

**2013 HOUSE TRANSPORTATION**

**HB 1142**

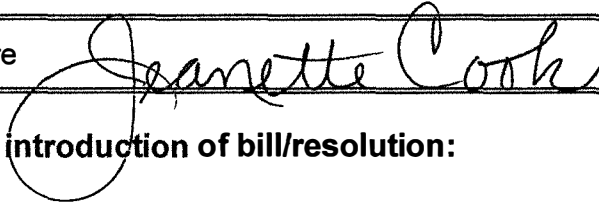
# 2013 HOUSE STANDING COMMITTEE MINUTES

## House Transportation Committee Fort Totten Room, State Capitol

HB 1142  
01-25-13  
Job # 17759

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A bill relating to distributions from the public transportation fund; and to provide a continuing appropriation.

### Minutes:

Attachments 1-2

**Chairman Ruby** opened the hearing on HB 1142. (1:02)

**Representative Delzer, District 8**, introduced HB 1142. He explained that this bill has a continuing appropriation. He does not usually approve continuing appropriations, but feels this one is needed. This bill has to do with transit. There is Century Code that sets percentages where each of these funds goes. The estimates last summer were low. We had to have a special allocation through the emergency commission in the budget session to allow the Department of Transportation to put out more money to transit. If it is in Code that it is 1.5 % that goes to transit, it could be done by the Department of Transportation without having to come in and ask for an adjustment of their budget. In 542719 of the Century Code it also tells how the other percentages are distributed. Some are monthly and some are quarterly. I think the Department would do this annually under the contract. I usually don't like continuing appropriations because it does not come before appropriations then. There is, however, on our green sheets, a list of continuing appropriations for the agencies when we deal with them. This should show up there, so if we want to look at it, we can. As long as the percentage is set, I don't see a reason for the Legislature to look at it every two years. I hope you give this a favorable consideration.

**Chairman Ruby:** Was that the only one in that formula that was set up so it had to come for approval of the budget session?

**Representative Delzer:** I believe it was. When transit was added, they just added it; they did not specify how it should be funded.

**Darrell Francis, Director of Souris Basin Transportation and President of the Transit Association** spoke in support of HB 1142. He provided written testimony. See attachment #1.

**Representative Delmore:** Times are good in North Dakota right now. Do you look down the road and see a time when there might be a shortfall and this might not be the best idea?

**Darrell Francis:** In the long term I think the uncertain part is the federal dollars. The state transit funding, which is extremely helpful for us, not only matches the federal dollars, but for the shortfall itself, it has helped us extremely. We don't like raising fares. Our shortfall would most likely be from the federal side.

**Chairman Ruby:** Are the payments made on an annual or quarterly basis?

**Darrell Francis:** Our state aid is paid on a quarterly basis. It comes directly to us.

**Representative Kreun:** How has your ridership changed and what do you see coming in the future?

**Darrell Francis:** In Minot our ridership has increased by 5%. We could do more, but it takes so much more time to go from one side of town to another, and we are limited by the number of drivers. Our ridership has increased more in the rural areas. We will deviate from our fixed routes to pick people up. The area is growing so fast that the city cannot keep up because they can't change their routes. We can change ours, so we service the FEMA trailers, camps, etc.

**Representative Drovdal:** How much would you have to increase the fees in order for the operation to be self-sufficient?

**Darrell Francis:** The fare recovery is just 15% of our operation. There is an 85% difference to be self-sufficient.

**Steve Salwei, Transportation Programs Director, North Dakota Department of Transportation,** spoke in support of HB 1142. He provided written testimony. See attachment #2.

**Chairman Ruby:** This works well when the revenue is high. What will you do when it goes the other way?

**Steve Salwei:** The way the law is written, we can only spend the funds that come in. Currently, we are making a very conservative estimate because of that. It will leave a little more money on the table at the end of the fiscal year, and will allow us to adjust to the revenues that are coming in.

**Jay Schecter, a concerned senior citizen from Bismarck,** spoke to support HB 1142. He feels that highway construction always has priority over public transportation. He is concerned about that, and thinks that there is increasing need for public transportation, especially for seniors. North Dakota has the highest proportion of seniors over the age of 85 in the country. Also, seniors are migrating from rural to urban areas in North Dakota. By 2030 the number will have changed from 14% to 18%. If all of those seniors are on the road, it will cause a bottleneck for commerce. Seniors are increasingly using public

transportation to get to their daily activities. Often, you are seeing private providers providing bus service to senior centers. He is speaking on behalf of public transportation and this bill in particular, and feels that it is very important.

There was no further support for HB 1142.  
There was no opposition to HB 1142.

**Representative Fransvog moved a DO PASS on HB 1142.**  
**Representative Heller seconded the motion.**  
**A roll call vote was taken. Aye 14 Nay 0 Absent 0**  
**The motion carried.**

Date: 1-25-13  
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1142**

House Transportation Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
 Amendment

Rerefer to Appropriations  Reconsider

Motion Made By Frantsvog Seconded By Heller

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby	✓		Rep. Lois Delmore	✓	
Vice Chairman Mark Owens	✓		Rep. Edmund Gruchalla	✓	
Rep. Rick Becker	✓		Rep. Kylie Oversen	✓	
Rep. David Drovdal	✓				
Rep. Robert Frantsvog	✓				
Rep. Brenda Heller	✓				
Rep. Curtiss Kreun	✓				
Rep. Mike Schatz	✓				
Rep. Gary Sukut	✓				
Rep. Don Vigesaa	✓				
Rep. Robin Weisz	✓				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Heller

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

**REPORT OF STANDING COMMITTEE**

**HB 1142: Transportation Committee (Rep. Ruby, Chairman) recommends DO PASS**  
**(14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1142 was placed on the**  
**Eleventh order on the calendar.**

**2013 SENATE TRANSPORTATION**

**HB 1142**

# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee  
Lewis and Clark Room, State Capitol

HB 1142  
03/08/2013  
Recording job number 19618

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Distributions from the public transportation fund; and to provide a continuing appropriation.

## Minutes:

Attached testimony: 2

**Chairman Oehlke** opened the hearing on HB 1142

**Representative Jeff Delzer**, District 8, sponsor of this bill Currently in the highway distribution fund there is a formula set up for 61 and 3/10ths for the state, 2 and 7/10ths for the township highway fund 1 and 5/10ths for the transportation and 34 and 5 percent for the counties and cities. During last interim we ended up allocating another million or two out of this particular fund to go out to transit because of the buildup higher than what we were appropriating in the North Dakota Department of Transportation (DOT). This bill just takes it out of the appropriation side in the budget. It means all the money they receive, for that ½% of your gas tax that makes up that fund, will just be in a continuing appropriation so that the North Dakota Department of Transportation (DOT) can give the right amount to the transit authorities.

**Vice Chairman Armstrong** There is no conflict between this bill and HB 1122?

**Rep. Delzer** No HB 1122 kind of backs that up. My understanding is that what 1122 does is that there is a formula that transportation gives money to the different transit areas. If one doesn't use or need it they will give it back to North Dakota Department of Transportation (DOT) and they can spread it out to the other areas.

**Senator Sitte** how does this affect the big metropolitan buses? Some people are questioning if that is a wise use of money and at what point is the state share, is it 50/50?

**Rep. Delzer** I have the same concerns that sometimes nobody rides the buses

**Darrell Francis** Director of Souris Basin Transportation and President of the Dakota Transit Association Written testimony #1 in favor of this bill



**Senator Sitte** How do large communities determine when they need to have a metropolitan busing system and, are the large transit systems taking away money from the transit that helps the elderly and disabled?

**Darrell Francis** Souris Basin Transportation started out rural. Now we have taken over the city and the paratransit system to help Minot, under a contract for a fixed route. The metro areas, as well as the rural areas in each county are appropriated a base lot; I think it is \$18,000 plus dollars. If there are three agencies they split that money. Then ridership comes into effect for the elderly and the disabled and that is where it could be \$2.00/ride and where the appropriation of the ride dollars go. If we had 80 thousand rides and 50% was for the elderly and the disabled we would be paid on 40 thousand rides. That is the same across the board for everybody. The formula has worked well for us because it has helped the small counties that do not have a lot of rides. We have that base pay that we work off and it helps us to do the cash match for the federal dollars. The federal dollars is a fifty-fifty match. Last year our system was awarded \$486,000 from the federal government. In state aid, we were awarded about \$340,000 to help meet that match. We are a nonprofit agency; we have to come up with additional funding. These 2M dollars was appropriated last year and that really helped us. At that time, April, we were running out of the federal dollars. That was pretty much across the board for everybody because our fiscal year is July 1<sup>st</sup> to June 30<sup>th</sup>; this funding comes out quarterly for us and it would be very difficult to operate without it.

**Senator Sitte** Are you at all connected with the large fixed route system? What if there is no ridership?

**Darrell Francis** We are mainly connected with the city of Minot system and right now are doing a big transit study to go to a larger system. We do the paratransit needs, for disabled and aged people within  $\frac{3}{4}$  miles from the fixed route (if they are in a wheel chair and need a ride, we pick them up and take them to their destination). We charge \$2.50. It is similar to the Bismarck/Mandan, Minot, Grand Forks and Fargo systems. In Minot the ridership has increased drastically because of the population growth. In the rural system, because the elderly and the disabled that have lived in nursing homes and facilities that have closed have moved, we lose those rides. At the same time there are still a number of people that will ride our system because it is public. The elderly are being replaced by the general public. We are trying to add more service but we have to be sure we can sustain it. In the city system the fixed route has a discount for the senior and the disabled. In our system we don't, we charge straight across because almost 80% of our riders are the elderly and the disabled. They have the ADA rules, they have priority.

**Senator Flakoll** any percentages in terms of your routes, or the fixed routes, percent capacity on average in a given year?

**Darrell Francis** Minot has about 160,000 and we were at 84,000 in our region. We see more ridership in the winter and because of the traffic. We are beyond our dispatching capacity.

**Steve Salwei** Transportation Program Director for the North Dakota Department of Transportation (DOT) , in support of this bill. Written testimony # 2

**Senator Sitte** What is the percent capacity of the large fixed routes

**Steve Salwei** In Minot I don't know. The Bis-Man Transit System fixed route system in Bismarck in 2012 had about a 106,000 ridership. Bis-Man Transit for the elderly and disabled had about 112,000 ridership. In Mandan the fixed route had 32,000 and the elderly and disabled thru Bis-Man Transit had about 57,000 ridership.

No additional testimony Hearing closed

# 2013 SENATE STANDING COMMITTEE MINUTES

**Senate Transportation Committee**  
Lewis and Clark Room, State Capitol

HB 1142

3/08/2013

Recording job number 19621

Conference Committee

Committee Clerk Signature

## Explanation or reason for introduction of bill/resolution:

Distributions from the public transportation fund; and to provide a continuing appropriation.

## Minutes:

Attached testimony: .

**Chairman Oehlke** opened the discussion on HB 1142

**Senator Sitte** Moved DO PASS

**Vice Chairman Armstrong** Seconded

**Senator Flakoll** The question about capacity is they may have many points that they pick and drop off people. Capacity varies with at what point you are measuring it at. Campuses have a financial agreement with the city of Fargo so that the students, faculty and staff ride at no direct charge. In essence they already paid that in advance. Those campuses provide a solid base of ridership and funds so it enhances what the city can do.

**Chairman Oehlke** I have a feeling that with the way transportation costs are going up that you will see a lot more people riding public transportation even in small cities.

Roll call vote      Yes 7      No 0      Absent 0

Carrier: **Senator Sitte**

Date: 3/8/13  
Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1142

Senate TRANSPORTATION Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Senator Sitte Seconded By Senator Armstrong

Senators	Yes	No	Senator	Yes	No
Chairman Dave Oehlke	✓		Senator Tyler Axness	✓	
Vice Chairman Kelly Armstrong	✓		Senator George Sinner	✓	
Senator Margaret Sitte	✓				
Senator Tim Flakoll	✓				
Senator Tom Campbell	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Sitte

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

**REPORT OF STANDING COMMITTEE**

**HB 1142: Transportation Committee (Sen. Oehlke, Chairman)** recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1142 was placed on the Fourteenth order on the calendar.

**2013 TESTIMONY**

**HB 1142**

#1

**Testimony in Support of HB 1142  
House Transportation Committee  
January 25, 2013**

Chairman Ruby and members of the House Transportation Committee. I am Darrell Francis, Director of Souris Basin Transportation and President of the Dakota Transit Association.

Public Transit providers In North Dakota fully support the changes in HB 1142. What has happened in the current biennium will be a great example of why these language changes are needed. In the 2011 Legislature, the DOT was appropriated \$6.3 million of spending authority from the Public Transportation fund. The funding was \$6.2 million from the formula under the Highway Tax Distribution fund with an additional \$100,000 added.

In the winter of 2012, a funding discussion between a transit provider and their legislator resulted in a request to find out how much money was coming into the public transportation fund. It was determined that \$8.3 million would actually be accumulated in the Public Transportation fund this biennium. To be able to appropriate the entire \$8.3 million, a request was made to the Emergency Commission and the Interim Budget Committee for the Department of Transportation to receive spending authority for the additional \$2 million to be distributed to the transit agencies, which was granted.

The changes proposed in HB 1142 would allow the Department of Transportation to distribute to transit agencies, on a continuing basis, all funds allocated to the public transportation fund.

Thank you for your time in hearing my testimony. I would be happy to answer any questions.

#2

**HOUSE TRANSPORTATION COMMITTEE**  
**January 25, 2013**

**North Dakota Department of Transportation**  
**Steve Salwei, Transportation Programs Director**

**HB 1142**

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Mr. Chairman and members of the committee, I'm Steve Salwei and I serve as the Transportation Programs Director for the North Dakota Department of Transportation (DOT). I'm here today to support HB 1142.

This bill would give the DOT continuing appropriation of the public transportation funds. This would allow the DOT to expedite the administration of the Public Transportation program, which would enable us to utilize all available Public Transportation revenues without waiting for Legislative, Emergency Commission, or Budget Section action on revenues realized in excess of our initial projections.

Mr. Chairman, I would be happy to answer any questions at this time. Thank you.



**Testimony in Support of HB 1142  
Senate Transportation Committee  
March 8, 2013**

Chairman Oehlke and members of the Senate Transportation Committee. I am Darrell Francis, Director of Souris Basin Transportation and President of the Dakota Transit Association.

Public Transit providers In North Dakota fully support the changes in HB 1142. What has happened in the current biennium will be a great example of why these language changes are needed. In the 2011 Legislature, the DOT was appropriated \$6.3 million of spending authority from the Public Transportation fund. The funding was \$6.2 million from the formula under the Highway Tax Distribution fund with an additional \$100,000 added.

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The changes proposed in HB 1142 would allow the Department of Transportation to distribute to transit agencies, on a continuing basis, all funds allocated to the public transportation fund.

Thank you for your time in hearing my testimony. I would be happy to answer any questions.

**SENATE TRANSPORTATION COMMITTEE**

**March 8, 2013**

**9:30 A.M. Lewis and Clark Room**

**North Dakota Department of Transportation  
Steve Salwei, Transportation Programs Director**

**HB1142**

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Mr. Chairman and members of the committee, I'm Steve Salwei and I serve as the Transportation Programs Director for the North Dakota Department of Transportation (DOT). I'm here today to support HB1142.

This bill would give the DOT continuing appropriation of the public transportation funds. This would allow the DOT to expedite the administration of the Public Transportation program, which would enable us to utilize all available Public Transportation revenues without waiting for Legislative, Emergency Commission, or Budget Section action on revenues realized in excess of our initial projections.

Mr. Chairman, I would be happy to answer any questions at this time. Thank you.