

2021 HOUSE APPROPRIATIONS

HB 1505

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1505
11/8/2021

BILL for an Act to amend section 6 of chapter 15, section 5 of chapter 18, sections 6, 7, and 8 of chapter 19, and section 1 of chapter 55 of the 2021 Session Laws, relating to the federal coronavirus capital projects fund and federal state fiscal recovery fund; to identify department of transportation funding sources; to provide an appropriation; to provide for a transfer; to provide for a report; and to provide an effective date

3:30 Chairman Delzer Calls the meeting to order; roll call was taken;

Attendance	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	A
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	A
Representative Mike Nathe	A
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:

- Coronavirus Relief Fund Reallocation
- Broadband
- Road Funding

Chairman Delzer – Discusses the bill and possible amendments, Committee discussion (Testimony #11844)

3:40 Joe Morrisette- Director Office of Management and Budget (Testimony #11786)

3:47 David Crothers- Broadband association of North Dakota (Testimony #11801)

3:50 Terry Traynor- NDACo (Testimony #11843)

3:56 Larry Syverson- North Dakota Township Officers Association testifies in favor

3:57 Justin Forde- Senior Director of Government Relations Midcontinent Communications (Testimony # 11804 & #12203)

Additional written testimony: Testimony in favor of HB 1505 #11822, #11810, #11806, #11805, #11798, # 11792, #11777

4:02 Chairman Delzer Closes the meeting for HB 1505

Risa Berube, House Appropriations Committee Clerk

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1505

The following is a summary of proposed amendments to House Bill No. 1505:

1. Increase the amount of the appropriation in Section 1 from the federal Coronavirus Capital Projects Fund for career and technical education center projects from \$50,000,000 to \$53,276,228. The \$30,000,000 of funding from the federal State Fiscal Recovery Fund for career and technical education centers would not be changed.
2. Decrease the amount of the appropriation from the Coronavirus Capital Projects Fund in Section 8 for broadband infrastructure grants from \$63,276,228 to \$60,000,000.
3. Add a new section as detailed below to appropriate \$100,000,000 of federal funding in excess of the regular federal funding amounts included in the Department of Transportation's 2021-23 budget to the department for road and bridge projects. This funding is currently appropriated in Section 2 of Senate Bill No. 2345.

SECTION 8. APPROPRIATION - FEDERAL FUNDS - DEPARTMENT OF TRANSPORTATION - ONE-TIME FUNDING. There is appropriated out of any moneys derived from federal funds in excess of the regular federal funding amounts included in the department of transportation's 2021-23 biennium budget, not otherwise appropriated, the sum of \$100,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses of road and bridge construction projects, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funds appropriated in this section are not considered part of the department's 2021-23 biennium budget for purposes of section 13 of House Bill No. 1015 and section 10 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, relating to excess federal funding requirements. The funding provided under this section is considered a one-time funding item.

TESTIMONY OF

Joe Morrisette, Director, Office of Management and Budget

Chairman Delzer and members of the House Appropriations Committee, I am here to testify in support of Section 9 of House Bill No. 1505.

Section 9 – Coronavirus Relief Fund Reallocation

Section 9 provides an appropriation of \$12.4 million from the Coronavirus Relief Fund (CRF) for payroll expenses at the Department of Human Services, Department of Corrections and Rehabilitation, and the Adjutant General.

This authority will allow any unspent CRF money to be used to offset allowable state payroll expenses and save an equivalent amount of general fund dollars. We currently estimate unspent CRF funding to be approximately \$9.5 million on December 31, 2021. This requested authorization of \$12.4 million allows capacity to allocate additional funding if the current estimate proves to be low.

CRF money needs to be obligated by December 31, 2021, and spent within 90 days, or be returned to the U.S. Department of Treasury.

Mr. Chairman and committee members, I ask your support for section 9 of HB1505. This concludes my testimony. I would be happy to answer any questions.



#11801

HOUSE BILL 1505

SPECIAL SESSION

NOVEMBER 2021

My name is David Crothers from the Broadband Association of North Dakota.

The Association encourages the adoption of Section 8 on page 8 within House Bill 1505 appropriating \$63 million to North Dakota Information Technology for broadband infrastructure grants.

There are 7,360 homes and businesses in North Dakota without adequate broadband service, according to ARPA guidelines. They are located in the counties below and include the costs of bringing service to them:

<u>COUNTY</u>	<u>UNSERVED LOCATIONS</u>	<u>ESTIMATED COST</u>
Barnes	295	\$ 4,277,500
Billings	292	\$ 8,652,186
Burke	233	\$ 1,593,697
Burleigh	15	\$ 365,730
Cass	1,615	\$10,993,000
Divide	44	\$ 1,184,618
Dunn	291	\$ 1,642,179
Grand Forks	663	\$ 9,700,000
Grant	56	\$ 1,512,000
McKenzie	74	\$ 688,413
McLean	192	\$ 1,083,846
Montrail	943	\$ 5,320,982
Morton	31	\$ 278,785
Ransom	37	\$ 536,500
Richland	460	\$ 980,000
Stark	140	\$ 3,819,900
Sioux	44	\$ 1,188,000
Steele	175	\$ 2,783,500
Traill	942	\$10,876,000

Walsh	256	\$ 3,577,344
Williams	<u>562</u>	<u>\$ 7,239,000</u>
TOTAL	7,360	\$78,293,180

The American Rescue Plan Act's Capital Projects Fund guidelines direct States to:

- 1) Identify locations within a State that do not have a wireline connection delivering 100 Mbps download speeds and 20 Mbps of upload speeds for funding.
- 2) Use the funds to construct networks to end-users that will provide at least 100 Mbps upload and download speeds simultaneously (symmetrical) and allow for providers to increase the speeds (scalable).

However, the Association urges you to remove the language "...for the period beginning with the effective date of this Act and ending June 30, 2023" found on Page 8, lines 14 and 15.

The reason for removing that language is three-fold: First, the speed in which the U.S. Treasury Department will approve State Grant Plans is unknown. States have until the last week of 2022 to submit their intentions. Second, the limited construction season available in North Dakota means that infrastructure build-out is limited to 7 months a year. Third, the U.S. Treasury recognizes the difficulty planning and constructing networks and imposes December 2026 as a deadline for construction.

Finally, BAND urges that broadband build-out be fully-funded using ARPA dollars instead of relying on the Infrastructure Investment and Jobs Act passed last week in Congress. The ARPA bill requires a much higher standard of service and provides North Dakota with the money to meet those goals.

The Infrastructure Bill uses a bare-bones definition of 25/3 Mbps and 100/20 Mbps of unserved and underserved as eligible for funding versus ARPA's "reliable wireline speeds of 100/20 Mbps". It is not known whether future U.S. Treasury guidelines implementing the Infrastructure Bill will impose more stringent guidelines, but the standards in the enabling legislation are far inferior to ARPA's and leave rural North Dakotans without a reliable broadband connection.

North Dakotans use and need a more robust network. The Association believes that not fully funding a program now just pushes back...or eliminates...the opportunity for rural residents to ever have a connection to a working broadband network when they need it.



broadband association of north dakota

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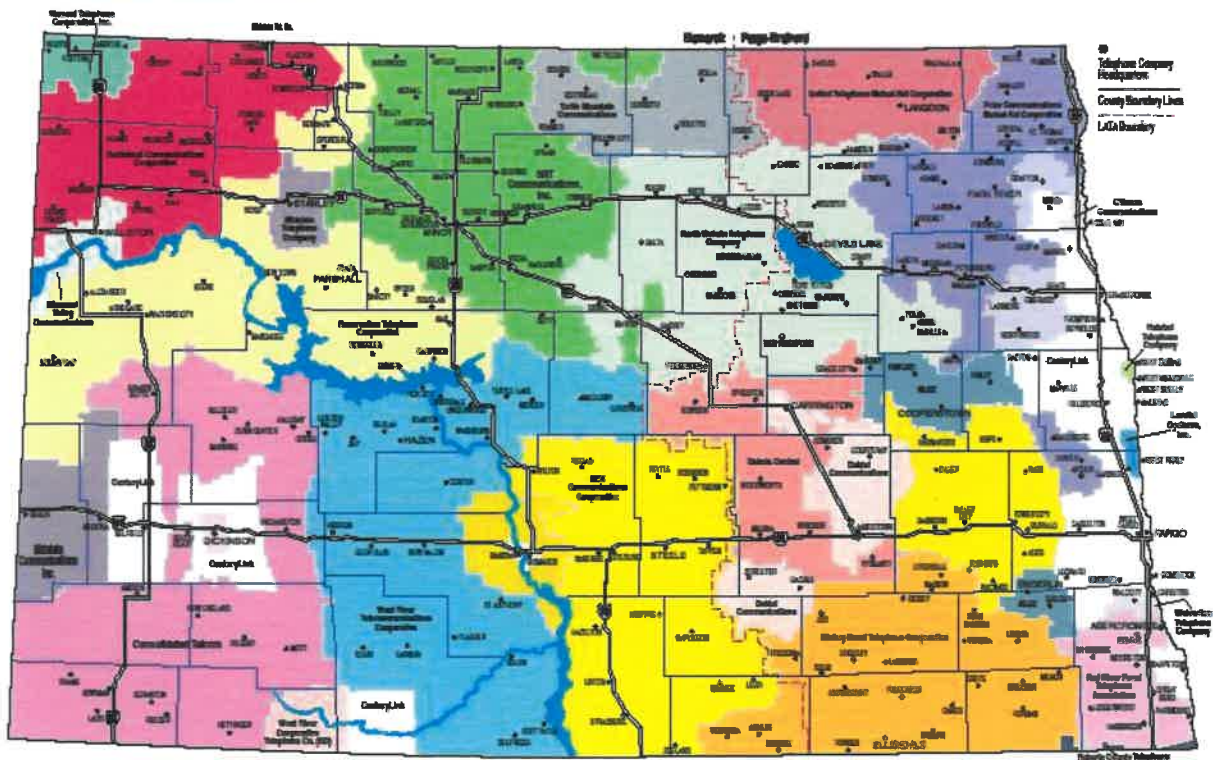
NORTH DAKOTA LEGISLATURE

OCTOBER, 2021

DAVID CROTHERS BROADBAND ASSOCIATION OF NORTH DAKOTA

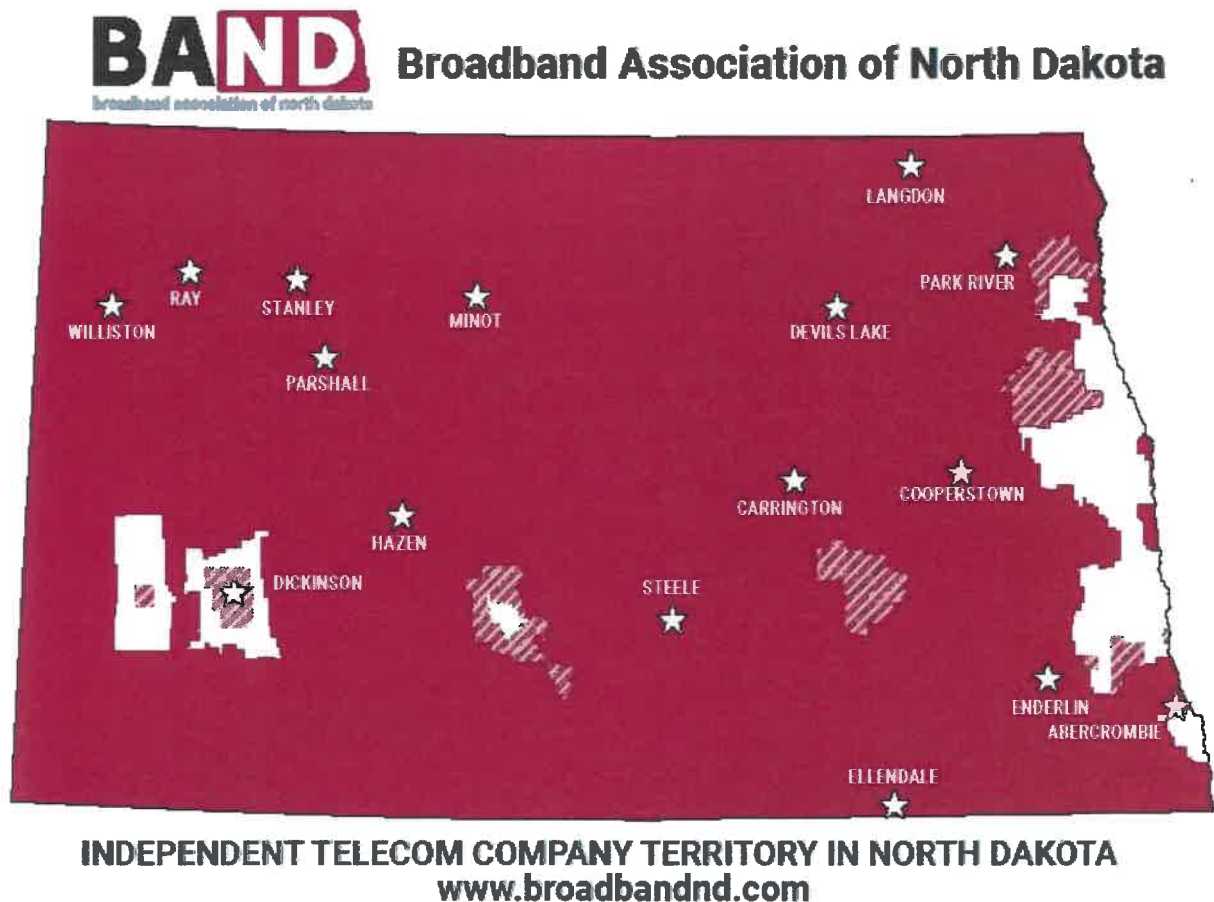
My name is David Crothers with the Broadband Association of North Dakota. Members of the Association provide broadband service to over 124,000 North Dakotans in every county of the State, employ over 1,000 and invest between \$80 and \$100 million annually in their communities and broadband infrastructure.

BAND North Dakota Telephone Exchange Areas



North Dakota is unique among rural States in this nation because of the high percentage of rural residents who have access to high-speed Internet. Where other States have not seen investment in rural areas by broadband companies, North Dakota has been the exception.

The reason for the disparity, in BAND's opinion, is the high percentage of the State's geographic territory served by locally owned companies. They invest in their communities, their subscribers, their employees, and themselves. Those companies believe they will only be as successful as the people they serve. Broadband Association of North Dakota members serve the area in North Dakota shown in red in the map below.



However, there are still areas of the State without broadband, and it is very likely the people who live there will never have it without strong financial assistance to build out the infrastructure necessary to deliver the quality high-speed Internet that most of us in North Dakota take for granted. Those locations...and residents...that don't have broadband are among the most rural with the fewest people per square mile and most expensive to connect.

In North Dakota, the Broadband Association of North Dakota has identified the number of unserved locations below and the estimated cost of building out a quality broadband connection to those families and small businesses.

<u>COUNTY</u>	<u>UNSERVED LOCATIONS</u>	<u>ESTIMATED COST</u>
Barnes	295	\$ 4,277,500
Billings	292	\$ 8,652,186
Burke	233	\$ 1,593,697
Burleigh	15	\$ 365,730
Cass	1,615	\$10,993,000
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Williams	562	\$ 7,239,000
TOTAL	7,360	\$78,293,180

One of the many lessons the pandemic taught Americans is that access to broadband is not a luxury, it is a necessity on par with having electricity and clean water. One literally cannot access the economic and educational opportunities the 21st century offers us without having a physical connection to a high-speed Internet network.

There is a very good reason those areas of North Dakota and the people who live there do not have access to broadband: it is stunningly expensive to bring it to them. It costs between \$18,000 and \$25,000 per mile to lay the fiber optic cable that is necessary for them to have the network they need today and will last into the future. There is simply no business case for private industry to spend tens of thousands of dollars to build out an Internet connection to rural locations...and people...and then charge them \$60 a month. For private industry, it isn't a question of whether serving those rural residents will be profitable, it is simply a money losing proposition from the start. Those companies will never recover their investment, much less ever see a return on it.

The question, of course, is "where does the money come from?" to build out to these low-density, high-cost areas. Places where just not very many people live. States have taken a variety of approaches.

Until the American Rescue Plan Act passed by Congress was adopted, States were appropriating monies out of their general revenues to State agencies to administer cost-share programs for private companies. Both Minnesota and South Dakota have done this for at least the last 5 years. The same approach was used by 37 other States. North Dakota has never adopted similar programs.

There have also been a variety of Federal programs administered by the U.S. Department of Agriculture, Federal Communications Commission or National Telecommunications and Information Administration. For whatever reasons, the unserved areas in North Dakota are ineligible or the technologies funded do not offer a reliable connection to customers. For them, being able to get Internet depends on the weather or trees around their location or having to share wireless capacity with their neighbors.

There is no one in the nation who doesn't think every person in America shouldn't have an Internet connection. The debate has always been whether to do it on the "cheap" with less reliable delivery methods like fixed wireless and satellite or whether to fund a quality network that is more expensive but will meet the future needs of rural North Dakotans and be in existence for half of a century.

The U.S. Treasury Department has written rules for States receiving ARPA pandemic money. Those specifically addressing broadband are found in a publication called "Guidance for the Coronavirus Capital Projects Fund. There is a copy of the guidelines attached.

The guidelines specifically include three permissible uses for the \$113,276,228 that North Dakota will receive from the Capital Projects Fund portion of ARPA. They are:

1) Broadband Infrastructure Projects

- Requires eligible projects to be designed to provide symmetrical download and upload speeds of 100 Mbps.
- Treasury encourages the State of North Dakota to focus on projects that will achieve last mile connections.
- North Dakota is encouraged to fiber-optic infrastructure.
- North Dakota is encouraged to direct dollars to households and businesses that do not have a wireline connection today that reliably delivers 100 Mbps download speeds and 20 Mbps upload speeds.

2) Digital Connectivity Technology Projects

- Permits the State to purchase and install devices and equipment to facilitate broadband access where affordability has been identified as a barrier to broadband adoption and use.

3) Multi-Purpose Community Facility Projects

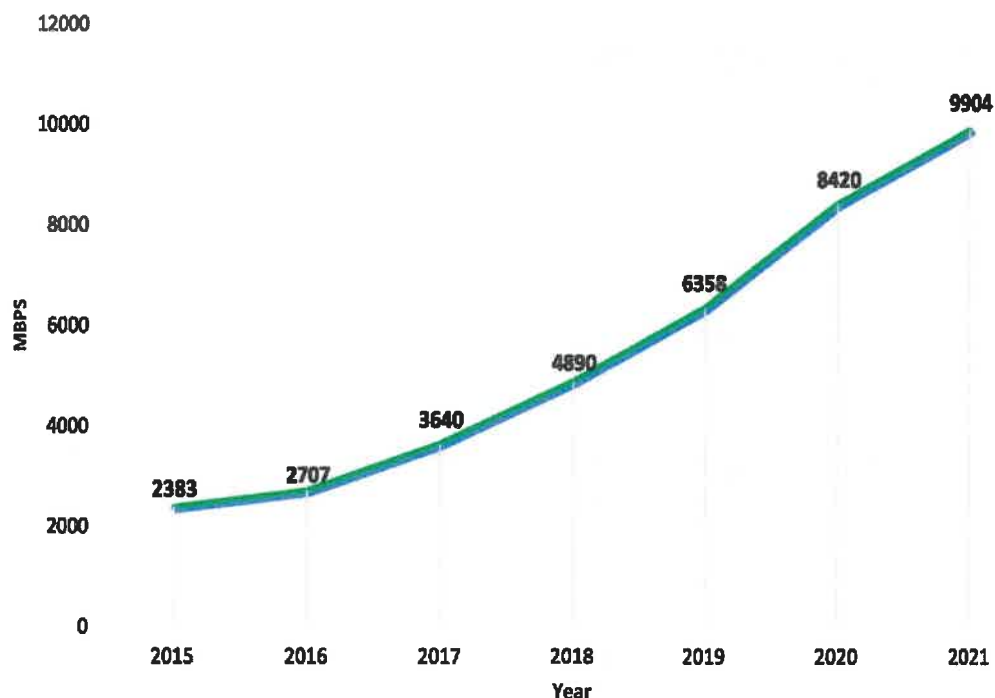
- Construct or improve buildings designed to jointly and directly enable work, education and health monitoring.
- Examples are: Community schools, libraries and community health centers.
- Public must be able to access computers with high-speed internet service.

The U.S. Treasury rules issued in September specifically direct States to short-term solutions such as inferior speeds and technologies. The rules state the money should only be used only on projects that are "scalable" to provide 100 Mbps "symmetrical" download and upload speeds. What that means is the Federal government wants to fund networks that can add capacity and speed in the future as customer use of bandwidth increases.

Customer usage and increased capacity demand on the network are very real issues that illustrate the need for all North Dakotans to have access to a high-quality broadband connection. Let me give you one example from one rural North Dakota company and how much more bandwidth its customers are using every single year.

Year	2015	2016	2017	2018	2019	2020	2021
Mbps	2383	2707	3640	4890	6358	8420	9904

AVERAGE TOTAL INTERNET DEMAND BY ALL SUBSCRIBERS



The company has literally seen customer usage grow 100 percent every year for the last 5 years. Other North Dakota rural companies have seen similar growth and demand. It is the result of more people taking advantage of telework options; educational opportunities increasingly moving online; medical providers directing patients, especially the elderly and those seeking mental health counseling, to video appointments for their care, and entertainment options. Additionally, those in the agriculture community need a fiber connection to transport the tremendous amount of data generated by farmers and precision agriculture. 5G will never be available in areas that do not have fiber optic transport.

Only a fiber optic network has the ability to accomplish what the Federal government demands. Those companies with a fiber optic network meet the increased need for speed and capacity by users by changing the electronics on either end of the fiber. Wireless delivery...either fixed wireless or satellite...will always be limited to the amount of spectrum the provider has been allocated or an unlicensed portion that is subject to interference.

The Broadband Association of North Dakota recommends the Legislature appropriate \$60 million to the State's Information Technology Department and direct the agency to establish and administer a competitive bidding program to build a future-proof, state-of-the-art backbone, and distribution network to the high-cost areas of the State that provides residents in those areas have access to at least 100 Mbps symmetrical broadband service. The agency has the knowledge, expertise, and access to the best practices from other States that have adopted similar programs.

It is also the Association's recommendation that funds should not be expended in areas with less than 100 Mbps symmetrical capability, but the State Information Technology Department determines that market conditions will eventually lead private providers to provide that level of service in the area within the next three years.

Finally, the Association believes that \$60 million will not be sufficient to fully deploy the necessary infrastructure to all North Dakotans. Most States creating "broadband funds" to urge private providers to bring broadband to unserved areas have created "grant/match" programs with the State agency using a formula that usually begins at a 50/50 formula. As noted earlier, some of the rural areas in North Dakota are so expensive to serve and the opportunity to earn a return that companies will not commit to building out to areas with less than a 75 or 80 percentage "grant" portion of the award. A more realistic number is likely in the \$80 million to \$100 million range. However, adoption of the \$60 million figure will likely allow for the build-out to many high-cost areas with the consequence of the agency running out of money before all identified locations can be served.

The Association believes that everything North Dakota wants to be in the future depends on having a state-of-the-art, high-speed fiber optic network that will last for decades. The Association also believes the time...and opportunity...to do it is here. The Federal American Rescue Plan monies quite likely are a once in a lifetime opportunity that specifically envision ubiquitous broadband access for all Americans and ask legislatures to make that dream come true.

Testimony Prepared for the
House Appropriations Committee

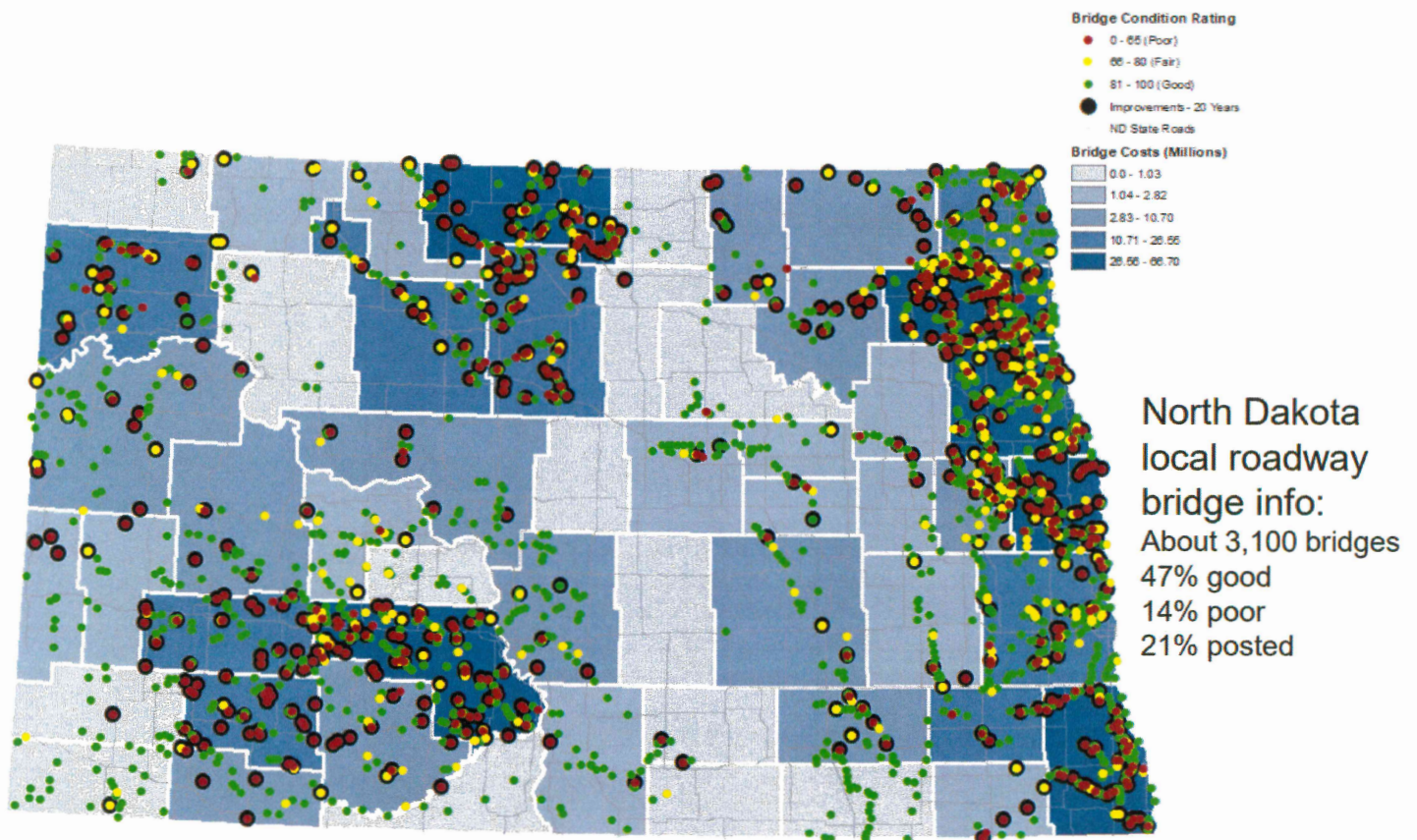
November 8, 2021

By: Terry Traynor, NDACo



RE: HB1505 – Local Road Funding Support

Mr. Chairman and committee members, please accept the attached information in support of your deliberations regarding the allocation of state received ARPA funding for the support of local roads.



20-Year Road and Bridge Needs - Dollars in Millions

Upper Great Plains Transportation Institute - 2020 Local Roads Study

COUNTY	UGPTI Needs in Millions of Dollars			
	Unpaved Needs	Paved Needs	Bridge Needs	UGPTI 20 Year Total Needs
Adams	54.06	4.25	5.56	63.87
Barnes	132.37	88.17	1.75	222.29
Benson	78.44	25.21	0.06	103.71
Billings	77.16	6.23	1.41	84.80
Bottineau	106.88	88.70	37.64	233.22
Bowman	75.64	64.54	0.61	140.79
Burke	128.31	18.87	1.84	149.02
Burleigh	239.50	134.70	4.58	378.78
Cass	283.43	138.65	22.01	444.09
Cavalier	117.26	28.68	5.43	151.37
Dickey	74.06	32.19	0.42	106.67
Divide	153.24	38.19	0.96	192.39
Dunn	287.63	23.00	3.00	313.63
Eddy	35.78	24.50	1.20	61.48
Emmons	77.55	5.10	2.56	85.21
Foster	48.64	44.89	1.08	94.61
Golden Valley	85.03	9.64	2.26	96.93
Grand Forks	242.91	111.45	35.61	389.97
Grant	125.27	-	10.67	135.94
Griggs	46.52	14.68	1.81	63.01
Hettinger	67.12	6.25	19.71	93.08
Kidder	70.55	20.43	-	90.98
LaMoure	105.00	58.13	9.76	172.89
Logan	49.18	2.47	0.97	52.62
McHenry	116.64	42.23	25.98	184.85
McIntosh	47.74	43.19	0.02	90.95
McKenzie	433.77	122.53	7.81	564.11
McLean	167.72	78.50	3.08	249.30
Mercer	89.54	43.50	2.13	135.17
Morton	106.51	34.84	42.22	183.57
Mountrail	203.45	67.54	1.07	272.06
Nelson	59.10	31.40	2.31	92.81
Oliver	32.54	8.89	0.15	41.58
Pembina	81.77	70.66	22.75	175.18
Pierce	97.37	4.08	0.45	101.90
Ramsey	63.20	45.81	5.94	114.95
Ransom	65.43	25.01	10.74	101.18
Renville	66.62	40.26	2.43	109.31
Richland	186.53	118.32	30.08	334.93
Rolette	51.40	16.78	0.49	68.67
Sargent	52.45	42.28	2.80	97.53
Sheridan	54.36	8.28	-	62.64
Sioux	61.08	-	0.10	61.18
Slope	58.38	0.50	0.61	59.49
Stark	168.86	57.52	19.48	245.86
Steele	79.45	26.88	10.53	116.86
Stutsman	137.21	105.74	3.11	246.06
Towner	75.23	-	5.31	80.54
Traill	84.93	69.11	60.77	214.81
Walsh	186.86	76.95	43.51	307.32
Ward	214.60	158.39	12.13	385.12
Wells	84.65	53.81	1.15	139.61
Williams	247.15	185.78	10.76	443.69
Totals	6,136.07	2,567.70	498.81	9,202.58

TESTIMONY OF JUSTIN FORDE

**SENIOR DIRECTOR OF GOVERNMENT RELATIONS
MIDCONTINENT COMMUNICATIONS**

on

Broadband Appropriations in North Dakota

Members of the Committee, thank you the opportunity here to discuss Midco's experience with broadband funding programs. My name is Justin Forde, and I am the Senior Director of Government Relations at Midcontinent Communications ("Midco"). Midco is the leading provider of Internet and connectivity, cable TV, phone, data center and advertising services in the North Dakota. We also operate a regional sports network, Midco Sports Network, which broadcasts live, local high school and regional college sports.

More than 440,000 residential and business customers count on Midco services across five states: South Dakota, North Dakota, Minnesota, Kansas, and Wisconsin. Midco communities range from just over 100 people in places like Dodge, North Dakota, to our largest community, Fargo North Dakota. The majority of the 400 communities we serve are very rural. Many have less than 50,000 people, with most having populations between 500 and 5,000.

The COVID-19 pandemic put a spotlight on the importance of broadband connectivity for all Americans, and America's ISP networks delivered. At Midco, our investment of over \$457 million in the last five years positioned us to serve the needs of our customers as they fully integrated their work, school and home lives. We also connected 2,500 families to free internet at home (including our rural, fixed wireless network), partnered with school districts to connect students needing service, and signed on to former Federal Communications Commission ("FCC") Chairman Pai's "Keep Americans Connected" pledge.

Collectively, ISPs have invested more than \$1.8 trillion in capital over the last twenty - three years to get America connected. Light-touch regulatory policy from the FCC and Congress has enabled this work. The U.S. cable industry now offers 1 Gigabit service to 88 percent of American households, in both urban and rural communities. Currently, over 95% of the country has access to broadband service that offers speeds of at least 25 Mbps download and 3 Mbps

upload. But we need to solve the remaining broadband deployment challenge of connecting those who do not have internet available – primarily in the most rural areas that are difficult to serve in a cost-effective manner.

Midco provides Gigabit services to more than 95% of the largely rural communities it serves. Many of our service areas are adjacent to areas that are not economical to serve without federal assistance, and we have sought and obtained funding through federal and state programs to assist with expanding to those areas.

I'm here today to share our experience with those programs, including those administered by the FCC – we participated in the FCC's Connect America Fund ("CAF") auction and the Rural Digital Opportunity Fund ("RDOF") auction – as well as the Department of Agriculture's Rural Utilities Service ("RUS"). With many billions of federal funding dollars being focused on broadband expansion, it is more important than ever to get these programs right, including at the state level.

Midco's History of Innovation

Before discussing Midco's experience with funding programs, I want to explain how we have innovated to provide broadband to rural communities in various ways. Innovation and foresight have shaped Midco's course for more than 90 years. We have made it our mission to ensure that our most rural communities are at the leading edge of technology. Across our footprint, our goal is always to continue to find ways to meet and exceed the communications needs of our customers.

Founded in 1931, Midco began by operating movie theatres, and then entered the radio business. In 1954, our owners launched the first television station in South Dakota. From there,

Midco evolved its service line to include cable television and phone service. On April 15, 1996, in Aberdeen, South Dakota, a town of about 25,000 people then, Midco launched our broadband internet service.

Our commitment to innovation continues to motivate our business initiatives. We own and operate four data centers in North Dakota and South Dakota to give local businesses a cost-effective way to secure their critical data and IT infrastructure. We provide solutions for regional and national banking, healthcare, energy, and government customers, among many other industries. We combine our data center services with powerful network solutions through our wholly owned, operated and engineered Midco fiber network. Our data centers are directly connected to our fiber backbone, giving businesses access to some of the fastest internet speeds in the country.

Midco's willingness to evolve stems from our desire to serve the communities where we live, work and educate the next generation. In 2017, we launched the Midco Gig Initiative – a commitment to bring Gigabit internet speeds to our entire service area – from the region's smallest towns to its largest cities. In 2019, Midco Gig was available to more than 90% of our customers. That year, we announced our involvement in the 10G initiative, a commitment to invest \$500 million over 10 years on a global cable industry standard that will provide ultra-fast multigigabit speeds in both directions, combined with low latency, unmatched reliability, and rock-solid security for a broad range of customers. Today, more than 95% of Midco's customers across our footprint are receiving service that exceeds 1 Gig speeds. In the coming months, we will announce a major upgrade that will give even more customers greater speeds.

Our growth has included progress in reaching previously unserved areas, thanks in part to our partnership with the FCC through its CAF II and RDOF auctions and our partnership with

the state of Minnesota and its Border-to-Border Program. Our experience in Minnesota provides a powerful example of what is going right with these programs and how well-designed programs can help companies like Midco expand their networks to new homes, including those that were previously unserved and difficult to reach.

Midco invested \$44 million in private capital in Minnesota in 2020 and connected more than 20,000 new homes, including 7,500 homes in new markets. But there were communities in adjacent areas that were not economical to serve. With the help of Minnesota's Border-to-Border State Grant Program, Midco extended its network to some of those areas. For example, in Scandia, Minnesota, a town of approximately 4,100 people, we built a Gigabit wired network that will improve access for the residents of Scandia for critical e-learning applications and health care resources, enable telecommuting options for residents, and make businesses and city institutions more efficient.

We have also partnered with the FCC to expand to other previously unserved areas in North Dakota, South Dakota and Minnesota. With the help of an award of \$38.9 million through the FCC's CAF II program, we are edging out our network to reach more than 9,300 new locations with 100/20 speeds to serve previously unserved remote, rural areas. And with the help of RDOF, through which we were awarded \$4.96 million in 2020 to deploy broadband, we will reach 6,506 previously unserved locations across North Dakota, South Dakota and Minnesota with a wireline broadband network that will initially support a 1,000/500 speeds offer, but is capable of 5 Gbps/5 Gbps speeds.

Midco's Innovative Approach To Getting Broadband To Remote Areas

We have been able to reach many rural communities with broadband by leveraging our extensive fiber backbone through our Midco Edge Out® strategy. We “edge out” our high-speed internet from our fiber backbone in urban areas to rural areas using fixed wireless technology. We use the initial fixed wireless expansion from our wired plant to meet consumers’ immediate needs, and then leverage that expansion to justify a wired network buildout in the future. While some rural areas may support a wired build, other, more remote rural areas will continue to be served with a fixed wireless solution.

For example, the Midco Edge Out® strategy brought high-speed fixed wireless to the rural, “bedroom” communities surrounding Grand Forks, ND. The strong customer base and increased demand for broadband then allowed Midco to build out such communities with a wired, Gigabit network. We will then repurpose the fixed wireless equipment to serve other rural communities.

I can personally speak to the benefits of the fixed wireless approach, as I am a Midco fixed wireless customer. I have been a fixed wireless customer for more than 10 years and Midco recently updated my service to our LTE, 5G-ready platform. I get my internet from the top of a commercial tower in Grandin, North Dakota to my small farmstead six miles west of Argusville. During the pandemic, my three kids went to school online, my wife used the internet to run a small business, and I worked for Midco remotely. Midco’s fixed wireless allowed us to continue educating our children and working during the pandemic.

My neighbors are also Midco fixed wireless customers. One of my neighbors runs a cattle ranch. He uses our fixed wireless to sell his livestock by auction where speed and capacity matter, and where many individuals are participating in the auction at the same time. He is a

happy Midco fixed wireless customer running a vital and thriving ranching business in rural North Dakota.

Midco believes in the power of fixed wireless to bridge the digital divide and enable our Midco Edge Out® strategy so much that we spent \$8.8 million to acquire spectrum in the FCC's Citizens Broadband Radio Service auction in 2020. This spectrum not only allows us to offer speeds of more than 100/20 Mbps at distances up to eight miles from the vertical asset, but it also gives us access to crucial mid-band spectrum to continue innovating.

We know that fixed wireless technology is a viable solution for rural America. We know that we can reach remote, rural areas that are up to 50 miles away from our fiber network. We can also implement this solution relatively quickly and without the effort or expense of constructing fiber networks. Fixed wireless technology can also be deployed during the winter months, when harsh weather makes fiber construction impossible. This leads me to my first recommendation for broadband support programs: **it is critical that the programs be technology-neutral, encourage the broadest participation of qualified broadband providers, and be as flexible as possible.**

If broadband support programs are flexible, allowing providers to experiment and innovate with different ways of getting broadband service to hard-to-reach places, more Americans will get broadband service. It is not possible or practical to build a fiber network to every location in the country. Some are too difficult to reach, because they are geographically remote, and others are very hard to serve because of their topography – such as granite cliffs and protected national forests. People in those areas should not be constantly passed over for the opportunity to get broadband service because their area cannot support the kind of build that

most federal funding programs require. Setting high speed thresholds that can only be delivered by a fiber network build may sound helpful, but in practice will continue to leave many behind.

In addition to keeping an open mind on how companies deliver broadband, based on our experience with the ReConnect program and participating in the CAF and RDOF auctions, we would like to offer a few other recommendations to ensure that future funding is used efficiently and effectively to expand the reach of broadband networks in rural America.

Our second recommendation is to **award funds through open competitive bidding**. Using a “reverse auction” competitive bidding process, as the FCC has done with its CAF II and RDOF programs, will connect the most unserved homes, for the least per-home subsidy, at the highest speed possible in the area – given all of the variables. This gives the country the best bang for the buck. Letting the auction process determine what speed can be most efficiently provided in a given area – as the FCC did in the recent RDOF auction – also provides the necessary flexibility I mentioned while ensuring that areas that can be served at higher speeds will be. In the recent RDOF auction, which resulted in highly competitive bidding, more than 99% of funded locations will be receiving broadband with speeds of at least 100/20 Mbps, with an overwhelming majority (over 85%) getting gigabit-speed broadband.

Our third recommendation is to **stay focused on unserved areas**. Broadband programs should target funding to truly unserved areas, where private investment is not going to occur without government assistance but consumers need to be connected. In the past, some government broadband programs have allowed funding to be used in places that already have broadband service. Midco was overbuilt with our own tax dollars in Mitchell and Yankton, South Dakota. In Yankton, government dollars were used by a fiber company to overbuild two existing providers; and the new provider used those government funds to “cherry pick” a few business

customers. We believe that scarce government resources should be targeted to those who will build out to consumers who do not yet have access to all the benefits broadband provides, for jobs, education and health care services.

Fortunately, both the FCC and RUS took steps aimed at directing new broadband funding where it is truly needed. The FCC requires areas receiving new funding to be unserved and the ReConnect program requires that areas are only eligible if at least 90 percent of households are unserved. These steps were meant to guard against using government subsidies to overbuild private investment or broadband deployment funded through other federal or state government programs, ensuring that any such programs will make meaningful headway in closing the Digital Divide.

These efforts could be thwarted by proposals to redefine what it means to have broadband service available. When eligibility is restricted to areas that do not receive a basic level of broadband service, such as 25/3, we know that funding will be used to bring broadband where it did not previously exist. But when areas are defined as eligible for funding unless they have a higher level of service – such as recent proposals suggesting an increase to 100/100 – this means that many areas where we and others have invested heavily, including through public/private partnership programs, are suddenly considered “unserved.”

Providers will naturally apply for funding to serve these newly eligible areas, because those are the places that are easiest to build and serve. This would mean that areas that already have robust broadband service would be newly eligible for funding to build even faster service, increasing the likelihood that funds would be siphoned away from areas that are not economical to reach, and have struggled for years to attract broadband deployment. The likely result would

be that those lacking broadband service today will still lack broadband service tomorrow, even after billions of dollars in funding are spent. We believe these proposals should be reconsidered.

Our fourth recommendation is to **continue to improve agency coordination and enact guardrails to ensure funds are wisely spent.** With several federal agencies and a growing number of states dedicating funding to broadband deployment, it is increasingly important to ensure that all relevant agencies and to the extent possible, state programs that are awarding grants for buildout, are coordinating with each other. Close coordination is necessary to ensure that government support is being used to help solve the problem of the unserved and to help achieve the goal of universal connectivity. It is important that the FCC keep its broadband deployment map updated, including showing where and to whom funding has been awarded even if facilities are not yet constructed. Regularly sharing that map with all federal and state agencies awarding broadband funding, so that everyone is working off a common data set in determining which areas are unserved, is also crucial.

As one example, we have been awarded CAF II funding to reach areas of Dakota County, Minnesota. We have not yet started construction, but are fully on track with the deployment schedule established in that auction. Despite the fact that we have an enforceable commitment to build a network in that area, and the census blocks we have agreed to serve are easily available through the FCC's website, we recently learned that two other providers have been awarded CARES Act funding to serve that same area. Further, because the CARES Act funding comes with very few guardrails or regulatory requirements, such as providing voice service or being an eligible telecommunications carrier (ETC), we will be competing on unequal footing. This is a bad result for everyone. It is a bad result for Midco and the providers winning CARES Act funds, because the area is not economical to serve for even one provider, and it is a poor use of

taxpayer money, because scarce funds have been devoted to an area where multiple federal funds were already committed. Had there been better coordination between the two funding sources, this result might have been avoided.

Fortunately, some progress is being made, both with respect to coordination and ensuring that grant money is being wisely spent. The FCC is implementing the mapping requirements of the Broadband DATA Act to ensure that areas without broadband are more precisely identified, and implementation of the ACCESS Broadband Act and the Broadband Interagency Coordination Act should boost coordination efforts so that federal and state funds are complementing each other's efforts to reduce the number of unserved areas. It is critical that in implementing these directives, agencies distributing funding view coordination with each other as an integral part of the award process, not an afterthought.

RUS has also made improvements. During a recent round of ReConnect funding, the RUS not only did field tests to determine if existing service was present before making awards to certain areas of North and South Dakota prior to issuing grants, but also provided our company with specific information about why it was accepting or denying the submission we filed as part of the Reconnect challenge procedures showing that the proposed funded service areas already had access to broadband service. That is progress.

Finally, we recommend **removing barriers to entry and deployment**. In addition to improving the programs themselves, it is appropriate to examine the regulatory landscape at the federal, state, and local levels to ensure that obligations and costs placed on providers—whether they offer wireless or wireline service—are reasonable, lawful, competitively neutral, and not unduly burdensome. Eliminating regulatory barriers to deployment (such as permitting delays and the imposition of excessive pole attachment rates by municipalities and co-ops), and

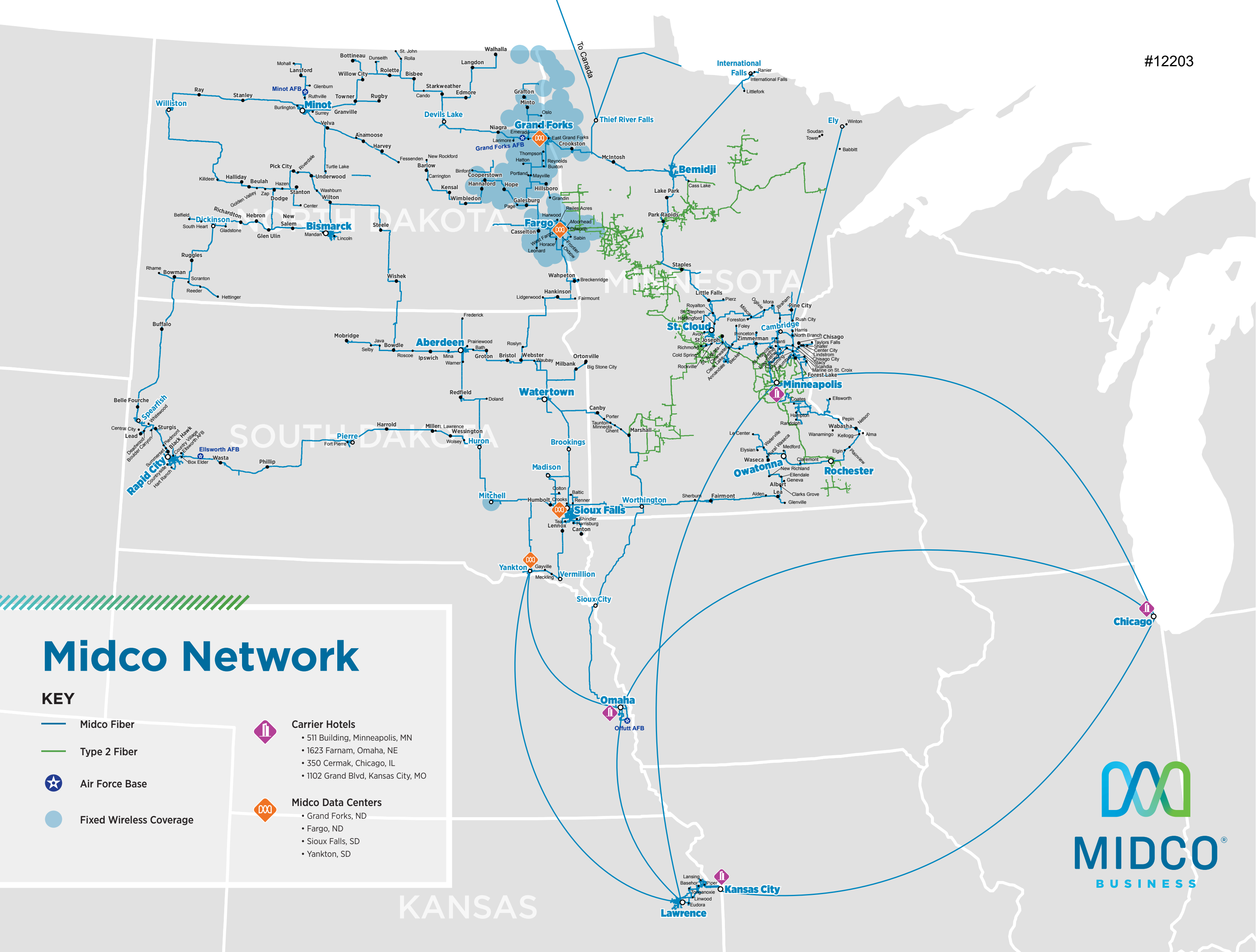
encouraging equitable “dig once” policies, will help accelerate and lower the cost of broadband infrastructure buildout. Every dollar paid in excessive fees and taxes is a dollar that cannot be invested in broadband, making the rollout and upgrade of rural broadband slower and less ubiquitous.

*

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*

I commend the Committee for its focus on ensuring that the billions of dollars being spent on broadband deployment benefit all Americans – including those in rural America. Progress has been made with the existing federal and state programs to target funding at unserved areas, largely by improving the design of those programs to better identify unserved areas and by defining broadband service in a way that prioritizes people living in hard-to-reach areas that may require a menu of technologies to serve each and every household. We hope that new programs, like those included in the American Rescue Plan, will be implemented with similar goals and guardrails in place. Thank you again for inviting me here today, and we look forward to working with you on these important issues.



Midco Network

KEY

- Midco Fiber
- Type 2 Fiber
- Air Force Base
- Fixed Wireless Coverage

- Carrier Hotels**
 - 511 Building, Minneapolis, MN
 - 1623 Farnam, Omaha, NE
 - 350 Cermak, Chicago, IL
 - 1102 Grand Blvd, Kansas City, MO
- Midco Data Centers**
 - Grand Forks, ND
 - Fargo, ND
 - Sioux Falls, SD
 - Yankton, SD





Home Builders Association of Fargo-Moorhead

#11822

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

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November 8, 2021

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

Dear Chairman Delzer and Members of the Committee,

The Home Builders Association of Fargo-Moorhead represents approximately 750 builders and related businesses throughout Cass County. Thank you for the opportunity to submit this letter urging you to catalyze economic development and financial stability by supporting the funding House Bill 1505 proposes for career and technical education.

The North Dakota workforce currently lacks the skills and knowledge required to build, update, and maintain homes. As a result, construction costs and purchase prices are pushed to levels that exclude potential homebuyers from the market and cities lose the economic activity and revenue potential. This labor crisis has brought the growth cycle to a standstill in North Dakota.


The crisis will continue until we, as a state, acknowledge the fact that 4-year degrees and labor alone do not build homes or represent success. However, approving workforce development legislation, like House Bill 1505, will cultivate the functional skills and knowledge required to successfully build and diversify the housing inventory that North Dakota so desperately needs.

We thank the 2021 Legislative Assembly for supporting workforce development during its regular session but ask that the Assembly not forget that the crisis will perpetuate absent continued state commitment and financial support. Rather than considering this letter a plea for funding, please accept it as testimony to fact that the State will receive immeasurable positive returns on every penny invested in workforce development.

Private and public partnerships have been committed and working to correct the labor crisis before the American Rescue Plan Act funds were available, but today these partners must ask, "Will the largest beneficiary of our efforts, the State of North Dakota, continuing doing its own part to correct the labor crisis?" Approving funding for workforce development is the state's opportunity and we urge you to support it.

Thank you for your consideration.

Respectfully,


Bryce Johnson
Chief Executive Officer


Kim Hochhalter
President

Affiliated With



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



**Testimony of Jennifer Greuel
Economic Development Association of North Dakota
In Support of HB 1505
Nov. 8, 2021**

Chair Delzer and members of the House Appropriations Committee:

I am Jennifer Greuel, executive director of the Economic Development Association of North Dakota (EDND). I am writing today in support of using American Rescue Plan Act (ARPA) aid to fund statewide career academies.

EDND represents more than 80 state economic development organizations and related businesses on the front line of economic development efforts throughout North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life.

North Dakota's unemployment rate has quickly rebounded after the pandemic (3.5 percent in Sept. 2021), and workforce availability is a significant challenge facing North Dakota businesses, limiting the growth potential of the state's economy. EDND supports the development of workforce attraction, development and retention strategies that address the needs of the state's businesses and industries.

The included \$80 million investment in the skillset of people in North Dakota is an investment in the state's future economy and programs which target youth and encourage students to consider in-demand, technical degree career paths to which they might not otherwise be exposed. The availability of a high-quality competitive workforce will continue to be a significant challenge facing North Dakota businesses, but this funding is one strategy the state can deploy to help combat this issue and support the economy.

Thank you for the opportunity to express our support for these important proposals and for your continued commitment to keeping North Dakota globally competitive and diversifying the state's economy.

				Priority Weighting							
				35%	5%	30%	15%	15%	100%		
				Prioritization							
				Current Condition	Interconnection with Other Systems	Agency Priority	Return on Investment	Health, Safety, and Security	Weighted Prioritization		
Agency	Facility	Facility Improvement Measure	Cost								
Historical Society	Pembina State Museum	C.3 - Energy Management and DDC	\$ 16,500	3.5	5	5	4.75	5	4.44		
Historical Society	Chateau De More	C.2 - Energy Management and DDC	\$ 12,100	3.5	5	5	4.5	5	4.40		
Historical Society	Confluence Center	C.4 - Energy Management and DDC	\$ 16,250	3.5	5	5	4.5	5	4.40		
Historical Society	Pembina State Museum	E.3a - Lighting Retrofit - Base Project	\$ 18,000	3.5	4	5	5	4	4.28		
Historical Society	Pembina State Museum	E.3b - Lighting Retrofit - Enhanced Project	\$ 21,750	3.5	4	5	5	4	4.28		
Historical Society	Confluence Center	LS.3 - Fire Alarm Upgrade	\$ -	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.1 - Camp Hancock (Storm Window Replacement)	\$ 38,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.2 - Camp Hancock (Glass Window Restoration)	\$ 100,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.3 - Camp Hancock (Officers' Quarters/Quartermaster's Office Repairs)	\$ 18,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.4 - Camp Hancock (South Stone Wall Repair)	\$ 82,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.5 - Chateau De Mores (Wall and Ceiling Repairs)	\$ 24,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.6 - Chateau De Mores (Window Repairs)	\$ 47,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.7 - Chateau De Mores (Caretaker's Cottage Repairs)	\$ 71,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.8 - Chateau De Mores (Barrier Post Replacement)	\$ 12,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.9 - Chateau De Mores (Interpretive Center Repairs)	\$ 24,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.10 - Former Governors' Mansion (Foundation Repair)	\$ 24,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.11 - Former Governors' Mansion (Wallpaper Restoration)	\$ 47,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.12 - Fort Abercrombie (Redesign/Repair Stockade)	\$ 59,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.13 - Missouri Yellowstone Confluence Interpretive Center (Patio Repairs)	\$ 47,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.14 - Missouri Yellowstone Confluence Interpretive Center (Fire System)	\$ 165,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.15 - Fort Clark (CCC Roof Repair)	\$ 18,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.16 - Fort Totten (Building #5 and #14 Roof Repair)	\$ 235,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.17 - Fort Totten (Building #14 Painting)	\$ 59,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.18 - Fort Totten (Landscaping)	\$ 100,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.19 - Fort Totten (Replace Floor Joists and Repair Floors Building #1)	\$ 59,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.20 - Fort Totten (Adjutant's Office Restoration Building #25)	\$ 24,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.21 - Fort Totten (Building #5 Restoration)	\$ 235,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.22 - Fort Totten (Architect Building #13)	\$ 47,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.23 - Gingras (House Roof Repairs)	\$ 53,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.24 - Maintenance Shop (Parking Lot Repaving)	\$ 118,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.25 - Maintenance Shop (Fence Replacement)	\$ -	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.26 - Pembina Museum (Heat Pump Replacement)	\$ 31,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.27 - Pembina Museum (Interior Repairs)	\$ 29,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.28 - Ronald Reagan Minuteman Missile Site (Parking/Turn Around)	\$ 59,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.29 - Stutsman County Courthouse (Architect)	\$ 59,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.30 - Stutsman County Courthouse (Elevator)	\$ 588,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.31 - Stutsman County Courthouse (Floor/Wood Restoration)	\$ 176,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.32 - Stutsman County Courthouse (Judge's Chamber Restoration)	\$ 100,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.33 - Walhalla (Restoration of Kittson Store/Warehouse, Repair Restroom, Repa	\$ 353,000	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.34 - Welk Homestead (Painting)	\$ 29,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	PROG.35 -	\$ -	5	4	5	0	4	4.05		
Historical Society	Historical Sites	S.1 - Access & Surveillance System Upgrade	\$ 529,500	5	4	5	0	4	4.05		
Historical Society	Historical Sites	S.2 - Security Panel Upgrade (A&HP Shop)	\$ -	5	4	5	0	4	4.05		
Historical Society	Historical Sites	S.3 - Security Panel Upgrade	\$ -	5	4	5	0	4	4.05		
Historical Society	Fort Abercrombie	C.1 - Electric Controls Upgrade	\$ 950	2	5	5	4.75	5	3.91		
Historical Society	Chateau De More	E.2a - Lighting Retrofit - Base Project	\$ 25,250	2	4	5	5	4	3.75		
Historical Society	Chateau De More	E.2b - Lighting Retrofit - Enhanced Project	\$ 27,500	2	4	5	5	4	3.75		
Historical Society	Confluence Center	E.6a - Lighting Retrofit - Base Project	\$ 34,250	2	4	5	5	4	3.75		
Historical Society	Confluence Center	E.6b - Lighting Retrofit - Enhanced Project	\$ 41,500	2	4	5	5	4	3.75		
Historical Society	Fort Abercrombie	E.1a - Lighting Retrofit - Base Project	\$ 7,900	2	4	5	4.75	4	3.71		
Historical Society	Fort Abercrombie	E.1b - Lighting Retrofit - Enhanced Project	\$ 14,600	2	4	5	4.5	4	3.68		
Historical Society	Chateau De More	LS.2 - Fire Alarm Upgrade	\$ 30,250	2	5	5	0	5	3.20		
Historical Society	Fort Abercrombie	LS.1 - Fire Alarm Upgrade	\$ 20,500	2	5	5	0	5	3.20		
Historical Society	Pembina State Museum	E.4 - Install Variable Frequency Drives on HW Pumps	\$ 37,250	2	4	5	1	4	3.15		
Historical Society	Chateau De More	S.1 - Update Security Systems	\$ 84,000	2	3	5	0	5	3.10		
Historical Society	Pembina State Museum	INT.6 - Carpet Replacement	\$ 47,750	5	3	3	0	2	3.10		
Historical Society	Pembina State Museum	E.5 - Electrical Switchgear and Distribution	\$ 115,500	2	4	5	0	4	3.00		

\$ 4,237,300

Listed in order
alphabetically by
historic site, not
priority

Key for Prioritization	
Priority	Priority Characteristics
5	Important and Urgent for the reasons specified. An organization top priority.
1	Lower Importance and Urgency. Could be deferred into the future if resources don't allow for immediate implementation.

#11805

HOUSE APPROPRIATIONS HB 1505

Luke Schaefer

Executive Director Central Regional Education Association
Oversight Committee ND Full Service Community Schools Consortium

POSSIBLE HEALTH MONITORING SOLUTIONS

- Health Monitoring (Guidance for the Coronavirus Capital Projects Fund – US Dept of Treasury)
 - Services to monitor an individual's health, including with respect to either physical or behavioral health. Health monitoring activities are often conducted as part of telemedicine appointments with a healthcare provider, but these activities can be conducted in a variety of other ways, such as during in-person appointments with health care providers or as part of community health screening programs.

TIERED SYSTEM TO MEET HEALTH MONITORING

- Tier 1 – Easiest and largest reach
 - eCare Virtual Nurse
 - Center can subscribe to eCare and provide at center and/or at partner Districts
 - \$25/student + Startup fee ~\$2,500 per school
 - Data collected on health monitoring visits
- Tier 2 – Regionalized approach
 - Mobile Vision and Dental labs
 - Travelling vehicle retrofitted for dental and vision care
 - \$250,000 per unit – can serve 5 centers (addition for yearly cost for travel)
- Tier 3 – Center-based approach
 - Full Service Community Schools
 - Following the NDFSCS Consortium processes
 - Requires site coordinator and intentional health partners
 - Cost would be increasingly sustained through schools, if they select this model

Routine Follow Up Calls

Aug 2021	Sep 2021	Oct 2021	Nov 2021	Total
20	64	34	7	125
2	7	0	0	9
31	70	80	9	190
13	24	3	4	44
3	1	1		5
1	5	4	2	12
1	12	8	3	24
11	63	36	5	115
5	8	5	1	19
6	16	11	3	36
2		2		4
0	2	2	3	7
6	14	9	1	30
8	14	8	2	32
0	5	13	0	18
2	1	6	5	14
4	19	5	2	30
6	7	24	0	37
0	0	5		5
0	2	0		2
121	334	256	47	758

Diabetic & Asthma Visits by School

2021	9/1/2021		10/1/2021	11/1/2021	Total
Diabetic	Asthma	Diabetic	Diabetic	Diabetic	
27	1	103	120	24	275
37	0	62	66	16	181
18	0	19	18	4	59
0	0	1	0	0	1
11	0	55	51	9	126
12	0	38	32	8	90
78	0	151	129	24	382
11	0	16	18	4	49
11	0	39	32	7	89
7	0	7	1	0	15
8	0	19	26	0	53
20	1	510	493	96	1320

ECARE

Encounters by Disposition



Date	Weekday	Visit Count
10/6/2021	Wed	27
10/7/2021	Thu	44
10/8/2021	Fri	34
10/11/2021	Mon	47
10/12/2021	Tue	39
10/13/2021	Wed	40
10/14/2021	Thu	37
10/15/2021	Fri	35
10/18/2021	Mon	35
10/19/2021	Tue	41
10/20/2021	Wed	38
10/22/2021	Fri	1
10/25/2021	Mon	39
10/26/2021	Tue	37
10/27/2021	Wed	39
10/28/2021	Thu	38
10/29/2021	Fri	27
11/1/2021	Mon	39



MOBILE LABS

FSCS

THE NDFSCS MODEL TAKES A WHOLE-CHILD HEALTH APPROACH TO STUDENT SUCCESS

A Full-Service Community School coordinates comprehensive supports for students and families through partnerships in the following pipeline service areas:



NDFSCS OUTCOMES (NOT LIMITED TO)

- + Improve Family Engagement
- + Improve Community Engagement
- + Improve Whole-Child Education
- + Improve Student Attendance
- + Improve Student Behavior
- + Improve Student Academic Achievement
- + Improve Student Engagement
- + Improve Choice Readiness



Testimony of Brenda Elmer

Executive Director, North Dakota Corn Growers Association

House Appropriations Committee

November 8, 2021

Chairman Delzer and members of the House Appropriations Committee,

The North Dakota Corn Growers Association (NDCGA) asks for your support of House Bill 1505. This bill appropriates \$317 million of state fiscal recovery funds to the Department of Transportation for state and road bridge projects, county bridge projects, and transportation funding distributions to townships.

NDCGA is grateful for the township road funding provided during the 2021 legislative session. However, additional county and township road investment is needed. According to the Upper Great Plains Transportation Institute, infrastructure needs for all county and township roads in North Dakota is \$9.3 billion over the next 20 years.

At the same time, township property tax mill levies are capped, and rural infrastructure is deteriorating. Poor rural road conditions impact:

- Farm and ranch access, reducing efficiency and productivity.
- Rural school districts, which encounter delays and extra miles.
- Public safety, with challenges for emergency medical and fire response.

North Dakota's economy starts on local roads. Agriculture producers utilize more than 70,000 miles of dirt/county/township roads in North Dakota for a majority of their business, making this funding essential now to the economy of North Dakota.

With inflation costs for construction continually rising, and daily wear and tear taking a toll, these projects will only increase in cost over time. Unpaved road funding needs comprise approximately 66% of the total. If averaged over the next 20 years, the annualized infrastructure need is equivalent to \$466 million per year.

On behalf of the more than 13,000 corn growers across the state, we ask for your favorable consideration of HB 1505 to support county and township road investments and improvements.

4852 Rocking Horse Circle S. ° Fargo, ND 58104

Phone: 701.566.9322 web: www.ndcorn.org

**Senate Education
HB1505**

#11792

November 8, 2021

Chairman Delzer and members of the House Appropriations Committee, my name is Wayde Sick, State Director of the Department of Career and Technical Education. I am submitting testimony in support for HB1505, specifically funding set aside for statewide area career center initiative.

As directed by the 67th Legislative Assembly, the Department of Career and Technical Education launched the program in the summer of 2021. To date we have received ten applications totaling \$68 million in applications and have heard from seven additional potential applicants for another \$44 million. In total, we may see applications totaling over \$112 million.

Also, as you all know, the Federal Guidance for the Coronavirus Capital Projects Fund was released on September 20, 2021. This new guidance states that the funding can be used for multipurpose Community Capital Projects that enable work, education, and health monitoring. This will mean submitted applications and new applications will need to be amended to address the new guidance, which may require adjusting the maximum grant amount.

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

Thank you.



North Dakota Grain Growers Association Testimony in Support of HB 1505, Section 7 November 8, 2021

Chairman Delzer, members of the House Appropriations Committee, for the record my name is Dan Wogsland, Executive Director of the North Dakota Grain Growers Association (NDGGA). NDGGA, through our contracts with the North Dakota Wheat Commission and the North Dakota Barley Council, engages in domestic policy issues on the state and federal level on behalf of North Dakota wheat and barley farmers. I am providing testimony for you today on behalf of NDGGA in support HB 1505, Section 7, which provides \$317 million for road and bridge infrastructure in North Dakota.

Chairman Delzer, members of the House Appropriations Committee, all of you are very aware of the critical road and bridge infrastructure needs of state, county and township roads and bridges in North Dakota. Studies by the Upper Great Plains Transportation Institute and others have graphically demonstrated that it will require an abundance of resources to address both the immediate and future road and bridge infrastructure requirements to keep the traffic flowing safely in the state. HB 1505, Section 7, is a big step in the right direction.

North Dakota citizens of every walk of life, virtually every type of commerce, depends on a transportation system that is both safe and efficient. You can't work, you can't go to school, you can't pump oil and you can't grow and deliver a crop if you have a failed transportation system. But at the same time, it is essential that the state, county and township transportation system we have in place is adequately maintained and upgraded.

"You Raise; We Represent"

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

HB 1505 isn't an expenditure, it is an investment in North Dakota's future. North Dakota may never see over \$1 billion in unanticipated federal funds again; investing those funds to address a service that essentially every North Dakotan uses and needs is the essence of public service.

Therefore the North Dakota Grain Growers Association respectfully requests that the House Appropriations Committee give a favorable recommendation to HB 1505, Section 7, and the Association would urge the full House to concur.

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1505
11/8/2021

BILL for an Act to amend section 6 of chapter 15, section 5 of chapter 18, sections 6, 7, and 8 of chapter 19, and section 1 of chapter 55 of the 2021 Session Laws, relating to the federal coronavirus capital projects fund and federal state fiscal recovery fund; to identify department of transportation funding sources; to provide an appropriation; to provide for a transfer; to provide for a report; and to provide an effective date

4:30 Chairman Delzer Calls the meeting to order; roll call was taken;

Attendance	P/A
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:

- Amendments

Chairman Delzer Discusses possible amendment

Representative Kempenich Makes a motion to amend and change 63 million to 60 million in broadband and 50 million to 53 million for CTE

Representative Brandenburg Seconds the motion

Further discussion

4:34 Voice Vote Motion Carries

4:35 Representative Kempenich Makes a motion to amend to allow 100 million to DOT to match federal funds

Representative Howe Second

Further discussion

4:37 Voice Vote- Motion Carries

Representative Jon O. Nelson Makes a motion to amend and allow the entire 100 million dollars to be used for roads and bridges

Representative Martinson Seconds the motion

Further discussion

4: 42 Roll Call Vote

Representatives	Vote
Representative Jeff Delzer	N
Representative Keith Kempenich	N
Representative Bert Anderson	Y
Representative Larry Bellew	Y
Representative Tracy Boe	Y
Representative Mike Brandenburg	N
Representative Michael Howe	N
Representative Gary Kreidt	N
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	N
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Jim Schmidt	N
Representative Randy A. Schobinger	N
Representative Michelle Strinden	Y
Representative Don Vigasaa	N
Motion carries 11-10-0	

Representative Jon O. Nelson Makes a motion for a Do Pass as Amended

Representative Mock Seconds the motion

Further discussion

4:44 Roll Call Vote

Representatives	Vote
Representative Jeff Delzer	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	N
Representative Tracy Boe	Y
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
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	Y
Motion Carries 19-2-0	

Representative Brandenburg Will carry the bill

4:45 Chairman Delzer Closes the meeting for HB 1505

Risa Berube, House Appropriations Committee Clerk

11/19
1041
CS

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1505

Page 1, line 14, replace "\$50,000,000" with "\$53,276,228"

Page 7, line 5, remove "and up to"

Page 7, remove lines 6 and 7

Page 7, line 8, remove "all areas of the state"

Page 7, line 8, replace "\$50,000,000" with "\$100,000,000"

Page 8, after line 8, insert:

"SECTION 8. APPROPRIATION - FEDERAL FUNDS - DEPARTMENT OF TRANSPORTATION - ONE-TIME FUNDING. There is appropriated out of any moneys derived from federal funds in excess of the regular federal funding amounts included in the department of transportation's 2021-23 biennium budget, not otherwise appropriated, the sum of \$135,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses of road and bridge construction projects, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funds appropriated in this section are not considered part of the department's 2021-23 biennium budget for purposes of section 13 of House Bill No. 1015 and section 10 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, relating to excess federal funding requirements. The funding provided under this section is considered a one-time funding item."

Page 8, line 13, replace "\$63,276,228" with "\$60,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Increases the federal Coronavirus Capital Projects Fund appropriation for career and technical education center projects from \$50,000,000 to \$53,276,228. This amendment does not change the appropriation of \$30,000,000 from the State Fiscal Recovery Fund for career and technical education center projects.
- Decreases the Coronavirus Capital Projects Fund appropriation for broadband projects grants from \$63,276,228 to \$60,000,000.
- Adds federal funding authority of \$135 million for the Department of Transportation to receive and expend any excess federal funds received during the 2021-23 biennium.
- Adjusts Section 7 relating to funding for state, county, and township highway projects to provide that \$100 million of funding identified in the section for county projects be allocated through the highway tax distribution fund formula for county road and bridge projects.

REPORT OF STANDING COMMITTEE

HB 1505: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1505 was placed on the Sixth order on the calendar.

Page 1, line 14, replace "\$50,000,000" with "\$53,276,228"

Page 7, line 5, remove "and up to"

Page 7, remove lines 6 and 7

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2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1505
11/11/2021

BILL for an Act to amend section 6 of chapter 15, section 5 of chapter 18, sections 6, 7, and 8 of chapter 19, and section 1 of chapter 55 of the 2021 Session Laws, relating to the federal coronavirus capital projects fund and federal state fiscal recovery fund; to identify department of transportation funding sources; to provide an appropriation; to provide for a transfer; to provide for a report; and to provide an effective date

1:46 Chairman Delzer Calls the meeting to order; roll call was taken;

Attendance	P/A
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:

- Senate Changes

1:48 Chairman Delzer Discusses changes made by the senate

Chairman Delzer Closes the meeting for HB 1505

Risa Berube, House Appropriations Committee Clerk

2021 SENATE APPROPRIATIONS

HB 1505

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1505
11/9/2021
Senate Appropriations Committee

A BILL for an Act to amend section 6 of chapter 15, section 5 of chapter 18, sections 6, 7, and 8 of chapter 19, and section 1 of chapter 55 of the 2021 Session Laws, relating to the federal coronavirus capital projects fund and federal state fiscal recovery fund; to identify department of transportation funding sources; to provide an appropriation; to provide for a transfer; to provide for a report; and to provide an effective date.

Chairman Holmberg opened the hearing at 3:45 p.m.

Senators present: Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.

Discussion Topics:

- Broadband
- CTE

Brady Larson, Legislative Council, gives update on the bill

David Crothers, Broadband Association of North Dakota, testified in favor and submitted testimony #12172

Justin Forde, Midco, testified in opposition and submitted testimony #12170

Joe Morissette, Office of Management and Budget, testified in favor and submitted testimony #12160

Terry Traynor, North Dakota Association of Counties, testified in favor and submitted testimony #12174

Chairman Holmberg closed the hearing at 4:34 p.m.

Skyler Strand, Committee Clerk



HOUSE BILL 1505

SPECIAL SESSION

NOVEMBER 2021

My name is David Crothers from the Broadband Association of North Dakota.

The Association encourages the adoption of Section 8 on page 8 within House Bill 1505 appropriating \$60 million to North Dakota Information Technology for broadband infrastructure grants.

There are 7,360 homes and businesses in North Dakota without adequate broadband service, according to ARPA guidelines. They are located in the counties below and include the costs of bringing service to them.

<u>COUNTY</u>	<u>UNSERVED LOCATIONS</u>	<u>ESTIMATED COST</u>
Barnes	295	\$ 4,277,500
Billings	292	\$ 8,652,186
Burke	233	\$ 1,593,697
Burleigh	15	\$ 365,730
Cass	1,615	\$10,993,000
Divide	44	\$ 1,184,618
Dunn	291	\$ 1,642,179
Grand Forks	663	\$ 9,700,000
Grant	56	\$ 1,512,000
McKenzie	74	\$ 688,413
McLean	192	\$ 1,083,846
Montrail	943	\$ 5,320,982
Morton	31	\$ 278,785
Ransom	37	\$ 536,500
Richland	460	\$ 980,000
Stark	140	\$ 3,819,900
Sioux	44	\$ 1,188,000
Steele	175	\$ 2,783,500
Traill	942	\$10,876,000

Walsh	256	\$ 3,577,344
Williams	<u>562</u>	<u>\$ 7,239,000</u>
TOTAL	7,360	\$78,293,180

The American Rescue Plan Act's Capital Projects Fund guidelines direct States to:

- 1) Identify locations within a State that do not have a wireline connection delivering 100 Mbps download speeds and 20 Mbps of upload speeds for funding.
- 2) Use the funds to construct networks to end-users that will provide at least 100 Mbps upload and download speeds simultaneously (symmetrical) and require that providers be able to increase the speeds (scalable).

The Association strongly believes that it is important that broadband build-out be fully funded using Capital Projects Fund and ARPA dollars instead of relying in the future on the Infrastructure Investment and Jobs Act passed last week in Congress. The ARPA bill requires a much higher standard of service and provides North Dakota with the money to meet those goals.

The Infrastructure Bill uses a bare-bones definition of 25/3 Mbps and 100/20 Mbps of "unserved" and "underserved" as eligible for funding versus ARPA's "reliable wireline speeds of 100/20 Mbps". It is unknown, but doubtful, that future U.S. Treasury guidelines will impose more stringent requirements than the Infrastructure Bill language is written.

North Dakota has an opportunity to become the first in the nation to become 100 percent Gig capable for all of its residents, regardless of where they live. It can be achieved in the next couple of years.

The Association believes that it is a critical time for the future of broadband in North Dakota. If the State chooses to fund the cheapest option or create a program that only funds minimum speeds, there will be a permanent digital divide between the 7,360 rural locations without adequate service today and the rest of North Dakota.



broadband association of north dakota

P.O. Box 1144 · Mandan, ND 58554
Phone 701-663-1099 · Fax 701-663-0707
www.broadbandnd.com

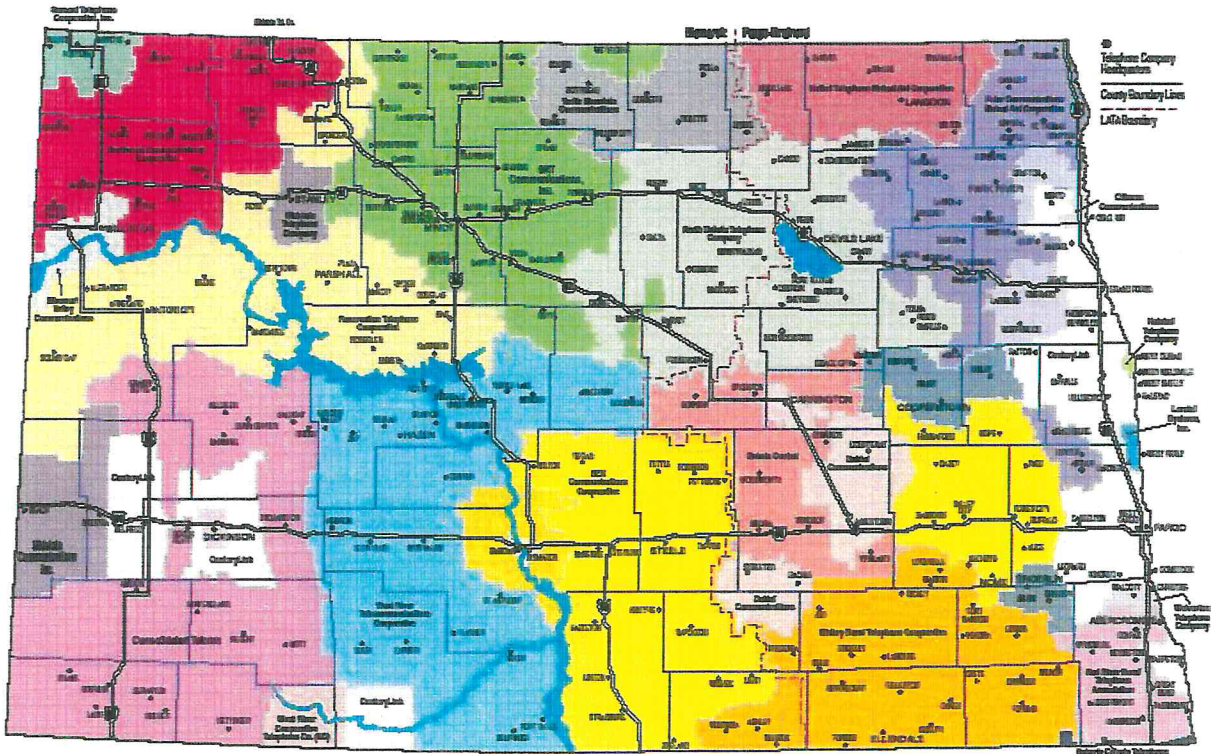
NORTH DAKOTA LEGISLATURE

OCTOBER, 2021

DAVID CROTHERS BROADBAND ASSOCIATION OF NORTH DAKOTA

My name is David Crothers with the Broadband Association of North Dakota. Members of the Association provide broadband service to over 124,000 North Dakotans in every county of the State, employ over 1,000 and invest between \$80 and \$100 million annually in their communities and broadband infrastructure.

BAND North Dakota Telephone Exchange Areas

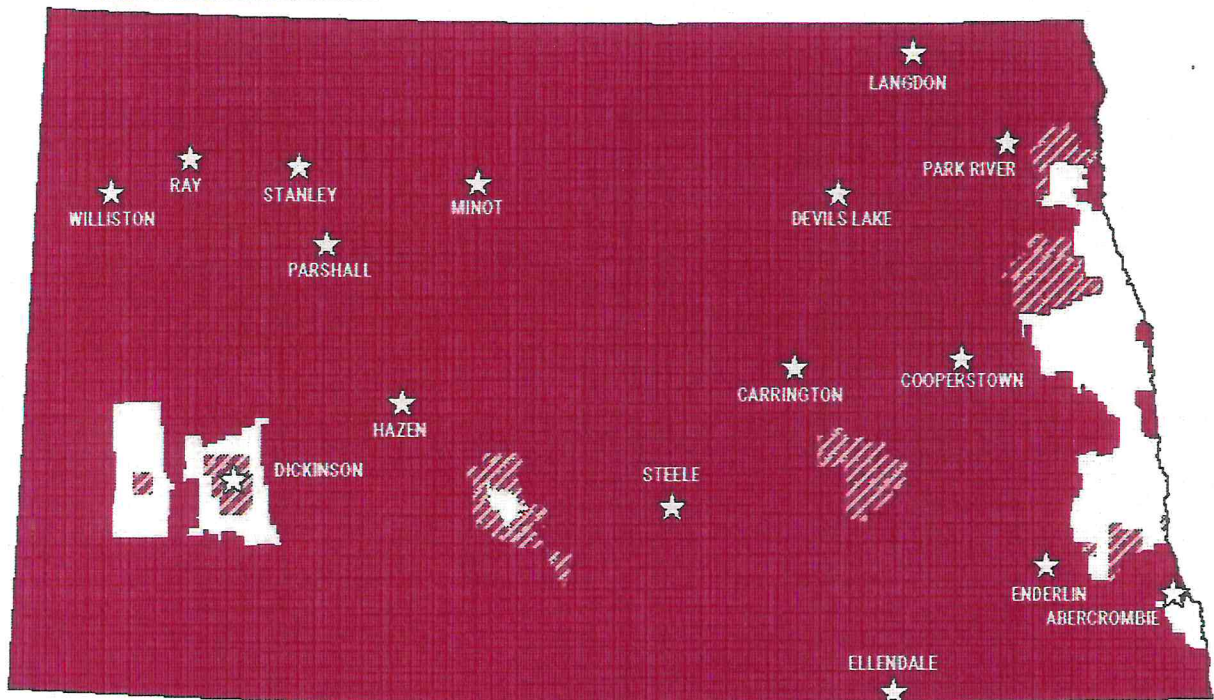


North Dakota is unique among rural States in this nation because of the high percentage of rural residents who have access to high-speed Internet. Where other States have not seen investment in rural areas by broadband companies, North Dakota has been the exception.

The reason for the disparity, in BAND's opinion, is the high percentage of the State's geographic territory served by locally owned companies. They invest in their communities, their subscribers, their employees, and themselves. Those companies believe they will only be as successful as the people they serve. Broadband Association of North Dakota members serve the area in North Dakota shown in red in the map below.



Broadband Association of North Dakota



INDEPENDENT TELECOM COMPANY TERRITORY IN NORTH DAKOTA
www.broadbandnd.com

However, there are still areas of the State without broadband, and it is very likely the people who live there will never have it without strong financial assistance to build out the infrastructure necessary to deliver the quality high-speed Internet that most of us in North Dakota take for granted. Those locations...and residents...that don't have broadband are among the most rural with the fewest people per square mile and most expensive to connect.

In North Dakota, the Broadband Association of North Dakota has identified the number of unserved locations below and the estimated cost of building out a quality broadband connection to those families and small businesses.

<u>COUNTY</u>	<u>UNSERVED LOCATIONS</u>	<u>ESTIMATED COST</u>
Barnes	295	\$ 4,277,500
Billings	292	\$ 8,652,186
Burke	233	\$ 1,593,697
Burleigh	15	\$ 365,730
Cass	1,615	\$10,993,000
Divide	44	\$ 1,184,618
Dunn	291	\$ 1,642,179
Grand Forks	663	\$ 9,700,000
Grant	56	\$ 1,512,000
McKenzie	74	\$ 688,413
McLean	192	\$ 1,083,846
Montrail	943	\$ 5,320,982
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Traill	942	\$10,876,000
Walsh	256	\$ 3,577,344
Williams	562	\$ 7,239,000
TOTAL	7,360	\$78,293,180

One of the many lessons the pandemic taught Americans is that access to broadband is not a luxury, it is a necessity on par with having electricity and clean water. One literally cannot access the economic and educational opportunities the 21st century offers us without having a physical connection to a high-speed Internet network.

There is a very good reason those areas of North Dakota and the people who live there do not have access to broadband: it is stunningly expensive to bring it to them. It costs between \$18,000 and \$25,000 per mile to lay the fiber optic cable that is necessary for them to have the network they need today and will last into the future. There is simply no business case for private industry to spend tens of thousands of dollars to build out an Internet connection to rural locations...and people...and then charge them \$60 a month. For private industry, it isn't a question of whether serving those rural residents will be profitable, it is simply a money losing proposition from the start. Those companies will never recover their investment, much less ever see a return on it.

The question, of course, is "where does the money come from?" to build out to these low-density, high-cost areas. Places where just not very many people live. States have taken a variety of approaches.

Until the American Rescue Plan Act passed by Congress was adopted, States were appropriating monies out of their general revenues to State agencies to administer cost-share programs for private companies. Both Minnesota and South Dakota have done this for at least the last 5 years. The same approach was used by 37 other States. North Dakota has never adopted similar programs.

There have also been a variety of Federal programs administered by the U.S. Department of Agriculture, Federal Communications Commission or National Telecommunications and Information Administration. For whatever reasons, the unserved areas in North Dakota are ineligible or the technologies funded do not offer a reliable connection to customers. For them, being able to get Internet depends on the weather or trees around their location or having to share wireless capacity with their neighbors.

There is no one in the nation who doesn't think every person in America shouldn't have an Internet connection. The debate has always been whether to do it on the "cheap" with less reliable delivery methods like fixed wireless and satellite or whether to fund a quality network that is more expensive but will meet the future needs of rural North Dakotans and be in existence for half of a century.

The U.S. Treasury Department has written rules for States receiving ARPA pandemic money. Those specifically addressing broadband are found in a publication called "Guidance for the Coronavirus Capital Projects Fund. There is a copy of the guidelines attached.

The guidelines specifically include three permissible uses for the \$113,276,228 that North Dakota will receive from the Capital Projects Fund portion of ARPA. They are:

1) Broadband Infrastructure Projects

- Requires eligible projects to be designed to provide symmetrical download and upload speeds of 100 Mbps.
- Treasury encourages the State of North Dakota to focus on projects that will achieve last mile connections.
- North Dakota is encouraged to fiber-optic infrastructure.
- North Dakota is encouraged to direct dollars to households and businesses that do not have a wireline connection today that reliably delivers 100 Mbps download speeds and 20 Mbps upload speeds.

2) Digital Connectivity Technology Projects

- Permits the State to purchase and install devices and equipment to facilitate broadband access where affordability has been identified as a barrier to broadband adoption and use.

3) Multi-Purpose Community Facility Projects

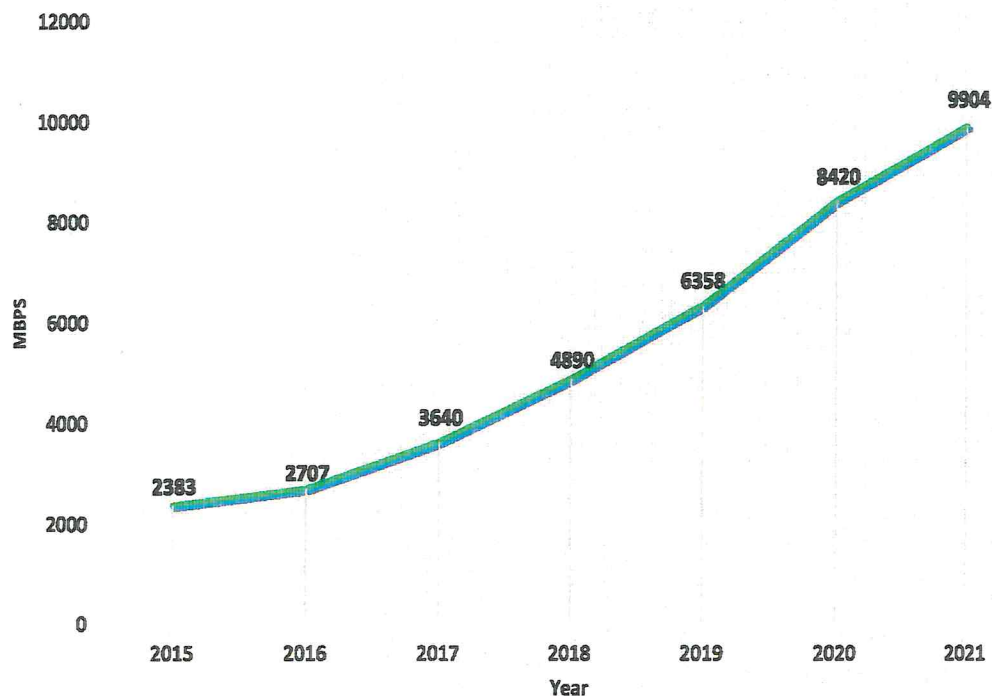
- Construct or improve buildings designed to jointly and directly enable work, education and health monitoring.
- Examples are: Community schools, libraries and community health centers.
- Public must be able to access computers with high-speed internet service.

The U.S. Treasury rules issued in September specifically direct States to short-term solutions such as inferior speeds and technologies. The rules state the money should only be used only on projects that are "scalable" to provide 100 Mbps "symmetrical" download and upload speeds. What that means is the Federal government wants to fund networks that can add capacity and speed in the future as customer use of bandwidth increases.

Customer usage and increased capacity demand on the network are very real issues that illustrate the need for all North Dakotans to have access to a high-quality broadband connection. Let me give you one example from one rural North Dakota company and how much more bandwidth its customers are using every single year.

Year	2015	2016	2017	2018	2019	2020	2021
Mbps	2383	2707	3640	4890	6358	8420	9904

AVERAGE TOTAL INTERNET DEMAND BY ALL SUBSCRIBERS



The company has literally seen customer usage grow 100 percent every year for the last 5 years. Other North Dakota rural companies have seen similar growth and demand. It is the result of more people taking advantage of telework options; educational opportunities increasingly moving online; medical providers directing patients, especially the elderly and those seeking mental health counseling, to video appointments for their care, and entertainment options. Additionally, those in the agriculture community need a fiber connection to transport the tremendous amount of data generated by farmers and precision agriculture. 5G will never be available in areas that do not have fiber optic transport.

Only a fiber optic network has the ability to accomplish what the Federal government demands. Those companies with a fiber optic network meet the increased need for speed and capacity by users by changing the electronics on either end of the fiber. Wireless delivery...either fixed wireless or satellite...will always be limited to the amount of spectrum the provider has been allocated or an unlicensed portion that is subject to interference.

The Broadband Association of North Dakota recommends the Legislature appropriate \$60 million to the State's Information Technology Department and direct the agency to establish and administer a competitive bidding program to build a future-proof, state-of-the-art backbone, and distribution network to the high-cost areas of the State that provides residents in those areas have access to at least 100 Mbps symmetrical broadband service. The agency has the knowledge, expertise, and access to the best practices from other States that have adopted similar programs.

It is also the Association's recommendation that funds should not be expended in areas with less than 100 Mbps symmetrical capability, but the State Information Technology Department determines that market conditions will eventually lead private providers to provide that level of service in the area within the next three years.

Finally, the Association believes that \$60 million will not be sufficient to fully deploy the necessary infrastructure to all North Dakotans. Most States creating "broadband funds" to urge private providers to bring broadband to unserved areas have created "grant/match" programs with the State agency using a formula that usually begins at a 50/50 formula. As noted earlier, some of the rural areas in North Dakota are so expensive to serve and the opportunity to earn a return that companies will not commit to building out to areas with less than a 75 or 80 percentage "grant" portion of the award. A more realistic number is likely in the \$80 million to \$100 million range. However, adoption of the \$60 million figure will likely allow for the build-out to many high-cost areas with the consequence of the agency running out of money before all identified locations can be served.

The Association believes that everything North Dakota wants to be in the future depends on having a state-of-the-art, high-speed fiber optic network that will last for decades. The Association also believes the time...and opportunity...to do it is here. The Federal American Rescue Plan monies quite likely are a once in a lifetime opportunity that specifically envision ubiquitous broadband access for all Americans and ask legislatures to make that dream come true.

TESTIMONY OF JUSTIN FORDE

SENIOR DIRECTOR OF GOVERNMENT RELATIONS

MIDCONTINENT COMMUNICATIONS

on

Broadband Appropriations in North Dakota

Members of the Committee, thank you the opportunity here to discuss Midco's experience with broadband funding programs. My name is Justin Forde, and I am the Senior Director of Government Relations at Midcontinent Communications ("Midco"). Midco is the leading provider of Internet and connectivity, cable TV, phone, data center and advertising services in the North Dakota. We also operate a regional sports network, Midco Sports Network, which broadcasts live, local high school and regional college sports.

More than 440,000 residential and business customers count on Midco services across five states: South Dakota, North Dakota, Minnesota, Kansas, and Wisconsin. Midco communities range from just over 100 people in places like Dodge, North Dakota, to our largest community, Fargo North Dakota. The majority of the 400 communities we serve are very rural. Many have less than 50,000 people, with most having populations between 500 and 5,000.

The COVID-19 pandemic put a spotlight on the importance of broadband connectivity for all Americans, and America's ISP networks delivered. At Midco, our investment of over \$457 million in the last five years positioned us to serve the needs of our customers as they fully integrated their work, school and home lives. We also connected 2,500 families to free internet at home (including our rural, fixed wireless network), partnered with school districts to connect students needing service, and signed on to former Federal Communications Commission ("FCC") Chairman Pai's "Keep Americans Connected" pledge.

Collectively, ISPs have invested more than \$1.8 trillion in capital over the last twenty - three years to get America connected. Light-touch regulatory policy from the FCC and Congress has enabled this work. The U.S. cable industry now offers 1 Gigabit service to 88 percent of American households, in both urban and rural communities. Currently, over 95% of the country has access to broadband service that offers speeds of at least 25 Mbps download and 3 Mbps

upload. But we need to solve the remaining broadband deployment challenge of connecting those who do not have internet available – primarily in the most rural areas that are difficult to serve in a cost-effective manner.

Midco provides Gigabit services to more than 95% of the largely rural communities it serves. Many of our service areas are adjacent to areas that are not economical to serve without federal assistance, and we have sought and obtained funding through federal and state programs to assist with expanding to those areas.

I'm here today to share our experience with those programs, including those administered by the FCC – we participated in the FCC's Connect America Fund ("CAF") auction and the Rural Digital Opportunity Fund ("RDOF") auction – as well as the Department of Agriculture's Rural Utilities Service ("RUS"). With many billions of federal funding dollars being focused on broadband expansion, it is more important than ever to get these programs right, including at the state level.

Midco's History of Innovation

Before discussing Midco's experience with funding programs, I want to explain how we have innovated to provide broadband to rural communities in various ways. Innovation and foresight have shaped Midco's course for more than 90 years. We have made it our mission to ensure that our most rural communities are at the leading edge of technology. Across our footprint, our goal is always to continue to find ways to meet and exceed the communications needs of our customers.

Founded in 1931, Midco began by operating movie theatres, and then entered the radio business. In 1954, our owners launched the first television station in South Dakota. From there,

Midco evolved its service line to include cable television and phone service. On April 15, 1996, in Aberdeen, South Dakota, a town of about 25,000 people then, Midco launched our broadband internet service.

Our commitment to innovation continues to motivate our business initiatives. We own and operate four data centers in North Dakota and South Dakota to give local businesses a cost-effective way to secure their critical data and IT infrastructure. We provide solutions for regional and national banking, healthcare, energy, and government customers, among many other industries. We combine our data center services with powerful network solutions through our wholly owned, operated and engineered Midco fiber network. Our data centers are directly connected to our fiber backbone, giving businesses access to some of the fastest internet speeds in the country.

Midco's willingness to evolve stems from our desire to serve the communities where we live, work and educate the next generation. In 2017, we launched the Midco Gig Initiative – a commitment to bring Gigabit internet speeds to our entire service area – from the region's smallest towns to its largest cities. In 2019, Midco Gig was available to more than 90% of our customers. That year, we announced our involvement in the 10G initiative, a commitment to invest \$500 million over 10 years on a global cable industry standard that will provide ultra-fast multigigabit speeds in both directions, combined with low latency, unmatched reliability, and rock-solid security for a broad range of customers. Today, more than 95% of Midco's customers across our footprint are receiving service that exceeds 1 Gig speeds. In the coming months, we will announce a major upgrade that will give even more customers greater speeds.

Our growth has included progress in reaching previously unserved areas, thanks in part to our partnership with the FCC through its CAF II and RDOF auctions and our partnership with

the state of Minnesota and its Border-to-Border Program. Our experience in Minnesota provides a powerful example of what is going right with these programs and how well-designed programs can help companies like Midco expand their networks to new homes, including those that were previously unserved and difficult to reach.

Midco invested \$44 million in private capital in Minnesota in 2020 and connected more than 20,000 new homes, including 7,500 homes in new markets. But there were communities in adjacent areas that were not economical to serve. With the help of Minnesota's Border-to-Border State Grant Program, Midco extended its network to some of those areas. For example, in Scandia, Minnesota, a town of approximately 4,100 people, we built a Gigabit wired network that will improve access for the residents of Scandia for critical e-learning applications and health care resources, enable telecommuting options for residents, and make businesses and city institutions more efficient.

We have also partnered with the FCC to expand to other previously unserved areas in North Dakota, South Dakota and Minnesota. With the help of an award of \$38.9 million through the FCC's CAF II program, we are edging out our network to reach more than 9,300 new locations with 100/20 speeds to serve previously unserved remote, rural areas. And with the help of RDOF, through which we were awarded \$4.96 million in 2020 to deploy broadband, we will reach 6,506 previously unserved locations across North Dakota, South Dakota and Minnesota with a wireline broadband network that will initially support a 1,000/500 speeds offer, but is capable of 5 Gbps/5 Gbps speeds.

Midco's Innovative Approach To Getting Broadband To Remote Areas

We have been able to reach many rural communities with broadband by leveraging our extensive fiber backbone through our Midco Edge Out® strategy. We “edge out” our high-speed internet from our fiber backbone in urban areas to rural areas using fixed wireless technology. We use the initial fixed wireless expansion from our wired plant to meet consumers’ immediate needs, and then leverage that expansion to justify a wired network buildout in the future. While some rural areas may support a wired build, other, more remote rural areas will continue to be served with a fixed wireless solution.

For example, the Midco Edge Out® strategy brought high-speed fixed wireless to the rural, “bedroom” communities surrounding Grand Forks, ND. The strong customer base and increased demand for broadband then allowed Midco to build out such communities with a wired, Gigabit network. We will then repurpose the fixed wireless equipment to serve other rural communities.

I can personally speak to the benefits of the fixed wireless approach, as I am a Midco fixed wireless customer. I have been a fixed wireless customer for more than 10 years and Midco recently updated my service to our LTE, 5G-ready platform. I get my internet from the top of a commercial tower in Grandin, North Dakota to my small farmstead six miles west of Argusville. During the pandemic, my three kids went to school online, my wife used the internet to run a small business, and I worked for Midco remotely. Midco’s fixed wireless allowed us to continue educating our children and working during the pandemic.

My neighbors are also Midco fixed wireless customers. One of my neighbors runs a cattle ranch. He uses our fixed wireless to sell his livestock by auction where speed and capacity matter, and where many individuals are participating in the auction at the same time. He is a

happy Midco fixed wireless customer running a vital and thriving ranching business in rural North Dakota.

Midco believes in the power of fixed wireless to bridge the digital divide and enable our Midco Edge Out® strategy so much that we spent \$8.8 million to acquire spectrum in the FCC's Citizens Broadband Radio Service auction in 2020. This spectrum not only allows us to offer speeds of more than 100/20 Mbps at distances up to eight miles from the vertical asset, but it also gives us access to crucial mid-band spectrum to continue innovating.

We know that fixed wireless technology is a viable solution for rural America. We know that we can reach remote, rural areas that are up to 50 miles away from our fiber network. We can also implement this solution relatively quickly and without the effort or expense of constructing fiber networks. Fixed wireless technology can also be deployed during the winter months, when harsh weather makes fiber construction impossible. This leads me to my first recommendation for broadband support programs: **it is critical that the programs be technology-neutral, encourage the broadest participation of qualified broadband providers, and be as flexible as possible.**

If broadband support programs are flexible, allowing providers to experiment and innovate with different ways of getting broadband service to hard-to-reach places, more Americans will get broadband service. It is not possible or practical to build a fiber network to every location in the country. Some are too difficult to reach, because they are geographically remote, and others are very hard to serve because of their topography – such as granite cliffs and protected national forests. People in those areas should not be constantly passed over for the opportunity to get broadband service because their area cannot support the kind of build that

most federal funding programs require. Setting high speed thresholds that can only be delivered by a fiber network build may sound helpful, but in practice will continue to leave many behind.

In addition to keeping an open mind on how companies deliver broadband, based on our experience with the ReConnect program and participating in the CAF and RDOF auctions, we would like to offer a few other recommendations to ensure that future funding is used efficiently and effectively to expand the reach of broadband networks in rural America.

Our second recommendation is to **award funds through open competitive bidding**. Using a “reverse auction” competitive bidding process, as the FCC has done with its CAF II and RDOF programs, will connect the most unserved homes, for the least per-home subsidy, at the highest speed possible in the area – given all of the variables. This gives the country the best bang for the buck. Letting the auction process determine what speed can be most efficiently provided in a given area – as the FCC did in the recent RDOF auction – also provides the necessary flexibility I mentioned while ensuring that areas that can be served at higher speeds will be. In the recent RDOF auction, which resulted in highly competitive bidding, more than 99% of funded locations will be receiving broadband with speeds of at least 100/20 Mbps, with an overwhelming majority (over 85%) getting gigabit-speed broadband.

Our third recommendation is to **stay focused on unserved areas**. Broadband programs should target funding to truly unserved areas, where private investment is not going to occur without government assistance but consumers need to be connected. In the past, some government broadband programs have allowed funding to be used in places that already have broadband service. Midco was overbuilt with our own tax dollars in Mitchell and Yankton, South Dakota. In Yankton, government dollars were used by a fiber company to overbuild two existing providers; and the new provider used those government funds to “cherry pick” a few business

customers. We believe that scarce government resources should be targeted to those who will build out to consumers who do not yet have access to all the benefits broadband provides, for jobs, education and health care services.

Fortunately, both the FCC and RUS took steps aimed at directing new broadband funding where it is truly needed. The FCC requires areas receiving new funding to be unserved and the ReConnect program requires that areas are only eligible if at least 90 percent of households are unserved. These steps were meant to guard against using government subsidies to overbuild private investment or broadband deployment funded through other federal or state government programs, ensuring that any such programs will make meaningful headway in closing the Digital Divide.

These efforts could be thwarted by proposals to redefine what it means to have broadband service available. When eligibility is restricted to areas that do not receive a basic level of broadband service, such as 25/3, we know that funding will be used to bring broadband where it did not previously exist. But when areas are defined as eligible for funding unless they have a higher level of service – such as recent proposals suggesting an increase to 100/100 – this means that many areas where we and others have invested heavily, including through public/private partnership programs, are suddenly considered “unserved.”

Providers will naturally apply for funding to serve these newly eligible areas, because those are the places that are easiest to build and serve. This would mean that areas that already have robust broadband service would be newly eligible for funding to build even faster service, increasing the likelihood that funds would be siphoned away from areas that are not economical to reach, and have struggled for years to attract broadband deployment. The likely result would

be that those lacking broadband service today will still lack broadband service tomorrow, even after billions of dollars in funding are spent. We believe these proposals should be reconsidered.

Our fourth recommendation is to **continue to improve agency coordination and enact guardrails to ensure funds are wisely spent.** With several federal agencies and a growing number of states dedicating funding to broadband deployment, it is increasingly important to ensure that all relevant agencies and to the extent possible, state programs that are awarding grants for buildout, are coordinating with each other. Close coordination is necessary to ensure that government support is being used to help solve the problem of the unserved and to help achieve the goal of universal connectivity. It is important that the FCC keep its broadband deployment map updated, including showing where and to whom funding has been awarded even if facilities are not yet constructed. Regularly sharing that map with all federal and state agencies awarding broadband funding, so that everyone is working off a common data set in determining which areas are unserved, is also crucial.

As one example, we have been awarded CAF II funding to reach areas of Dakota County, Minnesota. We have not yet started construction, but are fully on track with the deployment schedule established in that auction. Despite the fact that we have an enforceable commitment to build a network in that area, and the census blocks we have agreed to serve are easily available through the FCC's website, we recently learned that two other providers have been awarded CARES Act funding to serve that same area. Further, because the CARES Act funding comes with very few guardrails or regulatory requirements, such as providing voice service or being an eligible telecommunications carrier (ETC), we will be competing on unequal footing. This is a bad result for everyone. It is a bad result for Midco and the providers winning CARES Act funds, because the area is not economical to serve for even one provider, and it is a poor use of

taxpayer money, because scarce funds have been devoted to an area where multiple federal funds were already committed. Had there been better coordination between the two funding sources, this result might have been avoided.

Fortunately, some progress is being made, both with respect to coordination and ensuring that grant money is being wisely spent. The FCC is implementing the mapping requirements of the Broadband DATA Act to ensure that areas without broadband are more precisely identified, and implementation of the ACCESS Broadband Act and the Broadband Interagency Coordination Act should boost coordination efforts so that federal and state funds are complementing each other's efforts to reduce the number of unserved areas. It is critical that in implementing these directives, agencies distributing funding view coordination with each other as an integral part of the award process, not an afterthought.

RUS has also made improvements. During a recent round of ReConnect funding, the RUS not only did field tests to determine if existing service was present before making awards to certain areas of North and South Dakota prior to issuing grants, but also provided our company with specific information about why it was accepting or denying the submission we filed as part of the Reconnect challenge procedures showing that the proposed funded service areas already had access to broadband service. That is progress.

Finally, we recommend **removing barriers to entry and deployment**. In addition to improving the programs themselves, it is appropriate to examine the regulatory landscape at the federal, state, and local levels to ensure that obligations and costs placed on providers—whether they offer wireless or wireline service—are reasonable, lawful, competitively neutral, and not unduly burdensome. Eliminating regulatory barriers to deployment (such as permitting delays and the imposition of excessive pole attachment rates by municipalities and co-ops), and

encouraging equitable “dig once” policies, will help accelerate and lower the cost of broadband infrastructure buildout. Every dollar paid in excessive fees and taxes is a dollar that cannot be invested in broadband, making the rollout and upgrade of rural broadband slower and less ubiquitous.

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I commend the Committee for its focus on ensuring that the billions of dollars being spent on broadband deployment benefit all Americans – including those in rural America. Progress has been made with the existing federal and state programs to target funding at unserved areas, largely by improving the design of those programs to better identify unserved areas and by defining broadband service in a way that prioritizes people living in hard-to-reach areas that may require a menu of technologies to serve each and every household. We hope that new programs, like those included in the American Rescue Plan, will be implemented with similar goals and guardrails in place. Thank you again for inviting me here today, and we look forward to working with you on these important issues.

TESTIMONY OF

Joe Morrisette, Director, Office of Management and Budget

Chairman Holmberg and members of the Senate Appropriations Committee, I am here to testify in support of Section 9 of House Bill No. 1505.

Section 9 – Coronavirus Relief Fund Reallocation

Section 9 provides an appropriation of \$12.4 million from the Coronavirus Relief Fund (CRF) for payroll expenses at the Department of Human Services, Department of Corrections and Rehabilitation, and the Adjutant General.

This authority will allow any unspent CRF money to be used to offset allowable state payroll expenses and save an equivalent amount of general fund dollars. We currently estimate unspent CRF funding to be approximately \$9.5 million on December 31, 2021. This requested authorization of \$12.4 million allows capacity to allocate additional funding if the current estimate proves to be low.

CRF money needs to be obligated by December 31, 2021, and spent within 90 days, or be returned to the U.S. Department of Treasury.

Mr. Chairman and committee members, I ask your support for section 9 of HB1505. This concludes my testimony. I would be happy to answer any questions.

County:	Total Vehicle Registrations	Total Allocated
Cass	202,583	18,020,993.65
Burleigh	129,526	11,522,127.83
Ward	87,478	7,781,701.73
Grand Forks	77,471	6,891,518.04
Williams	56,038	4,984,921.92
Stark	49,945	4,442,912.42
Morton	49,422	4,396,388.38
Stutsman	33,121	2,946,314.99
Richland	28,166	2,505,537.52
McKenzie	22,073	1,963,528.00
McLean	20,728	1,843,882.04
Walsh	20,132	1,790,864.21
Mountrail	19,468	1,731,797.36
Barnes	19,414	1,726,993.73
Ramsey	17,533	1,559,667.30
Mercer	16,064	1,428,990.79
Pembina	14,454	1,285,771.47
Rolette	14,433	1,283,903.39
Traill	14,399	1,280,878.89
Bottineau	13,601	1,209,891.92
McHenry	12,527	1,114,353.07
Dunn	11,810	1,050,571.54
Ransom	10,978	976,560.07
Lamoure	10,355	921,140.42
Dickey	10,038	892,941.33
Cavalier	9,618	855,579.77
Wells	9,524	847,217.90
Sargent	8,708	774,629.72
Benson	8,194	728,906.29
Pierce	8,144	724,458.48
Emmons	7,500	667,170.75
Bowman	7,109	632,388.92
Foster	6,878	611,840.06
Nelson	6,645	591,113.29
Hettinger	6,135	545,745.67
Kidder	5,925	527,064.89
McIntosh	5,761	512,476.09
Divide	5,744	510,963.84
Burke	5,721	508,917.85
Grant	5,655	503,046.75
Towner	5,473	486,856.74
Griggs	5,377	478,316.95
Renville	5,353	476,182.00
Steele	5,147	457,857.05
Eddy	4,784	425,565.98
Adams	4,653	413,912.73
Oliver	4,545	404,305.48
Logan	4,515	401,636.79
Golden Valley	3,847	342,214.12
Sheridan	3,404	302,806.57
Sioux	2,980	265,089.18
Billings	2,814	250,322.47
Slope	2,240	199,261.66
Totals	1,124,150	100,000,000.00

County:	Total Vehicle Registrations	Initial Allocation	Total Allocated	County	Cities
Adams	4,653	413,912.73	413,912.73	302,156.29	111,756.44
Barnes	19,414	1,726,993.73	1,726,993.73	1,260,705.42	466,288.31
Benson	8,194	728,906.29	728,906.29	532,101.59	196,804.70
Billings	2,814	250,322.47	250,322.47	182,735.40	67,587.07
Bottineau	13,601	1,209,891.92	1,209,891.92	883,221.10	326,670.82
Bowman	7,109	632,388.92	632,388.92	461,643.91	170,745.01
Burke	5,721	508,917.85	508,917.85	371,510.03	137,407.82
Burleigh	129,526	11,522,127.83	11,522,127.83	7,376,498.11	4,145,629.72
Cass	202,583	18,020,993.65	18,020,993.65	8,557,237.85	9,463,755.80
Cavalier	9,618	855,579.77	855,579.77	624,573.23	231,006.54
Dickey	10,038	892,941.33	892,941.33	651,847.17	241,094.16
Divide	5,744	510,963.84	510,963.84	373,003.60	137,960.24
Dunn	11,810	1,050,571.54	1,050,571.54	766,917.22	283,654.32
Eddy	4,784	425,565.98	425,565.98	310,663.17	114,902.81
Emmons	7,500	667,170.75	667,170.75	487,034.65	180,136.10
Foster	6,878	611,840.06	611,840.06	446,643.24	165,196.82
Golden Valley	3,847	342,214.12	342,214.12	249,816.31	92,397.81
Grand Forks	77,471	6,891,518.04	6,891,518.04	3,489,033.91	3,402,484.13
Grant	5,655	503,046.75	503,046.75	367,224.13	135,822.62
Griggs	5,377	478,316.95	478,316.95	349,171.37	129,145.58
Hettinger	6,135	545,745.67	545,745.67	398,394.34	147,351.33
Kidder	5,925	527,064.89	527,064.89	384,757.37	142,307.52
Lamoure	10,355	921,140.42	921,140.42	672,432.51	248,707.91
Logan	4,515	401,636.79	401,636.79	293,194.86	108,441.93
McHenry	12,527	1,114,353.07	1,114,353.07	813,477.74	300,875.33
McIntosh	5,761	512,476.09	512,476.09	374,107.55	138,368.54
McKenzie	22,073	1,963,528.00	1,963,528.00	1,433,375.44	530,152.56
McLean	20,728	1,843,882.04	1,843,882.04	1,346,033.89	497,848.15
Mercer	16,064	1,428,990.79	1,428,990.79	1,043,163.28	385,827.51
Morton	49,422	4,396,388.38	4,396,388.38	2,930,511.91	1,465,876.47
Mountrail	19,468	1,731,797.36	1,731,797.36	1,264,212.07	467,585.29
Nelson	6,645	591,113.29	591,113.29	431,512.70	159,600.59
Oliver	4,545	404,305.48	404,305.48	295,143.00	109,162.48
Pembina	14,454	1,285,771.47	1,285,771.47	938,613.17	347,158.30
Pierce	8,144	724,458.48	724,458.48	528,854.69	195,603.79
Ramsey	17,533	1,559,667.30	1,559,667.30	1,138,557.13	421,110.17
Ransom	10,978	976,560.07	976,560.07	712,888.85	263,671.22
Renville	5,353	476,182.00	476,182.00	347,612.86	128,569.14
Richland	28,166	2,505,537.52	2,505,537.52	1,829,042.39	676,495.13
Rolette	14,433	1,283,903.39	1,283,903.39	937,249.47	346,653.92
Sargent	8,708	774,629.72	774,629.72	565,479.70	209,150.02
Sheridan	3,404	302,806.57	302,806.57	221,048.80	81,757.77
Sioux	2,980	265,089.18	265,089.18	193,515.10	71,574.08
Slope	2,240	199,261.66	199,261.66	145,461.01	53,800.65
Stark	49,945	4,442,912.42	4,442,912.42	2,914,962.60	1,527,949.82
Steele	5,147	457,857.05	457,857.05	334,235.65	123,621.40
Stutsman	33,121	2,946,314.99	2,946,314.99	2,042,733.54	903,581.45
Towner	5,473	486,856.74	486,856.74	355,405.42	131,451.32
Trail	14,399	1,280,878.89	1,280,878.89	935,041.59	345,837.30
Walsh	20,132	1,790,864.21	1,790,864.21	1,307,330.87	483,533.34
Ward	87,478	7,781,701.73	7,781,701.73	4,912,333.98	2,869,367.75
Wells	9,524	847,217.90	847,217.90	618,469.07	228,748.83
Williams	56,038	4,984,921.94	4,984,921.92	3,239,657.88	1,745,264.04
Out-of-State	54,648				
Totals:	1,124,150	100,000,000.02	100,000,000.00	63,942,548.13	36,057,451.87
		100,000,000.00			

2021 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1505
11/11/2021
Senate Appropriations Committee

A BILL for an Act to amend section 6 of chapter 15, section 5 of chapter 18, sections 6, 7, and 8 of chapter 19, and section 1 of chapter 55 of the 2021 Session Laws, relating to the federal coronavirus capital projects fund and federal state fiscal recovery fund; to identify department of transportation funding sources; to provide an appropriation; to provide for a transfer; to provide for a report; and to provide an effective date.

Chairman Holmberg opened the meeting at 10:27 a.m.

Senators present: Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.

Discussion Topics:

- Amendments

Vice-Chair Wanzek proposed testimony #12210; LC 21.1104.07004

Chairman Holmberg proposed testimony #12212 ; LC 21.1104.07005

Vice-Chair Wanzek moved to adopt amendment LC 21.1104.07005

Senator Davison seconded the motion

Motion Passed by voice vote

Vice-Chair Wanzek moved DO PASS AS AMENDED

Senator Oehlke seconded the motion

Senators		Senators	
<i>Senator Holmberg</i>	Y	<i>Senator Hogue</i>	N
<i>Senator Krebsbach</i>	Y	<i>Senator Oehlke</i>	Y
<i>Senator Wanzek</i>	Y	<i>Senator Poolman</i>	N
<i>Senator Bekkedahl</i>	Y	<i>Senator Rust</i>	Y
<i>Senator Davison</i>	Y	<i>Senator Sorvaag</i>	N
<i>Senator Dever</i>	Y	<i>Senator Heckaman</i>	Y
<i>Senator Erbele</i>	Y	<i>Senator Mathern</i>	N

Motion Passed 10-4-0

Senator Davison will carry the bill

Chairman Holmberg closed the meeting at 11:06 a.m.

Skyler Strand, Committee Clerk

DP 11/11/21
1081

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1505

Page 1, line 14, replace "\$53,276,228" with "\$68,276,228"

Page 1, line 16, replace "\$30,000,000" with "\$20,000,000"

Page 7, line 5, after "projects" insert "and \$24,652,429 is available for grants to counties for county bridge projects based on an application process developed by the department of transportation"

Page 7, line 6, replace "\$100,000,000" with "\$75,347,571"

Page 7, line 7, remove "based on the county highway tax"

Page 7, line 8, replace "distribution fund formula in subsection 4 of section 54-27-19" with "for road and bridge projects using a distribution formula based on \$80,000,000 allocated to counties in proportion to each county's total twenty-year estimated road and bridge needs using the most recent data compiled by the upper great plains transportation institute with a maximum of \$3,000,000 per county"

Page 8, line 22, replace "\$60,000,000" with "\$45,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Adjusts funding for career and technical education center projects to provide \$68.3 million from the federal Coronavirus Capital Projects Fund and \$20 million from the state fiscal recovery fund for total funding of \$88.3 million.
- Reduces funding from the federal Coronavirus Capital Projects Fund for broadband grants from \$60 million to \$45 million.
- Amends Section 7 relating to \$100 million of transportation funding for counties to provide \$24.7 million for county bridge projects grants and \$75.3 million to be distributed to counties for road and bridge projects based on Upper Great Plains Transportation Institute data with a limit of \$3 million per county.

REPORT OF STANDING COMMITTEE

HB 1505, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1505 was placed on the Sixth order on the calendar.

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- Amends Section 7 relating to \$100 million of transportation funding for counties to provide \$24.7 million for county bridge projects grants and \$75.3 million to be distributed to counties for road and bridge projects based on Upper Great Plains Transportation Institute data with a limit of \$3 million per county.

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1505

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Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides \$75.3 million for distributions to counties for road and bridge projects using a formula based on the most recent data compiled by the Upper Great Plains Transportation Institute with a limit of \$3 million per county and designates \$24.7 million for county bridge projects. The schedule below provides information on the estimated distributions to counties.

County	Estimated Distribution
Adams	\$555,236
Barnes	1,932,415
Benson	901,573
Billings	737,185
Bottineau	2,027,431
Bowman	1,223,918
Burke	1,295,463
Burleigh	3,000,000
Cass	3,000,000
Cavalier	1,315,892
Dickey	927,305
Divide	1,672,488
Dunn	2,726,453
Eddy	534,459
Emmons	740,749
Foster	822,465
Golden Valley	842,633
Grand Forks	3,000,000
Grant	1,181,756
Griggs	547,759
Hettinger	809,164
Kidder	790,909
LaMoure	1,502,970
Logan	457,437
McHenry	1,606,941

McIntosh	790,648
McKenzie	3,000,000
McLean	2,167,218
Mercer	1,175,062
Morton	1,595,813
Mountrail	2,365,076
Nelson	806,817
Oliver	361,464
Pembina	1,522,877
Pierce	885,839
Ramsey	999,285
Ransom	879,579
Renville	950,255
Richland	2,911,618
Rolette	596,963
Sargent	847,849
Sheridan	544,543
Sioux	531,851
Slope	517,159
Stark	2,137,314
Steele	1,015,889
Stutsman	2,139,052
Towner	700,151
Traill	1,867,389
Walsh	2,671,599
Ward	3,000,000
Wells	1,213,660
Williams	3,000,000
Total	\$75,347,571

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1505

Introduced by

Legislative Management

(Appropriations Committee)

1 A BILL for an Act to amend section 6 of chapter 15, section 5 of chapter 18, sections 6, 7, and 8
2 of chapter 19, and section 1 of chapter 55 of the 2021 Session Laws, relating to the federal
3 coronavirus capital projects fund and federal state fiscal recovery fund; to identify department of
4 transportation funding sources; to provide an appropriation; to provide for a transfer; to provide
5 for a report; and to provide an effective date.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Section 6 of chapter 15 of the 2021 Session Laws is amended
8 and reenacted as follows:

9 **SECTION 6. APPROPRIATION - FEDERAL CORONAVIRUS CAPITAL**
10 **PROJECTS FUND - FEDERAL STATE FISCAL RECOVERY FUND - MATCHING**
11 **FUNDS - ONE-TIME FUNDING.**

- 12 1. There is appropriated from federal funds derived from the federal coronavirus
13 capital projects fund, not otherwise appropriated, the sum of
14 ~~\$70,000,000~~\$53,276,228, or so much of the sum as may be necessary, and from
15 the federal state fiscal recovery fund, not otherwise appropriated, the sum of
16 \$30,000,000, or so much of the sum as may be necessary, to the department of
17 career and technical education for the purpose of a statewide area career center
18 initiative grant program for the period beginning with the effective date of this Act,
19 and ending June 30, 2023. The department of career and technical education
20 shall establish the application process and develop eligibility requirements for the
21 grant program that must include:
- 22 a. Funding may be used only for career and technical education projects
23 involving construction, addition, maintenance, and equipment for new and
24 existing area career centers;

- b. Grants awarded to each recipient must be at least \$500,000, but may not exceed \$10,000,000;
- c. Grants may be awarded only to the extent a school district has secured matching funds from nonstate sources on a dollar-for-dollar basis;
- d. An applicant identifying sufficient future nonstate sources of funding for ongoing operating and maintenance costs associated with a new or expanded area career center;
- e. The application period for the grant program begins with the effective date of this Act and ends on June 30, 2022. Any funding not committed by December 31, 2022, may not be spent and must be canceled at the end of the 2021-23 biennium in accordance with section 54-44.1-11;
- f. Preference must be given to school districts that collaborate with other school districts for a regional area career center facility or to school districts to create a new area career center or use an existing area career center to positively affect that region of the state; and
- g. Preference must be given to school districts that will promote postsecondary education and workforce training education in conjunction with secondary education.

2. There is appropriated from federal funds derived from the federal ~~coronavirus capital projects~~ state fiscal recovery fund, not otherwise appropriated, the sum of \$5,900,000, or so much of the sum as may be necessary, to the department of public instruction for the purpose of providing a grant to an entity for the development of a children's science center for the period beginning with the effective date of this Act, and ending June 30, 2023.

3. There is appropriated from federal funds derived from the federal ~~coronavirus capital projects~~ state fiscal recovery fund, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the university of North Dakota for the purpose of reconstruction of the university's apron at the Grand Forks airport for the period beginning with the effective date of this Act, and ending June 30, 2023.

4. There is appropriated from federal funds derived from the federal ~~coronavirus capital projects~~ state fiscal recovery fund, not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of a Pulver hall project, a meat processing laboratory remodel, and other projects for the period beginning with the effective date of this Act, and ending June 30, 2023.
5. There is appropriated from federal funds derived from the federal ~~coronavirus capital projects~~ state fiscal recovery fund, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, to the highway patrol for the purpose of a law enforcement training center remodel project for the period beginning with the effective date of this Act, and ending June 30, 2023.
6. There is appropriated from federal funds derived from the federal ~~coronavirus capital projects~~ state fiscal recovery fund, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing a grant for the construction of a new medical center located in the county seat of Griggs County for the period beginning with the effective date of this Act, and ending June 30, 2023.
7. There is appropriated from federal funds derived from the federal ~~coronavirus capital projects~~ state fiscal recovery fund, not otherwise appropriated, the sum of \$157,600, or so much of the sum as may be necessary, to the judicial branch for the purpose of purchasing information technology equipment for the period beginning with the effective date of this Act, and ending June 30, 2023.
8. ~~If the federal government distributes funding derived from the federal coronavirus capital projects fund to the state in more than one funding round, the office of management and budget shall prioritize the amounts received in the first funding round as follows:~~
 - a. ~~\$19,763,000 to the department of career and technical education;~~
 - b. ~~\$11,716,400 to the parks and recreation department;~~
 - c. ~~\$5,900,000 to the department of public instruction;~~
 - d. ~~\$5,000,000 to the university of North Dakota;~~
 - e. ~~\$4,200,000 to the state historical society;~~

- f. ~~\$4,000,000 to Dickinson state university;~~
- g. ~~\$3,000,000 to the highway patrol;~~
- h. ~~\$2,000,000 to the agriculture commissioner;~~
- i. ~~\$500,000 to the office of management and budget; and~~
- j. ~~\$157,600 to the judicial branch.~~

- 9. ~~The funding provided under this section may be spent only to the extent the director of the office of management and budget, in consultation with the budget section, determines the use of the funding complies with federal guidance for the federal coronavirus capital projects fund. The funding provided under this section is considered a one-time funding item.~~

SECTION 2. AMENDMENT. Section 5 of chapter 18 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 5. ESTIMATED INCOME - FEDERAL CORONAVIRUS CAPITAL PROJECTSSTATE FISCAL RECOVERY FUND - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$4,200,000 from federal funds derived from the federal ~~coronavirus capital projects~~state fiscal recovery fund for the purpose of providing funding for capital project planning and historic site and extraordinary repairs. ~~The federal funding provided under this section may be spent only to the extent the director of the office of management and budget, in consultation with the budget section, determines the use of the funding complies with federal guidance for the federal coronavirus capital projects fund.~~The funding provided under this section is considered a one-time funding item.

SECTION 3. AMENDMENT. Section 6 of chapter 19 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 6. DEFERRED MAINTENANCE AND CAPITAL PROJECTS - FEDERAL CORONAVIRUS CAPITAL PROJECTSSTATE FISCAL RECOVERY FUND. The park operations and maintenance line item in subdivision 1 of section 1 of this Act includes \$7,900,000 from federal funds derived from the federal ~~coronavirus capital projects~~state fiscal recovery fund for deferred maintenance and capital projects for the biennium beginning July 1, 2021, and ending June 30, 2023. ~~The funding provided under this section may be spent only to the extent the director of the office of~~

management and budget, in consultation with the budget section, determines the use of the funding complies with federal guidance for the federal coronavirus capital projects fund. The funding provided under this section is considered a one-time funding item.

SECTION 4. AMENDMENT. Section 7 of chapter 19 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 7. PARKS MATCHING GRANT PROGRAM - FEDERAL CORONAVIRUS CAPITAL PROJECTS STATE FISCAL RECOVERY FUND. The recreation line item in subdivision 1 of section 1 of this Act includes \$1,632,800, of which \$816,400 is from federal funds derived from the federal coronavirus capital projects state fiscal recovery fund and \$816,400 is matching funds from nonstate sources for a matching grant program for the biennium beginning July 1, 2021, and ending June 30, 2023. The parks and recreation department may spend these funds for capital project improvements at state parks, subject to the department obtaining matching funds from nonstate sources for each project on a dollar-for-dollar basis. The federal funding provided under this section may be spent only to the extent the director of the office of management and budget, in consultation with the budget section, determines the use of the funding complies with federal guidance for the federal coronavirus capital projects fund. The funding provided under this section is considered a one-time funding item.

SECTION 5. AMENDMENT. Section 8 of chapter 19 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 8. INTERNATIONAL PEACE GARDEN - FEDERAL CORONAVIRUS CAPITAL PROJECTS STATE FISCAL RECOVERY FUND. The International Peace Garden line item in subdivision 2 of section 1 of this Act includes the sum of \$3,000,000, from federal funds derived from the federal coronavirus capital projects state fiscal recovery fund for International Peace Garden capital projects or the repayment of any outstanding loan from the Bank of North Dakota authorized in section 12 of chapter 44 of the 2019 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2023. Expenditure of the funds appropriated for this purpose is subject to the province of Manitoba providing funding

1 equal to fifty percent of the total cost of any project paid with the funding referenced in
2 this section. ~~The funding provided under this section may be spent only to the extent~~
3 ~~the director of the office of management and budget, in consultation with the budget~~
4 ~~section, determines the use of the funding complies with federal guidance for the~~
5 ~~federal coronavirus capital projects fund.~~ The funding provided under this section is
6 considered a one-time funding item.

7 **SECTION 6. AMENDMENT.** Section 1 of chapter 55 of the 2021 Session Laws is amended
8 and reenacted as follows:

9 **SECTION 1. APPROPRIATION - FEDERAL CORONAVIRUS CAPITAL**
10 **PROJECTSSTATE FISCAL RECOVERY FUND - INTERMODAL FACILITY**

11 **CONSTRUCTION GRANT PROGRAM - ONE-TIME FUNDING.** There is appropriated
12 from federal funds derived from the federal ~~coronavirus capital projects~~state fiscal
13 recovery fund, not otherwise appropriated, the sum of \$2,000,000, or so much of the
14 sum as may be necessary, to the agriculture commissioner for the purpose of an
15 intermodal facility grant program for capital construction projects that will expand rail
16 capacity to support economic and workforce development and growth and enhance
17 the value of agriculture and commercial products exported through an intermodal
18 facility in North Dakota for the period beginning with the effective date of this Act and
19 ending June 30, 2023. This funding is considered a one-time funding item.

- 20 1. The agriculture commissioner shall establish guidelines for awarding grants
21 under the program.
- 22 2. Grants may be awarded only to an organization dedicated to the expansion of rail
23 capacity at an existing intermodal facility in the state connected to and served by
24 a class I railroad. Grant funds may be used only to pay for capital costs
25 associated with engineering, labor, equipment, and materials related to rail track
26 expansion.
- 27 ~~3. The funding provided under this section may be spent only to the extent the~~
28 ~~director of the office of management and budget certifies to the legislative~~
29 ~~management that the use of this funding complies with federal guidelines for the~~
30 ~~federal coronavirus capital projects fund.~~

SECTION 7. DEPARTMENT OF TRANSPORTATION - FEDERAL STATE FISCAL

RECOVERY FUND - TRANSFER - STATE TREASURER. Subdivision 10 of section 2 of House Bill No. 1395, as approved by the sixty-seventh legislative assembly, includes the sum of \$317,000,000 from federal funds derived from the federal state fiscal recovery fund. Of the \$317,000,000, at least \$200,000,000 must be used for state road and bridge projects and \$24,652,429 is available for grants to counties for county bridge projects based on an application process developed by the department of transportation. The office of management and budget shall transfer ~~\$100,000,000~~ \$75,347,571 of the appropriation authority identified in this section to the state treasurer for distribution to counties ~~based on the county highway tax distribution fund formula in subsection 4 of section 54-27-19~~ for road and bridge projects using a distribution formula based on \$80,000,000 allocated to counties in proportion to each county's total twenty-year estimated road and bridge needs using the most recent data compiled by the upper great plains transportation institute with a maximum of \$3,000,000 per county. The office of management and budget shall transfer \$17,000,000 of the appropriation authority identified in this section to the state treasurer for distribution to townships for road and bridge projects as follows:

1. In January 2022, the state treasurer shall distribute \$8,500,000, or so much of the sum as may be necessary, to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county. The distribution to each non-oil-producing county must provide for an allocation to each organized and unorganized township that is proportional to the number of township road miles in each organized and unorganized township relative to the combined total township road miles in all the organized and unorganized townships in all the non-oil-producing counties. The township road miles must be based on certifications provided to the state treasurer using roadway mileage criteria from the department of transportation.
2. In January 2022, the state treasurer shall distribute \$8,500,000, or so much of the sum as may be necessary, to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county. The distribution to each non-oil-producing county must provide for an equal allocation to each organized and unorganized township within the county.

3. The amount allocated to organized townships under this section must be paid by the county treasurer to each organized township. The amount allocated to unorganized townships under this section must be credited by the county treasurer to a special fund for unorganized township roads.
4. The distributions under this section must be used for the maintenance and improvement of township paved and unpaved roads and bridges. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads.
5. 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.

SECTION 8. APPROPRIATION - FEDERAL FUNDS - DEPARTMENT OF

TRANSPORTATION - ONE-TIME FUNDING. There is appropriated out of any moneys derived from federal funds in excess of the regular federal funding amounts included in the department of transportation's 2021-23 biennium budget, not otherwise appropriated, the sum of \$135,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses of road and bridge construction projects, for the period beginning with the effective date of this Act, and ending June 30, 2023. The funds appropriated in this section are not considered part of the department's 2021-23 biennium budget for purposes of section 13 of House Bill No. 1015 and section 10 of House Bill No. 1431, as approved by the sixty-seventh legislative assembly, relating to excess federal funding requirements. The funding provided under this section is considered a one-time funding item.

SECTION 9. APPROPRIATION - FEDERAL CORONAVIRUS CAPITAL PROJECTS

FUND - ONE-TIME FUNDING - INFORMATION TECHNOLOGY DEPARTMENT -

BROADBAND INFRASTRUCTURE GRANTS. There is appropriated from federal funds derived from the federal coronavirus capital projects fund, not otherwise appropriated, the sum of \$60,000,000, or so much of the sum as may be necessary, to the information technology department for the purpose of providing broadband infrastructure grants, for the period beginning with the effective date of this Act and ending June 30, 2023. The funding provided under this section is considered a one-time funding item.

1 **SECTION 10. APPROPRIATION - FEDERAL CORONAVIRUS RELIEF FUND -**

2 **LIMITATION - BUDGET SECTION REPORT.** The funds provided in this section, or so much of
3 the sum as may be necessary, are appropriated from federal funds derived from the federal
4 coronavirus relief fund, to the state departments and agencies listed below for the purpose of
5 defraying payroll expenses incurred from July through December 2021, for the period beginning
6 with the effective date of this Act and ending June 30, 2023, as follows:

7 Department of human services	\$4,400,000
8 Department of corrections and rehabilitation	7,000,000
9 Adjutant general	<u>1,000,000</u>
10 Total	\$12,400,000

11 The funds appropriated in this section may be spent only to the extent the director of the
12 office of management and budget determines the funding is available. An agency may not
13 spend any general fund dollars appropriated for payroll expenses that are being replaced with
14 federal funding under this section. The director of the office of management and budget shall
15 report to the budget section on the amounts spent under this section.

16 **SECTION 11. EFFECTIVE DATE.** This Act becomes effective on December 1, 2021.

21.1104.07005
Title.

Prepared by the Legislative Council staff for
Senator Holmberg
November 10, 2021

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1505

Page 1, line 14, replace "\$53,276,228" with "\$68,276,228"

Page 1, line 16, replace "\$30,000,000" with "\$20,000,000"

Page 7, line 5, after "projects" insert "and \$24,652,429 is available for grants to counties for county bridge projects based on an application process developed by the department of transportation"

Page 7, line 6, replace "\$100,000,000" with "\$75,347,571"

Page 7, line 7, remove "based on the county highway tax"

Page 7, line 8, replace "distribution fund formula in subsection 4 of section 54-27-19" with "for road and bridge projects using a distribution formula based on \$80,000,000 allocated to counties in proportion to each county's total twenty-year estimated road and bridge needs using the most recent data compiled by the upper great plains transportation institute with a maximum of \$3,000,000 per county"

Page 8, line 22, replace "\$60,000,000" with "\$45,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment:

- Adjusts funding for career and technical education center projects to provide \$68.3 million from the federal Coronavirus Capital Projects Fund and \$20 million from the state fiscal recovery fund for total funding of \$88.3 million.
- Reduces funding from the federal Coronavirus Capital Projects Fund for broadband grants from \$60 million to \$45 million.
- Amends Section 7 relating to \$100 million of transportation funding for counties to provide \$24.7 million for county bridge projects grants and \$75.3 million to be distributed to counties for road and bridge projects based on Upper Great Plains Transportation Institute data with a limit of \$3 million per county.