



**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 Ruby and members of the Committee. My name is Denise Kolpack, and I am the Deputy Mayor of Fargo. I am speaking in support of SB 2254 and encourage a DO PASS recommendation.

SB 2254 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 biennial 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.

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 a “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. City funds or State Aid contributions of \$.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						
	FEDERAL 5307 *	FEDERAL CARES **	FEDERAL ARPA **	FEDERAL 5339 & 5310 ***	LOCAL FUNDS ****	NORTH DAKOTA STATE AID *****
	OPERATING (formula federal funds)	ONE-TIME AWARD	ONE-TIME AWARD	CAPITAL PASSTHROUGH	PROVIDED BY CITY	
Fiscal Year	(Oct 1 - Sept 30)	(Oct 1 - Sept 30)	(Oct 1 - Sept 30)			(Jul 1 - Jun 30)
2019	\$ 2,732,618			\$ 3,257,713	\$ 2,571,027	\$ 494,275
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 its 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. I want to emphasize the criticality of receiving the requested funding for **maintaining** existing service levels and avoiding transit service cuts like we saw during the COVID-19 pandemic. Fargo is close to returning services to pre-COVID levels and does not want to see cuts in our service that would impact our patrons.

Performing the requested study between Legislative Sessions is a critical 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. Fargo does 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 the 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.

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.**

Thank you for your consideration and support of SB 2254. I would be happy to answer any questions you may have.

Respectfully submitted,

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