

**TESTIMONY BEFORE THE  
TRIBAL AND STATE RELATIONS COMMITTEE  
OF THE NORTH DAKOTA LEGISLATIVE COUNCIL**

June 30, 2008

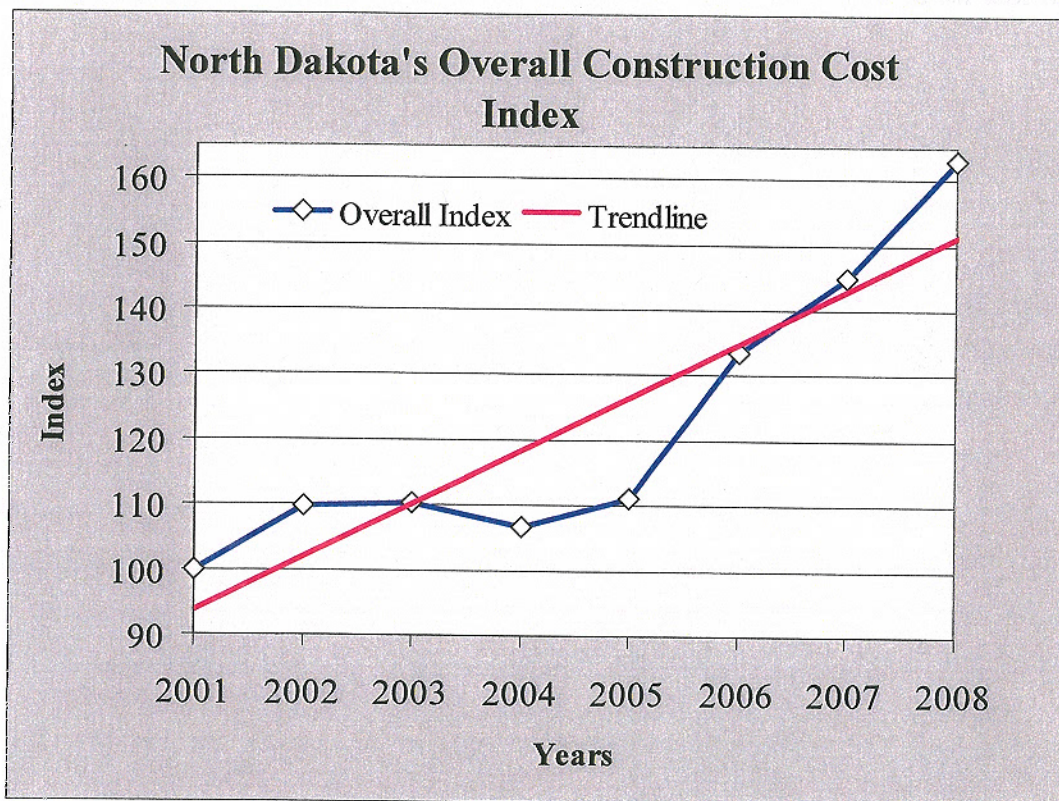
Room 801, Prairie Knights Casino and Resort, Fort Yates, ND  
Darcy Rosendahl, NDDOT

Good morning Mr. Chairman and Members of the Tribal and State Relations Committee. I am Darcy Rosendahl of the North Dakota Department of Transportation and am here today to present you information about the feasibility of the department entering into agreements between the state and Indian tribes for state maintenance of roads.

First of all I'd like to report the North Dakota Department of Transportation's (NDDOT) main responsibility is to maintain the state highway system.

I. As we maintain our present system we face many challenges.

- **Inflation continues to be one of the greatest challenges facing the transportation industry.** During the past three years the NDDOT continued to experience major price increases in oil-based materials, steel, concrete, equipment and building materials. The chart shows that North Dakota's overall construction cost index increased about 63 percent from 2001 to May of 2008. Even more dramatic was the increase from 2005 to May of 2008 which was about 47 percent. This compares to the Consumer Price Index (CPI) which increased about 23 percent from 2001 to 2008.



- Federal and state revenue sources have been relatively flat and have not kept pace with these rising costs.
- Therefore, adjustments to the construction and maintenance program delaying some projects must take place. These project delays will impact the long-term performance of the highway network. We will continue to monitor inflation trends and adjust our program accordingly.
- **Staffing**
  - The good news is the job market is strong in North Dakota. The bad news is that over the past few months, NDDOT has experienced a significant loss of employees in the western part of the state. The Belfield Section is down to one employee, as the Dickinson and Williston Districts have lost a total of 12 employees due to staff members taking jobs in the oil fields, other businesses and retirement. The department is working on developing some creative recruitment and retention efforts to attract and maintain employees.

In response to your question about the feasibility of entering into agreements between the state and tribal governments for state maintenance of roads. We do have authority to enter into agreements on projects with tribal governments, in accordance with ND Century Code Section 24-02-02.3, in which each agreement may not exceed \$25,000. However given inflation and staffing challenges, we presently are not in a position to enter any additional agreements at this time.