



**Testimony in Support of Senate Bill 2254
Funding for Urban Public Transit Fixed Route and Paratransit
House Transportation Committee
March 6, 2025**

Good afternoon, Chairman Dan Ruby and members of the committee. My name is Julie Bommelman, the Transit Director from Fargo. I am speaking in support of SB2254 because I see the impact and importance of public transportation on every citizen in the State of North Dakota.

SB2254 identifies the needs of public transportation (transit) providers in the urban areas (Fargo, Grand Forks, Minot and Bismarck) within North Dakota. The providers of urban transit within the State of North Dakota request a more substantive state funding program to assist with the costs associated with fixed-route and paratransit public transportation. In partnership with transit officials in Grand Forks, Minot and Bismarck, we are respectfully requesting a \$15 million biennium appropriation to assist urban transit cities with the growing expenses of providing fixed-route transit and paratransit, along with requiring a study to determine a permanent funding solution for urban transit services in North Dakota.

We represent urban transit providers in ND and the funding request before you today is for our fixed-route and paratransit systems. Fixed-route systems are transit services operated along predetermined routes according to a fixed schedule. There is also paratransit service, which applies to all public entities who operate a fixed route system (there is a requirement to provide paratransit service that is both comparable and complementary to the fixed route services; this is a curb-to-curb or door-to-door [origin to destination] accessible service for qualifying individuals who cannot use the fixed route system). Additionally, demand-response transit is any non-fixed route system of transporting individuals that requires advanced scheduling by the customer.

Federal Reclassification

The designation of transit providers (urban, rural, tribal) is defined by population in accordance with the latest official federal census. The 2020 census reclassified the City of Fargo from a small to large urban designation with a population over 200,000 which resulted in a reduction of over \$600,000 or 17% in federal operating assistance.

Federal, Local and State Aid Amounts 2019-2024:

In accordance with ND Public Transportation Fund 39-04.2-02, the State public transit funding we currently receive can be used to operate transit services and as a *local match* to federal dollars:

The State of ND funding is not designed, nor appropriately funded, to support the needs of urban fixed-route and paratransit. The funding model is based on elderly and disabled riders and results in inadequate and disparate funding. With the current allocation model, the urban counties are all at the bottom of the list, with Cass County being the very last at a per rider amount.

City funds or State Aid contributing \$.20 can be matched by federal funding of \$.80; in addition, \$.50 of operating can be matched by \$.50 in federal dollars. A balance of City funds and State Aid funding can be used to match federal dollars, thus the criticality of State funding.

CITY OF FARGO TRANSIT FUNDING						
Fiscal Year	FEDERAL 5307 * OPERATING (formula federal funds) (Oct 1 - Sept 30)	FEDERAL CARES ** ONE-TIME AWARD CAPITAL & OPERATING (Oct 1 - Sept 30)	FEDERAL ARPA ** ONE-TIME AWARD CAPITAL & OPERATING (Oct 1 - Sept 30)	FEDERAL 5339 & 5310 *** CAPITAL PASSTHROUGH	LOCAL FUNDS **** PROVIDED BY CITY	NORTH DAKOTA STATE AID ***** (Jul 1 - Jun 30)
	2019	\$ 2,732,618			\$ 3,257,713	\$ 2,571,027
2020	\$ 2,807,164	\$ 7,936,636		\$ 1,817,436	\$ 399,481	\$ 499,892
2021	\$ 2,602,232		\$ 3,130,087	\$ 777,072	\$ 2,503,733	\$ 386,865
2022	\$ 3,490,398			\$ 65,664	\$ 2,237,171	\$ 475,272
2023	\$ 3,572,115			\$ 2,112,649	\$ 2,656,417	\$ 395,161
2024	\$ 2,965,773			\$ 2,419,100	\$ 5,089,497	\$ 548,535

* 5307 **FEDERAL** operating funds received directly by City

** CARES & ARPA one-time 100% funding (no match required) **FEDERAL** allocations to City and could be used as operating or cap

*** 5339 & 5310 are **FEDERAL** pass through funds (pass through State as capital grants)

**** **LOCAL** funds provided by the City as either operating or capital

***** **STATE AID** funds are the only funds provided by the State of ND to Urban Transit

Amounts are approved grant amounts.

Urban areas recognize the requirement to fund a local portion for transit providers, however, the City of Fargo's General Fund cannot sustain the current annual subsidy. Due to rising costs of providing transit, the City of Fargo's annual Transit subsidy has grown to an anticipated \$5.5 million for 2025, from approximately \$600,000 per year in 2016. This "fiscal cliff" has been building over time, however, COVID transit funds during 2020-2023 camouflaged the issue and delayed the inevitable for several years. Fargo has weathered significant increases in operating (i.e. bus driver services, security services, staffing/retainage) and in capital costs (bus replacements, parts, shelters, supplies). The rising costs not only limit our ability to expand critical transportation services but leave significant unmet needs such as expansion of service into unserved areas, Sunday fixed-route service, additional critical staff, updated vehicles/capital equipment, facilities upgrades/expansion and safety and security upgrades. I want to emphasize the criticality of receiving the requested funding for **maintaining** existing service levels and avoid transit service cuts like we saw during COVID. We are currently close to returning services to pre-COVID levels and do not want to see cuts in our service.

I would like to emphasize the study is an imperative part of this bill, as it would allow the funding formula to be appropriately modified while protecting the current funds being allocated to the rural and smaller counties. We do not want to take away from their portion – we are looking to right-size the funding going to the fixed-route transit systems in our urban areas.

Transit is much more than just transportation, it is independent access and affects workforce/commerce, health (medical treatments and appointments), education, and basic needs. Transit connects people to jobs, schools, social services, faith-based activities, health facilities and community activities. Transit allows workers and job seekers to reach places of employment, helps elderly and persons with disabilities lead independent lives, gives shoppers the opportunity to purchase goods and services and contribute to the economic health of the area. The State of North Dakota reaps benefits from public transit within urban communities. As such, transit contributes to economic development and related state/local taxes, supports preventative health care and personal independence which allows residents to remain in their own homes and out of state-subsidized care facilities longer, and encourages higher education and related workforce development. For citizens who rely on publicly available transportation as their only way to reach school or employment, the lack of transportation programs and services can create barriers to potential job opportunities, education and healthcare.

The Fargo area is also a regional medical center, a source of essential human services, and a growing draw for senior citizens, both locally and from outlying communities. Having transportation to these services and access to the community is key for quality of life. In Fargo we have programs to encourage use of public transportation: we offer a business/transit program where we partner with Sanford to purchase passes for their employees utilizing transit. They see the program as a benefit to their employees and themselves as it decreases the need for additional parking but enables them to attract employees who otherwise may not be able to reach their locations; we also offer demand-response services to the industrial park area and in the evenings around the North Dakota State University (NDSU) campus; and we partner with NDSU and other local colleges/universities to offer the U-Pass program which allows eligible college students to ride any fixed route in our system and the participating college/university pays a fee. In fiscal year 2024 Fargo alone provided **706,145** fixed route rides and **234,437** elderly/disabled rides in the State of North Dakota. **Fargo area ridership accounts for 50.5% and 34.2% of the State's total ridership in each respective category.**

We understand the initial response to our request for additional funding may be increasing fares or eliminating/reducing frequency of existing fixed routes. Fares make up approximately 10% of our overall funding and implementing either of these (increasing fares or reducing service) will likely result in lower fare revenues and ridership/passenger miles as demonstrated by experience in the industry. As a large urban, ridership and passenger miles are used to determine Federal Section 5307 operating funding and the consequence of increasing fares can lead to lower ridership and subsequently, lower fare revenue, a 'spiral'. These services are critical to everyday life for many ND citizens. Urban transit providers would appreciate seeing a \$15 million biennium appropriation and the opportunity to address the interim committees during their study period to determine a permanent funding solution for urban and rural citizens in our state.

Thank you for your consideration. I would be happy to answer any questions you may have.

Respectfully,
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