11,837.

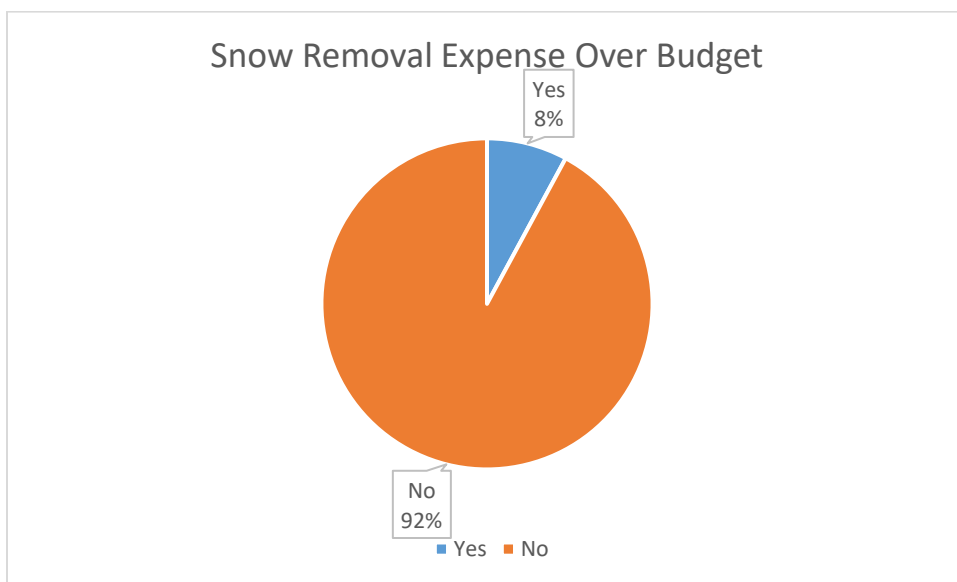
Figure 1. Percentage of Townships Reporting Blading and Graveling Expense over Budget



Snow Removal

The second group of questions asked township officers for information about snow removal activities in 2020. Townships reported that in 2020 an average of \$2,226 was spent for snow removal which is below a typical year due to below average snowfall statewide. As with the previous questions, responses varied due to differences in snowfall across the state. Of the township responses, 8% indicated that their snow removal was over budget (Figure 2). If snow removal costs exceeded the budgeted amount, townships were asked to report the amount by which the budget was exceeded. The average amount that snow removal expenses exceeded budgeted amounts was \$5,099.

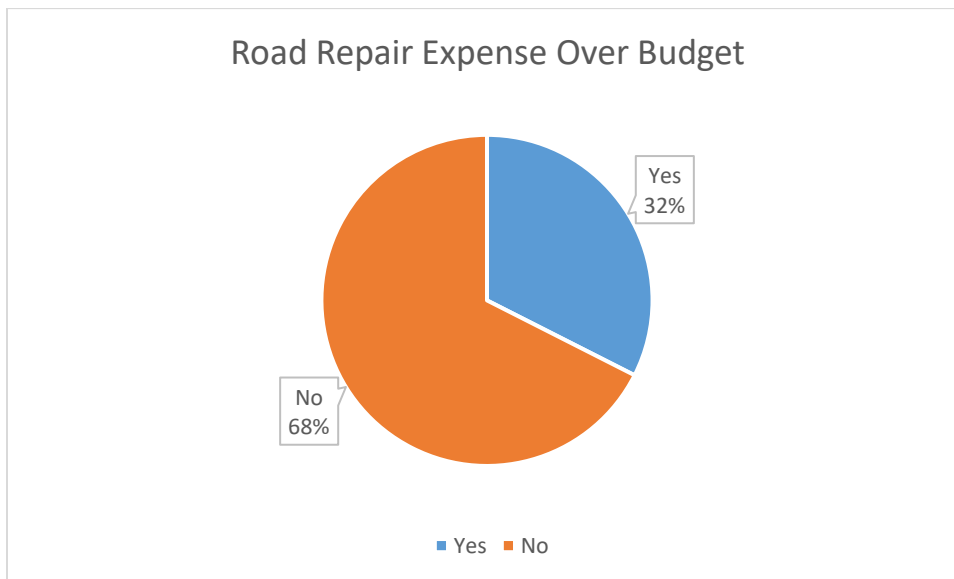
Figure 2. Percentage of Townships Reporting Snow Removal Expense over Budget



Road Repair

The third section of the survey asked township officers for expenditures for road repair in 2020. Road repair activities are above and beyond typical graveling and blading maintenance activities. Examples would include repairing washouts or other improvements affecting the structure of the roadway. Townships reported that in 2020 an average of \$12,227 was spent for road repair in their townships. Road repair expenses exceeded budgeted amounts for 32% of the townships reporting (Figure 3). If road repair costs exceeded the budgeted amount, townships were asked to report the amount by which the budget was exceeded. The average amount that road repair expenses exceeded budgeted amounts was \$17,646.

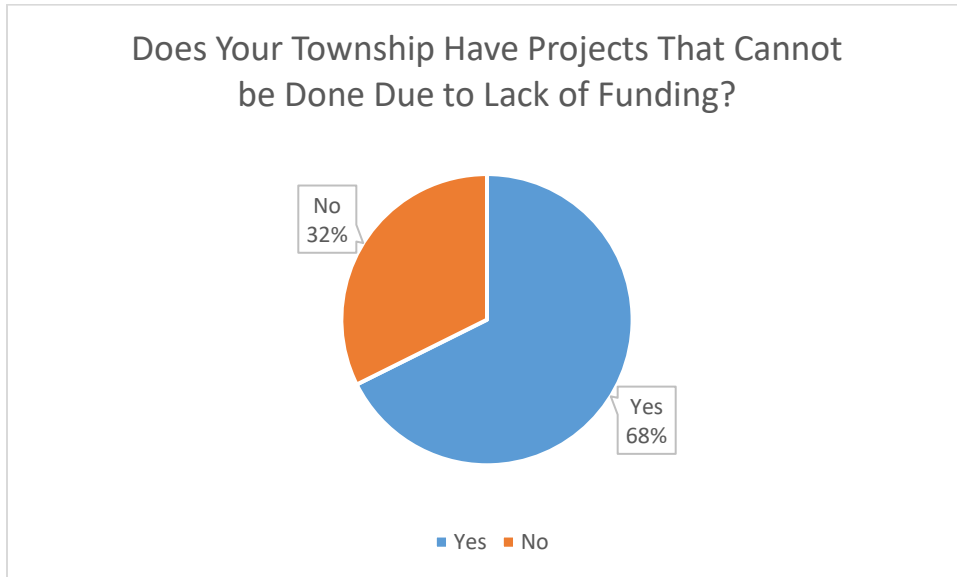
Figure 3. Percentage of Townships Reporting Road Repair Expense over Budget



Other Projects

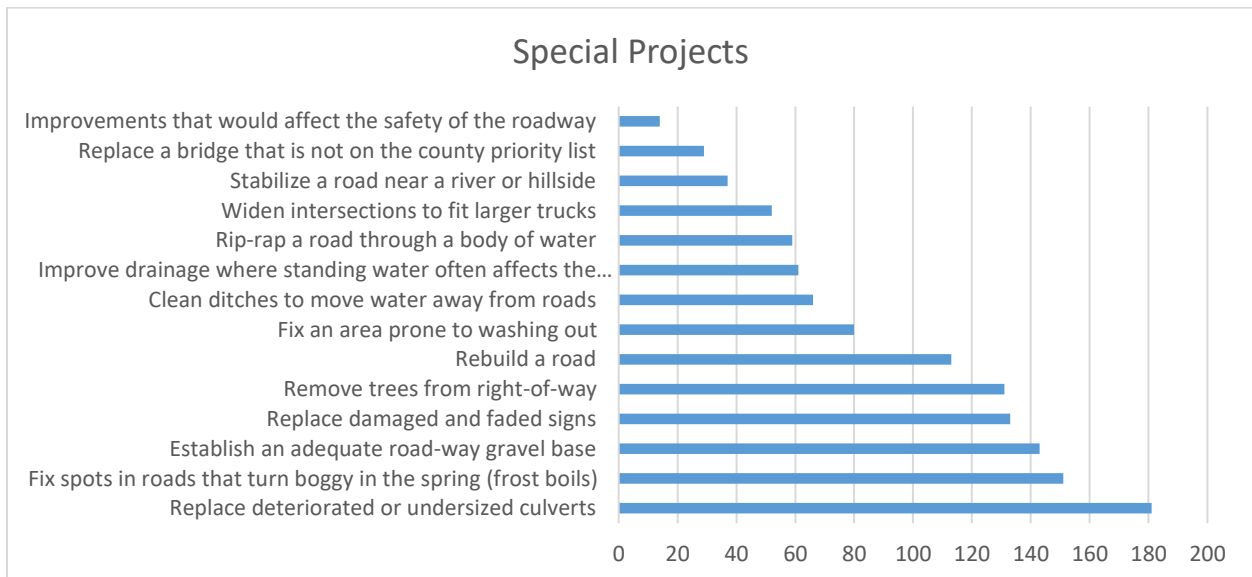
The next section of the survey asked township officers whether there were roadway projects in their township that could not be completed due to lack of funding. Of the township officers that responded, 68% reported that their township had roadway projects that could not be completed due to lack of funding (Figure 4).

Figure 4. Percentage of Townships Reporting Road Projects that Cannot be Completed Due to Lack of Funding



Township officers were then asked to identify the types of projects that are needed in their township. Respondents were allowed to choose multiple project types (Figure 5). The three most often reported project types were: replacing deteriorated or undersized culverts, fix spots that turn boggy in the spring and establish an adequate roadway gravel base. Tree removal from right-of-way and replacement of damaged or faded signs were the next two most reported improvement types. Township officers were asked to provide a cost estimate for each of the improvement types that were selected. Due to the high variation in the responses, they are not reported in this document.

Figure 5. Special Projects Needed as Identified by Township Responses





North Dakota Township Officers Association

Promoting basic Grassroots Government!

11147

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March 31, 2021

Senate Appropriations Committee

In Support of HB 1431 with Senate Amendment

Good afternoon Chairman Holmberg and members of the Senate Appropriations Committee. I am Larry Syverson, the Executive Secretary of the North Dakota Township Officers Association. NDTOA represents the nearly 6,000 Township Officers that serve 1,317 organized ND Townships.

Thank you for this opportunity to stand in support of HB 1431 as amended by the Senate. Over the last several sessions the legislature has generously provided several rounds of grants for the townships which have been very helpful and always very much appreciated. But it has always been a bit of an unknown just what the needs are out in the townships; to help gauge those needs the Upper Great Plains Transportation Institute hosted a survey of the 1300 organized townships for us. I have uploaded their resulting report in my testimony for today and I will just briefly highlight that report.

The first part of the survey was questions about road maintenance expenses incurred in 2020. On the average townships reported spending \$27,137 for blading and gravel. 42% reported that blading and gravel expenses exceeded what they had budgeted by an average of \$11,837.

Townships reported an average snow removal expense for the year of \$2,226 which was less than typical due to below average snowfall for much of the state. But 8% did report being over budget with \$5,099 the average amount of excess.

\$12,227 was the average reported for road repairs; 32% reported that road repairs exceeded budget by an average of \$17,646.

Obviously, conditions such as weather variations have a great impact on small budgets and townships must re-allocate funds on the fly and any reserves can quickly be consumed when a road is damaged.

The next section of the survey was about roadway projects for which townships lack sufficient funds to complete. 68% reported a list of unfulfilled projects which are listed on the last graph in the report.

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For information go to: NDTOA.COM

The most common reported project needed was the replacement of deteriorated or undersized culverts. The next was dealing with spots that turn boggy in the spring, commonly called frost boils; that is followed by establishing an adequate gravel base and you can see the list goes on.

We thank UGPTI for hosting the township funding needs survey and providing the report. I hope that synopsis demonstrates the varied needs of the townships attempting to maintain safe roadways for the driving public. Many of those roads are the first mile for so much of the product of North Dakota, the backbone of the state economy.

We realize this proposal to use bonding for transportation infrastructure is no slam-dunk, we know it faces a very rough and rugged path. NDTOA certainly appreciates the work that has brought it to this point, and we will actively support it as it goes forward.

If the Chairman will permit it, I would like to introduce the NDTOA District 6 Director Tim Geinert to give his presentation. Following that, Todd Weber, the NDTOA Vice President has some remarks to close our presentation.

Thank you, Chairman Holmberg and committee members; that concludes my prepared statement; I will try to answer any questions you may have.

11112

In Support of HB 1431 with Senate Amendment

Mikkelson Township, LaMoure County
Income from 2007 to present

Year	General Fund Taxes	Road Tax Redistribution Fund	State Aid	Additional State Aid	Total State Aid	Total Funds Available
2007	7726.17	3198.97	1122.86	0	1122.86	12048
2008	7750.23	3256.04	1321.64	0	1321.64	12327.91
2009	8079.4	3215.85	1335.17	0	1335.17	12630.42
2010	8864.9	3439.75	1444.22	0	1444.22	13748.87
2011	13553.98	3780.25	1896.49	8369.16	10265.65	27599.88
2012	13663.07	4674.05	2625.42	15653.05	18278.47	36615.59
2013	17079.53	5465.73	3086.94	29731.97	32818.91	55364.17
2014	17091.88	5791.56	2977.89	0	2977.89	25861.33
2015	18107.58	6205.7	3123.38	10000	13123.38	37436.66
2016	23961.75	5254.89	2248.64	4990.89	7239.53	36456.17
2017	18326.45	5201.2	2049.16	0	2049.16	25576.81
2018	17654	5400	2271.34	0	2271.34	25325.34
2019	18139.85	5388.57	2582.74	5000	7582.74	31111.16
2020	20680.55	4667.55	2354.03	0	2354.03	27702.13

In 2020, Mikkelson Township levied 18 mills, the maximum allowed by law without holding a special election. Under non-emergency conditions, the maximum levy allowed through special election is 36 mills for 5 years. In 2011, Mikkelson Township approved an increased mill levy, and you see the higher general fund taxes through 2016. We have allowed the increased mill levy to expire and have been trying to maintain our roads without going back to the increased levy.

Township roads were mostly built for the loads they carried in the 50's and 60's. They fall short of handling the semi tractor-trailer traffic commonplace today. As townships, we are challenged to do our best with the money at our disposal.

In Mikkelson Township:

- Total funds available for 2020 was \$27,702.13 (taxing at 18 mills)
- Our 5 year average blading cost is \$12,453.60.
- That leaves \$15,248.53 for everything else.
- If we taxed at the maximum 36 mills, that amount would be \$35,929.08.

A common practice for us is to gravel at a rate of 240 yards per mile, approximately 1/2" of gravel. With our 2021 gravel cost of \$13.60/yd, that's \$3264/mile.

- Mikkelson Township certifies 31 miles of road for the Road Tax Redistribution Fund administered through the State Treasurer.
- At 18 mills we can gravel just over 4.5 miles at 240 yds/mile.
- 36 mills would let us gravel 11 miles at 240 yds/mile.
- The most gravel any road can receive is 1/2" every 3 years, at the maximum tax rate allowed.
- UGPTI recommends 3" of gravel every 5 years.

We still have not allowed anything for culverts, repairs, or reconditioning the roads.

Pulling the shoulders of a gravel road works wonders for improving its serviceability at a fraction of the cost of rebuilding the road. The cost is roughly \$6500/mile, which includes a minimum application of gravel. A good practice would be to pull shoulders every 10-15 years, as use pushes out on the road shoulder and flattens the road. Mikkelson could accomplish that by doing 2 miles a year, at a cost of \$13,000. That \$13,000 cuts into an already marginal re-graveling program.

What I have hoped to demonstrate here is that even with good luck and good management, we still have difficulty maintaining our road systems adequately. The best we can accomplish is a bare minimum, and we cannot get ahead of the game with the funds normally available.

What really becomes problematic is when some special project is required.

NDDOT Director Bill Panos has talked to townships about his vision of one, single, integrated transportation system. In the oil patch or in farm country, every truckload needs to be able to use the state, county, and township roads. The road system is vital to our economy. The NDDOT has the expertise to partner with townships to realize that vision of a single system. Currently, NDDOT is not allowed to help, even when safety is at stake.

In Germania Township in Stutsman County, 3 miles west of Gackle on State Hwy 46, there is a stretch where both Hwy 46 and a township road went under water in 2020. FEMA would provide funding for the township to raise their road, but they were unable to come up with the required matching funds.

In Island Park Township in Ransom County, just south of Lisbon on the Sheyenne River, there is a bridge on a township road which leads to 5 homes. That bridge was recently restricted to 10 tons. The school bus can no longer cross it, and the fire department has also said they cannot cross it with a fire truck. Residents have been notified that they may not be able to insure their homes. The township has decided that their best option is to build a road out the other direction, but is at a loss as to how to proceed, or how to pay for it.

Grandview Township in LaMoure County has a road next to where the James River is eating away at the river bank and is closing in on the road. They have been approved for safety funding to stabilize the river bank, but their share of the matching funds and engineering costs is over \$60,000.

These are all examples of where, if the NDDOT were allowed to help, and had funding available for those purposes, they could use their expertise to provide a solution to a struggling township.

HB 1431 as amended provides \$10 million directly to non-oil producing townships according to the miles they certify with the State Treasurer. Townships with more miles of road would receive more dollars. We support the idea that more should go where the need is greater.

It also authorizes the NDDOT to work with townships in developing their roads, and provides \$20 million to that end. That money can be used to leverage federal or other dollars, with which the DOT can partner with townships to develop solutions, again where the need is greatest.

The North Dakota Township Officers Association, on behalf of our nearly 6,000 member township officers, urges you to recommend approval of HB 1431 as amended, providing much needed funding for township roads, and authorizing the NDDOT to work with townships to realize the goal of one, single, safe, integrated transportation system.

Tim Geinert
NDTOA, District 6 Director
Mikkelson Township, Clerk/Treasurer
LaMoure County Highway Dept., Assistant Road Superintendent and Motor Grader Operator

M & M WATER LLC
STEVE AND LOIS MORTENSON

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11234

To Members of the Senate Appropriations Committees:

My name is Steven Mortenson. I am a private water provider west of Williston. My wife Lois and I own M&M Water LLC (formerly known as BT Holdings, LLC). I understand that this committee will be dealing with providing funding for Western Area Water Supply (WAWS).

I have enclosed information stating the issues I have had with the WAWS and how they have affected my private water business. There are provisions in century code that I feel should have protected our company from being impacted by WAWS. I have contacted Rep Jim Schmidt who inserted the language in century code (SB 2233 in 2013, which was added to NDIC 61-40-01) and received no explanation on why this is not being followed. I have also contacted the NDIC (who is the controlling entity for WAWS) and received no response. I have contacted the attorney general, and he stated he could not give me any legal advice. **While I support WAWS, I am asking the committee before approving additional funding for WAWS to please require that WAWS follows the century code and provides protection for private water providers.**

Please note the name "private water provider" or "independent water provider" could mean one of two things. The phrase "private water providers" could mean those companies who purchase water from a water source and transfer the water via truck or pipeline (also known as a "water transfer company"), or the phrase "private water provider" could relate to those individuals or entities which own the water source itself. M&M Water is the latter type of private water provider, holding conditional water permits to divert water out of the north side of the Missouri River and Trenton Lake near Buford and Trenton, North Dakota.

The purpose of this letter is to explain what has happened to the customers of M&M Water LLC over the last few years. Since 2014, M&M Water has sold water exclusively to Trenton Water Depot, LLC (a truck depot in the town of Trenton), Lindale Pipeline, LLC (a water transfer company), and Regional Water Service, LLC (a water transfer company). Lindale Pipeline, LLC, and Regional Water Service LLC has a co-mingled pipeline that ran water from M&M Water, LLC's intake on Trenton Lake to approximately 15 miles north from the intake serving Equinor's freshwater system. As you can imagine, significant investment of time and money were made to run this private pipeline.

Due to the decline in oil prices and the reduction of new oil development, in addition to added competition from Western Area Water Supply Authority (WAWSA) and Northwest Rural Water District (NWRWD) in Williams County, Lindale Pipeline, LLC and Regional Water Service, LLC struggled with their cash flow since 2015.

There were several opportunities over the last few years to sell water, which would have likely allowed Lindale Pipeline and Regional Water Service to capture enough revenue to make their debt service and operating payments, but those opportunities were captured by WAWSA. In one instance in 2018, WAWS sold 2,342,233 barrels of water to Kraken Oil Company at a cost of \$.42 per barrel, \$.23 below our price. Using rural water lines to transport water, they delivered water within 5,100 feet from our water depot tap, clearly not considering our location. Our loss revenue on this sale was \$1,522,451, which revenue was desperately needed to survive at that time. As Ms. Madsen corrected me WAWS has raised its water price to .52 per barrel, but that is still less than what we were getting per barrel for maintenance water our rate was .58 a barrel to .75 per barrel.

For the past eight to ten years, Lindale Pipeline, LLC and Regional Water Service, LLC have sold water to Equinor (an oil company), whose water lines were directly connected to Lindale Pipeline, LLC and Regional Water Service, LLC's water infrastructure. In November of 2020, Equinor disconnected its lines from Lindale Pipeline, LLC and Regional Water Service, LLC's water infrastructure, and purchased WAWSA water from Cherry Creek Water, LLC, who utilized Northwest Rural Water District's rural water lines to transport WAWSA water. Our water depot tap, which was directly connected to Equinor's system, is located ½ mile from the WAWSA tap that is providing water to Equinor.

Since Equinor discontinued buying water from Lindale Pipeline, LLC and Regional Water Service, LLC, those entities have not sold a barrel of water from M&M Water's water source. M&M Water no longer has the ability to market its water except the small truck depot in Trenton, North Dakota.

My understanding is that the North Dakota provided protection for private water providers by adopting North Dakota Century Code 61-40-01 and 61-40-10.

N.D.C.C. 61-40-01: The Western area water supply authority shall consider in the process of locating industrial depots the location of private water sellers so as to minimize the impact on private water sellers. The independent water providers shall consider in the process of locating industrial water depots the location of private water sellers as to minimize the impact on private water sellers.

N.D.C.C. 61-40-10: The state water commission shall approve the planning location and water supply contracts of any authority depots, laterals, taps turnouts, and risers for industrial sales for the oil and gas exploration and production after July 1, 2013.

The State Water Commission defines water depots as follows: **"Water depots shall be defined as point of water to the oil/gas industry including permanently located truck fill sites, temporarily located truck fill sites, direct connections to main transmission water pipeline, temporary connections to the main water pipeline via overland pipe or hose, or any other facility that provides water to the oil and gas industry."** Despite this definition, WAWSA has taken the position that the protection provided in N.D.C.C 61-40-01 is obsolete because it only applies to the placement of truck depots, not water lines. In other words, WAWSA has indicated that it can transport water via pipe and completely take over private water providers' customers without considering N.D.C.C. 61-40-01.

It is incredibly challenging for a private business owner who sells water to compete with a government entity that has the ability to take easements by quick take eminent domain, endless amounts of capital and deferred loan payments, subsidized water rates, and the use of rural water lines that were donated by landowners for domestic use. I personally have donated 5 miles of easements to NWRWD for domestic use, which are now being used to compete with my own water sales business. Meanwhile, NWRWD receives approximately \$50,000 a month in industrial reimbursement from WAWSA.

My email is 56smort@gmail.com and phone number 701-770-0942. My request is that the protection that was enacted by N.D.C.C. 61-40-01 be enforced, and that WAWSA be prevented from encroaching on my water customers and our service area. This could be as easy as adding a definition of a water depot to century code.

Thank you,

Steven Mortenson

Members of the Senate Appropriations Committee:

Added Amendment to the Appropriations Bill

This is Steven Mortenson I appreciate the opportunity the Senate appropriations committee has given me to explain my situation with WAWSA. Visiting with Senator Wardner he explained to me the purpose of bonding the debt for WAWS, was to treat them just like any other water projects that has been funded by the state and that being a 60/40 cost share. Almost all the other water projects in the state do not compete with the private water providers but use domestic water to pay and fund their projects.

My wife and I have supported WAWSA for this area because it was needed for domestic and potable water for the growing population in our area, we have donated many miles of pipeline easements with no compensation only to have WAWS use them to sell water against us in our location were we sell water. WAWSA has subsidized money (it has received \$151,000,000 in grant monies and if the bonding bill is approved that would grant another \$75,000,000). WAWSA current project cost of \$442,000,00 puts the states cost share at 51%. The hardship we have faced from WAWSA is its governmental power, quick authority and massive amounts of funding that has greatly damaged our investment by undercutting the private market with subsidized rates. I would like to request this amendment be added to the appropriations bill "**WAWSA or any private water provider purchasing water from WAWSA would not be allowed to sell industrial water in location where a private provider has the ability and can demonstrate the capacity to provide the industrial water retroactive of October of 1, 2020.**" I feel this definition should be added to what is in the century code to clarify the wording.

thank you, Steven Mortenson.

REVENUE AND LOAN PAYMENTS

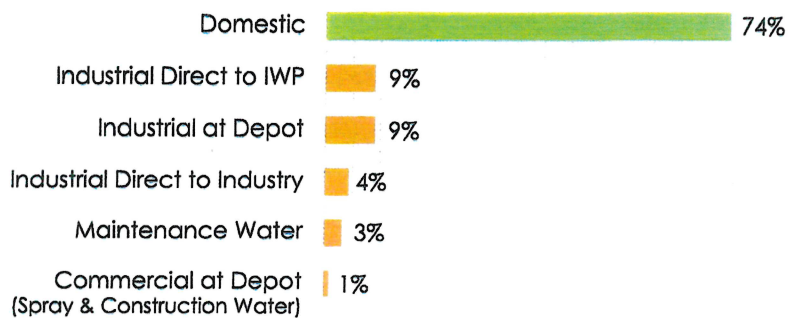
 **\$91.5M**

To date, WAWSA has already repaid more than \$91.5 Million in principal and interest on its State guaranteed loans.

Biennium	Grants	Domestic Loans	Industrial Loans	SB2233 Debt
2011 - 2013	\$0	\$0	\$110,000,000	\$0
2013 - 2015	\$29,500,000	\$0	\$79,500,000	\$48,500,000
2015 - 2017	\$60,000,000	\$20,000,000	\$0	\$0
2017 - 2019	\$22,400,000	\$16,500,000	\$0	\$0
2019 - 2021	\$40,000,000	\$16,500,000	\$0	\$0
Totals	\$151,900,000	\$53,000,000	\$189,500,000	\$48,500,000

\$291,000,000 Loan Total to Date (65.7%)

\$151,000,000 Grant Total to Date (34.3%)



**WAWSA
WATER SALES
BY PERCENTAGE
2016-2020**

Arts Across the Prairie:
Placemaking in Rural North Dakota



Arts Across the Prairie: *Placemaking in Rural North Dakota* is a first-of-its-kind, statewide, public art program from NDCA. This program will create eight large-scale artworks – one for each geographic region in the state – that reflect the unique history, landscape, and cultural heritage of these regions.

All eight works will be placed in rural locations. This statewide program is in collaboration with the North Dakota Department of Transportation and North Dakota Tourism.

- *Public art can help communities thrive*
- *It humanizes the environment, provides an intersection between past, present and the future*
- *Public Art often interprets the history of a place, its people and perhaps addresses a social or environmental concern.*
- *It can take a wide variety of forms, size, and scale*
- *Also titled Creative Placemaking and Placekeeping, these public artworks instill meaning – a greater sense of identity and understanding of where we live, work and visit – creating memorable experiences for all*

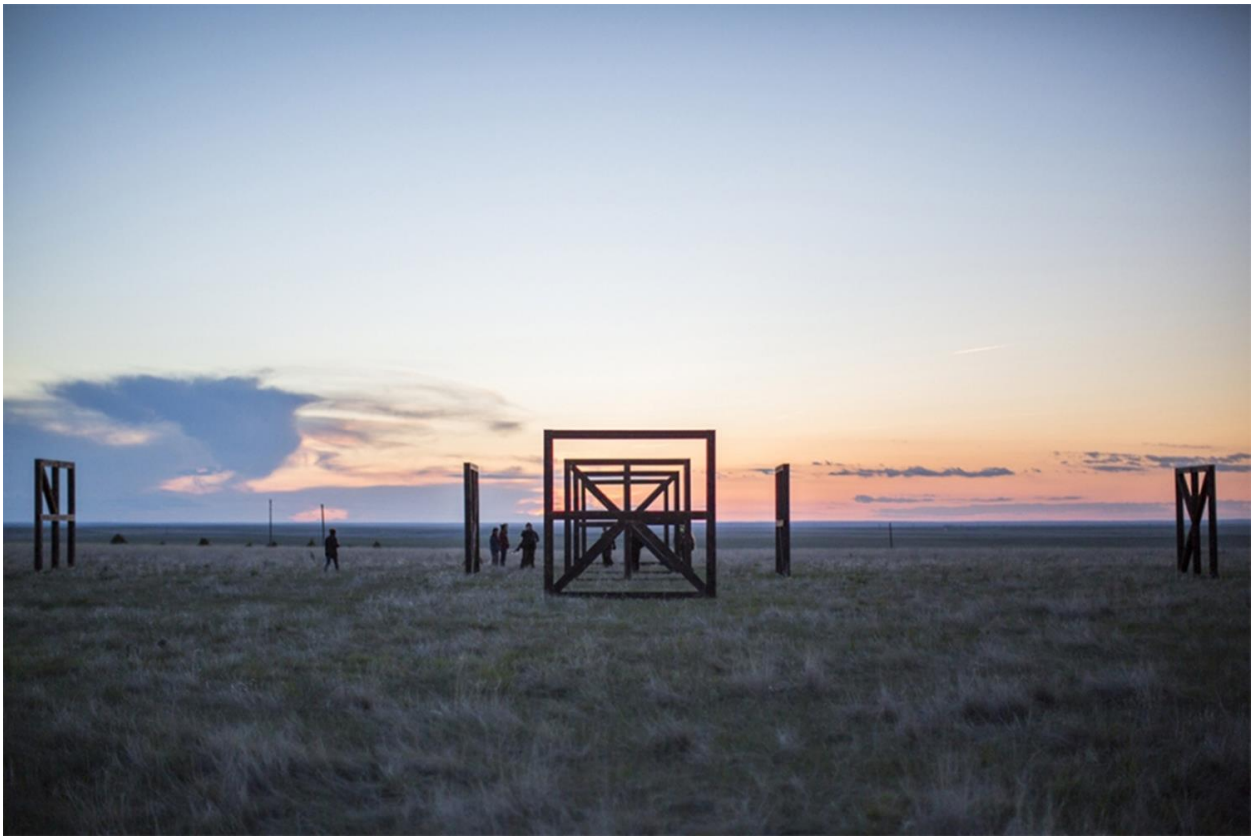


Arts Across the Prairie was developed to celebrate the cultural heritage of ND rural areas, foster creative relationships across counties and regions, bolster NDCA's role as a rural development partner and spur economic development through tourism. Furthermore, as a community-driven initiative, it aims to promote civic pride, affirm uniqueness of place and strengthen cultural identity. This program will create public-private partnerships throughout the state and provide a national model of this type of creative placekeeping.



The goals of *Arts Across the Prairie* are to:

- Strengthen cross-county networking and regional collaboration
- Promote tourism for in- and out-of-state visitors
- Stimulate economic activity and development in rural areas of North Dakota
- Build stronger arts communities across the state
- Invest in North Dakota artists by providing professional training and support
- Celebrate and leverage existing assets with an infusion of creative expression
- Heighten visibility of ND's creative sector and talent



In order to implement *Arts Across the Prairie*, diverse stakeholder groups will be formed in each region, joining across county lines. All participants will be guided in the process of selecting locations, designing artist Requests for Proposals, and articulating what type of creation will best represent their region's cultural heritage. Technical Assistance/Professional Development will be offered to all participants related to budgets, fundraising, land ownership and maintenance, and economic development.

Stakeholders - Region 1

Divide County

Allison Gierer
Rodney Gillund (Rod)
KayCee Lindsey
Cecile Wehrman

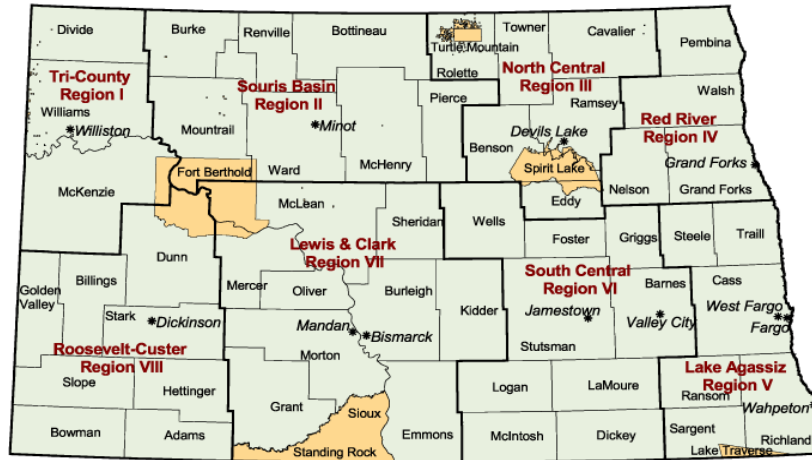
McKenzie County

Jan Dodge
Jessie Veeder
Loren Yellow Bird

Williams County

Daphne Clark
Anna Hoffman
John Geyerman
Onesti Krieger
Amy Krueger
Caitlin Pallai

Tri-County Region 1 is underway in NW North Dakota; Red River Region 4 in the NE corner of the state is next, then simultaneous processes will begin in the central Regions of Souris Basin 2 and Lewis & Clark 7.



An interactive ND Regions map is also attached



Pheasant sculptures by Gary Greff called "Pheasants on the Prairie", part of ND's Enchanted Highway.

The first-of-its-kind state partnership with North Dakota Department of Transportation will contribute to roads, pull-outs, parking, and signage at selected sites.

Training will also be provided for North Dakota artists in creating large-scale outdoor public artworks, to build a strong network of rural community public artists.



Funds are currently being raised nationally and regionally. This program has a \$4 million budget over seven years; it is attached



[Creative Placemaking Resources](#)

- [Americans for the Arts](#)
- [National Endowment for the Arts](#)
- [Creative Placemaking in Transportation](#)
- [National Assembly of State Arts Agencies Article](#)
- [National Assembly of State Arts Agencies Resources for Creative Placemaking Practitioners](#)
- [National Governor's Association Rural Arts](#)
- [Art Place America Creative Placemaking White Paper](#)
- [Forecast Public Art](#)
- [Springboard for the Arts](#)
- [Rethos](#)





North Dakota Council on the Arts
Kim Konikow, Executive Director

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TESTIMONY HB 1431, SENATE APPROPRIATIONS

Good afternoon Chairman Holmberg and members of the Senate Appropriations Committee. My name is Kim Konikow, Executive Director of the North Dakota Council on the Arts (NDCA). I am here this afternoon in support of HB 1431 which provides an allocation to NDCA's Cultural Endowment Fund in the amount of \$1 Million dollars.

With the interest earned, approximately \$50,000 per year, eight public installations will have the necessary funds for continued maintenance, as they will all be located in outdoor rural environments. This is often an aspect of creation that is not considered a priority. An example would be one of ND's most well-known public artworks, the Enchanted Highway. Without the proper maintenance, these large-scale sculptures, part of an integral visitor-wide experience, has seen better days. NDCA wants to make sure these new works will be protected for years to come, meeting ongoing infrastructure needs.

Art Across the Prairie – Placemaking in Rural North Dakota:

- *A first-of-its-kind Statewide Program*
- Eight large-scale public art installations will be constructed, based on the cultural heritage and history of each region
- All will be built in rural locales, no placements in city environs

- *This statewide relationship with ND-DOT is a first in the country.* Partnership will contribute to roads, pull-outs, parking, and signage to safely welcome visitors
- Creates economic impact from the relationship with Commerce and related programs in rural areas of ND
- Tourism contributes to plan with marketing for increased visitorship in and out of state; these types of installations are welcomed in the media and by visitors

- Promotes cross-county networking and regional collaboration across State
- Diverse stakeholder groups plan and facilitate the process for their particular region
- Public-Private partnerships established
- Region 1 underway; Region 4 next, then simultaneous process in Regions 2 and 7

Each of these eight ND works will be created based on representations of the cultural heritage of the people who settled and live there now. Regardless of the materials used in construction, the interest on the \$1 Million dollars placed in NDCA's Cultural Endowment Fund will be available to maintain these large-scale installations for years to come, beacons for residents and travelers alike.

I am happy to answer any questions you may have. Thank you for your time and consideration.

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Chairman Holmberg, and Members of the Senate Appropriations Committee,

For the record, my name is Greg Svenningsen. I am currently serving as the Chair of the North Dakota Wheat Commission, but today I come before you as a diversified farmer/rancher that produces wheat, corn, soybeans and cattle near Valley City in Barnes County. Because of that diversification, I have been chosen to share testimony with you today. I am a strong supporter of House Bill 1431 and I want you to know that the Ag Coalition's members have also expressed broad support for the Ag Products Development Center.

North Dakota has a long history of leading the nation in agriculture. Agriculture is a primary revenue generator for our state to the tune of approximately \$10 Billion dollars **annually** over the past decade. The Northern Crops Institute will be included in the Development Center and I have served on that Board. I have seen the value and importance of bringing participants and potential customers from around the world to North Dakota to showcase what we have to offer. These groups are made up of millers, bakers, and procurement personnel for example. We have hosted some of the NCI groups at our farm and been able to demonstrate, from a producer perspective, how the crops are grown, cared for and harvested. Innovative product development and product/ingredient promotion efforts go "hand in hand" in today's food business. Recognizing that fact, NCI has been increasingly successful at differentiating our ag products as "ingredients". Our ND ag products have developed a strong reputation, world-wide, for being reliable, consistent, and high quality ingredients and therefore, a formula for repeat business. Best of all, this creates more demand and revenue for our producers and our state. A new Development Center is really an opportunity to build on this platform and continue that upward momentum.

Every North Dakota citizen benefits when we can create additional opportunities, add value and generate additional revenue through greater market access in both domestic and foreign markets. We are a family farm, like many others across the state. It's very important to me that those new opportunities be available for our future farmers.

I believe that building the Ag Products Development Center shows foresight in sustaining our next generation of producers and will help to keep North Dakota as a cutting edge leader for agriculture in our nation. I don't believe that the Center is a cost to North Dakota but actually an investment in an asset that will provide a return many times over in the future. I'm sure the commodity groups have submitted valuable written testimony with additional facts and references in support of HB 1431. I want to thank you for this opportunity on behalf of North Dakota producers, to express our enthusiasm and backing for the Development Center and also thank you for your past and ongoing support of North Dakota's #1 industry.

I would be happy to try and answer any questions you may have.

11071



Dickinson High School

Marcus Lewton, Ed.D.

CTE Director
mlewton@dpsnd.org

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Mailing Address: 444 4th St. West
Dickinson, ND 58602
(701) 456-0021

Dr. Shon Hocker, Superintendent

Chairman Holmberg and members of the committee, my name is Marcus Lewton, CTE Director for Dickinson Public schools. I am here to speak in favor of House Bill 1431, particularly the New CTE Center funding aspects. This funding will help ensure our vision of a collaborative center focused on meeting the workforce needs of the region.

For more than a year our community of Southwest North Dakota has collaborated around developing a CTE center for the region. Initially spurred by industry frustration with a lack of skilled laborers, the SWND CTE Task Force has worked to meet the future needs of our youth and community. This dream seeks to combine resources of different entities to provide a more efficient and effective education for our region.

To date we have engaged local governmental entities, business and industry, public schools, a private school and Dickinson State University. Dickinson Public Schools has purchased an existing 100,000 square foot, 40 acre complex for the price of six million as a sign of commitment. We are excited about the collaborative possibilities for our region!

The 501c(3) is being finalized to manage the center and all financials for the project. Our Business plan lays out the next five years including architecture, construction, and financial strategies. Our goal is for industry to guide curriculum, so our students are being educated on current industry standards. Recently we have begun engaging business and industry on programing with a plan to intensify these discussions in the summer of 2021.

Our Dream; to facilitate career readiness in Southwestern North Dakota through premier Career and Technical Education in response to state and regional business, industry, and labor needs. Through working together we see the very real possibility of students accessing Work-Based Learning, Industry Certificates and Associates Degrees when they are ready, not when they graduate high school.

Thanks for your consideration into this opportunity for our region and youth.

Sincerely,

A handwritten signature in black ink, appearing to read 'M Lewton', with a long, sweeping underline that extends across the page.

Marcus Lewton, Ed.D.

Testimony in Support of 1431 Phil Murphy for the NDSGA

Chairman Holmberg and Committee, the ND Soybean Growers are steadfastly favorable to passage of 1431. The importance of the Ag Products Development Center and the Northern Crops institute are primary in this bill, followed closely by funding for Township Roads. Obviously, the other transportation and infrastructure opportunities better the chances for our industry to thrive in ND. With analysis of soils and crops by drones, GPS guided tractors and repairs on all machinery, Career and Tech Ed are very important- even crucial- to the success of our producers and therefore the economy of our state. This is a big bill which takes advantage of bonding with low interest rates and the earnings of the Legacy Fund, so we hope you are able to harvest a Do Pass Recommendation for the body. Thank you so much for all of your work in this regard.

Testimony, HB 1431

March 31, 2021

Senate Appropriations Committee

Dan Jacobson, Chairman, North Dakota Water Resource Districts Association

Chairman Holmberg and Members of the Senate Appropriations Committee:

My name is Dan Jacobson and I serve as the Chairman of the ND Water Resource Districts Association.

North Dakota water interests depend on the state's healthy economy and revenue outlook and can only be supported by a strong budget for the North Dakota State Water Commission's (NDSWC) operations and critical water project funding and grants. Water resource districts have a long history of providing valuable services in North Dakota to the local constituents in their respective counties and regions. Enabling legislation for the establishment of water resource districts was first passed in 1935. The responsibility of water resource districts includes water management from a local and regional perspective for beneficial uses of water, as well as for protection against flooding, erosion, and other detrimental effects of too much water.

The beneficial uses of water and protection against damages caused by flooding is critical to the agricultural and other local economies, as well as the social well-being of our citizens. Rural flood control provides crucial drainage relief not only for North Dakota farms and ranches, it also reduces flood damages to township, county, and state infrastructure.

An important piece of providing these vital services has been NDSWC funding. Without this funding, many important flood control, water supply, erosion protection, water management, and beneficial use projects would not have been completed. According to the NDSWC Water Development Plan, there exists approximately \$645M in current needs for water projects, \$342M is classified as high priority. There exists approximately \$48M in current needs for general water management projects, and approximately \$86M in current needs for water conveyance and local flood control projects. Water resource districts sponsor many of these types of projects. Our water resource districts request additional funding authorization for water resource districts' projects for this upcoming biennium.

To meet the needs of all projects, we cannot rely solely on funding from the NDSWC—another funding source must be created. The ND Water Resource Districts Association supports the water infrastructure revolving loan fund and the bonding authority authorized in HB 1431 in order to supply our communities with water and protect them from flooding. A water infrastructure revolving loan fund and bonds for infrastructure projects will help to meet those needs and provide shovel ready projects funding, reducing costs from extended project deadlines.

I would be happy to answer any questions the committee may have regarding this testimony.

Thank you.



Senate Appropriations Committee

House Bill 1431 Committee Hearing March 31, 2021

Testimony of David Lang, North Dakota Water Users Association

Chairman Holmberg and members of the Senate Appropriations Committee. I am David Lang and I serve as the President of the North Dakota Water Users Association. The North Dakota Water Users Association supports passage of House Bill 1431.

The Water Users Association was organized in 1959 to protect, develop, and manage North Dakota's water resources. It is currently comprised of over 300 local, statewide and regional organizations in North Dakota who have an active interest in water. We work closely with the North Dakota Water Coalition to build consensus within the water community regarding funding needs and priorities. Collaboration is essential in meeting the water resource management needs of North Dakota.

The State of North Dakota has been a generous partner in advancing critical local and regional water projects. Through House Bill 1431, we have an exciting opportunity to expand that legacy. Using earnings of the Legacy Fund to establish creative finance options for important water infrastructure projects will allow us to invest in important water projects in communities across the state.

In addition to the bonding authority in this bill, HB 1431 authorizes an infrastructure revolving loan fund which important water projects can access. In concept, we support this loan fund. We are grateful for the amendments offered by the Senate Finance and Taxation Committee to provide for a low, consistent, interest rate for these loans. The stepped-up interest rate from 2% to 5% over time, as envisioned in the House-passed version of the bill, would have made the program very difficult for water projects to access. We would ask the committee to retain the amendment to the infrastructure loan program offered by the Finance and Taxation Committee.

We appreciate the state's long-standing commitment to fund water projects and urge your continued support of North Dakota's water infrastructure financing through passage of House Bill 1431.

Thank you and I would be happy to answer any questions the committee might have.

North Dakota WATER COALITION

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Barnes Rural Water District
Cass County Government
Cass County Joint Board
City of Bismarck
City of Devils Lake
City of Dickinson
City of Fargo
City of Grafton
City of Grand Forks
City of Lisbon
City of Mandan
City of Minot
City of Valley City
City of West Fargo
City of Williston
Devils Lake Basin Joint Board
East Central Regional Water District
Garrison Diversion Conservancy District
Lake Agassiz Water Authority
McLean-Sheridan Rural Water District
Mercer County Water Resource District
Missouri River Joint Board
North Central Regional Water District
North Dakota Association of Counties
North Dakota Irrigation Association
North Dakota Public Finance Authority
North Dakota Rural Water Systems Association
North Dakota State Water Commission
North Dakota Water Resource Districts Association
North Dakota Water Users Association
North Dakota Weather Modification Association
Northeast Regional Water District
Northwest Area Water Supply
Red River Joint Water Board
Souris River Joint Board
South Central Regional Water District
Southwest Water Authority
Stutsman Rural Water District
Western Area Water Supply

Senate Appropriations Committee
House Bill 1431 Committee Hearing March 31, 2021
Testimony of Ken Royse, ND Water Coalition Chairman

Chairman Holmberg and Members of the Committee:

I am Ken Royse, the chair of the North Dakota Water Coalition. The North Dakota Water Coalition supports House Bill 1431, particularly state funding for water projects with the issuance of infrastructure bonds.

The North Dakota Water Coalition is an organization of water projects and political subdivisions—including water and irrigation districts, regional and rural water systems, flood control projects, and city and state water groups. Included in our membership are the cities of Bismarck, Mandan, Dickinson, Williston, Minot, Grand Forks, Fargo, West Fargo, Devils Lake, Grafton, Lisbon, and Valley City.

Since 1994, our members have worked towards a common interest and goal: to collaborate on identifying and prioritizing construction of water projects with a coordinated voice to the State Water Commission and State Legislature. Our mission is to complete North Dakota's water infrastructure. We appreciate the responsiveness and substantial investment that the state has made in water cost-share funding.

Today, the number and collective scale of the water projects exceeds the revenues anticipated in the Resources Trust Fund, which historically funds water projects. Major water management projects including the Fargo Moorhead Diversion Project, the Mouse River Flood Control Project, the Lower Heart Flood Control Protection, and the Sheyenne River Flood Control Project; combined with the needs of municipal and rural water systems and local water management projects, all compete for these limited resources. All these projects provide health, safety, economic, and social benefits to our State.

The Water Coalition supports HB 1431's bonding proposal to complete the state's long-term intent to support the Fargo Moorhead Diversion Project and the Mouse River Flood Control Project.

The Water Coalition supports the issuance of infrastructure bonds to cover the State's share of major water projects, with bond repayments from Legacy Fund earnings. The additional state funding for these two major projects will reduce the demand on the Resources Trust Fund and allow additional projects to proceed and eliminate expensive project delays.

The Water Coalition also supports the authorization of an infrastructure revolving loan fund which important water projects can access. We appreciate the amendments offered by the Senate Finance and Taxation Committee regarding the infrastructure loan fund. The amendments authorize a maximum interest rate of 2% rather than a stepped-up interest rate from 2% to 5%. We would ask the committee to maintain the amendments offered by the Senate Finance and Taxation committee regarding the interest rate component of the loan fund.

Thank you for this opportunity to offer this testimony, I will respond to any questions.

Testimony of Neal Fisher, Administrator of the North Dakota Wheat Commission

HB 1431

March 31, 2021

Good afternoon Mr. Chairman and members of the Senate Appropriations Committee. For the record, my name is Neal Fisher, I am the Administrator of the North Dakota Wheat Commission.

The Wheat Commission has a long-standing, leveraged, research partnership with North Dakota State University's Agricultural Experiment Station. Today the Commission stands in strong support of House Bill 1431 and the funding for the Agricultural Products Development Center (APDC), which upgrades product research and development functions currently conducted in Harris Hall, the NDSU Meats Lab, and Northern Crops Institute (NCI), all on the NDSU campus.

1—The Agricultural Product Development Center is extremely important for all of North Dakota Agriculture, and for all of North Dakota. APDC will create additional opportunity for our dedicated producers and increased revenue generation capacity for our entire economy.

2—North Dakota Agriculture is an important legacy industry and is the primary revenue generator in our state.

3—Every citizen in every county of our state benefits from increased opportunity, value, and revenue generation capacity created by greater market access, durable demand, and continued success in high value domestic and foreign markets.

4—Annual Main Street Value of ND Agriculture (Simply Price X Production) is calculated at nearly \$10 Billion (with a “B”) over the past decade. Four main pillars, Wheat, Corn, Soybeans, and Livestock now account for 80% of the total; and High Value Specialty Crops such as sugar beets, potatoes, barley, sunflower, canola, dry beans, peas, lentils, flax, and hay crops, make up the remaining 20%.

5—ND Agriculture is performing at higher levels with greater consistency and resiliency than perhaps ever before. The APDC upgrade is an opportunity to continue that upward trajectory.

6—Innovative Product Development and Product/Ingredient Promotion Efforts go “hand in hand” in today’s rapidly evolving food business; And in recognizing that fact, we have been increasingly successful at differentiating our North Dakota agricultural products as “Ingredients”, moving away from the more Generic product identities of many of our competitors.

7—North Dakota has successfully developed a well recognized and enviable reputation as a reliable, consistent supplier of high quality, high value products to our high value and quality conscious customers worldwide. That is a “Formula for Repeat Business”.

—APDC will allow us to build on this Great Platform moving forward.

Thank you for this opportunity for us to show our support and enthusiasm for the Agricultural Products Development Center (APDC) and for your past and ongoing support of North Dakota’s Number One Industry.

I will certainly try to answer any questions you may have.

**Senate Appropriations
HB1431**

March 31, 2021

Chair Holmberg and members of the committee, my name is Wayde Sick, State Director of the Department of Career and Technical Education. I am submitting testimony in support for HB1431.

Section 10 of HB1431 would provide funds to the Department of Career and Technical Education for the purpose to grant funds for additional Career and Technology Education Centers, specifically for construction and equipment, for the sum of \$60 million. \$45 million would be set aside for new centers, with \$15 million to existing programs for the purpose of equipment upgrades. I do ask the \$15 million is also considered for renovation or expansion projects for existing CTE programs. Currently the state of North Dakota has ten area career and technology centers, providing Career and Technical Education in a variety of ways, either face to face or virtually via online or the state Interactive Television or ITV system. Five of the centers are considered brick and mortar centers as most of the method of delivery is face-to-face. Five are virtual, meaning they lack a central physical space. They provide their coursework either online or through ITV, but all provide some face-to-face instruction as well. Eight of our area career and technology centers provide some level of virtual career and technical education, either via online or interactive television (ITV). Students that take face to face CTE courses through a center are either bussed into the center, attend satellite sites or have traveling teachers. In addition to the ten centers, there is high quality career and technical education offered by our high schools. The point of

that clarification, or possibly confusion, is to illustrate one size does not fit all when it comes to the needs of the region and school district.

The ten centers serve approximately one hundred school districts and provided instruction to around 6000 students in the 2019-20 school year. Statewide, during the 2019-20 school year over 23,000 high school students enrolled in at least one CTE course. That is 72% of all high school students. Expanding CTE access can help that number continue to grow.

Although our centers and schools do an excellent job in providing CTE, there are gaps within our state, not just in access to a CTE center, but also the programming our existing centers and schools are able to provide. Every student in the state does have access to Career and Technical Education as state statute does require schools to offer CTE. Our comprehensive high schools do a phenomenal job offering CTE, either by providing it themselves or utilizing an area career and technology center. The benefit though of a center is a center can scale programs that many of the state's schools are unable to. A prime example is a health careers program, offered by the Roughrider Area Career and Technology Center out of Hebron. A few health careers teachers can serve all twelve of the member schools. This is just one example the partnership of a center and the efficiency it can provide. Area Career and Technical Education Centers are not to replace the CTE programs that is offered in our high schools, but to supplement.

I am here to state the Department of Career and Technical Education is here to partner with the Legislative Assembly to continue to expand access to more quality CTE programs, through the development and expansion of centers and support the programs offered through our high schools. Additional centers, strategically placed in

various parts of the state, can supplement what member high schools are offering in CTE, bring in workforce training and post-secondary offerings and potentially serve populations with barriers to employment, such as English Language Learners, Adult Education, etc. Future CTE Centers could become a one stop shop for K12 education, Post-Secondary programs, and workforce training.

If passed, the Department of Career and Technical Education will create guidance and a selection committee, consisting of representatives of various entities, such as NDCTE, NDDPI, Department of Commerce, the Workforce Development Council and others, to ensure expertise in the areas of K12 education, post-secondary education and workforce have a voice.

The selection process would be based on availability of matching funds, labor market interest alignment, student interest, school district buy-in and innovative practices and delivery.

This concludes my testimony and I am here to answer any questions you may have.

Thank you.

Industrial Commission
of North Dakota

Doug Burgum
GOVERNOR

Wayne Stenehjem
ATTORNEY GENERAL

Doug Goehring
AGRICULTURE COMMISSIONER



11043

North Dakota Public Finance Authority

Date: March 31, 2021

From: DeAnn Ament, Executive Director of the North Dakota Public Finance Authority

RE: House Bill 1431 – Related to Interest Rates for Infrastructure Revolving Loans

Position: Neutral

DeAnn Ament will not have formal testimony. She will be available to answer questions related to bonding.

HB 1431 Senate Testimony by Dickinson State University President

Dickinson State University enthusiastically supports House Bill 1431.

The bill provides substantial funding that could boost the efforts that have been underway for over a year in southwestern North Dakota to start a career and technical education center. Dickinson State was a founding partner in this work. Dickinson Public Schools provided the initial financial boost, by purchasing the former Halliburton property in north Dickinson, built at a cost of over \$60 million, for approximately \$6 million.

The career and technical education center will provide a major boost to Dickinson State's dual mission efforts, which focus upon providing workforce training to support southwest North Dakota industry. The CTE Center will provide ladder programs that will allow students to start their technical education before high school graduation, then continue to pursue it to the level of certification. For example, a student might take her first welding courses in high school, then start her Dickinson State education with a head start toward full welding certification. Other students, who did not have the opportunity to start their workforce training before coming to Dickinson State, could start after being admitted to our university.

Though the exact package of workforce training options is yet to be determined (and will change in the future), southwestern North Dakota industry leaders have identified needs in areas including welding, diesel and other mechanics, nursing and other health care, CDL (truck driving), heavy equipment operation, systems processing (for work in manufacturing), oil field service, agriculture, and information technology as areas of need for a trained and skilled workforce. The CTE center will match student dreams with employer needs to produce a great future for all.

In addition, Dickinson State is grateful for the support in Section 5(3)(k), which will allow Dickinson State to pursue critical projects, including renovation of Pulver Hall into a multi-use facility with offices for the DSU Theodore Roosevelt Center (and, possibly, the Theodore Roosevelt Presidential Library), residence hall rooms for Theodore Roosevelt Honors Leadership program students, classrooms and conference rooms for Dickinson State courses, and Theodore Roosevelt museum space for visitors. The previous legislative session approved a \$4 million appropriation that was used, as directed, toward the reconstruction of Pulver Hall (with additional DSU funding), but there was no funding for furniture, fixtures, and equipment, including additional security equipment, exhibits, and replacement of some items like doors. House Bill 1431 will allow us to complete this project and other critical projects at DSU.

--Stephen D. (Steve) Easton

President of Dickinson State University



11057
Eric Volk, Executive Director

ND Rural Water Systems Association

In Support of House Bill 1431

Senate Appropriations Committee

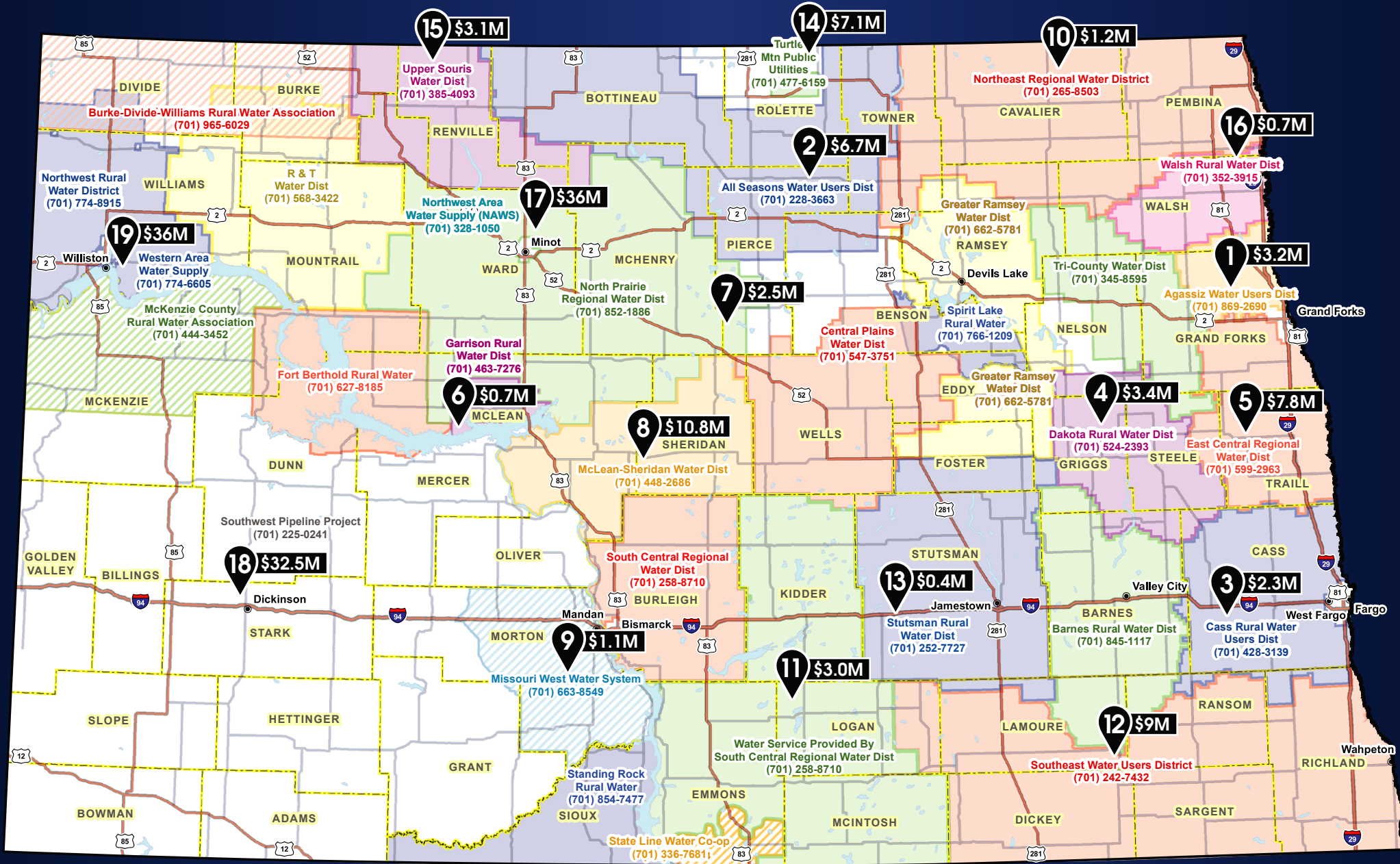
March 31, 2021

Chairman Holmberg and members of the Senate Appropriations Committee, my name is Eric Volk. I am the executive director of the North Dakota Rural Water Systems Association (NDRWSA). Our vision is to ensure all of North Dakota has access to affordable, ample, and quality water. NDRWSA is committed to completing and maintaining North Dakota's water infrastructure for economic growth and quality of life. Today, I am submitting written testimony in support of Engrossed (with Senate Amendments) House Bill 1431.

The Resources Trust Fund (RTF) provides cost-share for water projects across the state. Some of these projects are small (thousands of dollars), some are moderate (millions), and some are HUGE (billions). Each biennium there is only a finite amount of assistance the RTF can provide. The amount is never enough to meet the critical water needs of the state. Passage of HB 1431 would help fund the state's major flood control projects with bonding. This biennium alone, the use of bond revenue would allow for approximately \$142M of RTF dollars to be used for other important water projects. HB 1431 would also meet the state's promise for the Fargo Diversion Project. Completing this promise would have future benefits for other water projects using RTF dollars, as that promise was being paid out at \$66.5M/biennium.

For reference, the attached funding map highlights the rural & regional water supply projects that would benefit from the RTF. (Please see the attached 21-23 project funding map).

With that said, the NDRWSA supports HB 1431 which will help meet the critical water needs of North Dakota. Thank you for giving me the opportunity to provide testimony on behalf of the NDRWSA. Eric Volk, ericvolk@ndrw.org.



Good afternoon Members of the Senate Appropriations Committee. My name is Greg Lardy and I currently serve as the Vice President of Agricultural Affairs and Dean of the College of Agriculture, Food Systems, and Natural Resources at North Dakota State University. We support HB 1431 and its' provision for funding the construction of the Agricultural Products Development Center and the Northern Crops Institute. NDSU Agriculture and the Northern Crops Institute (NCI) have worked collaboratively since NCI was created to benefit all of North Dakota agriculture. The construction of this facility would provide many benefits to the state's agricultural industry which I have outlined below.

- **Growth of New and Existing Markets** — Developing new and growing existing markets is critical to agricultural success. The facility will provide research and development to support this need, including expanded testing and developing new and better uses of these ingredients. Improvements in product quality open new markets and enhance existing markets.
- **More Graduates Ready for the Workforce** — The APDC will increase the number of students graduating from the grain, food, and meat science programs. This facility will ensure graduates are ready to fill the industry's need for graduates in these important fields and provide more opportunities for these students to enter the work force as employees or develop their own businesses in the future.
- **Enhanced Value-Added Opportunities and Partnerships with Industry** — The technical expertise of NDSU scientists and NCI professionals helps existing businesses grow, assists with development of value-added businesses and creates entrepreneurial opportunities. Further processing of our agricultural commodities provides economic opportunity and growth for rural areas, creates jobs, and grows and diversifies the tax base. A long-term outcome of this investment will be further enhancements in value-added agricultural processing businesses across the state.
- **Improved Ability to Educate Foreign and Domestic Customers** — North Dakota has long been known for excellent quality agricultural commodities. NCI's role in educating our customers will be expanded and enhanced. Foreign and domestic buyers will learn from experts about the quality of our products, how to best use them in their product lines, and how to manage purchases and logistics from regional suppliers. This translates into market access as well as enhanced revenues for North Dakota farmers and ranchers, and rural communities.

Thank you for the opportunity to testify on this bill and your consideration of funding this important component of infrastructure related to our state's agricultural and food processing industry.

March 31, 2021

Chairman Holmberg and members of the Senate Appropriations Committee,

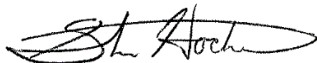
On behalf of Dickinson Public Schools, I am writing to you in favor of HB 1431. This bill will allow us an opportunity to do something incredible for students and employers in southwest North Dakota. We have long heard the cry for the demand of enhanced workforce training and career opportunities, and we are now in the position to fill that need.

Dickinson Public Schools has been working meticulously with our local partners, including Dickinson State University, Roughrider Area Career and Technical Education Center, Trinity Catholic Schools, as well as numerous business and community leaders to establish a regional career academy. This academy will provide career and technical education as dual and concurrent enrollment courses and programs while creating pathways to employment, certification, post-secondary degrees, and so much more.

It is our mission to prepare all learners for life-long success. We are committed to helping ALL students find their passion and helping them experience success both during their secondary educational experience as well as their desired pathway thereafter. This academy allows us to identify the skill needs lead by industry while putting more choice and opportunity in the hands of our students. This academy will put businesses at the table with our educators to guide the curriculum and programming, resulting in high-demand and high-paying career opportunities.

Because of our faith and commitment in the mission of this project, the Dickinson Public School Board purchased a property with five buildings for \$6 million in November 2020. This property will provide a jump start to the establishment of a regional career center. Passage of HB 1431 will solidify this opportunity.

Sincerely,



Dr. Shon Hocker
Superintendent
Dickinson Public Schools



Senate Appropriations Committee – HB 1431

Senator Ray Holmberg, Chair

March 31, 2021

Chairman Holmberg, Members of the Committee:

My name is Brian Ritter and I'm President of the Bismarck Mandan Chamber EDC. I am here today on behalf of our organization's approximately 1,200 members in support of HB 1431.

There are a number of aspects in HB 1431 that we're supportive of, one specifically being the ability to bond for infrastructure projects. In every corner of the State, there are communities with water, road and other infrastructure needs that could benefit from the additional monies being made available in HB 1431. Coupled with historically low interest rates, there has never been a better time to leverage our State's resources and reinvest in North Dakota via these projects. In addition, doing so will provide opportunities for 'blue collar' and 'white collar' businesses alike to perform the work necessary to put in place that infrastructure. And coming out of the economic slowdown caused by COVID-19, the timing is perfect.

For these reasons, we stand with a number of other organizations and communities from across the State in support of HB 1431.

Respectfully,

Brian Ritter, President

Bismarck Mandan Chamber EDC



DEPARTMENT OF COMMERCE TESTIMONY HB 1431

MARCH 31, 2021, 2:30 P.M. CST

SENATE APPROPRIATIONS

SENATOR RAY HOLMBERG CHAIR

SARA OTTE COLEMAN DEPARTMENT OF COMMERCE

TOURISM AND MARKETING DIVISION DIRECTOR

Chairman Holmberg and members of the Senate Appropriations Committee, I am Sara Otte Coleman and I have the privilege of serving as the State Tourism and Marketing Director for the North Dakota Department of Commerce. I am in support of HB 1431 as it provides a solution to many of the problems our state has had meeting ongoing infrastructure needs. While all parts of the bill address areas to improve residents, visitors and potential new residents' experiences, there are two areas particularly significant to tourism and attracting visitors.

The Cultural Endowment Fund will provide \$1 million to support the maintenance of the soon-to-be erected public arts projects the North Dakota Council on the Arts (NDCA) and the Department of Transportation (DOT) are developing through the statewide creative placemaking program. It is essential that we include sustainability plans as part of new project development and ongoing improvements to assure we do not end up with a backlog of deferred maintenance. This has been an on-going problem at private attractions like the Enchanted Highway and national sites such as Theodore Roosevelt National Park. Public art and our larger-than-life roadside attractions continue to be of great interest to visitors and the media. The NDCA, with other statewide agencies including DOT and North Dakota Tourism, are excited to develop the *Arts Across the Prairie* program that will benefit the state in many ways including attracting visitors to nearby communities.

I would also support the \$10 million inclusion to support maintenance and improvement at our State Parks. This will assure these parks are safe and meeting visitor's current needs.

With travel interests changing due to the pandemic, our state's competitive advantages are appealing to more visitors. The resources prescribed in this bill will provide needed sustainability to assure continued growth and recovery.



103 1st Avenue West, Suite 101 • Dickinson, ND 58601

March 30, 2021

Chairman Holmberg and Members of the Senate Appropriations Committee:

As a founding member of our Southwest Career and Technical Education Taskforce, I respectfully submit my support of HB 1431. Our mission is: "to facilitate career readiness in southwestern North Dakota through premier career and technical education in response to the state and regional business, industry and labor needs."

One of our greatest priorities at Stark Development Corporation has been creating a skilled workforce to meet the demanding needs of the region. Regional industry demands placed on our workforce by our diverse economic drivers have made it essential that we address a ladder approach to educating our youth, young adults and professionals. With vibrant programming and CTE options available locally and in our region, we can directly address these workforce needs.

As a long-standing community member of Dickinson, it pleases me to see the enthusiasm and cooperation of both our local public and private school districts, Dickinson State University, the regional schools, Roughrider Area Career and Technical Center and local municipalities are dedicating to the future of our region.

Our youth have often been cited as one of our greatest exports. Now is the time to do what we can to invest in the future of our state, and specifically southwest North Dakota, by providing the resources to match these young minds with our regional education partners to build the skilled workforce needed to address our growing industries. The Southwest Career and Technical Education Academy will provide the essential path to achieve this goal.

The workforce needs of our region often pose a significant barrier to the growth of our industries and local economy. Supporting our region and our greatest asset, the youth of North Dakota, through the efforts of HB 1431 will give us the edge to meet the needs of our regions' workforce demands while preparing our youth for success in the high-demand and high-paying careers we are building in North Dakota.

We sincerely thank you and encourage you to offer your support for HB 1431 and the impact it will have on the youth of southwest North Dakota.

Sincerely,

Ryan Jilek
Executive Vice-President



AMERICAN COUNCIL OF ENGINEERING COMPANIES
of North Dakota

11091

Senate Appropriations Committee

Testimony in Support HB 1431

Chairman Holmberg and Members of the Committee, my name is Mike Krumwiede appearing on behalf of the American Council of Engineering Companies in support of HB 1431. The American Council of Engineering Companies of North Dakota (ACEC/ND) is a nonprofit, voluntary, self-governing organization which represents 29 member firms and nearly 1500 employees. The American Council of Engineering Companies of North Dakota (ACEC/ND) is the business voice of North Dakota's consulting engineering industry. ACEC Member Firms are at the heart of the built environment, bringing us bridges, roads, water, sanitation, transit, rail, buildings, environmental protection and cleanup.

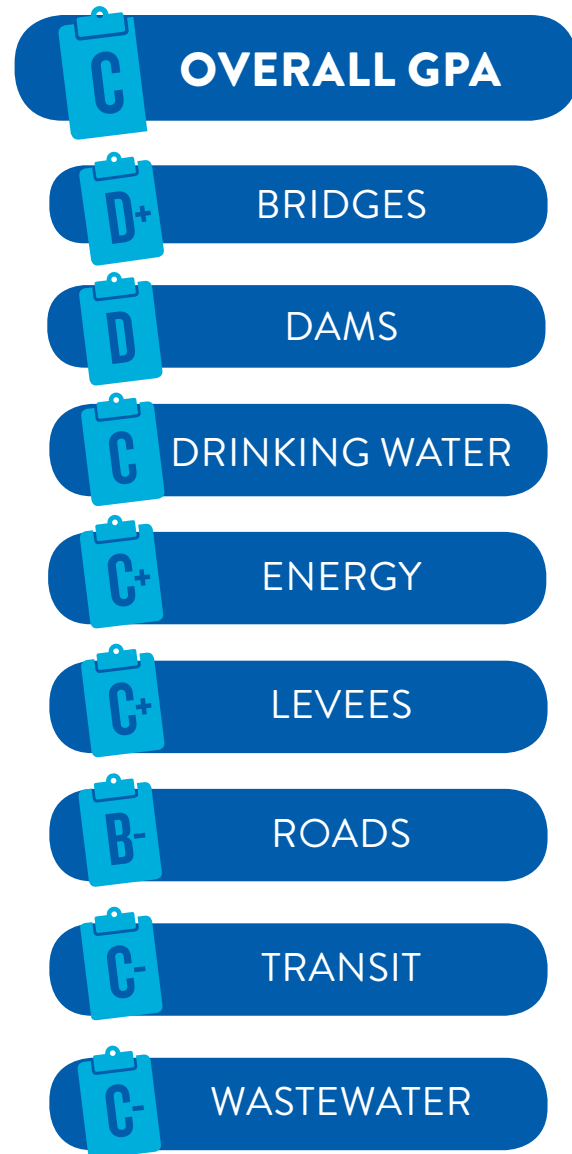
ACEC North Dakota has long recognized the importance of investing in our states critical infrastructure needs, including transportation, water, energy, buildings, airports, parks and communication systems. Beyond those, a well-maintained infrastructure is the backbone of all sectors in a healthy and vibrant economy.

While ACEC North Dakota supports occasional one-time infusions of additional funds in those areas as budgets allow, current funding shortfalls and long-term funding gaps need to be addressed with long-term funding solutions. We believe additional resources help grow a solid business environment by providing jobs in every field from health care to education. As a result, ACEC North Dakota advocates for predictable, sustainable, infrastructure support and consistent policies across all North Dakota state agencies.

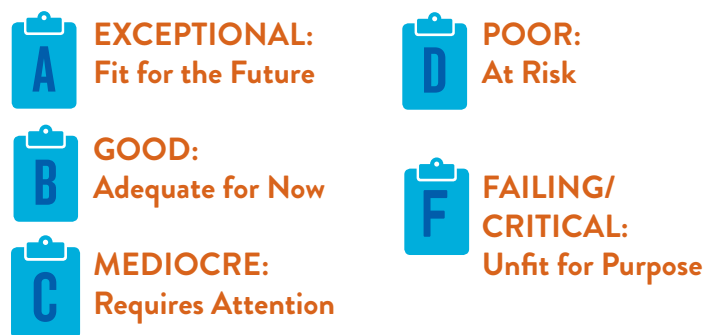
Recently American Society of Civil Engineers (ASCE) published a report card outlining the status of infrastructure in the state of North Dakota. This Report Card is the first of its kind for the state of North Dakota, providing a snapshot for eight categories of infrastructure: Bridges, Dams, Drinking Water, Energy, Levees, Roads, Transit, and Wastewater. Our state's infrastructure received an overall GPA of C, which is slightly better than the national GPA of D+. A GPA letter grade of C means the infrastructure in our state is in mediocre condition. Our networks show general signs of deterioration and require attention, and some elements exhibit significant deficiencies in conditions and functionality, with increasing vulnerability to risk. I have included a copy of this report card at the end of my testimony.

ACEC North Dakota supports HB 1431 because it is an effective tool in the toolbox to get projects going and move infrastructure projects along earlier while investing back in our state. We believe that through fiscally and responsible infrastructure funding mechanisms we can build things more promptly to accelerate the economic recovery. Support of North Dakota's pro-business environment through agency infrastructure budgets reinforces all aspects of both the public and private sectors. For these reasons we would urge a DO PASS recommendation on HB 1431. Thank you for your time and consideration.

NORTH DAKOTA'S GRADE SUMMARY



Individual Report Card categories were analyzed based on the following criteria:



Cover Photo: Garrison Dam
Photo by Harry Weddington, USACE, used with permission

RECOMMENDATIONS TO RAISE THE GRADE

IMPLEMENT SUSTAINABLE FUNDING SOURCES

- ◆ Increase the motor fuel tax to provide a sustainable transportation funding source and allow us to meet the local portion of the federal gas tax match. Currently, the North Dakota fuel tax is 23 cents per gallon. This is the second lowest in the Midwest and it hasn't been raised since 2005. The North Dakota state taxes and fees per gallon of gasoline are lower than neighboring states: Minnesota (28.6 cents), South Dakota (30 cents), and Montana (32.25 cents) per gallon. The national average fuel tax is 31 cents per gallon.
- ◆ Provide funds for programs that offer low interest loans for all types of infrastructure projects. Legacy Funds can be transferred to programs within the Bank of North Dakota, such as the Infrastructure Loan Fund, to provide low interest loans for transportation and new development infrastructure improvements.
- ◆ Encourage and assist cities to develop user rate structures that can fully support the local share of capital improvements for infrastructure, not just operation and maintenance (O&M). Rates should be adjusted to reflect the true cost of service for the infrastructure.

ENCOURAGE INNOVATIVE DESIGN SOLUTIONS AND TECHNOLOGIES

Historically, our state has been cautious to implement new design solutions and technologies. Innovation can improve the efficiency of the infrastructure systems. Additional funds for planning, design and construction of innovative projects can support better deployment of new technologies, such as connected vehicles and infrastructure.

ENCOURAGE INFRASTRUCTURE OWNERS TO DEVELOP ASSET MANAGEMENT PLANS

Asset management plans help infrastructure owners anticipate future infrastructure needs. North Dakota should consider providing financial assistance as asset management plans enable better ownership and save money down the line.

ABOUT THE REPORT CARD

The 2019 Report Card for North Dakota's Infrastructure was prepared by a local committee of civil engineers from North Dakota. These civil engineers volunteered to collect and analyze data, prepare the facts and trends to assist in grading each category, hold meetings with the respective agencies overseeing the infrastructure, and ultimately prepare the final reports and grades for each category of infrastructure.

CONTACT

- PHONE: 800-548-ASCE (2723)
- EMAIL: reportcard@asce.org
- WEB: infrastructurereportcard.org/north-dakota

INFRASTRUCTURE MATTERS

North Dakota's infrastructure is the backbone of our state's economy. Infrastructure provides our most important asset – our people – with the ability to effectively push our state and nation forward into the future. The condition of our state's infrastructure impacts our ability to be competitive in the national and international markets and provides the quality of life that all North Dakotans expect to have and be proud of. North Dakota, known for the unwavering work ethic of its people, can position its next generation of people by implementing changes in funding, asset management and innovative solutions for maintaining, improving and expanding the state's infrastructure.

This Report Card is the first of its kind for the state of North Dakota, providing a snapshot for eight categories of infrastructure: Bridges, Dams, Drinking Water, Energy, Levees, Roads, Transit, and Wastewater. Our state's infrastructure received an overall GPA of C, which is slightly better than the national GPA of D+. A GPA letter grade of C means the infrastructure in our state is in mediocre condition. Our networks show general signs of deterioration and require attention, and some elements exhibit significant deficiencies in conditions and functionality, with increasing vulnerability to risk.

As civil engineers, our responsibility is to protect the public health, safety, and welfare of those who use our state's infrastructure. We hope the public and policymakers find this Report Card insightful so the important and difficult conversations can happen and action can take place.

HOW TO GET INVOLVED

1

Get the full story behind this Report Card at InfrastructureReportCard.org/North-Dakota.

2

Find out the condition of the infrastructure near you on the Save America's Infrastructure app available on iTunes and GooglePlay.

3

Ask your elected leaders what they're doing to make sure your infrastructure is reliable for the future. Use your zip code to find your list of elected officials at infrastructurereportcard.org/take-action.



North Dakota Section of the American Society of Civil Engineers

INFRASTRUCTUREREPORTCARD.ORG/NORTH-DAKOTA





NORTH DAKOTA'S INFRASTRUCTURE REPORT CARD

Executive Summary

BRIDGES

North Dakota is home to 4,377 bridges. Statewide, 14% of bridges are structurally deficient, compared with 8.9% nationally. While not unsafe, structurally deficient bridges require significant maintenance, rehabilitation, or replacement because critical load-carrying elements were found to be in poor condition. Meanwhile, 43% of North Dakota bridges are over 50 years in age, meaning they are past their initial design life. Most structurally deficient bridges are owned by local jurisdictions and there is a more than \$400 million backlog of necessary projects on the local bridge network. Another challenge in North Dakota is the weather; cold and snowy conditions with heavy freeze/thaw cycles increase bridge deterioration. Overall, North Dakota bridges are in worse shape than the national average.

DAMS

North Dakota has approximately 3,153 intact dams, with a wide range of purposes from flood control to recreation. According to the National Inventory of Dams (NID), there are 49 high hazard potential (HHP) dams in the state (including federal and state-regulated dams). A HHP dam is a dam in which failure is expected to result in loss of life. Seventy-three percent of the HHP dams in the NID have a condition assessment rating and half of those are considered deficient and do not meet accepted safety standards in some way.

The condition of these dams is concerning; however, inspections are occurring regularly. Eighty-eight percent of HHP dams have emergency action plans (EAPs), which is higher than the national average of 77%. This is a positive but does not offset the overall concern with the condition of the HHP dams. The State Water Commission has

cost-share policies in place to assist owners in developing EAPs; however, commodity prices and legislatively directed funding priorities greatly influence available funding.

DRINKING WATER

Public water systems provide potable drinking water to 98.8% of North Dakota's residents. Most of the state's public water systems are small, serving 3,300 residents or less. Major new drinking water infrastructure projects, such as the Williston Regional Water Treatment Plant expansion and the Western Area Water Supply Project, were completed in response to the oil boom's population growth. However, other portions of the distribution system are at the end of their service lives and require either rehabilitation or replacement. The North Dakota Drinking Water State Revolving Fund (DWSRF) Intended Use Plan indicated that in 2018, there were approximately \$594 million worth of DWSRF-eligible infrastructure projects state-wide. Fortunately, investments are being made. Approximately \$125 million will be available from the 2017-2019 biennium for water projects from the State Water Commission, while the DWSRF is funding approximately \$46 million in projects. Despite challenges associated with an aging system, the state has an excellent public health record.

ENERGY

North Dakota's 65,000 miles of transmission and distribution lines transmit about twice the amount of electricity the state uses on average. Most of the electricity is generated by coal, but recently wind has made a considerable addition to the market, up to 1/4 of the total generation. This has impacted the way the coal industry needs to look at daily demands and long-term

planning. Meanwhile, hundreds of miles of transmission line were planned during the early 2000s oil boom, but portions of projects were canceled when oil prices declined. Rates are capped at investor owned utilities and increasing fees to pay for transmission line land acquisition, permitting and routing has proven difficult. North Dakota's electric rates are relatively low, averaging \$0.12 per kwh.

LEVEES

The North Dakota State Water Commission has issued permits for 627 flood control levees, totaling 325 miles. Heavy flooding across North Dakota in 2009, 2010 and 2011 exposed deficiencies in the levee systems, and major investments are now underway to improve the condition and capacity of levees to reduce flood damage in the future. Over \$1 billion has been spent, from all funding sources, on flood-related projects along the Red River alone since 1997. Residents in Fargo, Grafton, Valley City and Minot approved sales tax increases to pay for the local share of various flood mitigation project costs.

The state and local governments have done a commendable job of prioritizing investment in levees in recent years and great strides have been made. The United States Army Corps of Engineers periodically inspects 94.19 miles of North Dakota levees, 21.54 miles of which are presently rated as unacceptable, but these bad marks are sometimes the result of incomplete paperwork rather than reflective of the actual condition of the structures. North Dakota does not require periodic levee inspections nor reports on levee conditions after their construction.

ROADS

North Dakota ranks among the highest-spending states per capita on highways. Currently, 67% of urban roads and 77% of county and township roads are in good or very good condition. However, looking ahead, significant work will need to be done to address roadside safety, find alternative sources of funding, and ensure equitable assignment of resources among high-growth areas.

Should funding remain stagnate, estimates show that state-maintained roads in poor condition will nearly double between 2018 and 2021, from 443 miles to 872 miles. And while capacity remains adequate across the state, despite a 64%

increase in vehicle miles traveled over the last 20 years, the state has major challenges during winter months responding quickly to snow removal and de-icing.

TRANSIT

Public transportation plays a major role in improving livability for transit-dependent populations in the state of North Dakota. Three of the 29 transit agencies in the state are classified as urban transit providers, four are tribal transit providers, and the remaining 22 are rural operators. Three modes of public transportation are available in North Dakota: Fixed-Route Bus, Demand Response Transit, and Demand Response Taxi. Public transit ridership in North Dakota dropped 6.5% from 2015 to 2016 and 4.9% from 2014 to 2015, mirroring a national trend of decreased ridership. The farebox recovery rate (percent of trip's operating costs recovered through passenger fares) for all transit operations across the state is observed as 8.4%, which is close to the national average (9%) for rural transit agencies. Meanwhile, with operating expenses totaling over \$34 million, increased funding is needed to improve accessibility and public transportation services and facilities.

WASTEWATER

North Dakota's 755,000 residents are served by over 350 municipal wastewater systems. Rapid population growth associated with the oil industry resulted in many recently completed or ongoing upgrades and expansions of municipal wastewater treatment facilities (WWTFs).

Over the last 10 years, more than \$265 million was spent to improve and upgrade the mechanical WWTFs in the larger communities. Approximately \$180 million is expected to be invested in the WWTFs of Fargo, Grand Forks, Bismarck, and Minot over the next 10 years. However, per capita spending on wastewater operations and maintenance has remained flat and older communities struggle with stormwater infiltration and inflow issues as the collection systems age. Additionally, communities served by wastewater pond treatment systems are challenged by storage volume needs, dike erosion protection, seasonal odors, and delayed discharges due to pollutant variability.

SENATE APPROPRIATIONS
March 31, 2021, 2:30 PM

North Dakota Department of Transportation
Bill Panos, Director
HB 1431

Good afternoon Chairman Holmberg and members of the Senate Appropriations Committee. My name is Bill Panos, Director of the North Dakota Department of Transportation (NDDOT). I am here this afternoon in support of HB 1431 which provides an allocation to the North Dakota Council on the Arts (NDCA) cultural endowment fund.

We've partnered with the NDCA to provide transportation-related assistance in their *Arts on the Prairie* initiative. This program brings large-scale public artwork to North Dakota.

In addition to providing signage, our partnership with NDCA also involves the addition of pull-outs for visitors to safely visit the artwork. We believe this is the first partnership of its kind in the country.

Creativity is engrained in everything we do at the NDDOT – from engineering to design to the way we serve the public. We are happy to partner with NDCA to make art safely accessible to all North Dakotans.

Thank you and I'd be happy to answer any questions you may have.

March 31, 2021

Kylee Merkel, Business Banker for Government Programs

Bank of North Dakota

HB1431

Position: Neutral

Kylee Merkel will not have formal testimony. She will be available for questions related to the infrastructure revolving loan fund.

1 Chairman Holmberg & members of the committee, my name is Scott Skokos and I am testifying on
2 behalf of Dakota Resource Council and our members. Thank you for allowing me to testify today in
3 opposition of HB 1431.

4 Dakota Resource Council (DRC) is a non-partisan grassroots group of landowners, ranchers, farmers, and
5 other citizens. We were founded to watchdog over energy policies that impact family farms and ranches.
6 We stand here today in opposition to HB 1431 because HB 1431 is, in our view, a misuse of Legacy Fund
7 earnings as it gives \$250,000,000 to a fund represented by special interest groups without transparency.
8 These bonding loans to the “clean sustainable energy fund” are overseen by the yet to be created “Clean
9 Sustainable Energy Authority” which has no voting representation from the wind or solar industries. The
10 Legacy Fund was created to support North Dakota once the coal, oil, and gas industry revenue runs out,
11 not to prop up industries in decline. In 2013, a stakeholder group consisting of elected officials and
12 citizens of all political spectrums met to discuss the best ways to use the Legacy Fund. The group
13 ultimately concluded that the Legacy Fund should be used conservatively in the following manner:
14 *allocate 25 percent of annual Legacy Fund earnings from 2017 through 2039 to bold and visionary*
15 *purposes that build a bridge to a future.*¹ In our view, using Legacy Fund dollars to prop up the declining
16 coal industry (the likely recipient of much of this funding) is neither bold nor visionary or a bridge to the
17 future. This is in addition to this funding is being used a bailout to the coal industry. We believe this use
18 of the Legacy Fund earnings is unwise and fiscally irresponsible. We oppose the \$250,000,000 to the
19 “clean sustainable energy fund” because it is not the intention for the Legacy Fund. This fund is throwing
20 public monies towards expensive, high-risk projects that will raise the cost of electricity long-term,
21 moving us backward rather than forward.

22 The other issue we have with this bill is that these bonding loans go to an Authority without transparency.
23 Taxpayers deserve to know what public monies are being spent on. This funding proposed in HB 1431 to
24 the “clean sustainable energy fund” which is overseen by the “Clean Sustainable Energy Authority”. This
25 Authority would not be subject to the same scrutiny as other funds because of fears over trade secrets and
26 industry competition. This fund is essentially a black hole for public monies. Banks and investors are
27 steering clear of coal investments and loans due to risk, so why should we give Legacy Fund to those
28 investments? In our view, it is not good for the government to provide millions of dollars to various funds
29 without the public having the ability to properly scrutinize the use of the money.

30 Lastly, in our view, a more appropriate use of the Legacy Fund dollars would be to direct it towards an
31 equitable transition for communities that are reliant on coal and people working in the coal industry
32 through retraining, economic diversification, community development, and transition planning as experts
33 around the country recommend.

34 In conclusion HB 1431 is a bill that allows the misuse of legacy fund dollars without transparency. As a
35 result, we urge the committee to oppose HB 1431 and recommend a DO NOT PASS on HB 1431.

¹ 1 https://www.betterenergy.org/wp-content/uploads/2018/03/North_Dakota_Legacy_Fund_Recommendations.pdf pg. 5

News

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Print Newsletter

Young Educators



Students from White Shield visited the Capitol this week to help promote SB 2304 about teaching Native American history (see story below). Pictured from left are Elijah, Sophie, Instructors Hunter Andes and Margaret Yellowbird, Raylene, Lexus and Eatosh.

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Julie Fedorchak Randy Christmann

Committee Debates Grid Responsibility Bill Incentivizes Utilities to Focus on Reliability

A House Energy and Natural Resources subcommittee is debating merits of a proposal from the ND Public Service Commission to put new life back into legislation aimed at promoting grid reliability.

An amendment to [SB 2313](#) would allow the PSC to impose big penalties if utilities fail to keep the

lights on The original bill would have imposed a "firming" requirement on utilities to maintain adequate dispatchable (reliable) generation, but it was opposed by utility lobbyists. The bill was watered down in the Senate to simply require the state transmission authority to gather information from utilities for a report to the legislature on the adequacy of the state's generation resources.

However, the latest version under consideration in the subcommittee would allow the PSC to determine "qualitative benefits" of generation resources and allow the PSC to impose penalties if a public utility fails to provide reliable service. PSC Chair Julie Fedorchak said the value that a utility's generation assets contribute to reliability needs to be an important consideration in the company's resource mix.

Click [here](#) to listen to Fedorchak's comments.

PSC Commissioner Randy Christmann said utilities need to be encouraged to secure firm capacity to meet customer demands. Christmann said at times companies have been too casual about their ability to secure backup power when non-dispatchable (wind and solar) resources are not available.

Click [here](#) to listen to Christmann's comments.

Christmann supports the penalty provisions in the bill, but opposed a suggestion that any fine be

capped at \$2 million. He said it would hardly be adequate in a worst case scenario where a power failure resulted in loss of life. Christmann said it's important that the law provides a powerful incentive to motivate utilities to maintain a reliable electric system.

Click [here](#) to listen to Christmann's comments.

Legislators have said they're frustrated by "finger pointing" in the wake of power outages, with different entities blaming each other and not accepting responsibility for the failure. Fedorchak told utility lobbyists at the hearing that the legislation should clearly assign that responsibility to the utility.

Click [here](#) to listen to Fedorchak's comments.

WDEA supports the PSC's proposal. WDEA Executive Director Geoff Simon said the legislation amounts to a state policy, communicating to utilities and grid operators that electric reliability is absolutely essential.

Click [here](#) to listen to Simon's comments.

The subcommittee took no action on the amendment, and urged the PSC and utilities to discuss language they could agree upon that would define the conditions under which a penalty could be imposed. The subcommittee will meet again at 8:00 a.m. Tuesday. The PSC has posted a [public meeting notice](#) that it will discuss the bill at 4:00 p.m. Monday.



Coal Creek Sales Talks Down to One GRE in Exclusive Negotiations to Sell Plant

Gov. Doug Burgum announced this week that Great River Energy is now in exclusive negotiations with a single buyer to sell Coal Creek Station and GRE's high-voltage, direct current transmission system.

Last year GRE announced plans to retire Coal Creek Station, a 1,151-megawatt coal-fired power plant near Underwood in the second half of 2022. Since then, state officials led by Lt. Gov. Brent Sanford have worked with GRE and potential buyers to keep the plant in operation. The facility has 240 employees, with another 450 working at North American Coal's nearby Falkirk Mine, the plant's coal supplier.

"This is wonderful news for Coal Creek Station's employees, their local communities and the entire state of North Dakota," Burgum said. "We're deeply grateful to Lt. Gov. Sanford, GRE, the legislature, our state's congressional delegation and everyone involved in creating a viable path forward for Coal Creek Station and our lignite coal industry."

According to the governor's office, the potential buyer would buy the plant and the DC line, and intends to pursue plans to capture carbon dioxide from the coal plant's emissions. This week, Burgum signed [SB 2152](#), which provides a sales tax exemption for carbon dioxide used for secure geologic storage, providing an incentive to continue developing North Dakota's lignite coal reserves.

Click [here](#) for a Bismarck Tribune article about the negotiations.



Bonding Bill Back to \$1.1 Billion Loan Pool Added for CO2 Capture Projects Committee Okays Coal Severance Tax Break

A revolving loan fund added this week to a bonding bill under consideration by the North Dakota Legislature could help fund future projects aimed at capturing carbon dioxide from coal plants.

The \$250 million loan pool was tacked onto the bill by the Senate Finance and Taxation Committee, chaired by Beulah Senator Jessica Bell. It was added on top of a previous amendment to [HB 1431](#) previously pitched to the committee by Senate Majority Leader Rich Wardner. That amendment had increased the bill's price tag to \$860 million, adding back many items taken out in the House-passed \$680 million version of the bill. With the amendment approved this week by the Tax Committee, the bill is now back to \$1.1 billion, which is [where it started](#) the first week of the legislative session.



Jessica Bell

Although not exclusively dedicated to CO2-capture and sequestration, it is one of the primary

projects for which the "clean sustainable energy fund" is being developed. A separate bill, [HB 1452](#), establishes the clean sustainable energy authority, which would consider grants and loans issued to cutting edge, high tech energy projects. That bill is currently awaiting action in the Senate Appropriations Committee.

Other items added to the bonding bill by Wardner's amendment include \$60 million for career and tech ed projects; \$65 million for deferred maintenance on state buildings; \$30 million for township roads; \$10 million for state parks; \$4 million for digitization of documents for the Theodore Roosevelt Library; \$4 million to complete Pulver Hall at Dickinson State; and \$4.7 million for maintenance of historical buildings.

The Senate committee also approved an amendment to [HB 1380](#), which has become known as the Legacy Fund "streams bill." It would direct future Legacy earnings to various categories of spending. The House had reduced the streams to a trickle, directing funds to cover only the bonding repayment, \$40 million for the clean sustainable energy fund, and \$40 million to the infrastructure revolving loan fund. Additions to the streams bill approved by the committee include funds directed to economic diversification research at state universities, a workforce development enrichment fund, an infrastructure fund for one-time projects, a legacy project fund, and an innovation research and diversification fund.

The committee also approved [HB 1412](#), which would provide a 5-year reduction in the coal severance tax, but before doing so approved an amendment offered by Senator Bell. The change increases to 85 percent the amount the severance tax would be reduced, but excludes the 15 percent that goes to support counties, cities and school districts in the coal-producing counties. The original House version would have reduced the tax by just 60 percent.

All three pieces of legislation will move from the Tax Committee to the Senate Appropriations Committee.



House Considers Straddle Well Bill MHA Nation Wants Tax Sharing Deal

There are hundreds of oil wells around the perimeter of the Fort Berthold Reservation, many of which have underground laterals that begin inside the reservation and go out, while others have laterals that begin outside the boundary and go in. The state of North Dakota currently gets a share of the tax revenue from those inside the boundary, but the MHA Nation does not receive tax revenue from those on the outside. [SB 2319](#) would change that.



Chairman Mark Fox

The bill, which narrowly passed the Senate 25-21, was heard this week by the House Finance and Taxation Committee. MHA Chairman Mark Fox told committee members there are currently 132 wells outside the reservation with laterals that go into it, and said the tribe is entitled to the tax revenue they generate.

Click [here](#) to listen to listen to Fox's comments.

As a bargaining chip to entice the state to approve the tax sharing agreement, Fox has proposed seeking an exception from the Biden administration's ban on federal leasing to tap separate parcels under the control of the federal government. The areas, known as Blue Buttes in McKenzie County and Lost Creek in northern Dunn County, are currently inaccessible, but could be tapped with underground laterals from oil wells on the reservation.

Committee members heard a [presentation](#) from Joel Brown, vice-president of Mineral Tracker, who evaluated the potential production from oil formations under the two parcels. Brown said they have some of "the best geology in the state," and have EURs (estimated ultimate oil recovery) that are well above the state average.

Click [here](#) to listen to Brown's comments.

Brown said based on establishment of 10 spacing units, 67 new wells could be drilling in Dunn County and 43 in McKenzie County, producing upwards of 25,000 barrels of oil per day within five years. He estimated over the life of the wells, they could produce more than 90 million barrels, generating an estimated \$426 million in tax revenue for the state, \$50 million for Dunn County and \$40 million for McKenzie County. The counties would also receive a share of the federal royalties if the area is developed.

Fox shared with the committee a [draft letter](#) addressed to the Corps of Engineers requesting a

meeting to discuss the continuing operation of the Dakota Access Pipeline. Previous testimony indicated that DAPL transports about 225,000 barrels of oil per day that is produced on the reservation, and its shutdown could cost the tribe and the state's producers millions in lost revenue due to higher transportation costs. Fox was asked why the letter was just a draft and had not been mailed since it was in the tribe's interest to do so. The letter was subsequently mailed the next day.

To get the bill through the Senate, it was amended to delay the effective date of the tax-sharing agreement until 2023, and then only if at least one well is drilled in the federal land. It would also exempt Mountrail County from any tax loss if agreement is reached. Fox asked the committee to restore the bill to its original form.



Jordan Kannianen

Senate Defeats Gas Tax Increase Other Legislation Provides Road Funds

The North Dakota Senate today soundly rejected [HB 1464](#), a bill that would have raised the state motor fuel tax by 3 cents to 26 cents per gallon, defeating the measure on a 29-16 vote.

The bill, which previously cruised through the House on a 62-32 vote, would also have included an annual registration fee increase of \$15 for electric vehicles and \$20 for hybrid vehicles. Senator Jordan Kannianen from Stanley said Senate Finance and Tax Committee members, who gave the bill a "do not pass" recommendation, felt other legislation could help meet the state's road construction needs. Kannianen cited the pending bonding bill, the streams bill and last session's

Prairie Dog bill, which would all direct funding for road and bridge infrastructure work.

Click [here](#) to listen to Kannianen's comments.

Sen. Kannianen also noted that a lower gas tax than surrounding states gives North Dakota a competitive retail advantage, particularly for border cities.

Click [here](#) to listen to Kannianen's comments.

Sen. Jim Roers of Fargo, who supported the bill, said the gas tax is a true user fee since the revenue generated through the tax can only be used for highways and cannot be diverted to fund any other government program. Roers said even with the proposed increase, North Dakota's fuel tax would still be lower than the neighboring states of Montana, Minnesota, and South Dakota.

Click [here](#) to listen to Roers' comments.

The state gas tax has not been raised in North Dakota since 2005. Click [here](#) for a story on the bill from KFVR-TV and [here](#) for Fargo Forum coverage. Click [here](#) for an article from the WDEA newsletter on House passage of the bill in February.



Senate Kills Recreational Marijuana Bill Public Safety & Workplace Issues Cited

After more than an hour of debate, the North Dakota Senate defeated an effort to legalize, manage and regulate adult use of recreational marijuana in the state. The Senate vote was decisive, with the legislation failing by a 37-10 margin. Last month the House passed the bill 56-38.

Proponents of [HB 1420](#) viewed the legislation as a way to head off future citizen-initiated efforts to legalize marijuana with a constitutional measure. That view was advocated by West Fargo Senator Judy Lee, who presented the bill on the Senate floor.

Click [here](#) to listen to Lee's comments.

Senator Lee compared recreational marijuana use in the state to an oncoming train that the state has an opportunity to control.

Click [here](#) to listen to Lee's comment.

Lee said the Secretary of State has already approved the petitions that will be used to gather



signatures for at least one citizen-initiated measure for a



Judy Lee

constitutional amendment, which she pointed out cannot be changed by the legislature

West Fargo Senator David Clemens opposed the legislation, citing testimony from health organizations, transportation groups, law enforcement agencies and business interests concerned about public safety and workforce issues. Clemens said he trusts the decisions of North Dakota citizens and prefers to "let the voters decide" the issue.

Click [here](#) to listen to Clemens' comments.



David Clemens

Edinburg Senator Janne Myrdal, picking up on Lee's analogy, said the train is heading in the wrong direction and North Dakota should not jump on. Myrdal said she sees nothing positive about legalizing marijuana.

Click [here](#) to listen to Myrdal's comments.



Janne Myrdahl

The bill would have restricted recreational marijuana to people 21 and older, limited possession to 1 ounce, limited and tracked purchase amounts, limited use to private property and banned home growing. A companion bill ([HB 1501](#)) that would have set a tax policy for recreational marijuana was unanimously defeated following the floor vote killing recreational use.

Click [here](#) for a Bismarck Tribune article on the Senate vote. Click [here](#) for WDEA's article on House action last month.



School Carry Over

Bill Passes House

Amendment Provides Two-Year Moratorium

The House this week overwhelmingly approved [SB 2165](#), a bill changing the amount of ending fund balances school districts are allowed to carry forward.

Prior to House passage, an amendment was added creating a two-year moratorium on implementing the ending fund balance law in order to give school districts the time they need to use federal assistance from the Elementary and Secondary School Emergency Relief Fund (ESSER), which they receive to handle impacts from the COVID-19 pandemic.



David Richter

Williston Rep. David Richter said the moratorium will give districts the time they need to spend the federal assistance wisely.

Click [here](#) to listen to Richter's comments.

State law currently provides two sections dealing with ending fund balances and amounts that can be carried forward. Both limit a school district's ending fund balance, but they're computed differently with different limitation percentages. One section is computed based on the current annual budget and there is no fiscal penalty for exceeding the limit. The second section is computed based on actual expenditures and results in a deduction of state school aid if the limit is exceeded.

SB 2165 aligns both sections to allow for 35% of actual expenditures plus \$50,000 or \$100,000 if the school district is in a cooperative agreement with another school district. Pending concurrence from the Senate, the carryover rule would be implemented July 1, 2023. The Senate unanimously approved the bill in January.

The carry forward limitation was put in place to ensure a local district did not continue to levy tax on its citizens or accept state funds while sitting on larger than necessary reserves. Click [here](#) for an article from the WDEA newsletter regarding the legislation from the House Education Committee discussion in early March.



Native American History Tied Up

Bill to be Reconsidered after 47-47 Vote





Steve Vetter

A bill that would have required an emphasis on Native American history in all public and non-public schools in North Dakota appeared to have gone down to defeat, falling one vote short of passage on 47-47 tie vote in the House on Tuesday, but the following day Grand Forks Rep. Steve Vetter requested reconsideration of the legislation.

The House agreed to reconsider [SB 2304](#) and then re-referred it to the House Education Committee for further discussion and possible amendments.

In the floor debate Tuesday, legislators argued that schools already teach some form of Native American studies, and requiring such specificity in curriculum doesn't have a place in state law.

Those supporting the legislation said it would provide more structure to studies of Native American history, which they argued has not been sufficient to help students understand Native American culture.

The bill previously passed the Senate without a dissenting vote. Click [here](#) for an article from the WDEA newsletter about the initial discussion of the bill before the House Education Committee.

Click [here](#) for a Dickinson Press article about the debate.



Lewis & Clark Plant Shutting Down Coal Plant Generated Power Since 1958

Its red and white smokestack has been part of the Sidney, Montana skyline for more than six decades, but next week Lewis and Clark Station will generate its last electron.

Montana-Dakota Utilities will shut down the 44-megawatt lignite-fired plant that has been generating electricity since 1958. The company also plans to shut down the two coal-fired units of

Hestkett Station in Mandan next year. In its [news release](#) two years ago announcing plans to shut down the plants, MDU said, "Low-cost power available on the market, due to low-cost natural gas and increasing wind resources, as well as rising costs to operate these facilities, led to the decision to retire the coal plants.

"The plants have served our customers well, providing low-cost energy for many years, operating roughly twice as long as expected when they were constructed in the mid-1950s and early 1960s," said Nicole Kivisto, president and CEO of Montana-Dakota, in the 2019 news release. "The age of the plants, low-cost competition on the market, and the ongoing cost to operate the plants all have contributed to the plants being too expensive to operate much longer."

Lewis and Clark Station will be officially shut down March 31, according to MDU spokesman Mark Hanson. He said the plant currently employs 27 people, some of whom will remain to operate the natural gas fired combustion engines at Lewis and Clark. Hanson said training was offered to employees who wish to fill open positions in other areas of the company, and some will remain on site in the early stages of the decommissioning work, which is expected to take three to six months.

The plant's fuel comes from the nearby Savage Mine operated by Westmoreland Coal. It's not known if the mine will continue to operate.



API Participates in DOI Leasing Forum NDPC Objects to State Representation Absence

The American Petroleum Institute participated in a forum conducted yesterday by the U.S. Department of the Interior to discuss the Biden administration's Executive Order in January that "paused" oil and natural gas leasing on federal land.

API Senior VP of Policy, Economics and Regulatory Affairs Frank Macchiarola participated in a panel with other national energy industry stakeholders. Macchiarola highlighted the importance of continued federal leasing and development for America's energy security and environmental progress.



"The Biden administration inherits a strong



Frank J. Macchiarola

American energy outlook, and ensuring access to federal leasing and energy development is imperative to continuing low household energy costs, record greenhouse gas emissions reductions and reduced reliance on foreign energy," Macchiarola said.

He encouraged Interior to complete its review quickly and fully reinstate federal oil and gas leasing.

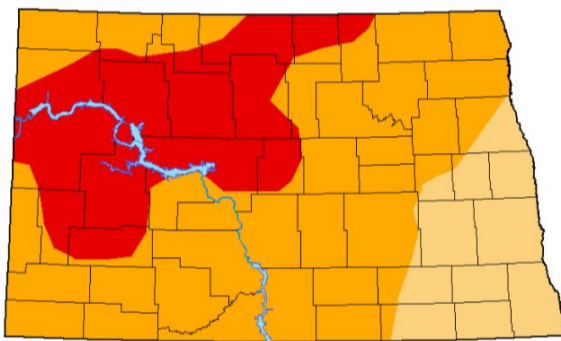
Click [here](#) to view Macchiarola's opening statement to the forum.

The North Dakota Petroleum Council also announced this week it was joining with other state oil and natural gas associations in protesting

the Biden administration's apparent decision to exclude state and local voices from the forum. Here is the full NDPC statement:

"As associations representing the natural gas and oil industry embedded in communities across our states, we are disappointed today's forum did not include a single state or local voice representing the hardworking men and women who produce safe, reliable and sustainable energy to fuel our lives. We speak for the people whose work, lives and livelihoods will be most impacted by Biden's orders regarding production on federal land. A return to centralized, command-and-control decision making in the hands of bureaucrats thousands of miles away from the people, lands, and waters where the impacts are most deeply felt is not a constructive path forward. We are hopeful the exclusion of local voices is not indicative of a pattern of disregard of our states, our people and our livelihoods."

In addition to North Dakota, states protesting the exclusion included Alaska, Colorado, Louisiana, Montana, Utah and Wyoming.



**Drought Worsens, No Rain in Sight
Outlook Offers 50-50 Chance of Improvement**

With another dry week behind us and another dry week ahead, extreme drought conditions are spreading in western North Dakota.

According to the latest [Drought Monitor](#), more than 27 percent of the state falls into the extreme

category, and 85 percent of the state is considered to be in severe drought conditions. Extreme drought now covers nearly all of the big four oil-producing counties - Dunn, McKenzie, Mountrail and Williams - drying up pastures and creating dangerous fire conditions. Windy days are almost certain to prompt the ND Department of Emergency Services to issue a Red Flag Warning about the risk of rangeland wildfires.

As reported in [last week's newsletter](#), the drought comes as no surprise, considering the past six months have been the driest ever in North Dakota since record-keeping began in 1895. However, national climate forecasters still give North Dakota about a 50-50 chance of receiving normal seasonal precipitation in the [90-day outlook](#). The US Drought Monitor indicates that if below normal precipitation persists when spring temperatures warm, rapid intensification of drought conditions will occur.

Effects of drought in the extreme category include:

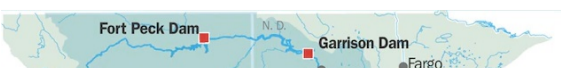
- Crops stop growing; pastures go dormant,
- Emergency haying of conservation areas is authorized
- Blue-green algae blooms cause cattle death
- Large wildfires can burn out of control

Click [here](#) to a Minot Daily News article about the drought. Click [here](#) to see NOAA's page of temperature and precipitation statistical comparisons.

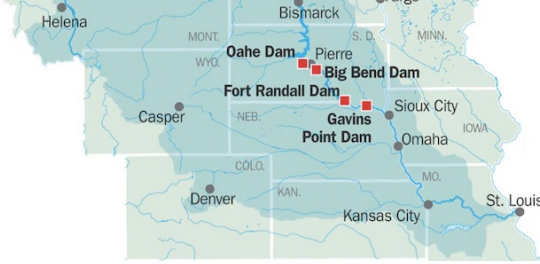


**Missouri Runoff Forecast Below Average
Meetings April 6 to Discuss Operation Plans**

Reservoir inflows in the upper Missouri River basin were well-below average in February, and the runoff forecast for the rest of the year remains below average.



"Missouri's February precipitation is the



“Very cold February temperatures in the upper Basin locked up tributaries in ice and reduced inflows to the reservoirs,” said John Remus, chief of the Corps of Engineers' Missouri River Basin Water Management Division. “Mountain snowpack continues to accumulate in the Rocky Mountains; however, plains snowpack is well-below seasonal averages and soil moisture continues to be much drier than normal.”

February 2021 runoff in the upper Basin was 0.8 million acre-feet, 70% of average. The 2021 calendar year runoff forecast for the upper Basin is 21.8 MAF, 84% of average. During the February cold snap, the mainstem dams increased electric generation during the coldest days to compensate for the increased energy demands throughout the region. The six mainstem power plants generated 637 million kWh of electricity in February. Typical energy generation for February is 624 million kWh.

[Mountain snowpack](#) has been accumulating at below-average rates. The March 1 mountain snowpack in the Fort Peck and the Fort Peck to Garrison reaches was 94% of average. By March 1, about 80% of the total mountain snowpack has typically accumulated.

The Corps will hold virtual spring public meetings on April 6 at 1 p.m. and 6 p.m. to update the region on current hydrologic conditions and the planned operation of the mainstem reservoir system during the coming months. Click [here](#) for more details.



**Roundtable to be Held in Halliday
Save the Date: May 6 Western Roads Event**

An event that will bring together oil industry trucking interests and county and tribal road managers to discuss ways to improve the movement of oilfield traffic will be held May 6 in Halliday.

WDEA is teaming up with the Upper Great Plains Transportation Institute and its Local Technical Assistance Program (LTAP) to host a roundtable

discussion at the new Dunn County highway shop in Halliday. The event will run from 9:00 a.m. to 3:00 p.m. MDT and will feature a variety of topics aimed at improving communication between industry and the counties, and improving the efficiency of operations for both.

Among speakers confirmed thus far are Lt. Governor Brent Sanford and NDDOT Director Bill Panos. Other portions of the agenda are still being finalized, according to LTAP Director Dale Heglund, but he said road and bridge construction and maintenance needs will at the top of the list.

"We'll describe needs specific to western North Dakota, whether it be roads, bridges, culverts or repairing frost boils," Heglund said, "and we expect frost law seasonal road restrictions to be a topic as well.

WDEA and LTAP are working on a research effort that uses temperature and moisture sensors embedded in gravel roads to get a better handle on the rate at which roads firm up after the spring thaw, possibly reducing the period of time in which restrictions are in place.

The roundtable will also feature panel discussions about the oil industry's future and the ways in which local government can assist.



Underage Drinking Enforcement Campaign Starting Next Week

A statewide campaign against underage drinking is starting next week as part of the state Department of Transportation's Vision Zero effort.

Drive Sober or Get Pulled Over runs from April 1 to May 23. Law enforcement across the state will be conducting compliance checks in an effort to prevent life altering consequences caused by underage consumption. Persons under 21 found to be consuming or in possession of alcohol could face stiff fines and end up in court.

Click [here](#) to view a short video on the campaign.

"There are zero excuses for underage drinking and for driving under the influence," said Bismarck Police Chief Dan Reynolds. "The Drive Sober or Get Pulled Over campaign is a joint effort by law enforcement and the community to reduce the number of alcohol-related incidents."



Police Chief Dave Draovitch. The *Drive Sober or Get Pulled Over* enforcement campaign is a great reminder to everyone, including young drivers, to make the choice to always drive sober."

Alcohol and drug-related crashes are 100% preventable. Many lives would be saved each year if drivers consistently make the choice to drive sober, designate a sober driver or use a ride-hailing service. State crash statistics are trending higher in 2021, with 21 fatalities to date, making the campaign a vital part of the [Vision Zero](#) strategy to eliminate motor vehicle crash fatalities and serious injuries on North Dakota roads.

Visit the [North Dakota Crash Memorial Wall](#) to view memorials built on the hope of preventing another death on North Dakota roads.



BAKKEN NOW WILLISTON BASIN PETROLEUM CONFERENCE



May 11-13, 2021 | Bismarck Event Center | Bismarck, ND

WBPC Announces 2021 Agenda Bakken CEOs and Executives Lined Up

The agenda for the 2021 Williston Basin Petroleum Conference has been released featuring over 70 speakers and presenters, each sharing insights on the latest issues impacting oil and natural gas development and what the future holds for the Williston Basin.

The conference, scheduled for May 11-13, is the largest conference in North Dakota with major networking opportunities for energy industry professionals.

"The WBPC is one of the top oil conferences in the country. We have an incredible lineup of speakers," said Ron Ness, President of the North Dakota Petroleum Council, the lead organizer of this year's conference. "We are excited to feature the latest technologies that have helped turn the Bakken into a world-class resource and discuss the way forward to help take the Bakken and Williston Basin to the next level."

The conference will feature CEOs and executives from key companies and organizations across the globe including:

- Bob Phillips, CEO of Crestwood Midstream – "Building Gas Capture Infrastructure"
- Chris Kendall, CEO, Denbury Resources – "EOR at Cedar Hills in Bowman County"
- Dan Clark, VP of ConocoPhillips Great Plains Business Unit
- Kelcy Warren, Executive Chairman of Energy Transfer LP
- Mike Sommers, President and CEO of API – "The State of American Energy"

Click [here](#) to view the agenda.

WBPC is partnering with Sanford Health Bismarck to host a COVID-Conscious conference. Meeting organizers plan to monitor the situation and take recommended precautions to ensure the health and safety of all conference attendees.



LEC Annual Meeting Set for April 22 Registration Now Open for In-Person Event

The Lignite Energy Council has announced that registration is now open for an in-person OR virtual annual meeting in Bismarck.

A Lignite Reception is set for Wednesday, April 21, to be followed with LEC's annual meeting on April 22.

"We haven't seen many of you in so long and we are very much looking forward to seeing you in person OR virtually at either or both of our two events that will comprise the two-day membership gathering and informational sessions," the group said in an email announcing that registration is open.

The Lignite Reception is new this year and will feature light hors d'oeuvres, two complimentary beverages, dinner and entertainment as well as networking.

To register, click [here](#). For event sponsorship information, click [here](#).



Quick Connect

- Agency reverses Trump-era oil rights ruling snubbing tribes – [Associated Press](#)



- KX Conversation: Sen. Cramer on the energy industry in ND -- [KXMB-TV](#)
- Mineral owners take oil companies to court over royalty deductions -- [Williston Herald](#)
- Need for disputed pipeline argued in Minnesota appeals court -- [Associated Press](#)
- Oil and gas industry has huge impact on state's economy -- [McKenzie County Farmer](#)
- Domestic Energy Producers Alliance: Interview with Ron Ness -- [YouTube](#)
- EXPLAINER: Why is Biden halting federal oil and gas sales? -- [Associated Press](#)
- ND Legacy Fund poised to take big step for in-state investments -- [Bismarck Tribune](#)
- Potential loggerheads between ND House, Senate over bonding -- [Prairie Public Radio](#)
- Armstrong: We can't win fight without winning elections -- [Dickinson Press](#)
- House Committee holds hearing on annual legislative sessions -- [KXMB-TV](#)
- North Dakota lawmakers set to give themselves a pay raise -- [Associated Press](#)
- Bill for filling dead election victors' seats goes to governor -- [Bismarck Tribune](#)
- Senate reverses itself, defeats bill on polling places -- [Prairie Public Radio](#)
- Bill shields audit information before possible prosecution -- [Associated Press](#)
- ND House defeats 'primary' seat belt bill on tight vote -- [Prairie Public Radio](#)
- North Dakota warned Ten Commandments bill will spur lawsuits -- [Associated Press](#)
- Leaders aim to tune how legislator misbehavior is handled -- [Minot Daily News](#)
- Top ND Indian Affairs official to resign, join Sanford Health -- [Bismarck Tribune](#)
- Scott Davis reflects on 12 years as Indian Affairs Commissioner -- [KXMB-TV](#)
- Commission approves agreement to bring Delta Airlines back to Williston -- [Williston Herald](#)
- Williston Fire Dept donates \$32K worth of equipment to Glenburn -- [KXMB-TV](#)
- Five things to know about the API Chili Cook off on Saturday -- [Williston Herald](#)
- Experts explain why gas prices are rising in North Dakota -- [KFYR-TV](#)
- Oil industry pushes back as Biden launches review of federal drilling -- [Reuters](#)
- Don't ban fossil fuels: Absolutism in climate change is a vice -- [Forbes](#)
- Utilities continue to increase spending on the electric transmission system -- [EIA](#)
- 'Busy on other fronts' White House without Trump stays quiet on OPEC -- [Reuters](#)
- SEC unbound: Yet more regulatory creep expected to come with Biden -- [Yahoo News](#)
- Funding infrastructure investment: Will there be a trucking tax? -- [IER](#)
- The long road to oil demand recovery is full of big obstacles -- [Rigzone](#)
- Oil producer Ovintiv to sell Eagle Ford assets for \$880 million -- [Reuters](#)
- In 2020, China's refineries processed more crude oil than U.S. refineries -- [EIA](#)
- API, largest U.S. oil and gas trade group, backs carbon price -- [Reuters](#)
- China thrives on fossil fuels, while the rest of the world hopes -- [IER](#)



Factoid of the Week

The Dakota Access Pipeline has not impacted groundwater in any of the four states where it is located since going into service in June 2017. It crosses under the Missouri River at a minimum depth of 95 feet below the riverbed. The disputed area between Morton and Emmons County that could potentially shut down the entire length of the 1,172 mile pipeline is just over 1,000 feet of the path, and is controlled by the U.S. Army Corps of Engineers.



Source: [Dakota Access Pipeline: The Facts](#)



Upcoming Events

March 17 - 31, 2021

[ND Reclamation Webinar Series](#)

Virtual Event

March 27, 2021

[40th Annual Williston API Chili Cook-Off](#)

Williston

March 27, 2021

[Gumbo Cookoff - Dickinson API](#)

Dickinson

March 30, 2021

[North Dakota Historical Commission](#)

April 6, 2021

[Corps of Engineers meeting on reservoir operations](#)

Virtual meeting

April 7, 2021

[ND State Fair Board](#)

State Fair Center - Boardroom

April 20 - 22, 2021

[Gravel Quality 3 P's: Prospecting, Production and Performance](#)

Valley City, Granville, Dickinson

April 21 - 22, 2021

[Lignite Energy Council Annual Meeting](#)

Hybrid

May 6, 2021

[Western Roads Roundtable](#)

Dunn County Highway Shop - Halliday

May 6 - 7, 2021

[Williston Economic Development Summit](#)

Williston

May 11 - 13, 2021

[Williston Basin Petroleum Conference](#)

Bismarck

Oil prices and rig count

March 26, 2020



WTI Crude: \$60.97

Brent Crude: \$64.57

Natural Gas: \$2.56

North Dakota Active Oil Rigs: 14 (Down 2) 3/26/2020 -- 48 rigs

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Geoff Simon
Editor/Executive Director

geoff@NDEnergy.org
<https://ndenergy.org>

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HB 1431 – Testimony by Dustin Gawrylow (Lobbyist #266) North Dakota Watchdog Network

While there are many issue related to how much debt the state should take on right now, and where it should go, I am confining my comments to \$250 million grant for the clean sustainable energy fund found in Section 5 (Page 6, Line 25).

HB 1431 is one of three bills (HB 1380 and HB 1452 being the other two) seeking to put money into a fund that does not yet exist called the Clean and Sustainable Energy Fund found in HB 1452.

Each of these bills has been modified since first being heard by either the Senate Energy or Senate Tax committees. As of last week, the total amount of money being funneled into the Clean and Sustainable Energy Fund was over \$500 million over the next 5 years – including the \$250 million grant funded with bonding currently in this bill, HB 1431. The changes made to HB 1380 may reduce that figure down below \$500 million over 5 years – but not not much below.

The transparency surrounding this agenda is fairly rotten, and in my view something more akin to what Congress would do rather than what this legislature would do.

Suggested Improvements

1. My first request of this committee is to consolidate provision and appropriation related to the Clean and Sustainable Energy Fund into one clean bill, with one fiscal note where every legislator can understand how these things work together. This is something the policy committees should have done, but I believe there was an effort to intentionally make this concept less than transparent.

Hopefully this is considered reasonable as it will actually help you and all other legislators know what it going on here.

2. Secondly, if the state is going to spend this roughly \$500 million over the next 5 years let's be honest about where the money is going and what it is for.

The name of the fund being created in HB 1452, and being given \$250 million in this bill, HB 1431 is the "Clean and Sustainable Energy Fund". It is pretty clear based on the governance structure that there will be a bias toward using this fund to subsidize research, development, and deployment of technology to support the coal industry.

According to the most recent newsletter (attached) of the Western Dakota Energy Association quote:

Although not exclusively dedicated to CO2-capture and sequestration, it is one of the primary projects for which the "clean sustainable energy fund" is being developed. A separate bill, [HB 1452](#), establishes the clean sustainable energy authority, which would consider grants and loans issued to cutting edge, high tech energy projects. That bill is currently awaiting action in the Senate Appropriations Committee.

The Senate committee also approved an amendment to [HB 1380](#), which has become known as the Legacy Fund "streams bill." It would direct future Legacy earnings to various categories of spending. The House had reduced the streams to a trickle, directing funds to cover only the bonding repayment, \$40 million for the clean sustainable energy fund, and \$40 million to the

infrastructure revolving loan fund. Additions to the streams bill approved by the committee include funds directed to economic diversification research at state universities, a workforce development enrichment fund, an infrastructure fund for one-time projects, a legacy project fund, and an innovation research and diversification fund.

The committee also approved [HB 1412](#), which would provide a 5-year reduction in the coal severance tax, but before doing so approved an amendment offered by Senator Bell. The change increases to 85 percent the amount the severance tax would be reduced, but excludes the 15 percent that goes to support counties, cities and school districts in the coal-producing counties. The original House version would have reduced the tax by just 60 percent.

3. Third, with so much money on the line, the legislature should give itself oversight and an approval process on any spending over a certain amount. I will leave it to you to determine that amount, but clearly this should not be a blank check.

Conclusion

As a state, we need to determine where we want to put our public funds. When it comes to taking on \$250 million in debt to be paid for by Legacy Fund earnings, there should be a much more purposeful and deliberate plan than to just create a Clean and Sustainable Energy fund that sounds good but is nothing more than a corporate welfare program to an industry with a diminishing export market beyond our borders.

I urge you to oppose this \$250 million grant to the Clean and Sustainable Energy Fund, to oppose the creation of the fund in HB 1452, and oppose any other provisions hiding in other bills that are set to have this purpose.

But if you can't do that, at least provide the taxpayers and your own colleagues with some transparency and honesty about what this is really about.

This is an expansion of government, and a bailout of an industry we just happen to like.

If it were anything else, it would be called Socialism.

Bonding Bill Back to \$1.1 Billion
Loan Pool Added for CO2 Capture Projects
Committee Okays Coal Severance Tax Break

A revolving loan fund added this week to a bonding bill under consideration by the North Dakota Legislature could help fund future projects aimed at capturing carbon dioxide from coal plants.

The \$250 million loan pool was tacked onto the bill by the Senate Finance and Taxation Committee, chaired by Beulah Senator Jessica Bell. It was added on top of a previous amendment to [HB 1431](#) previously pitched to the committee by Senate Majority Leader Rich Wardner. That amendment had increased the bill's price tag to \$860 million, adding back many items taken out in the House-passed \$680 million version of the bill. With the amendment approved this week by the Tax Committee, the bill is now back to \$1.1 billion, which is [where it started](#) the first week of the legislative session.



Jessica Bell

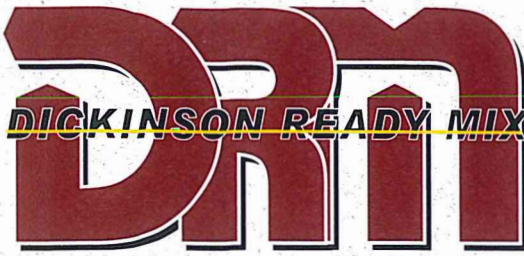
Although not exclusively dedicated to CO2-capture and sequestration, it is one of the primary projects for which the "clean sustainable energy fund" is being developed. A separate bill, [HB 1452](#), establishes the clean sustainable energy authority, which would consider grants and loans issued to cutting edge, high tech energy projects. That bill is currently awaiting action in the Senate Appropriations Committee.

Other items added to the bonding bill by Wardner's amendment include \$60 million for career and tech ed projects; \$65 million for deferred maintenance on state buildings; \$30 million for township roads; \$10 million for state parks; \$4 million for digitization of documents for the Theodore Roosevelt Library; \$4 million to complete Pulver Hall at Dickinson State; and \$4.7 million for maintenance of historical buildings.

The Senate committee also approved an amendment to [HB 1380](#), which has become known as the Legacy Fund "streams bill." It would direct future Legacy earnings to various categories of spending. The House had reduced the streams to a trickle, directing funds to cover only the bonding repayment, \$40 million for the clean sustainable energy fund, and \$40 million to the infrastructure revolving loan fund. Additions to the streams bill approved by the committee include funds directed to economic diversification research at state universities, a workforce development enrichment fund, an infrastructure fund for one-time projects, a legacy project fund, and an innovation research and diversification fund.

The committee also approved [HB 1412](#), which would provide a 5-year reduction in the coal severance tax, but before doing so approved an amendment offered by Senator Bell. The change increases to 85 percent the amount the severance tax would be reduced, but excludes the 15 percent that goes to support counties, cities and school districts in the coal-producing counties. The original House version would have reduced the tax by just 60 percent.

All three pieces of legislation will move from the Tax Committee to the Senate Appropriations Committee.



11130



**DICKINSON READY MIX CO.
& CONCRETE PRODUCTS**

37 Westgate Avenue
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701-483-9175
www.dickinsonreadymix.com

HB 1431
Senate Appropriations Committee
March 31, 2021

Chairman Holmberg and Members of the Committee,

My name is Ben Olin and I am the Technical Services Director and Plant Manager of Dickinson Ready Mix located in Dickinson, ND. We provide ready mixed concrete, concrete products and various landscaping products in Dickinson, Killdeer, Beach, Bowman, and the areas surrounding them. We employ 30+ men and women who take pride in building safe, long-lasting and resilient infrastructure throughout the state.

I am writing to support HB 1431. Capitalizing on today's low-interest rates for bonds is a sound, fiscal choice to finance much needed infrastructure expansion and improvement.

The North Dakota Legacy Fund is a one-time resource that is intended to benefit future generations. Utilizing interest income from the Legacy Fund to service bond debt would create the most long-term value if the project's longevity is evaluated for maximum performance. Requiring a minimum design life of 35 years or more and taking into consideration all costs to build and maintain the asset over its projected service life will ensure current and future North Dakota taxpayers will receive the greatest benefit for their investment.

I would like to add my support to an effort to strengthen HB 1431 by including language that would require the following:

- (1) For projects financed by bond method and with an engineer's estimate of \$5 million or more, life-cycle cost analysis shall be used to evaluate the total economic cost of a transportation project over its expected (35 year minimum) performance lifetime, and
- (2) data indicating that future repair costs associated with a transportation project frequently total more than half of the initial cost of the project, and that conducting life-cycle cost analysis prior to construction will help the North Dakota Department of Transportation identify and select the most cost-effective option, improving the economic performance and lowering the total cost of building and maintaining the project over its service life.

North Dakota does not currently require LCCA on public projects, but 38 other states utilize LCCA in some form to shape their transportation network investments.

I believe HB 1431 is a great opportunity for North Dakota to implement LCCA as requirement for projects funded by bond method and it will show the true value that LCCA can provide in achieving the goals of better governance, fiscal accountability and to maximize return on taxpayer investment.

Thank you for your time and consideration of this proposal. Working together today, we can improve our state's network of roads and bridges today for the benefit of future generations.

Sincerely

Ben Olin
Technical Services Director

LAYING THE FOUNDATION FOR THE NEXT GENERATION



HB 1431
Senate Appropriations Committee
March 31, 2021

Chairman Holmberg and Members of the Committee,

My name is Justin Flack and I am the General Manager of Aggregate Industries located in Moorhead, MN. We provide concrete and gravel production/delivery services in 10 cities across the eastern 1/3 of ND. We employ upwards of 200 men and women across eastern ND and northwestern MN who take pride in building safe, long-lasting and resilient infrastructure throughout the state.

I am writing to support HB 1431. Capitalizing on today's low-interest rates for bonds is a sound, fiscal choice to finance much needed infrastructure expansion and improvement.

The North Dakota Legacy Fund is a one-time resource that is intended to benefit future generations. Utilizing interest income from the Legacy Fund to service bond debt would create the most long-term value if the project's longevity is evaluated for maximum performance. Requiring a minimum design life of 35 years or more and taking into consideration all costs to build and maintain the asset over its projected service life will ensure current and future North Dakota taxpayers will receive the greatest benefit for their investment.

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North Dakota does not currently require LCCA on public projects, but 38 other states utilize LCCA in some form to shape their transportation network investments.

I believe HB 1431 is a great opportunity for North Dakota to implement LCCA as requirement for projects funded by bond method and it will show the true value that LCCA can provide in achieving the goals of better governance, fiscal accountability and to maximize return on taxpayer investment.

Thank you for your time and consideration of this proposal. Working together today, we can improve our state's network of roads and bridges today for the benefit of future generations.

Sincerely

Justin Flack / General Manager, Aggregate Industries



HB 1431
Senate Appropriations Committee
March 31, 2021

Chairman Holmberg and Members of the Committee,

My name is Cody Maher and I am the General Manager of Jmac Resources located in Bismarck, North Dakota. We provide Concrete and aggregate in Bismarck and surrounding areas. We employ seventy-two men and women who take pride in building safe, long-lasting, and resilient infrastructure throughout the state.

I am writing to support HB 1431. Capitalizing on today's low-interest rates for bonds is a sound, fiscal choice to finance much needed infrastructure expansion and improvement.

The North Dakota Legacy Fund is a one-time resource that is intended to benefit future generations. Utilizing interest income from the Legacy Fund to service bond debt would create the most long-term value if the project's longevity were evaluated for maximum performance. Requiring a minimum design life of 35 years or more and taking into consideration all costs to build and maintain the asset over its projected service life will ensure current and future North Dakota taxpayers will receive the greatest benefit for their investment.

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I believe HB 1431 is a great opportunity for North Dakota to implement LCCA as requirement for projects funded by bond method and it will show the true value that LCCA can provide in achieving the goals of better governance, fiscal accountability and to maximize return on taxpayer investment.

Thank you for your time and consideration of this proposal. Working together today, we can improve our state's network of roads and bridges today for the benefit of future generations.

Sincerely

A handwritten signature in blue ink, appearing to read "Cody Maher", is written over a horizontal line.

Cody Maher
General Manager

11139



**North Dakota Grain Growers Association
Testimony in Support of HB 1431
Senate Appropriations Committee
March 31, 2021**

Chairman Holmberg, members of the Senate Appropriations Committee, for the record my name is Tom Bernhardt; my family and I operate a diversified farming and ranching operation in Linton, North Dakota. I am also the President of the North Dakota Grain Growers Association. I am submitting testimony today in both roles in support of HB 1431 as it pertains to the Ag Products Development Center.

Attached please find the following link to a video for your review which illustrates the issues related to Harris Hall:

<https://vimeo.com/videoarts/review/507131399/5cfa3560f0>

Thank you for your consideration. Both myself and the North Dakota Grain Growers Association would ask the Senate Appropriations Committee give HB 1431 a Do Pass recommendation as it pertains to the Ag Products Development Center and would respectfully request that the North Dakota Senate concur.

"You Raise; We Represent"

Phone: 701-282-9361 | Fax: 701-404-5187 | 1002 Main Ave W. #3 West Fargo, N.D. 58078

11140



North Dakota Grain Growers Association Testimony in Support of HB 1431 Senate Appropriations Committee March 31, 2021

Chairman Holmberg, members of the Senate Appropriations Committee, for the record my name is Tom Bernhardt; my family and I operate a diversified farming and ranching operation in Linton, North Dakota. I am also the President of the North Dakota Grain Growers Association. I am submitting testimony today in both roles in support of HB 1431 as it pertains to the Ag Products Development Center.

Chairman Holmberg, members of the Senate Appropriations Committee, my family and I are very proud of our farm and our agricultural heritage in North Dakota. My wife, Tamie, and I are bringing our family back to the farm because of the opportunities it affords them for their futures. As all of you are very aware, agriculture, as in many businesses, is a very competitive occupation. You need as much "going for you" as you can which leads me to my support for the Ag Products Development Center.

In order to stay competitive in today's global economy, farmers need all of the support they can get. The Ag Products Development Center will not only maintain that support it will enhance that support by providing world class facilities to our already world class research and extension faculty and staff in North Dakota. This will allow cereal sciences, meat sciences, and the Northern Crops Institute to continue to make North Dakota agriculture the best in the world. The Ag Products Development Center will also allow for better retention and recruitment of faculty and staff which enhances critical agricultural research and extension services in this state. This will help pave the way for my family and my farm to continue our success.

"You Raise; We Represent"

Phone: 701-282-9361 | Fax: 701-404-5187 | 1002 Main Ave W. #3 West Fargo, N.D. 58078

As a vital component of the North Dakota economy, the state's agriculture needs the Ag Products Development Center to maintain our leading edge in world food production. Therefore, Chairman Holmberg, members of the Senate Appropriations Committee, I request from myself, my family and the North Dakota Grain Growers Association that you give HB 1431 a Do Pass recommendation regarding the Ag Products Development Center and would ask that the full Senate concur.



Testimony
Senate Appropriations Committee
HOUSE BILL NO. 1431
March 31, 2021

Chairman Holmberg and members of the Senate Finance Appropriations Committee. The Valley Prosperity Partnership (VPP) is an initiative led by business executives to advance and advocate for shared strategic economic development opportunities that will strengthen and diversify the Red River Valley region and North Dakota. Thanks to the vision of these business leaders and to public policy leaders like yourself, the legislature will have multiple proposals to consider that seek to accomplish those goals by investing state dollars into infrastructure projects.

First, we want to thank the legislature for supporting water control and supply projects that are of vital importance to the regional and state economy and to ask you to earnestly consider further financial support of these projects to bring them to completion. Flood control, via the FM Diversion project, is of the utmost importance to the economy of the Valley and the state. As everyone knows from the Grand Forks flood of 1997, business and economic productivity was impacted for years. The consensus of the business community – those making investments in the communities and creating jobs – is clear: permanent flood protection is a must not only for human safety but for economic stability and vitality. Therefore, the VPP supports the issuance of bonds to complete the important infrastructure projects included in HB 1431.

The Valley Prosperity Partnership believes that funding these water control and supply priorities is a long-term economic strategy that has statewide implications. Our CEOs firmly stand behind the need of these projects and the certainty they will provide the businesses they lead.

Workforce development has been the one of the VPP's highest priorities since its establishment in 2012. As business leaders in the Red River Valley, we believe that career workforce academies offer the specialized training that is urgently needed by employers throughout North Dakota. They will expand career and technical education and training that focuses on career pathway programs that align with industry growth clusters with the highest potential for creating growth and shared prosperity.



Collaborative efforts involving considerable financial commitments by local businesses have been underway in the Fargo region for several years; similar efforts are underway in Grand Forks. Therefore, the VPP supports an appropriation of \$60,000,000 for the department of career and technical education operating fund.

Thank you for your consideration of HB 1431, which the VPP wholeheartedly supports.



The Valley Prosperity Partnership (VPP) is focused on developing a unified, shared vision for high value and sustained economic growth for all Red River Valley residents. A steering committee of private sector industry and higher education leaders, joined by economic development partners, work to advance strategic economic development opportunities for the Red River Valley region of North Dakota and Minnesota and for the entire State of North Dakota.

Marshal Albright, President & CEO
Cass County Electric Cooperative,
Co-Chair, Valley Prosperity Partnership

Steve Burian, President & CEO
Burian & Associates
Co-Chair, Valley Prosperity Partnership

Judd Graham, CEO Fargo Region
Bremer Bank, Vice Co-Chair

Brian Johnson, CEO
Choice Financial Group, Vice Co-Chair

Andrew Armacost, President
University of North Dakota

Tom Astrup, President & CEO
American Crystal Sugar

Barry Batcheller, Chairman
Appareo Systems

Dean Bresciani, President
North Dakota State University

Dan Conrad, President & CEO
Blue Cross Blue Shield North Dakota

Tim Curoe, CEO
RD Offutt Company

Mylo Einarson, President & CEO
Nodak Electric Cooperative

Chad Flanagan, Partner
Eide Bailly

Shawn Gaddie, Director of Infrastructure
Management Services
AE2S

Jim Galloway, Principal
JLG Architects

Keith Lund, President & CEO
Grand Forks Region EDC

William C. Marcil, Sr. Chairman
Forum Communications Company

Pat McAdaragh, President & CEO
Midco

Jeff Melgaard, Vice President
Construction Engineers

Dave Molmen, CEO
Altru Health System

Bryan Nermoe, President
Sanford Medical Center Fargo

Tony Grindberg, ND Principal Manager
Xcel Energy

Joe Raso, President & CEO
Greater Fargo Moorhead EDC

John Richman, President
North Dakota State College of Science

Jim Roers, President & CEO
Roers Construction & Development

Thomas Shorma, President & CEO
WCCO Belting, Inc.

Richard Solberg, Chairman & CEO
Bell State Bank & Trust

Steve Swiontek, Executive Chair
Gate City Bank

David White, President
Border States Electric

Chris Wolf, North Valley Market President
Alerus Financial



Contact:
Matt Perdue, Lobbyist
mperdue@ndfu.org | 701.641.3303

**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
Senate Appropriations Committee
March 31, 2021**

Mr. Chairman and members of the committee,


Thank you for the opportunity to testify on House Bill No. 1431. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's (NDFU) members. NDFU supports HB 1431 and believes bonding represents an important opportunity to support critical infrastructure investments.

NDFU appreciates the inclusion of \$50 million for establishment of the Agricultural Products Development Center (APDC) in the current version of HB 1431. Public agricultural research is critical to the success of family farmers and ranchers. North Dakota State University's (NDSU) agricultural research is currently conducted in severely outdated facilities. NDSU's crop science and meats research, along with the Northern Crops Institute, should be housed in a facility that allows them to continue providing world-class research and promotion. The APDC will deliver a strong return on investment.

NDFU also strongly supports the \$30 million provided for township infrastructure. Wet conditions, flooding and increased traffic have created significant stress on and, in some cases, overwhelmed rural roads and bridges. In fact, the Upper Great Plains Transportation Institute estimates North Dakota's county and township roads and bridges will require investments totaling over \$9.3 billion over the next 20 years.

The \$10 million provided to non-oil-producing townships will help replace Operation Prairie Dog funds. The \$20 million grant program will offer all townships the opportunity to access funds when necessary. The structure of this program will direct funds toward improvements that deliver the greatest long-term benefits to farmers, ranchers, rural communities and the broader state economy.

NDFU urges a "Do Pass" on HB 1431. Thank you for your consideration.





Testimony of Steve Perdue

USDGA Director

In Support of HB 1431

Chairman Holmberg and members of the Committee:

My name is Steve Perdue, and I am a farmer from Ray and a director for the United States Durum Growers Association (USDGA). On behalf of USDGA, I am here in support of HB 1431, specifically as it relates to the North Dakota State University (NDSU) Agricultural Products Development Center, Northern Crops Institute (NCI) and rural transportation infrastructure. USDGA recognizes the importance of updated facilities and infrastructure, as well as state-of-the-art technology and equipment to ensuring the growth and strength of the state's number one industry – agriculture.

The current facilities at Harris Hall no longer provide the space or safety needed to carryout research that is vitally important to the producers in our state. The Agricultural Products Development Center will allow NDSU to continue to deliver research-based solutions needed to ensure North Dakota's farmers and ranchers are able to produce and market superior commodities to global customers.

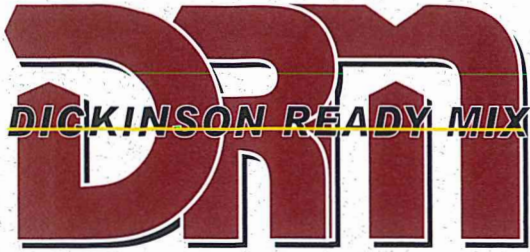
North Dakota produces around 50-60 percent of the nation's durum, and NDSU's durum breeding program is essential as no significant other public or private breeding programs exist. It is essential that the appropriate facilities exist to continue this research. In addition, Harris Hall hosts annual foreign trade delegations to showcase the quality of the regions crops for worldwide food production. Harris Hall's designation as one of the top two buildings in the poorest condition at NDSU and does not provide for a positive "showcase" of North Dakota's high-quality commodities.

Your support of the Northern Crops Institute (NCI) is also encouraged. Its collaborative efforts to support the promotion and market development of crops grown in a four-state region is more important than ever. NCI's educational and technical programs are essential to not only

maintaining but expanding domestic and international markets for northern-grown crops, including durum.

We'd also want to reiterate the need for funding rural infrastructure, specifically to townships for rural roads and bridges. This funding is much needed as producers utilize the rural road systems to access fields and property. Many township roads and bridges across the state are unsafe for producers to carry the heavy loads and large equipment across them. We ask that you continue to support the inclusion of funds to mitigate the needs of rural infrastructure in townships.

Agriculture is and will continue to be the foundation of our state's economy, and these needs are essential to North Dakota agriculture. Therefore, we'd appreciate your support of the funding for the Ag Products Development Center, Northern Crops Institute and rural township roads and bridges within HB 1431.



11165
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& CONCRETE PRODUCTS
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701-483-9175
www.dickinsonreadymix.com

HB 1431
Senate Appropriations Committee
March 31, 2021

Chairman Holmberg and Members of the Committee,

My name is Scott Olin and I am the President and General Manager of Dickinson Ready Mix Company located in Dickinson, North Dakota. Our company is a concrete and concrete products supplier with plants located throughout southwestern North Dakota. We have employed as many as 80 people during the oil boom and currently have 50 employees during the construction season who take pride in building safe, long-lasting and resilient infrastructure throughout the state.

I am writing to support HB 1431. Capitalizing on today's low-interest rates for bonds is a sound, fiscal choice to finance much needed infrastructure expansion and improvement.

The North Dakota Legacy Fund is a one-time resource that is intended to benefit future generations. Utilizing interest income from the Legacy Fund to service bond debt would create the most long-term value if the project's longevity is evaluated for maximum performance. Requiring a minimum design life of 35 years or more and taking into consideration all costs to build and maintain the asset over its projected service life will ensure current and future North Dakota taxpayers will receive the greatest benefit for their investment.

I would like to add my support to an effort to strengthen HB 1431 by including language that would require the following:

- (1) For projects financed by bond method and with an engineer's estimate of \$5 million or more, life-cycle cost analysis shall be used to evaluate the total economic cost of a transportation project over its expected (35 year minimum) performance lifetime, and
- (2) data indicating that future repair costs associated with a transportation project frequently total more than half of the initial cost of the project, and that conducting life-cycle cost analysis prior to construction will help the North Dakota Department of Transportation identify and select the most cost-effective option, improving the economic performance and lowering the total cost of building and maintaining the project over its service life.

North Dakota does not currently require LCCA on public projects, but 38 other states utilize LCCA in some form to shape their transportation network investments.

I believe HB 1431 is a great opportunity for North Dakota to implement LCCA as a requirement for projects funded by bond method and it will show the true value that LCCA can provide in achieving the goals of better governance, fiscal accountability and to maximize return on taxpayer investment.

Again, I want to reiterate my support for House Bill 1431. Passage of this bill will help provide a transportation system that is able to meet the state's transportation needs, both now and in the future.

Sincerely

LAYING THE FOUNDATION FOR THE NEXT GENERATION



PO Box 2599
Bismarck, ND 58502
701-355-4458
701-223-4645 (fax)

**Testimony of Darrell Oswald
Chairman Holmberg
North Dakota Ag Coalition
In Support of HB 1431**

Chairman Holmberg and members of the Committee, my name is Darrell Oswald, and I am here today as the chairman of the North Dakota Ag Coalition in support of HB 1431. The Ag Coalition has provided a unified voice for North Dakota agricultural interests for over 35 years. Today, we represent more than 40 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Through the Ag Coalition, our members seek to enhance the climate for North Dakota's agricultural producers.

The Ag Coalition takes a position on a limited number of issues, brought to us by our members, that have significant impact on North Dakota's agriculture industry. The Ag Coalition supports HB 1431, specifically as it relates to the Ag Products Development Center, as this project is needed to continue the high-quality research essential to the future of North Dakota's crop and livestock producers. This investment in North Dakota agriculture works to enhance all commodities to benefit the future of the state's economy. With agriculture being the number one industry in North Dakota, it is critical to support the producers through research and education.

The proposed Ag Products Development Center will serve as a replacement for Harris Hall and the Meats Research Laboratory, which will bring new technology and equipment to ag research and provide new teaching areas for crops, livestock and food science. The current facilities limit research and education as they can no longer

provide the space, safety or technology researchers and students need to carry out their important work.

The agricultural research facilities at NDSU are the foundation for North Dakota's ag economy. We recommend a do pass on HB 1431 as the Ag Products Development Center will significantly enhance research and education for the state's producers and future generations.



March 31, 2021

Senate Appropriations Committee

HB 1431

Katie Ralston, Director of Workforce Division, ND Department of Commerce

Good afternoon, Chair Holmberg and members of the committee. My name is Katie Ralston, and I have served as the director of the workforce division at the North Dakota Department of Commerce since January 2020. In my role, I also have the great pleasure of serving as the director of the industry-led Workforce Development Council. Although I am not here on behalf of the Council, I'll lean on the work the Council has done to inform my testimony. I'm testifying in support of HB 1431 with an amendment to include funding for career and technical education centers.

The Department of Commerce would ask the committee to consider amending HB 1431 to include \$45 million to incentivize and support career and technical education centers across the state. We recommend that the language create a competitive grant to be run by state workforce agencies such as CTE, Commerce and K12 with a requirement for a match from the private sector and/or political subdivisions.

The role of the Workforce Development Council is to advise the Governor and the public concerning the nature and extent of workforce development in the context of North Dakota's economic development needs, and identify ways to meet these needs effectively while maximizing the efficient use of available resources and avoiding unnecessary duplication of effort. Two of the Council's main areas of focus are earlier and more diverse career exploration and addressing the technical skills gap to prepare North Dakota students for in-demand jobs in the state.

Career and technical education opportunities are amplified when provided through CTE centers as these facilities employ instructors with advanced subject matter expertise, supply specialized tools and equipment, leverage relationships with employers, and may provide career preparation experiences not typically accessible within a standard K-12 building. The Council has long endorsed CTE centers as they not only provide hands-on career exploration, they provide skilled workforce training, which helps many students determine and prepare for their post-graduation pathway. 60% of North Dakota's labor market is comprised of jobs that require more than a high school education, but less

than a four-year degree. In fact, 50% of the jobs that are currently available in the state fall into this category. Students can begin training for many of these jobs at CTE centers while still in high school, which could expedite their path to the workforce, especially when dual credit opportunities are available.

Finally, employer involvement is crucial in career and technical education. Interaction between employers and students is often based on relationships that teachers or administrators might have with a business leader in their community, which may make equity in opportunity a challenge and can cause employer resources to be spread thin. CTE centers can streamline communication and connections between employers and students from multiple school districts, which expands an employer's reach and exposes more students to industry expertise, and local work-based learning experiences such as job shadows and internships.

The state continues to make tremendous investments in economic development, which is North Dakota's vehicle to success; but workforce development is the fuel and our investments in this area need to start with our youngest learners, so that when they're ready for the workforce, pursuing high demand jobs in North Dakota will be their first choice.

Thank you for the opportunity to testify today. I am happy to answer any questions you may have.



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HB 1431
Senate Appropriations Committee
March 31, 2021

Chairman Holmberg and Members of the Committee,

My name is Gregory Nible and I am the Head of Business Development of Ruach Resources located in Tioga, North Dakota. We provide Aggregate and Ready Mix in Tioga, McGregor, White Earth and Williston. We employ 30 men and women who take pride in building safe, long-lasting and resilient infrastructure throughout the state.

I am writing to support HB 1431. Capitalizing on today's low-interest rates for bonds is a sound, fiscal choice to finance much needed infrastructure expansion and improvement.

The North Dakota Legacy Fund is a one-time resource that is intended to benefit future generations. Utilizing interest income from the Legacy Fund to service bond debt would create the most long-term value if the project's longevity is evaluated for maximum performance. Requiring a minimum design life of 35 years or more and taking into consideration all costs to build and maintain the asset over its projected service life will ensure current and future North Dakota taxpayers will receive the greatest benefit for their investment.

I would like to add my support to an effort to strengthen HB 1431 by including language that would require the following:

- (1) For projects financed by bond method and with an engineer's estimate of \$5 million or more, life-cycle cost analysis shall be used to evaluate the total economic cost of a transportation project over its expected (35 year minimum) performance lifetime, and
- (2) data indicating that future repair costs associated with a transportation project frequently total more than half of the initial cost of the project, and that conducting life-cycle cost analysis prior to construction will help the North Dakota Department of Transportation identify and select the most cost-effective option, improving the economic performance and lowering the total cost of building and maintaining the project over its service life.

North Dakota does not currently require LCCA on public projects, but 38 other states utilize LCCA in some form to shape their transportation network investments.

I believe HB 1431 is a great opportunity for North Dakota to implement LCCA as requirement for projects funded by bond method and it will show the true value that LCCA can provide in achieving the goals of better governance, fiscal accountability and to maximize return on taxpayer investment.

Thank you for your time and consideration of this proposal. Working together today, we can improve our state's network of roads and bridges today for the benefit of future generations.

Sincerely

Gregory Nible
Head of Business Development

Testimony of Merri Mooridian, Administrative Officer

Garrison Diversion Conservancy District

HB 1431

Senate Appropriations

Bismarck, North Dakota – March 31, 2021

Hello Chairman Holmberg and members of the Senate Appropriations Committee. Thank you for this opportunity to testify in support of House Bill 1431. My name is Merri Mooridian, and I am the Administrative Officer for the Garrison Diversion Conservancy District (Garrison Diversion). Garrison Diversion is a cosponsor of the Red River Valley Water Supply Project with the Lake Agassiz Water Authority (Lake Agassiz).

Investing in North Dakota's resiliency and future through large infrastructure projects will positively impact the state, and economic benefits will be realized over time. For instance, the Red River Water Supply Project is a large, multigenerational infrastructure project crucial to protecting North Dakota from the harmful and costly effects of moderate and severe droughts. When completed, it will have the ability to save the State approximately \$32 billion in economic impact over the course of a 10-year severe drought.

Garrison Diversion fully supports bonding for large multi-generational projects. These projects will be used for generations to come and bonding for these projects makes fiscal sense.

Thank you, Chairman Holmberg and members of the Senate Appropriations Committee.

Testimony of Dr. Timothy Mahoney
Lake Agassiz Water Authority Chair & Mayor of Fargo
HB 1431
Senate Appropriations
Bismarck, North Dakota – March 31, 2021

Hello Chairman Holmberg and members of the Senate Appropriations Committee. Thank you for this opportunity to testify in support of House Bill 1431. My name is Dr. Tim Mahoney, and I chair the Lake Agassiz Water Authority (Lake Agassiz). Lake Agassiz is a cosponsor of the Red River Valley Water Supply Project with the Garrison Diversion Conservancy District (Garrison Diversion).

The development of large infrastructure projects throughout North Dakota is important to the economic resiliency of the state and beneficial for future growth opportunities. Bonding is a critical piece of the puzzle to enable the affordable development and construction of large infrastructure projects that will positively impact North Dakota's economy.

Lake Agassiz supports bonding for large multi-generational projects, as investing in North Dakota's future through infrastructure projects will positively impact the state's economy and continue to benefit the upcoming generations. Bonding for such projects makes perfect financial sense.

Thank you, Chairman Holmberg and members of the Senate Appropriations Committee, for your time today.

March 31, 2021

Chairman Holmberg and members of the Senate Appropriations Committee,

I. Introduction

My name is Joel Paulsen, the Executive Director for the Authority, which wholeheartedly supports this critical piece of legislation. This bill will play a pivotal role in securing the completion of the Diversion as early as 2028.

II. Background

As a lead beneficiary of this piece of legislation, it is important for us to be clear about what is being funded through your support.

Our Project has three major elements that work together to provide a comprehensive flood protection project. Two are being delivered with a combination of local and state dollars, which are the in-town work in Fargo and Moorhead and the Diversion Channel and its associated infrastructure. The third component, which is being delivered with federal funds by the US Army Corps of Engineers, is the Southern Embankment and its associated infrastructure. Please note that the Authority is also responsible for the acquisition of lands and mitigation required to construct and operate the Project.

In addition to the substantial support we are receiving from the Federal Government and from dedicated long-term sales taxes voted in by the citizens of Fargo and Cass County, the State of North Dakota is committed to a vital share of our overall support. In the last legislative session, we requested a total funding commitment of the State of North Dakota of \$850 million. The legislature committed a total of \$750 million in legislative intent to the Project, allocated over several bienniums. They suggested that before considering the full amount of our request, the Authority obtain bids on the largest component of the Authority's direct cost obligations, the construction of the Diversion Channel through a P3 delivery model.

The timing of the P3 procurement process was delayed by legal and permit constraints, but those constraints have recently been resolved through the Settlement Agreement reached with the upstream opposition to the project. And while we are pleased that the final Request for Proposals has been issued for the P3 bids, and the Authority's construction cost estimate has not changed, we regret that we will not be able to provide definitive information about any impact those bids may have on our total funding needs until late-April.

III. Position

In summary, we fully support HB 1431 for the following reasons:



- This legislation provides the Project with financial certainty, a real benefit given the urgency and complexity of keeping construction on schedule. Enactment of this legislation give us the financial certainty to complete construction without deferral of any key components, deferrals which would add complexity and cost.
- This legislation accelerates the funding intent of the 2019 Legislature and satisfies the full request of the Authority. It reduces the burden on taxpayers by approximately \$20 million due to the elimination of short-term borrowing and its added expenses, based on our current financial plan and access to the full funding amount in 2021.
- Passage of this legislation would remove the Diversion from the collection of projects seeking funding from the Resources Trust Fund, producing a more efficient funding approach both for the Diversion and for the projects that specifically require Resources Trust Fund support.
- The Authority also supports HB 1431 as a wise way to allow all taxpayers that support projects included in the Bill to benefit from today's low-interest-rate environment.

We view the Project's relationship with the legislature as a state-local partnership. This state-local partnership has benefitted from the strong support of the North Dakota legislature and has greatly assisted the Authority in getting the Project underway. The Authority is not just "shovel ready". We have had shovels dirty and in the ground for many years and have, with your greatly appreciated help, invested over \$600 million of State and local dollars in the Program to date.

I very much appreciate your willingness to give my testimony and passage of HB 1431 your full consideration. We're seeking the funding and your continued support to keep digging!

Thank you for your time and for your support today.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel Paulsen".

Joel Paulsen
Executive Director
Metro Flood Diversion Authority
mobile: 701-781-4758
email: PaulsenJ@fmdiversion.gov

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1431
4/5/2021
Senate Appropriations Sub-Committee

Relating to a water infrastructure revolving loan fund and bonded debt repayments; relating to interest rates for infrastructure revolving loans, borrowing and lending authority of the public finance authority, and reserve funds associated with bonds; relating to a community water development fund and an infrastructure revolving loan fund within the resources trust fund.

Senator Sorvaag opened the committee work at 11:42 AM.

Senators present: **Sorvaag, Holmberg and Heckaman.**

Discussion Topics:

- 5-year averages of market value
- Bonding payments
- Workforce stream
- Sinking Fund

Senator Sorvaag presented testimony #11361.

Senator Sorvaag closed the hearing at 11:59 AM.

Rose Laning, Committee Clerk

	POMV	\$ 7,100,000,000 (2018-2022 5-year average est.)		8.00%	\$ 568,000,000
	STREAMS				
Section 3	Sinking Fund		30%		\$ 170,400,000
		Bond Payments		Min	\$ 100,000,000
		PERS		Max	\$ 50,000,000
Section 1	REDDI		25%		\$ 142,000,000
		Clean Sustainable		40%	\$ 56,800,000
		University		27%	\$ 38,340,000
		LIFT		25%	\$ 35,500,000
		Research Councils		5%	\$ 7,100,000
		Tourism		3%	\$ 4,260,000
Section 7	Legacy Stream		10%		\$ 56,800,000
Section 8 Advisory Board		Legacy Project			
		Legacy Infrastructure			
Section 6	Infrastructure		25%		\$ 142,000,000
		Highway Distribution		45%	\$ 63,900,000
		State Parks		5%	\$ 7,100,000
		Discretion		50%	\$ 71,000,000
Section 3	Workforce Enrichment		5%		\$ 28,400,000
	Discretionary				\$ 48,800,000
		Streams Formula	5%		\$ 28,400,000
		From Sinking Fund			\$ 20,400,000

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1431
4/7/2021 A.M.
Bonding Bill Sub-committee

Relating to a water infrastructure revolving loan fund and bonded debt repayments; relating to interest rates for infrastructure revolving loans, borrowing and lending authority of the public finance authority, and reserve funds associated with bonds; relating to a community water development fund and an infrastructure revolving loan fund within the resources trust fund.

Senator Holmberg opened the committee work at 9:04 AM.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

Discussion Topics:

- Previous amendments by Finance & Tax

Senator Poolman moved to remove the previous amendments.

Senator Oehlke second.

Senators		Senators	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	Y

Roll Call vote – 14-0-0. Motion passed.

Senator Sorvaag moved Do Pass as Amended on HB 1431.

Senator Heckaman second.

Senators		Senators	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	Y

Roll Call vote – 14-0-0. Motion passed.

The committee reconsidered the bill at the 11:00 AM meeting on April 7.

Senator Sorvaag closed the hearing at 9:31 AM.

Rose Laning, Committee Clerk

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1431
4/7/2021 11 A.M.
Senate Appropriations Committee

Relating to a water infrastructure revolving loan fund and bonded debt repayments; relating to interest rates for infrastructure revolving loans, borrowing and lending authority of the public finance authority, and reserve funds associated with bonds; relating to a community water development fund and an infrastructure revolving loan fund within the resources trust fund.

Senator Holmberg opened the committee work at 11:00.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

Discussion Topics:

- Re-consider previous action

Senator Krebsbach moved to reconsider the committee's previous action.

Senator Rust second.

<i>Senators</i>		<i>Senators</i>	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	Y

Roll Call vote 14-0-0. Motion passed.

Senator Bekkedahl moved Do Pass on HB 1431.

Senator Wanzek second.

<i>Senators</i>		<i>Senators</i>	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	Y
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	Y
<i>Senator Bekkedahl</i>	Y	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	Y
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	Y

Roll Call vote 14-0-0. Motion passed.

Senator Holmberg closed the hearing at 11:10

AM. *Rose Laning, Committee Clerk*

REPORT OF STANDING COMMITTEE

HB 1431, as engrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends reconsideration of amendment #21.0899.04007 and **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1431, as amended, was placed on the Fourteenth order on the calendar.