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North Dakota Senate

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COMMITTEES:

Education
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SB 2254 Testimony - Senate Appropriations Committee - Government Operations Division February 17, 2025

Chair Wanzek and Members of the Government Operations Division,

SB 2254 as amended was unanimously supported by the Transportation Committee. It provides a \$5M one-time grant to the cities of Minot, Bismarck, Grand Forks and Fargo for their fixed route transit and paratransit system. This would allow for a study to occur over the next interim to explore the feasibility of an updated transit funding formula for these four communities. The current funding formula only considers riders that are disabled or above an age that designates them as seniors. It does not take into consideration general ridership, which includes North Dakotans who depend on public transit for their job, education, commerce, healthcare needs and general enjoyment of the city they live in.

We continue to experience population growth. With more people calling North Dakota home, we get to experience amazing opportunities and growing pains. Additionally, the in-state migration of North Dakotans moving to our larger cities for a variety of reasons has expanded the growth for those communities. This growth is captured in the 2020 Census, which as many of you know impacts a variety of funding formulas that our state, counties, cities and Tribal governments depend on, including transit.

Because of their population growth, Minot and Fargo both have experienced a change in their community designation for the purposes of transit funding from the Federal government. This has led to both communities receiving a reduction in Federal funding for their community transit programs. Transit that their residents depend on to get to work, school, medical appointments and enjoy the amenities their communities provide. As inflation continues to impact household budgets, public transit becomes a growing option for North Dakotans looking to reduce their spending or who can't afford repairing or replacing a vehicle.

The investment of Federal COVID relief dollars in these cities over the past two biennia allowed them to continue to function with small adjustments. With the infusion of these funds no longer an option combined with their population-based designation change they are experiencing the perfect storm that seriously jeopardizes their ability to meet the demands of their growing communities. Additionally, if the current Congress enacts the fiscal restraint that they have been alluding to it could lead to further reduction in Federal funds. So, the study is not just necessary, but very timely. We believe that tapping into the talent of in-state consultants who have helped legislators, state agencies and local governments maximize funding opportunities for other infrastructure projects will lead to a sustainable funding model for the future of fixed route transit throughout North Dakota.

I hope you'll provide SB 2254 with a Do Pass recommendation or amend it into the Department of Transportation budget. I'm happy to stand for any questions or comments you may have.