Presented to: Interim Committee on Transportation
Presented by: Jon Mielke – UGPTI
June 19, 2008

Summary Report

Generating Public Involvement in Transportation Policy and Funding Decision Making Processes

At the request of its statutory advisory board, Upper Great Plains Transportation Institute (UGPTI) staff members undertook an effort to generate increased public involvement in transportation policy and funding decision-making processes. This project was initiated in May 2007 and concluded in May 2008. This paper briefly summarizes this effort and outlines related findings and recommendations.

Matters pertaining to inflation and projected federal funding deficits are very time-sensitive and change almost daily, depending on oil prices and pending congressional action. Therefore, related findings and recommendations need continual monitoring and possible modification.

The Transportation Institute's role in this project has been to educate participants, to solicit input, and to encourage future public involvement in decision making processes related to transportation. The Institute functioned in a non-advocacy manner. "We're not trying to tell you what to think, we're hoping to give you something to think about."

Program Design

Based on directions received from its advisory board, UGPTI staff members designed a program to:

- Educate North Dakotans concerning the state's transportation system, both infrastructure and personal mobility, and related trends.
- Solicit public input regarding system and service needs and funding.
- Encourage future involvement in related decision-making processes.

A nine-member steering committee was created to oversee the project. Members included North Dakota's major road authority organizations, contractors, shippers, motor carriers, and transit interests (Attachment 1).

Ultimately, it was determined that the best way to reach out to the public was to host a series of eight local transportation workshops around the state. These workshops were scheduled for each of North Dakota's eight regional centers. A program brochure was designed and a mailing list of

approximately 5,000 individuals and entities was compiled (Attachment 2). This mailing list included city, county, and township officials; shippers, carriers, contractors, transit service providers and users, state agencies, legislators, etc.

Each workshop ran from 10 am to approximately 2:15 pm. The agenda (Attachment 3) for these workshops included:

- Educational presentations concerning state roadways and personal mobility services, inflationary trends, and funding sources.
- Structured luncheon discussions to illicit participant concerns and suggestions.
- Panel discussions involving local road authorities, transit interests, legislators, etc.
- Open microphone session and questionnaire to illicit further input.

These workshops were held on eight consecutive business days from March 24 through April 2, 2008. Approximately 490 people attended these workshops. The program's presentations were posted on UGPTI's website (www.ugpti.org).

UGPTI received literally hundreds of comments during the local workshop phase of this project. The workshops' predominant findings and participant suggestions are presented in Attachment 4. The following list summarizes some of the most significant findings and suggestions:

Workshop Findings

- Transportation infrastructure and personal mobility are critical for economic development and quality of life.

- Demands on state and local transportation infrastructure have increased significantly – agriculture production and processing, energy, and personal mobility.

- Inflation has had a significant impact on the purchasing power of transportation-related appropriations. In North Dakota, overall highway construction costs increased by 60% from 2001 to 2008. Bituminous paving costs increased at an even faster rate during the same time frame; some counties report increases of 100 percent from 2006 to 2008.

- The federal Highway Trust Fund is projected to fall into a deficit position for the fiscal year that begins later this year. It is projected that North Dakota and its cities and counties may experience a related revenue loss of $70 million.

- The federal per-gallon tax on gasoline and diesel fuel have not increased since 1993. Despite state fuel taxes increases of one cent in 1999 and two cents in 2005, related revenues have been relatively stagnant as a result of increased vehicle fuel efficiency.

- North Dakota's transportation infrastructure is currently in a preservation mode and is, in some cases, declining in quality. Delaying scheduled 20-year maintenance for an additional 7-8 years can increase related costs by 400 to 500 percent.

- Funding the Department of Transportation at a level that is sufficient only to match available federal funds does not provide adequate funding.

- The life expectancy of many county bridges is 50 years. Given existing budgetary constraints and replacement cycles, many bridges will not be replaced for well over 100 years, if ever.

- Approximately 6.5% of the state's residents (41,000 people) live in households without vehicles. These transportation-disadvantaged individuals (seniors, disabled, etc.) represent a hidden workforce that is willing to work if they have access to transit services. They require expanded coverage areas and longer service.

- Many local transit systems find it difficult to provide the 50 percent local operating match that is required by federal transit assistance programs.

- North Dakota has an aging population. By 2030, the size of the state's senior population will increase by 60%. Related increases in the need for transit services are anticipated. The availability of transit services allows seniors to age in place, rather than being forced to relocate to communities with required mobility services.

- Customer expectations related to North Dakota's roadway infrastructure and transit systems are increasing.

Participant Suggestions

In addition to soliciting participant input regarding system and service needs and concerns, workshop attendees were also asked to provide suggestions for related improvements and funding options. As was the case with the discussion of problems and concerns, participants provided hundreds of suggestions. The following list presents a few of the suggestions that had a reoccurring presence or that generated the most discussion. A more comprehensive list of participant suggestions is presented in Attachment 5.

- Eliminate diversions from the state Highway Tax Distribution Fund (e.g. Highway Patrol at $4.2 million per biennium and ethanol at $3.2 million per biennium). Impacted programs should be funded from other sources.

- Make existing one-time dedication of motor vehicle excise tax payments to the Highway Fund permanent ($12.6 million per biennium) and dedicate additional motor vehicle excise tax revenues to the Highway Tax Distribution Fund. Biennial motor vehicle excise tax receipts total $126 million.

- Increase dedication of oil tax monies to impacted counties, cities, and townships.

- At a minimum, increase funding to North Dakota Department of Transportation by an amount equal to the rate of construction and maintenance inflation (currently 15%).

- Distribute any increases in the state Highway Tax Distribution Fund to all related road authorities, including the Department of Transportation, cities, counties, townships, and tribes.

- Finance budget increases with diversion and dedication measures and, if necessary, a fuel tax increase of up to 5 cents per gallon (each one cent increase generates $10.2 million per biennium).

- Provide increased funding for transit to maintain existing service and routes, to extend service to additional areas, and to expand hours of operation for existing services.

- Require all state-supported transit services to be coordinated with other services within corresponding cities, counties, and regions.

State Conference

A state conference was held on May 1, 2008, in Mandan. Approximately 80 people attended. As the agenda in Attachment 6 illustrates, this conference was designed to summarize local workshop presentations, findings, and participant suggestions and to provide updated information on infrastructure and transit needs. There were also panel discussions involving legislators and state organizations and agencies that represent roadway and personal mobility interests. Program and panelist presentations were posted on UGPTI's website (www.ugpti.org).

Updated infrastructure need estimates were prepared by UGPTI based on technical studies of the state system, surveys of county road authorities, a review of urban planning studies, and a review of other studies that were prepared earlier in the decade. Related infrastructure needs, both funded and unfunded, are summarized in Table I. These estimates do not include operating costs.

Transit need estimates were based on input received from the state's transit operators. These needs, both funded and unfunded, were estimated at approximately $13.7 million annually.

Based on these need estimates and inflationary findings based on 2008 bid prices, the North Dakota Department of Transportation presented estimates of current revenue shortfalls. While current system needs, including transit, require approximately $553 million in annual spending, only about $314 million is available to support these needs. Given an existing inflation rate of 15%, annual revenue shortfalls are projected at nearly $257 million.

It was pointed out that these revenue needs should be approached from several directions. Ultimately solutions will, in all likelihood, include a combination of innovation, system rationalization, and funding enhancement. Potential funding sources could include federal monies, state fuel tax receipts, state motor vehicle registration fees, state motor vehicle excise tax receipts, energy impact funds, mill levies, bonding, and special assessments.

Table 1 – Estimated Annual Roadway and Bridge Funding Needs
(in millions)

Jurisdiction	Highways	Bridges
State	$216.6	$26.3
County	$140.0	$19.8
Small Cities	$29.7	*
Townships	$36.3	*
Urban Centers	$70.7	*
Total	$493.4	$539.5

*Not estimated

The state conference concluded with a panel comprised of several steering committee members. During that panel discussion, it was suggested that a starting point for addressing existing revenue shortfalls is the dedication of all state motor vehicle excise tax revenues for transportation purposes.

Given the existing one-time dedication of 10% of these revenues to transportation, it was projected that dedicating all such revenues to transportation would increase overall program revenues by approximately $116 million per biennium. It was pointed out that related revenues will increase over time as inflation increases the selling prices of motor vehicles. This occurrence is contrary to the declining value of fuel taxes which are at a fixed per gallon amount.

It was recommended that these motor vehicle excise tax monies and existing motor fuel and vehicle registration revenues be distributed to road authorities and transit on a prescribed percentage basis. A copy of this funding proposal is presented in Attachments 7 and 8. It was subsequently endorsed by this project's steering committee and the Advisory Council of the Upper Great Plains Transportation Institute. In both instances, executive branch agencies abstained from voting.

Table II presents a composite summary of the funding needs discussed earlier, along with the new funding amounts that would result from dedicating motor vehicle excise revenues to transportation. Even with this infusion of new excise tax monies, approximately 77.5% of North Dakota's unmet transportation needs would remain unfunded. Additional measures would be required if appropriate investments are to be made to maintain North Dakota's transportation infrastructure and to satisfy the mobility needs of North Dakota residents and the state's growing economy.

Table II – Estimated Annual Roadway & Transit Funding Needs
(in millions)

	Current Roadway Needs*	2007 Funding	2008 Buying Power**	Required New Funding	Proposed New Funding
NDDOT	$242.9	$148.0	$125.8	$117.1	$34.3
Counties	$159.8	$75.6	$64.3	$95.6	$12.3
Urban	$70.7	$52.3	$44.4	$26.3	$7.5****
Small Cities	$29.7	***	***	***	Included in Urban
Townships	$36.3	$24.7	$21.0	$15.3	$2.1
Transit	$13.7	$13.2	$11.2	$2.5	$1.6
Total	$553.1	$313.8	$266.7	$256.8	$57.8

**Roadway needs based on UGPTI Study*
***Based on 15% rate of inflation*
****Not estimated; total estimated needs are therefore understated.*
*****Funding for all cities – Urban and Small*

Shortfall solutions include further innovation, system rationalization, and enhanced funding.

Other potential funding sources include federal money, energy impact funds, mill levies, bonding, special assessments, sales & fuel tax, etc.

Summary

The Transportation Institute's role in this project has been to educate participants, to solicit their input, and to encourage their future involvement in decision-making processes related to transportation services. The Institute is not an advocacy organization but it does strive to provide information and to facilitate processes that lead to more enlightened decisions. Hopefully its efforts on this project have been both successful and consistent with these goals.

The Institute would also like to point out a major research need that was identified at several of the workshops that were held around the state in late March and early April. This research need relates to energy development and its impacts on transportation infrastructure. These impacts are being felt especially hard in oil exploration areas in western North Dakota but additional impacts related to coal, wind, ethanol, biodiesel, and transmission are being experienced statewide. The Legislature may want to consider devoting additional resources for future study in this area.

Attachment 1

Steering Committee Members

Mark Johnson, Chair
Executive Director
ND Association of Counties

Bob Bright
Executive Director
Fargo-Moorhead Metro COG

Russ Hanson
Executive Vice President
Associated Gen. Contractors of ND

Connie Sprynczynatyk
Executive Director
ND League of Cities

Ken Yantes
Executive Secretary
ND Township Officers Association

Tom Balzer
Managing Director
ND Motor Carrier Association

Neal Fisher
Administrator
ND Wheat Commission

Grant Levi
Chief Engineer
ND Dept of Transportation

Ken Tupa
ND Senior Services Providers &
Dakota Transit Association

Attachment 2

Generating Public Involvement in Transportation Mailing List

Legislators
ND Township Officers Association
County Commissioners
Transit Operators
Tribal Councils
School District Administrators
Highway Patrol
County Sheriffs
ND Grain Dealers Association/Elevators
Airports
MPOS
Farm Groups
Commodity Groups
Rural Electric and Telephone Cooperatives, Otter Tail Power, MDU, & Xcel
UGPTI Advisory Council
Dakota Resource Group
Regional Planning Councils
ND Media – Newspapers, Radio, TV
Non-Legislators on Advisory Commission on Intergovernmental Relations
AARP Representatives
Chambers of Commerce
Major Shippers
Colleges & Universities
County Engineers and County Road Officials
Railroads
AAA North Dakota
ND Dept of Commerce
Energy Companies
ND Dept of Tourism
Local Economic Development Offices
Steering Committee Members
ND Department of Human Services
Consultants
NDDOT District Engineers – NDDOT
Mayors/City Auditors – ND League of Cities
Motor Carriers – ND Motor Carrier Association
Highway Contractors – Associated General Contractors of ND

Attachment 3

Is Transportation Important to You?
Workshop Agenda

10:00 a.m. Welcome

10:10 a.m. Program Goals
Gene Griffin, Director, Upper Great Plains Transportation Institute, NDSU

10:20 a.m. Inventory of North Dakota's Transportation System
Jon Mielke - Upper Great Plains Transportation Institute, NDSU

10:40 a.m. Condition of Existing System, Inflationary Trends, and Transportation's Role in Economic Development
Jon Mielke - Upper Great Plains Transportation Institute, NDSU

11:00 a.m. Federal Funding Sources, Income Projections, and Distribution
Gene Griffin – Upper Great Plains Transportation Institute, NDSU

11:25 a.m. State and Local Funding and Planning Processes
Gary Berreth – Upper Great Plains Transportation Institute, NDSU

11:45 a.m. Buffet Lunch and Small Group Discussion

12:45 p.m. Panel Discussion – Local Perspectives and Challenges

1:30 p.m. Participant Input – System and Service Needs, Budgets and Options (Open Microphone and Questionnaire)

2:00 p.m. Effectuating Change – Where do we Go from Here?

2:15 p.m. Adjourn

Workshop Sponsors:

Associated General Contractors of North Dakota
American Public Transportation Association (APTA)
American Association of State Highway Transportation Officials (AASHTO)
ND Association of Counties
ND Department of Transportation
ND League of Cities
ND Motor Carriers Association
ND Senior Service Providers/DTA
Upper Great Plains Transportation Institute (UGPTI), NDSU
Mountain-Plains Consortium
ND LTAP Program
Small Urban & Rural Transit Center

Attachment 4

Local Workshops - Findings

UGPTI received literally hundreds of comments during the local workshop phase of this project. The following list presents the most predominant findings that were gleaned from these comments and workshop presentations:

- Transportation infrastructure and personal mobility are critical for economic development and quality of life.

- Demands on state and local transportation infrastructure have increased significantly:

  - Increases related to oil exploration, agricultural processing, and the expansion of agricultural production into non-traditional areas.

  - Oil exploration – each new well requires 750-800 truckloads of input during the drilling process.

  - Agricultural processing has increased significantly with the construction of facilities to produce food products, ethanol, etc.

  - Agricultural production has increased from 17 billion pounds in 1950 to 57 billion pounds in 2007. These products are being transported longer distances in larger trucks.

  - Demand for personal mobility has increased dramatically, both by private automobile and transit. North Dakota transit services provided 2.4 million rides in fiscal year 2005-06.

- Inflation has had a significant impact on the purchasing power of transportation-related appropriations. In North Dakota, overall highway construction costs increased by 60% from 2001 to 2008. Bituminous paving costs increased at an even faster rate during the same time frame; some counties report increases of 100 percent from 2006 to 2008.

- The federal Highway Trust Fund is projected to fall into a deficit position when the current federal highway bill expires in 2009. The federal Transit Trust Fund is scheduled to fall into a deficit position in 2012.

- North Dakota is facing the potential loss of $25 to $100 million in federal highway funding as a result of projected 2009 shortfalls in the federal highway trust fund.

- The federal per-gallon tax on gasoline and diesel fuel have not increased since 1993.

- State fuel taxes increased by one cent per gallon in 1999 and by two cents per gallon in 2005. Related revenues have been relatively stagnant as a result of increased vehicle fuel efficiency. It is expected that this trend will continue.

- North Dakota's transportation infrastructure is currently in a preservation mode and is, in some cases, declining in quality.

- Deferred maintenance is extremely costly. Delaying 20-year maintenance for an additional 7-8 years can increase related costs by 400 to 500 percent.

- Funding the Department of Transportation at a level that is sufficient only to match available federal funds does not provide adequate funding.

- Some counties have developed extensive long term plans concerning county roadways and, in some instances, have converted paved roads back to aggregate.

- The life expectancy of many county bridges is 50 years. Given existing budgetary constraints and replacement cycles, many bridges will not be replaced for well over 100 years, if ever.

- North Dakota's Indian tribes are facing significant problems with roadway maintenance on their respective reservations. Current inflationary trends and the diversion of funding to other Department of Interior projects are causing reservation roads to deteriorate at an accelerating rate.

- There are approximately 17,000 households in North Dakota that do not have an automobile. These 41,000 residents represent about 6.5 percent of the state's population.

- Many local transit systems find it difficult to provide the 50 percent local operating match that is required by federal transit assistance programs.

- North Dakota has an aging population. By 2030, the size of the state's senior population will increase by 60%. Related increases in the need for transit services are anticipated. The availability of transit services allows seniors to age in place, rather than being forced to relocate to communities with required mobility services.

- North Dakota's transportation disadvantaged population (seniors, disabled, etc.) represent a hidden workforce that is willing to work if they have access to transit services. They require expanded coverage areas and longer service hours.

- Customer expectations related to North Dakota's roadway infrastructure and transit systems are increasing.

Attachment 5

Local Workshops
Predominant Participant Suggestions

In addition to soliciting participant input regarding system and service needs and concerns, workshop attendees were also asked to provide suggestions for related improvements and funding options. As was the case with the discussion of problems and concerns, participants provided hundreds of suggestions. The following list presents those suggestions that had a reoccurring presence or that generated the most discussion:

- Eliminate diversions from the state Highway Tax Distribution Fund (e.g. Highway Patrol at $4.2 million per biennium and ethanol at $3.2 million per biennium). Impacted programs should be funded from other sources.

- Make existing one-time dedication of motor vehicle excise tax payments to the Highway Fund permanent ($12.6 million per biennium).

- Dedicate additional motor vehicle excise tax revenues to the Highway Tax Distribution Fund. Biennial motor vehicle excise tax receipts total $126 million.

- Increase dedication of oil tax monies to impacted counties, cities, and townships.

- Require base level of planning by road authorities that receive state transportation funding.

- Require companies that engage in road-impacting activities (construction of new facilities, oil well drilling, etc.) to participate in the cost of making subsequent repairs and improvements to local and state roads (similar requirements are currently imposed on road contractors).

- At a minimum, increase funding to North Dakota Department of Transportation by an amount equal to the rate of construction and maintenance inflation.

- Distribute any increases in the state Highway Tax Distribution Fund to all related road authorities, including the Department of Transportation, cities, counties, townships, and tribes.

- Finance budget increases with diversion and dedication measures and a fuel tax increase of up to 5 cents per gallon (each one cent increase generates $10.2 million per biennium).

- Provide increased funding for transit to maintain existing service and routes, to extend service to additional areas, and to expand hours of operation for existing services.

- Require all state supported transit operators to coordinate their services with those of other service providers within corresponding cities, counties, and regions. All related services must be available to the public.

Attachment 6

State Conference
Thursday, May 1, 2008
Seven Seas – Mandan

10:00 am	Welcome & Introductions (Johnson)
10:10 am	Overview of Local Workshops & Presentation Highlights (Mielke)
10:30 am	Summary of Workshop Input (Caron)
11:00 am	Panel: Infrastructure and Personal Mobility Needs

NDDOT	Francis Ziegler
Tribes	Pete Red Tomahawk
DHS	Linda Wright
Counties	Rod Ness
AARP	Linda Wurtz
Cities	Jim Brownlee
NDDAC	Jim Moench
Townships	Kerry Schorsch
SURTC/Paratransit	Carol Wright

Noon	Lunch & Small Group Discussions
1:00 pm	Resume Panel Presentations
2:00 pm	Updated Infrastructure Needs Assessment (Dybing)
2:30 pm	Workshop Findings & Participant Suggestions (Mielke)
2:45 pm	Annual Needs, Available Funding, & Projected Shortfalls (Levi)
3:00 pm	Managing Major Needs (Griffin)
3:15 pm	Coffee
3:30 pm	Panel: Legislative Perspectives

Rep. Robin Weisz
Senator Larry Robinson
Rep. George Keiser
Senator Rich Wardner

4:15 pm	Participant Reactions & Input – Open Microphone Session (Caron)
4:30 pm	Panel: Effectuating Change – Where Do We Go From Here? (Griffin)
5:00 pm	Adjourn & Hosted Social

Attachment 7

Highway/Transit Funding Proposal

BACKGROUND: The regional transportation forums have clearly demonstrated the desperate need for funding by all state and local road authorities as well as among both rural and urban transit providers. Additionally, comments in a number of locations highlighted the increasing competition for funds that results from the growing needs.

This funding concept is proposed to create an immediate increase in funding for all sectors, but also provide for a long-term, cooperative approach to funding stability.

PROPOSAL: While the primary source of new funds, motor vehicle excise tax, was mentioned by numerous individuals at the regional forums, this proposal would use it as a means to implement a permanent, long-term funding strategy. The elements of the proposal are:

Revenue Redirect all motor fuel and special fuel taxes, all motor vehicle registration fees, and all motor vehicle excise taxes into the **State Highway Distribution Fund**, including:

- The township 1¢ fuels tax,
- The transit $3 registration fee,
- The DOT $13 registration fee,
- The 10% DOT excise tax (and $1 million to transit), and
- The excise tax going to local government through the State Aid Distribution Fund.

Allocation Rewrite the over-riding formula for allocating the State Highway Distribution to include all "distribution fund" and "non-distribution fund" beneficiaries of these revenue streams. In this way, the following entities and interests would receive a statutory share of the State Highway Distribution Fund:

- ND Department of Transportation
- County Highways
- City Streets
- Township Roads
- Transit Programs
- Ethanol Production Support
- Highway Patrol – Truck Regulatory
- Motor Boat Safety
- Snowmobile Program *

Obviously the percentages of each could create some debate, but if each entity looked for a proportionate increase over current (total) allocations, the result would be a unified proposal that would strengthen all future efforts to enhance transportation funding in this State.

* Note: Tribal Tax revenues would obviously need to be addressed, but since the implications of State and federal law were unknown, this was omitted from the discussion at this point.

Attachment 8

Current Biennial Distribution of STATE Motor Vehicle "Related" Taxes

(In Millions)

	Thru Dist. Fund		Outside Distribution Fund					% of Current
	Fuels	MV Reg.	Fuels	MV Reg.	MV Excise		Total	Non Gen Fund Amounts
State Gen. Fund					$ 116.0		$ 116.0	
State DOT	$ 146.4	$ 57.5		$ 18.2	$ 11.6		$ 233.7 **	59.94%
County Road	$ 53.4	$ 21.0			$ 5.7	*	$ 80.1 ***	20.54%
City Street	$ 32.6	$ 12.7			$ 5.4	*	$ 50.7 ***	13.00%
Township Road	$ -		$ 10.4		$ 0.5	*	$ 10.9 ***	2.80%
Transit				$ 4.7	$ 1.0		$ 5.7 ***	1.46%
Ethanol	$ 3.2						$ 3.2	0.82%
HP Truck Reg	$ 4.2						$ 4.2	1.08%
Boat Safety	$ 0.2						$ 0.2	0.05%
Tribal	$ 1.0						$ 1.0	0.26%
Snowmobile	$ 0.2						$ 0.2	0.05%
Total	$ 241.2	$ 91.2	$ 10.4	$ 22.9	$ 24.2		$ 389.9	100.00%

Proposed Reallocation

(All Through Distribution Fund)

Proposed Formula	New Funding (Millions)	Total State Funding (Millions)	Percent Increase
59.75%	$ 68.58	$ 302.28	29.3%
20.70%	$ 24.62	$ 104.72	30.7%
13.00%	$ 15.07	$ 65.77	29.7%
3.00%	$ 4.28	$ 15.18	39.3%
1.75%	$ 3.15	$ 8.85	55.3%
0.64%	$ 0.04	$ 3.24	1.3%
0.83%	$ -	$ 4.20	0.0%
0.04%	$ -	$ 0.20	0.0%
0.25%	$ 0.26	$ 1.26	26.0%
0.04%	$ -	$ 0.20	0.0%
100.00%	$ 116.00	$ 505.90	

***** Not Currently Dedicated to Transportation.

****** Does Not Include $33.0 Million Generated by Truck Regulatory, Hay Bids, Scrap Sales, Interest, etc.

******* Does Not Include Impact Funds or Local Funding (e.g. Bonding, Special Assessments, Mill Levies, etc.).

Current Federal Funding

State DOT	$ 351.6	72.05%
County Road	$ 35.2	7.21%
City Street	$ 83.6	17.13%
Townships	$ -	0.00%
Transit	$ 17.6	3.61%
Total	$ 488.0	100.00%

Current Federal Plus Dedicated State Funding

State DOT	$ 618.3	69.43%
County Road	$ 109.6	12.31%
City Street	$ 128.9	14.48%
Townships	$ 10.4	1.17%
Transit	$ 23.3	2.62%
Total	$ 890.5	100.00%

Generating Public Involvement in Transportation

Upper Great Plains Transportation Institute
North Dakota State University

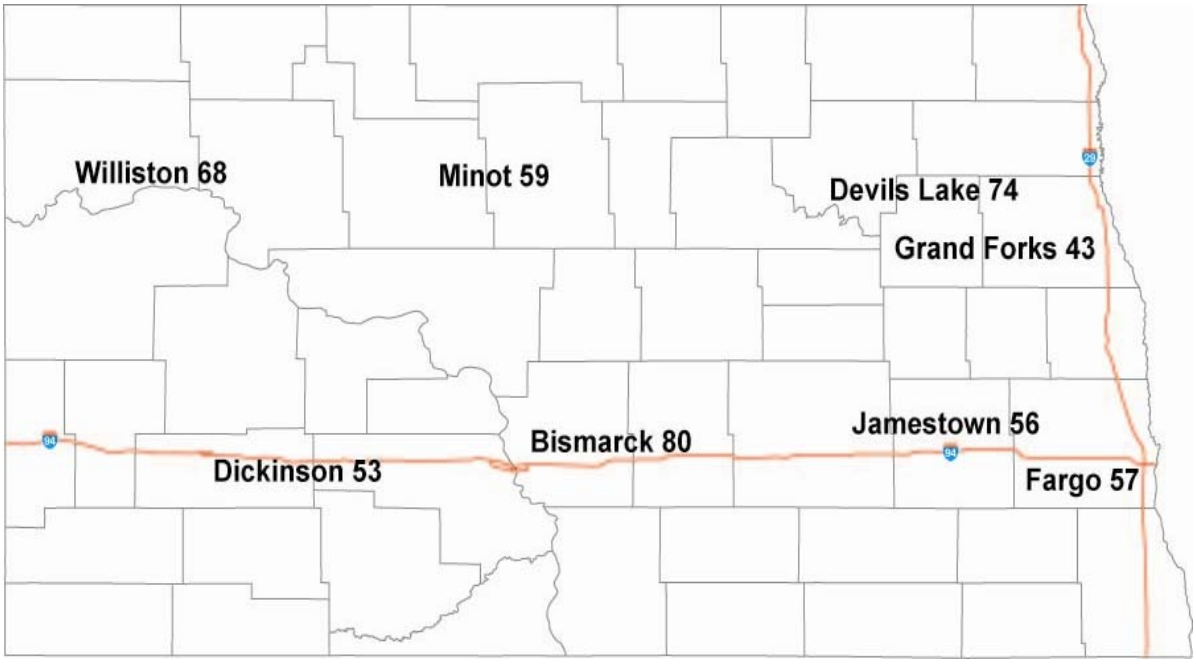
June 2008

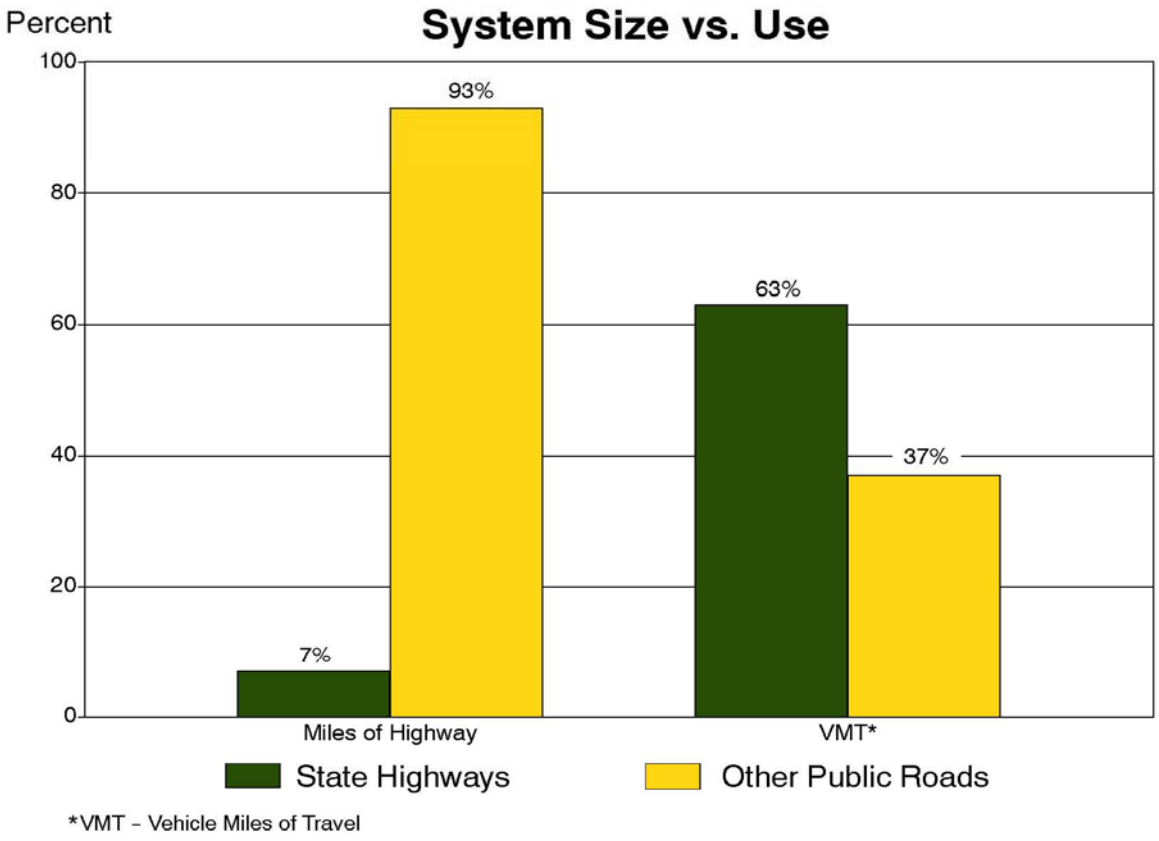
Purpose of Workshops

- Educate participants
- Solicit input
- Encourage involvement

"We're not trying to tell you what to think, we're hoping to give you something to think about."

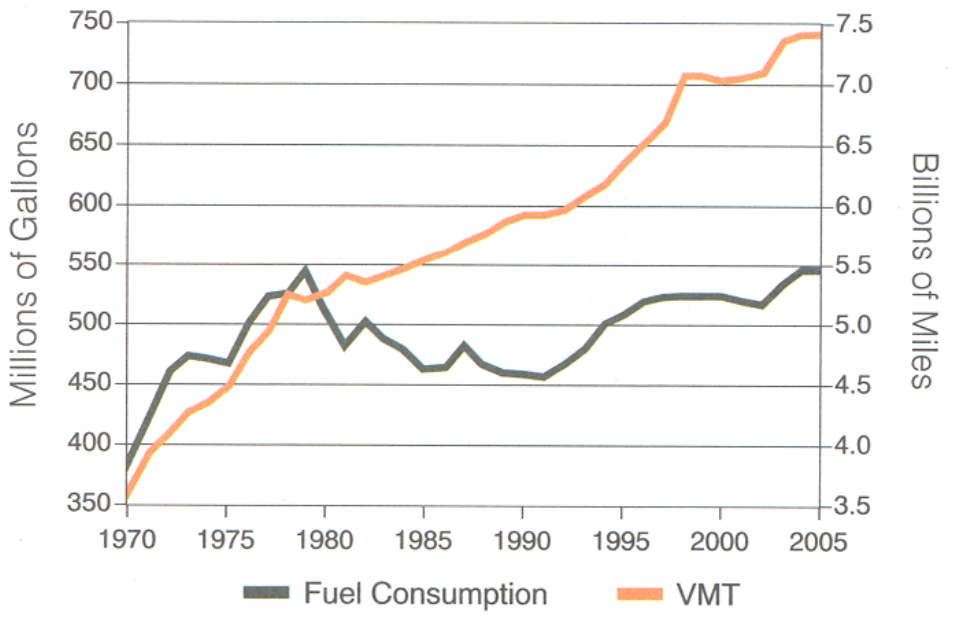
Workshop Locations/Attendance





Data taken from the North Dakota Transportation Handbook, NDDOT, December 2006.

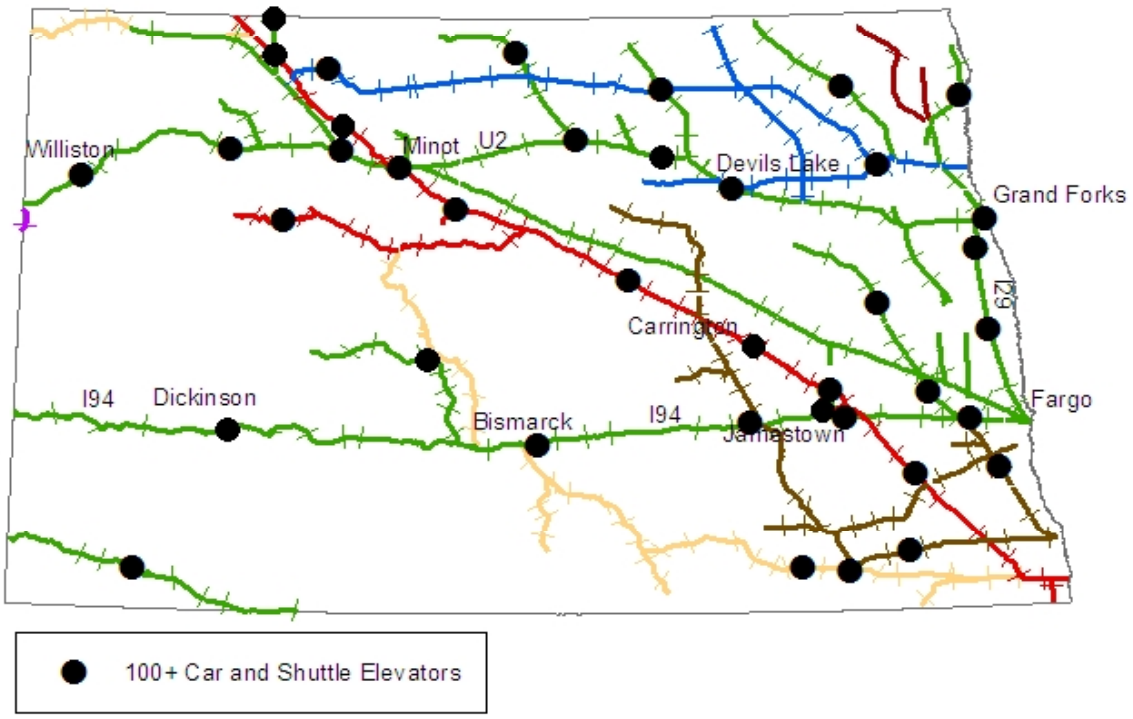
Fuel Consumption vs. Vehicle Miles Traveled - 1970 to 2005



North Dakota Transportation Facts

	1950	2007
Paved State Highways	2,100 miles	7,400 miles
Paved County Highways	2,800 miles	6,800 miles
Load Limit (on State Highways)	73,280 GVW	105,500 GVW
Crop Production	17 billion pounds	57 billion pounds

North Dakota Shuttle Elevators



State Highway Conditions

FLEXIBLE PAVEMENTS

- Very Good – 6%
- Good – 35%
- Fair – 22%
- Mediocre – 39%
- Poor – < 1%

CONCRETE PAVEMENTS

- Very Good – 22%
- Good – 38%
- Fair – 20%
- Mediocre – 18%
- Poor - < 1%

Pavement smoothness based upon IRI measurements
(Source: NDDOT)

Current County Conditions

- County Major Collectors
  - 24% Good
  - 43% Fair
  - 33% Poor
- Road Conditions
  - 12% Good
  - 48% Fair
  - 32% Poor
  - 8% Not Rated

Good = Some Signs of Wear
Fair = Noticeable Signs of Wear Throughout
Poor = Significant Wear Throughout
(Source: Survey of County Engineers)

North Dakota Households Without

ND Households Without Vehicles	17,030
Average Residents/Household	2.41
Est. Individuals Without Direct Vehicle Access	41,000
Residents Without Direct Vehicle Access	6.5%
Est. Non-Driver Trips per Day	2.6
Est. Need for Transportation by Individuals Without Vehicles	106,600/day

NORTH DAKOTA TRANSIT FACTS

	2003-04	2005-06
Fixed Route Bus Systems (Bismarck Fargo, Grand Forks & Minot)	4	4
Urban & Rural Dial-A-Ride Services	40	39
Rides Provided	1.7 million	2.4 million
Cost/Ride	$5.17	$4.49
Fare/Ride	$.92	$.80
Subsidy/Ride	$4.25	$3.69

Primary Funding Sources

- Federal
  - Federal Fuel Tax & Miscellaneous
- State
  - State Fuel Tax
  - Motor Vehicle Registration Fees
  - Motor Vehicle Excise Tax
- Local
  - Mill Levies, Bonds, Special Assessments & Misc.

ND's Federal & State Transportation Revenues Sources

Federal Aid	$488.0
State Fuel Tax	$251.6
Motor Vehicle Registration	$114.1
Truck Regulatory & Miscellaneous	$ 33.0
Temp. 10% of Vehicle Excise Tax	$ 11.6
One-Time Vehicle Excise Tax for Transit	$ 1.0
Total	$899.3

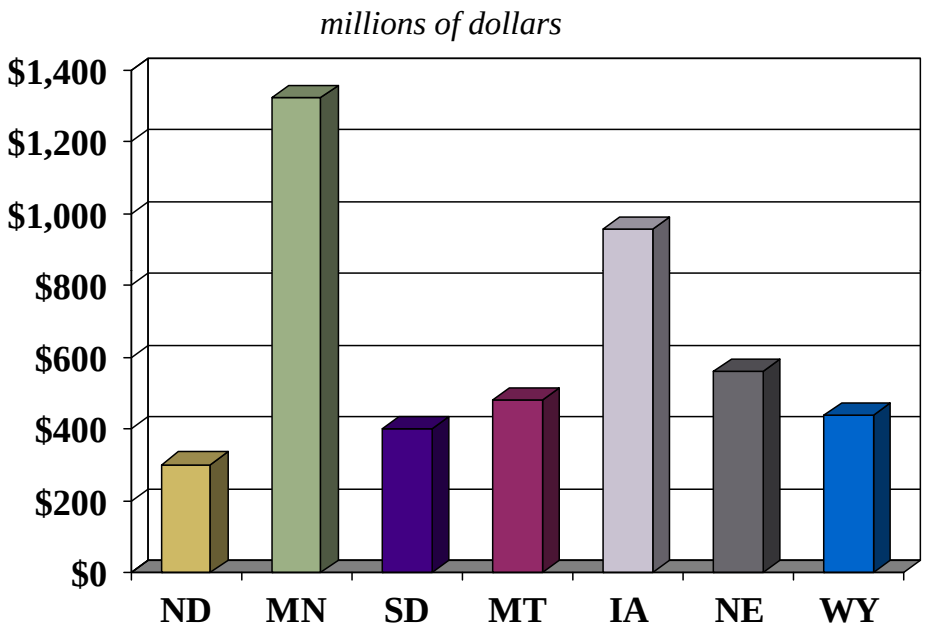
March 2008, in millions per biennium

Distribution of North Dakota's Federal & State Transportation Revenues

NDDOT	$618.3
Counties	$109.6
Cities	$128.9
Townships	$ 10.4
Transit	$ 23.3
Miscellaneous (Highway Patrol, Ethanol, Tribal, etc.	$ 8.8
Total	$899.3

March 2008, in millions per biennium

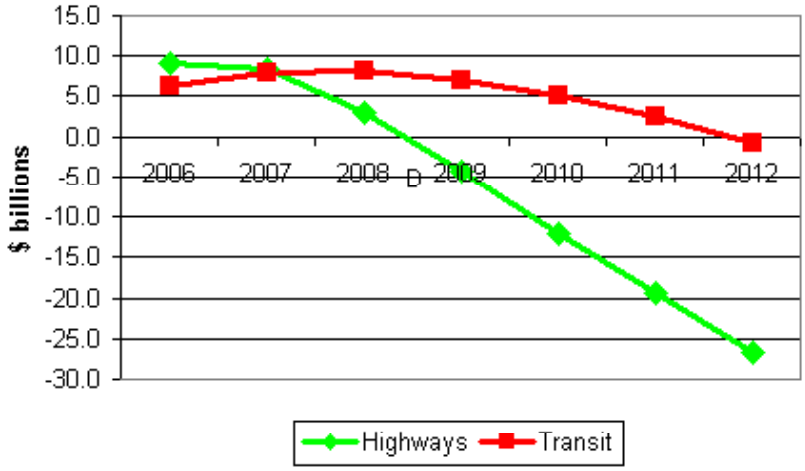
State Transportation Expenditures



2003 figures. Source: State Transportation Statistics 2006.

Projected Balances—
Highway and Transit Accounts

Assuming no change in revenues or program levels

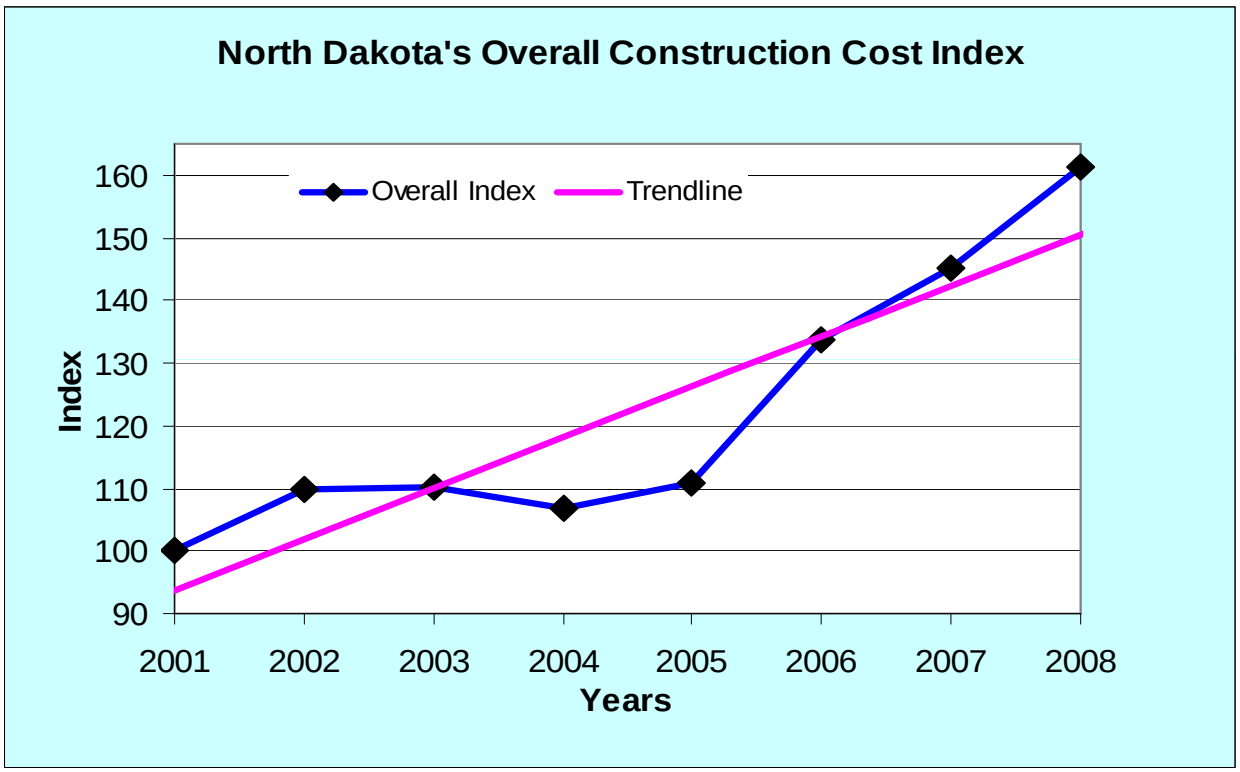


Source: U.S. Department of the Treasury

Federal Highway Trust Fund Shortfall

- $3.3 billion deficit predicted for fiscal year 2009
- Estimated impact on North Dakota - $70 million in cuts and tighter restrictions on use of funds

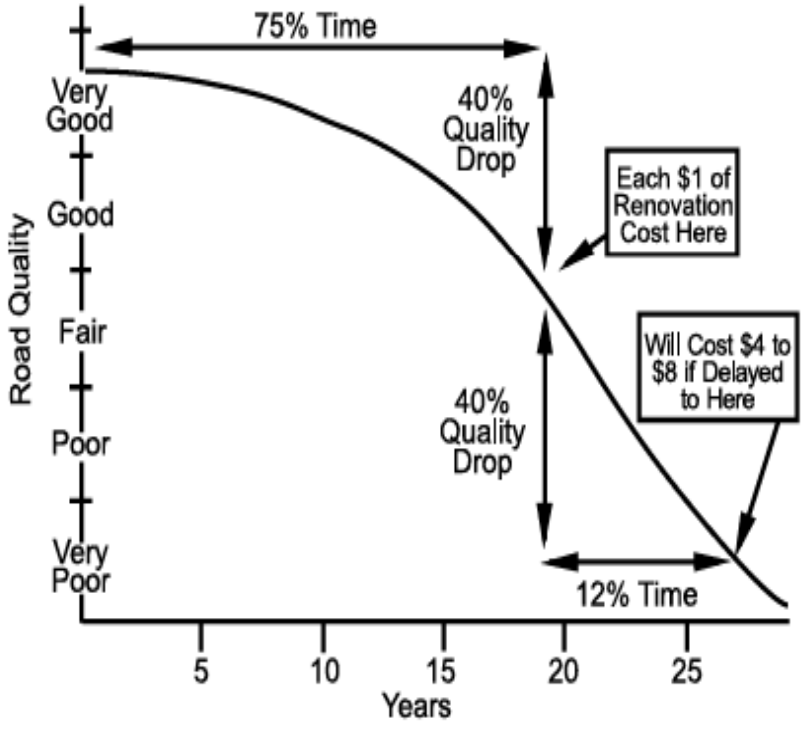
NDDOT Construction Cost Index



Highway System Implications

- Revenues increased 18% from 2001-2005
- Producer Price Index increased 32% over the same time frame
- Reduced buying power is causing deferred maintenance

Timeliness of Improvements



WORKSHOP FINDINGS

- Infrastructure and mobility are critical for economic development & quality of life
- Customer expectations have increased significantly:
  - Ag production & processing
  - Oil exploration
  - Personal mobility – cars & transit

- Inflation has dramatically impacted the cost of transit & maintaining infrastructure.
- ND may face federal funding cuts of $25 to $100 per year (current estimate is $70M).
- Delaying scheduled 20-year maintenance 7-8 years may increase related costs by 400 to 500%.

- Many local transit systems find it difficult to provide the federally required 50% match.
- ND's senior population will increase by 60% by the year 2030.
- Transit services promote economic development:
  - Senior & disabled citizens are a hidden workforce.
  - Seniors should be able to age in place.

PREDOMINANT PARTICIPANT SUGGESTIONS

- Eliminate diversions from state Highway Tax Distribution Fund.
- Make temporary 10% dedication of motor vehicle excise tax revenues permanent & increase dedication of motor vehicle excise tax revenues to transportation.
- Increase dedication of oil tax monies to impacted counties, cities, & townships.

- At a minimum, increase roadway funding by an amount equal to inflation.
- Finance budget increases via non-diversion & dedication measures and, if necessary, increase fuel tax to cover unmet shortfalls.
- Provide related funding increases to all levels of government within state.

- Provide increased funding for transit:
  - Cover match requirements.
  - Cover cost of inflation.
  - Maintain existing levels of service.
  - Extend service to unserved areas.
  - Extend hours of service.
- Require all state-supported transit services to be coordinated with other services within corresponding cities, counties, & regions.

Table 1: Estimated Annual Roadway & Bridge Funding Needs (in millions)

Jurisdiction	Highways	Bridges
State	$216.6	$26.3
County	$140.0	$19.8
Small Cities	$29.7	*
Townships	$36.3	*
Urban Centers	$70.7	*
Total	$493.4	$539.5

*Not estimated

Dedicating MV Excise Tax to Transportation Infrastructure & Transit

(Millions / Year)

	Current Needs	2007 Funding	2008 Buying Power	Required New Funding	Proposed New Funding
NDDOT	$242.9	$148.0	$125.8	$117.1	$34.3
Counties	$159.8	$75.6	$64.3	$95.6	$12.3
Urban	$70.7	$52.3	$44.4	$26.3	$7.5
Small Cities	$29.7	***	****	****	(Included in Urban)
Townships	$36.3	$24.7	$21.0	$15.3	$2.1
Transit	$13.7	$13.2	$11.2	$2.5	$1.6
Totals	$553.1	$313.8	$266.7	$256.8	$57.8

- Even with this infusion of new monies, many of North Dakota's transportation needs would remain underfunded (funding only 22.5% of unmet needs).

- Additional measures would be required if appropriate investments are to be made to:

  - Maintain North Dakota's transportation infrastructure and

  - Satisfy the mobility needs of North Dakota residents and the state's growing economy.

Roles of UGPTI

Facilitate Quality Transportation Via

- Research
- Outreach
- Education

"We're not trying to tell you what to think, we're hoping to give you something to think about."