

PUBLIC SAFETY AND TRANSPORTATION COMMITTEE

August 4, 2010

9:50 a.m. ~ Roughrider Room, State Capitol

North Dakota Department of Transportation

Francis G. Ziegler, P.E., Director

Good morning, 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 following as requested by the committee:

1. Electronic permitting
2. Future of federal highway funding
3. Department funding during the 2011-13 biennium
4. Drivers license requirements for nonresidents employed in the state
5. Personalized handicapped license plates information
6. Efforts to raise awareness of commercial motor vehicle inspections
7. Funding pursuant to Section 11 of 2009 Senate Bill 2012.

Electronic Permitting

The Department of Transportation believes the concept of electronic permits with automated super-load (greater than 150,000 pounds) analysis and routing is feasible. The Bentley presentation showed that more than 20 states have such a system. The North Dakota Highway Patrol (NDHP) currently has automated on-line permitting for loads less than 150,000 pounds.

While the Department of Transportation and NDHP both believe there would be a benefit from automated super-load analysis, routing and permit issuance, we need to point out that NDDOT has many IT priorities to complete in order to continue to provide service in many other areas. These include but are not limited to, drivers license (DL3), motor vehicle registration and titling and engineering project development and contract management. All of these IT priority areas will be considered in the upcoming budget process.

NDHP currently has a permitting system in place that delivers permits through a partnership with the Department. We will continue to support Highway Patrol in providing the public with a responsible and logical permitting process.

Future of Federal Highway Funding

Congress has not passed a new Federal Transportation Bill. While the most recent Federal Transportation Bill expired on September 30, 2009, Congress continues to provide transportation funding through short-term extensions. This situation results in considerable uncertainty as to the level of federal funding as we prepare our budget and revenue estimates for the coming biennium.

- The picture of federal funding is changing. Currently the federal highway trust fund attains \$31 billion of income, but has approximately \$42 billion in expenditures. The funding shortfall has been created mainly because vehicle fuel economy has increased and many

people have stopped driving or use transit during the recent economic downturn. As the funding sources decrease, we foresee the possibility of the donor/donee formula changing. Therefore we cannot give you an estimate about federal funding at this time.

Department funding during the 2011-13 biennium

The Department of Transportation is in the process of estimating our 2011-2013 budget needs and the available revenues. Since we have not yet finished this process, we can't provide you with a complete overview of our budget needs and estimated revenues for the coming biennium. However, we can share some information with you that will highlight some of the challenges facing us.

- The DOT will submit a base budget that is fully in accordance with the Governor's directive to submit a "hold-even" budget; that is a budget that is no greater than the budget in effect for the current biennium. It also should be noted that our budget can be no greater than the state and federal revenue structures that support it.
 - The DOT's budget is very lean; as such there is little ability to absorb inflationary increases without impacting program and service delivery. The Department continues to be heavily impacted by inflation, especially in the areas of:
 - Construction Contracts
 - Electricity
 - Information Technology Department costs
 - Roadway Maintenance Materials – Paint shortage
 - Fleet Service repair costs
 - Salt storage facilities
 - Additional Challenges include:
 - Customer demand for Motor Vehicle and Drivers License services
 - Staffing issues in western North Dakota
- This budget will be reduced by any one time funding items, most notably:
 - \$ 7.5 million one-time funding to handle the weather related impacts occurring late in the 07-09 biennium.
 - The stimulus funding of \$176.1 million provided by the American Recovery and Reinvestment Act of 2009.
- The current state funding provision that places 25% of the Motor Vehicle Excise Tax in the State Highway Fund is scheduled to expire on June 30, 2011.

Drivers license requirements for nonresidents employed in the state

There are several drivers license requirements for non-residents employed in the state.

- A non-resident employed in North Dakota is allowed to use their non-commercial out of state license for a total of 150 days. This is authorized by NDCC 39-06-02(4) and final paragraph.
- An individual in possession of a Commercial (CDL) out of state license is allowed to use their CDL for commercial privileges for a total of 120 days (NDCC 39-06-02; 39-06.2-08).

Personalized handicapped license plate information

The Department issued and distributed the first personalized handicapped license plate to a state resident in July.

Efforts to raise awareness of commercial motor vehicle inspections

Information about annual inspections for commercial motor vehicles is provided to the public and commercial drivers through the North Dakota Agriculture Transportation Handbook and a North Dakota Highway Patrol and Motor Carrier Operations brochure entitled, "Who needs an Annual Vehicle Inspection?" Please see copies we have provided for you today.

Funding pursuant to Senate Bill 2012

We will now discuss the use of state, federal, emergency, and other highway funding during the 2010 construction season, pursuant to 2009 Senate Bill 2012. The table below illustrates the funding and type of projects currently being worked on across the state.

Highway Funding for 2010 Projects			
Type of project	Total (\$ Millions)	Federal (\$ Millions)	Local* (\$ Millions)
Stimulus Projects	\$80.00	\$80.00	\$0
Regular Federal Aid Projects**	\$238.45	\$189.97	\$48.48
Emergency Relief (Devils Lake)***	\$71.04	\$62.34	\$8.70
Emergency Relief (Statewide)	\$7.40	\$5.99	\$1.41
State funded projects (H-MDF)	\$40.34	\$0	\$40.34
Missile Roads	\$6.06	\$6.06	\$0
TOTALS (approximate numbers)	\$443.30	\$344.37	\$98.93

**Not all Local Funds are state funds. ** Some Regular Federal Aid was 2009 funds for 2010 projects.*

**** Approximately 30% of ND57/20 and ND 19 project will be constructed this year, with an additional \$51 million constructed next year.*

We continue to work diligently to provide a transportation system that safely moves people and goods. Citizens and businesses across the nation benefit from a good transportation network throughout North Dakota.

This concludes my testimony, thank you for the opportunity to appear before the committee today.