

NDDOT Needs Beyond Pavements & Bridges

2018 ND Symposium on Transportation Funding



North Dakota’s transportation system is an essential element in the state’s economy as it moves commodities produced or manufactured here to other parts of the world, as well as transport people to various destinations for work, school or travel. The NDDOT also provides driver’s license, motor vehicle and other services. In order to provide top quality transportation services, it is crucial to look at funding and needs to meet the demands of the traveling public - for today and the future.

What investment is needed over the next 20 years to continue the services we receive today from NDDOT?

Because services or service levels are directly related to available funding, all of the transportation services NDDOT provides today would require \$24.6 billion over the next 20 years. This equates to a gap of \$14.6 billion of additional funding that would be needed when you look at how much today’s revenue would generate over the next 20 years.

Where does the funding or revenue come from to provide NDDOT services?

The primary sources of revenue provided to NDDOT are Federal Funds, State Funds from the Highway Tax Distribution Fund which is a portion of the state’s fuel taxes and motor vehicle registrations, plus other state sources that are primarily driver’s license fees and oversize/overweight permits.

What services does NDDOT provide today?

NDDOT transportation services include programs such as highway pavements, bridges, safety, transit, maintenance, snow & ice control, motor vehicle registration, rail loans, driver’s license, bicycle/pedestrian, freight and personal mobility, etc.

If NDDOT can provide the services today, why is so much additional funding needed for future services?

The NDDOT is currently in a Preservation Mode, meaning we are just trying to preserve the transportation system as it exists today. However, we are losing ground and our system is deteriorating faster than we have resources to preserve it. The Department has stretched every dollar as far as it can, as evidenced by a recent Reason Foundation report naming NDDOT as the most efficient DOT in the nation.

NDDOT’s main sources of state funding come from state fuel taxes and vehicle fees, which have remained the same since 2005. Costs have increased, for example, asphalt surfacing cost \$500,000 per mile in 2005 and \$1.1 million per mile in 2016, salt used for snow and ice control cost \$55 per ton in 2005 and \$81 per ton last year. Below is a chart showing how other costs have increased compared to federal gas tax rates which help provide federal funding for transportation.

Item	Description	1993	2015	Percent Change
College Tuition	Average Tuition & Fees at Public 4-year Universities	\$ 1,908	\$ 9,145	379%
Healthcare	National Expenditure Per Capita	\$ 3,402	\$ 9,523	180%
House	Median New Home Price	\$118,000	\$292,000	147%
Gas	Per Gallon	\$ 1.08	\$ 2.56	137%
Beef	Per Pound of Ground Beef	\$ 1.97	\$ 4.38	122%
Movie Ticket	Average Ticket Price	\$ 4.14	\$ 8.43	104%
Bread	Per Pound of White Bread	\$ 0.75	\$ 1.48	98%
Income	National Median Household	\$ 31,241	\$ 56,516	81%
Stamp	One First-Class Stamp	\$ 0.29	\$ 0.49	69%
Car	Average New Car	\$ 16,871	\$ 25,487	51%
Federal Gas Tax	Per Gallon	\$ 0.18	\$ 0.18	0%

Sources: Bureau of Labor Statistics, Centers for Medicare & Medicaid Services, College Board, Federal Reserve Bank of St. Louis, Oak Ridge National Laboratory, U.S. Census Bureau, U.S. Energy Information Agency, U.S. Postal Service

North Dakota Motor Fuel Tax
23 cents/gallon - Last change in 2005

ND Motor Vehicle Registration Fees
- Last change in 2005



It is important to note that 23 cents per gallon of state fuel tax is collected whether the price at the pump is \$1.99 or \$3.99.

How much does the average North Dakotan pay in state fuel tax each year?

If you drive a pickup truck that averages 20 mpg and you drive 12,000 miles per year, you pay \$11.50/month or \$138/year, compared to a typical cellphone plan (for one phone) of \$660/year.

What is NDDOT doing to generate efficiencies, given that on-going funding has been flat for several years?

NDDOT has taken many steps to generate efficiencies, some of which include: implementing advanced infrastructure models to optimize preservation investments to the greatest degree possible under unpredictable funding; implementing advanced snow & ice control models and route optimization tools to further enhance the effectiveness of the remaining truck fleet; reduced staffing levels, and other similar actions.

What will happen if the needs or resources aren't made available?

Based on multiple customer satisfaction surveys, NDDOT delivers good transportation systems and services, but that can't last into the future if funding isn't increased to meet the transportation needs. Possible consequences of inadequate funding may include: Narrower and rougher roadways, more load restrictions, longer lines to renew drivers' licenses, closure of more rest areas, more gravel shoulders and roads without shoulders, longer delays in registering vehicles, longer delays in clearing snow, and other service delays.

Why does predictable funding create efficiencies?

According to the National Center for Pavement Preservation, every dollar spent on the right fix, at the right time, on the right roadway saves \$5-\$13 in future costs. With 4-6 yr. develop times, long-term predictable funding allows for identifying & planning optimum combinations of project type, location, & timing across a greater percentage of the entire system. Large swings in funding with short expiration windows hinder such optimization.

