

# INTERIM BUDGET SECTION COMMITTEE

June 22, 2010  
Senate Chamber

North Dakota Department of Transportation  
Francis Ziegler, NDDOT Director

Good afternoon, Mr. Chairman and members of the committee. I'm Francis Ziegler, Director of the North Dakota Department of Transportation (NDDOT). Today we will discuss the use of state, federal, emergency, and other highway funding during the 2010 construction season, pursuant to 2009 Senate Bill 2012.

## Highway Program Funding for 2010 Construction Season

Congress has extended the federal Transportation Bill (SAFETEA-LU) through December 31, 2010. The following explains what we know at this point in time.

## ARRA Funding

The Department has received an allocation of approximately \$170.1 million for roads and bridges through the American Recovery and Reinvestment Act of 2009 (ARRA). Approximately \$90 million of ARRA projects were worked on in 2009. In 2010 approximately \$80 million in ARRA projects will be completed. NDDOT is required to submit monthly reports to Federal Highway Administration (FHWA) on the status of the ARRA projects. All program 1511 certification forms, information about projects, and a map of the stimulus projects are published on our web site. Our staff did an excellent job getting the ARRA projects ready and North Dakota was the second state in the nation to obligate all of the highway ARRA funds we received.

Table 1 shows a breakdown of ARRA projects that will be worked on in 2010:

Table 1 - ARRA Projects for 2010		
Type of Project	Federal Dollars	Number of Projects
State	\$63,900,000	23
Urban	\$6,900,000	20
County	\$4,750,000	7
TE	\$5,100,000	20
Total	\$80,650,000	70

## Emergency Relief Funding

The Department has also been working on Emergency Relief (ER) projects across the state. We have or will let contracts for a number of projects in the Devils Lake Basin with a total cost of approximately \$150.2 million:

- ND Highway 20 and 57 from Spirit Lake Nation to the city of Devils Lake including work at Acorn Ridge is estimated to cost \$54.89 million.

- ND Highway 20 at Spring Lake is under contract at a cost \$12.9 million.
- ND Highway 19 from US 281 to ND 57 is estimated to cost \$23.9 million.
- ND 57 within the reservation boundaries of Spirit Lake Nation is estimated to cost \$42.9 million.
- US 281 north of US 2 is estimated to cost 15.6 million.

In addition to work within the Devils Lake Basin, an additional \$4 million is planned in various cities and counties throughout the state.

This work will be under construction this summer. The Devils Lake project scheduling will be coordinated with the city and counties to attempt to minimize the impacts construction may have on commerce in the Devils Lake region.

### **State Funded Construction Projects**

We have let to contract approximately \$34 million of state funded preventative maintenance projects using the funds contained in SB 2012.

### **Federal Funding**

Until the last nine-month extension passed in mid-March, the Department only had approximately \$139 million of federal funding to spend through the May bid opening. When the extension passed, we were given information that our total federal funding for the year would total approximately \$217.2 million. Using this total we proceeded with the June and July bid openings.

In mid May, we received authority for an additional \$32 million in federal funding. Given the concerns about load carrying capacity of the system and the concern for roadway breakups on state highways in the oil patch, we added an additional bid opening in late July to bid approximately \$25 million of projects.

With this last increase in federal funding our regular federal funds for the 2009-11 biennium will be approximately \$28 million larger than anticipated, but at this time we do not need any action on the part of the Emergency Commission or this Budget Section Committee for the following reasons:

- In March of 2010 this committee approved the Emergency Commission action which gave the NDDOT additional budget authority. The NDDOT indicated at that time that no additional state match was needed because of the anticipated flow of contractor payments and because the revenue collections to date this biennium are above our projections thus allowing us to cover the state match needed.

- At this time the additional budget authority you have given us appears to be sufficient for the work that will be completed this biennium.

We will continue to evaluate our budget and keep the Emergency Commission and this committee informed of the status of our budget expenditures.

We continue to work hard to provide a transportation system that safely moves people and goods.

Thank you!