

2009 HOUSE TRANSPORTATION

HB 1349

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1349

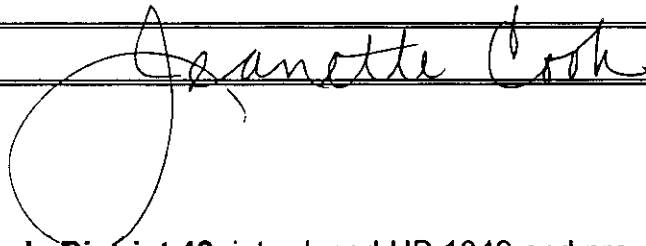
House Transportation Committee

Check here for Conference Committee

Hearing Date: 01/29/09

Recorder Job Number: 8125

Committee Clerk Signature



Minutes:

Representative Corey Mock, District 42, introduced HB 1349 and provided written testimony. See attachment #1.

Representative R. Kelsch: Since legislators are fairly independent, I was wondering how you would envision this working with legislators not having vehicles during the week.

Rep. Mock: Some legislators may leave a vehicle here after the first week, and just carpool home on the week-ends. This would also be effective during the interim, when legislators are traveling across the state to the same meeting.

Chairman Ruby: What if passengers that work for the state are already riding four people in a vehicle to a meeting? Will they get compensated?

Rep. Mock: We may want to add the language, "if authorized by a supervisor". In the case where they are already carpooling, it would not be authorized. The payment would have to be authorized by a department supervisor.

Representative Potter: Why did you decide to give the reimbursement to the passenger rather than the driver?

Rep. Mock: The driver is not losing any convenience. The passenger would be losing the convenience and flexibility of having their own vehicle, therefore they would be compensated.

Rep. Mock also presented a handout that shows what the Office of Management and Budget is doing now to save money. He wanted to show you how the state of North Dakota has invested some money in a state program that saves the state money down the line. See attachment #2.

Representative Elliot Glassheim also spoke in support of HB 1349. He feels that this is an ingenious idea that will help the environment and save the state some money. The main point is that you are reimbursing someone for the inconvenience of not having a car. He reasoned that if he just rode to Grand Forks with someone one week-end, it would be a \$200 savings. If half of the legislators did it once, it would be \$14,000-\$15,000 savings. The incentive is to change behavior and save the state money. If no one wants to do this, it will not cost the state money.

Representative Vigesaa: If I drove 45-50 miles extra to pick up someone on my way to Bismarck, would I get reimbursed for the extra miles?

Rep. Glassheim: Not according to the structure of the bill at this point. It could be an amendment.

There was no Opposition to HB 1349.

The hearing to HB 1349 was closed.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1349

House Transportation Committee

Check here for Conference Committee

Hearing Date: 01/29/09

Recorder Job Number: 8873

Committee Clerk Signature

Janette Cook

Minutes:

Chairman Ruby asked the committee's wishes on HB 1349.

Representative Weiler moved a Do Not Pass on HB 1349.

Representative R. Kelsch seconded the motion.

Representative Delmore: Did we get anything back from the Attorney General on this bill?

Chairman Ruby: I spoke with them, and they suggested that we talk to Legislative Council. I asked Tim what he thought about it. Tim thought that the funding that they would get would go into the budget anyway. So he didn't think there were any issues that way.

Chairman Ruby sees this as being perceived in one of two ways. One is paying someone to ride when you wouldn't have to; or it can be perceived as a savings by not paying two people to drive.

Chairman Ruby reminded the committee that the amendment was adopted, which said "to be approved by a supervisor".

Representative R. Kelsch thinks that it would be an IRS violation to use as a reimbursement.

Representative Gruchalla: Some other states have done this, and they have called it compensation, instead of reimbursement. Then it was legal.

A roll call vote was taken. **Aye 8 Nay 6 Absent 0**

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House Transportation Committee

Bill/Resolution No. HB 1349

Hearing Date: ~~02/05/09~~ 11/29/09

Motion passed.

Representative R. Kelsch will carry the bill.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1349

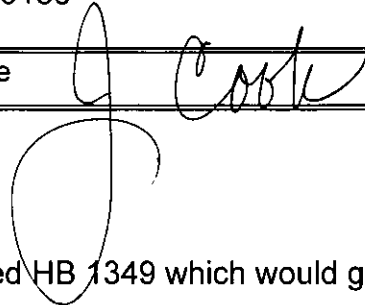
House Transportation Committee

Check here for Conference Committee

Hearing Date: 01/29/09

Recorder Job Number: 9186

Committee Clerk Signature



Minutes:

Chairman Ruby reviewed HB 1349 which would give 25% to someone who carpooled with another driver. He also explained the amendment.

Representative Griffin moved the amendment.

Representative Potter seconded the motion.

A voice vote was taken. **All in favor. Motion passed.**

A short discussion followed.

Representative Sukut: Some people already do this.

Representative Delmore: It doesn't mandate that anyone has to carpool.

Representative Weisz: Some think it will save the state money, but what about the people that are already doing this without getting paid.

Representative R. Kelsch: Mileage is getting reimbursed to use your own vehicle, not getting paid to ride with someone else.

Chairman Ruby will run this by the Attorney General's Office to make sure that the word "reimburse" can be used in this way.

Representative Weiler: Could we change the word "reimburse" to make it workable?

Chairman Ruby suggested the bill be held until we get this information.

FISCAL NOTE
Requested by Legislative Council
01/13/2009

Bill/Resolution No.: HB 1349

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Unable to determine. If passed, any costs would come out of each agency's appropriation.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Name:	Jeff Larshus	Agency:	OMB
Phone Number:	328-4902	Date Prepared:	01/13/2009

VR
2/6/09

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1349

Page 1, line 16, after "employee" insert ", if approved by a supervisor,"

Renumber accordingly

Date: 2-12-09

Voice Vote
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1349

House TRANSPORTATION Committee

Check here for Conference Committee

Amendment

Legislative Council Amendment Number _____

Action Taken Do pass Don't Pass Amended

Motion Made By Griffin Seconded By Potter

Representatives	Yes	No	Representatives	Yes	No
Representative Ruby - Chairman			Representative DeImore		
Rep. Weiler - Vice Chairman			Representative Griffin		
Representative Frantsvog			Representative Gruchalla		
Representative Heller			Representative Potter		
Representative R. Kelsch			Representative Schmidt		
Representative Sukut			Representative Thorpe		
Representative Vigasaa					
Representative Weisz					

Total Yes 14 No 0

Absent 0

Bill Carrier _____

If the vote is on an amendment, briefly indicate intent:

Date: 2-5-09

Roll Call Vote #: _____

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 1349

House TRANSPORTATION Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do pass Don't Pass Amended

Motion Made By Weiler Seconded By Kelsch

Representatives	Yes	No	Representatives	Yes	No
Representative Ruby - Chairman	✓		Representative Delmore		✓
Rep. Weiler - Vice Chairman	✓		Representative Griffin		✓
Representative Frantsvog	✓		Representative Gruchalla		✓
Representative Heller	✓		Representative Potter		✓
Representative R. Kelsch	✓		Representative Schmidt		✓
Representative Sukut	✓		Representative Thorpe		✓
Representative Vigesaa	✓				
Representative Weisz	✓				

Total Yes 8 No 6

Absent 0

Bill Carrier Kelsch

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1349: Transportation Committee (Rep. Ruby, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO NOT PASS** (8 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1349 was placed on the Sixth order on the calendar.

Page 1, line 16, after "employee" insert ", if approved by a supervisor."

Renumber accordingly

2009 TESTIMONY

HB 1349

Attachment # 1
1-29-09

Testimony in SUPPORT of HB 1349

Representative Corey Mock

To the House Transportation Committee

January 29, 2009

Chairman Ruby and members of the House Transportation committee, good morning and thank you for allowing me to introduce HB 1349. I rise before you today in support of this bill, as it was conceived during the 2007-08 interim by constituents and a then-hopeful future legislator.

Before I "travel" into the explanation of the bill, however, I first want to share a message that I learned while working for Amazon.com in Grand Forks. This online shopping center has a service center in my community, and they have a rather unique element to their mission statement. Employees and supervisors will often times refer to "Kaizen," a Japanese word that literally means "continuous improvement." Amazon.com encourages employees to always search for ways to improve the company, be it large or small. They believe that change will only happen if introduced by those who see improvement from the status quo. I mention that because as State Legislators, and citizen Legislators at that, we follow a similar policy.

HB 1349 is a "Kaizen" of North Dakota's small scale fiscal policy. While campaigning for the Legislature, I first asked Representatives if they carpooled to and from Bismarck for the company and to save money. Remarkably, most responded with "no." Their reason was simple: convenience. Many Legislators choose to commute to and from their hometown alone because it provides the convenience of having another vehicle, offers an advanced payment on deferred maintenance (through reimbursement), and provides an opportunity to alter one's schedule at their whim.

While I understood the logic, I noticed that a lot of money was spent reimbursing state employees for making the same trips, usually around the same time. This overlap seemed irresponsible.

HB 1349 creates a voluntary incentive for state employees, such as Legislators, to carpool when traveling on official business. In return for their service, the driver would still receive their regular reimbursement, and any passenger would be eligible to receive 20% of the reimbursement they would otherwise be entitled to had they driven themselves. Instead of paying two or more full compensations, the state would pay 1 full and 1/5 for each passenger.

This bill is another fiscally responsible piece of legislation that rewards efficiency when traveling on state business, while leaving the option available for those that cannot accommodate another schedule. At this time, I have some numbers to illustrate the savings for the state.

During the 2007 session state legislators received a compensation of \$0.375 per mile, with \$0.45 paid in the interim. Below is the dollar amounts distributed over those two time periods:

Session	Total Reimbursement	Rate	Approx. Mileage Traveled
2007 Session	\$272,439.58	\$0.375 / mile	726,505.55 miles
2007-08 Interim	\$278,679.12	\$0.45 / mile	619,286.93 miles

The current reimbursement rate remains set in statute at \$0.45 / mile traveled by car. Introduced this session by the Legislative Compensation Commission this session is SB 2064, which updates reimbursement rates for housing and travel. It is important to note that due to the fluctuations of travel costs, including fuel and maintenance, it is difficult to statutorily set travel rates. SB 2064, at the request of the Legislative Compensation Commission, will allow the Office of Management and Budget to set the rates that match what is offered by the United States General Services Administration.

Regardless of your opinion regarding this Senate bill, I offer two estimations based on this session's rates:

Session	Total Reimbursement	Rate	Approx. Mileage Traveled
2009 Session Est. (1)	\$326,927.58	\$0.45 / mile	726,505.55 miles
2009 Session Est. (2)	\$399,578.05	\$0.55 / mile	726,505.55 miles
2009-10 Interim Est. (1)	\$278,679.12	\$0.45 / mile	619,286.93 miles
2009-10 Interim Est. (2)	\$340,607.81	\$0.55 / mile	619,286.93 miles

These figures are all based on last session's numbers, and are estimations at the current reimbursement rate and current federal reimbursement rate.

I present these numbers as a base comparison. If HB 1349 is given this committee's blessing, and upheld by the House, Senate and Governor, it will allow legislators and authorized state employees that do not use the state motor pool, to claim partial reimbursement if they choose one vehicle over two. The savings may not be significant, but will be noticed in the bottom line.

I will present three hypothetical situations if this bill passes. The first is the savings that will amount in a biennium if just one Grand Forks Legislator utilizes this service for all state business (traveling home each weekend during the session and once a month to Bismarck during the interim). The second will have conservative estimates of 10% carpoled by various Legislators throughout the biennium. Finally, I have a hopeful 25% carpooling figure during that same time. I have used \$0.55 as the compensation rate.

Carpool Distance	Full Pmt Total	Carpool Pmt Total	Total Reimburs.	Savings
540 (X 16) = 8640	\$394,826.05	\$950.40	\$395,776.45	\$3,801.60
540 (x 20) = 10800	\$334,667.81	\$1,188.00	\$335,855.81	\$4,752.00
72,950.56	\$359,620.25	\$8,024.56	\$367,644.81	\$31,933.24
61,928.7	\$306,547.03	\$6,812.16	\$313,359.19	\$27,248.62
181,626.39	\$299,683.54	\$19,978.90	\$319,662.44	\$79,915.61
154,821.73	\$255,455.86	\$17,030.39	\$272,486.25	\$68,121.56

As you can see, the savings has a potential of truly adding up. Even if just one Legislator from Grand Forks County uses this service, it will potentially save the state over \$8,500 every biennium.

Mr. Chairman and members of this committee, North Dakota is not a state that has many opportunities to encourage conserving energy and building efficiency. If you have traveled to major urban areas, such as Minneapolis or Chicago, you have most likely seen carpool lanes that are dedicated for vehicles with more than 1 person. These cost millions of dollars to build, maintain and enforce. Essentially, for the same purpose as HB 1349. Instead of spending money, we are saving money.

Before I conclude, I would like to mention other incentives that the Legislature in particular will have with this bill being passed:

- Legislators that carpool are more likely to develop closer working relationships and can continue to discuss bills, ideas and potential solutions to other issues while not working on the House or Senate floor.
- North Dakota Legislative Assembly meets from January to April. These months tend to have poor road conditions due to weather. Many Legislators make the commute during questionable times and, if alone, take added risks in the event of a trouble.
- As Legislators work during the Assembly, we operate during unusual hours. We rise early, and go to bed late. This erratic sleep schedule is tiring and taxing. Driving with company will decrease the odds of falling asleep at the wheel and causing an accident.

- Rep. Ed Gruchalla mentioned he would be anyone's friend that carools, and he treats his friends well.
- Reduce the number of vehicles on the road, which reduces traffic congestion, wear on our infrastructure and usage of finite resources (such as gasoline.)
- Environmentally friendly program that can send a positive message to the rest of North Dakota – showing that even a rural state like ours can have a carpooling bill that is feasible and cost efficient.

Consider these incentives to the people of our state as you deliberate about this legislation. Remember that the partial reimbursement for passengers is a service fee for time, reducing overall costs in travel to the state and a compensation for a loss of convenience.

Thank you Mr. Chairman and committee members: for your time, attention and consideration of this bill. I believe there are others that may speak on behalf of HB 1349. At this time, I would now stand open for any questions you may have, and my mother requests that you play nice with me as I will be kind to you down the road.

Representative Corey Mock

District 42: Grand Forks (270 miles away from Bismarck, each way.)

NORTH DAKOTA STATE CAPITOL GROUNDS ENERGY SAVINGS PROJECT

- \$4,700,000 million project with a 15-year payback period
- Reduced annual energy consumption from 14,000,000 kilowatt hours (kwh) to 12,000,000 kwh
- Reduced our annual kilowatt demand by over 30%
- Negotiated a flat 10% discount from monthly electric invoice, a \$0.3255 kwh rate and the ability to sell back electricity to our utility provider for \$0.1984 per kwh
- Reduced water consumption by approximately 2,000,000 gallons
- Reduced natural gas consumption by 3,200 MMBtu (dekatherms)
- Work included, but not limited to:
 - Installed back-up generators to ensure state government can continue to operate during power outages
 - Expansion of building automation throughout the buildings on the grounds
 - Lighting fixture replacement in all buildings
 - Steam trap repairs and replacement
 - High energy efficient boilers in the Governor's residence