

2013 HOUSE TRANSPORTATIONS

HB 1122

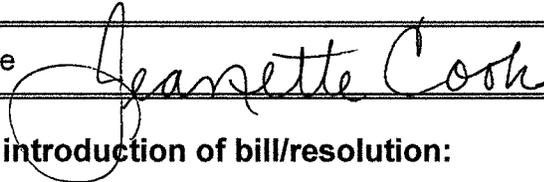
2013 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee Fort Totten Room, State Capitol

HB 1122
01/17/13
Job #17343

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to public transportation funding.

Minutes:

Attachments 1.

Chairman Ruby opened the hearing on HB 1122.

Steve Salwei, Transportation Programs Director, North Dakota Department of Transportation, spoke to support HB 1122 and provided written testimony. See attachment #1.

Representative Heller: In the testimony it says "the funds not expended by transit provider" and the bill says "expended by a county". Should those be the same?

Steve Salwei: Yes, it should be corrected. I think it should say transit provider. The funds do not necessarily go to a county unless the county is the transit provider.

Representative Weisz: I'm not sure that is correct. If the formula is based on the counties, and the counties receive it, then they have to divide it among the providers in the county. I think the language in the bill could be correct.

Chairman Ruby: Does the entity send those funds back to the county or to the state?

Steve Salwei: I will have to check on the exact funding mechanism and get back to you. It is my understanding that we have contracts with the providers. Some counties have several providers, and those funds get shared equally among those providers.

Chairman Ruby: It is important for us to know that before we make a decision. In your testimony you referenced the number of dollars that were left. Didn't all the transit facilities budget, based on what their estimate was initially? How do you determine their extra need and how will you redistribute more money to them and channel that money back into other areas because some didn't use their funds?

Steve Salwei: Currently we do get requests from the providers for additional funds that have expended all of their resources. This bill will allow the director to work with the providers to establish those guidelines on how the funds would be redistributed.

Chairman Ruby: Will you get us a breakdown of the amounts that were refunded, going five years back?

Representative Weisz: How many providers turned back funds?

Steve Salwei: Approximately one-third of the providers turned funds back.

Representative Fransvog: If this bill passes, is it correct to say that the unused funds will not go back into the appropriations for the next biennium?

Steve Salwei: Yes, the funds then would have been spent. They would have been redistributed to the providers that had a need, or they could have been used for transit coordination purposes, which is a regional coordinator that coordinates services of the various providers across the state.

Chairman Ruby: If the money is left over, does it go back in to the main fund for transportation or does it just go back into the fund just for transit?

Steve Salwei: It would get put into the transit portion for distribution according to the formula the next biennium. It stays with public transportation, and it just gets divided amongst the thirty-six providers instead of those that had shown extra need.

Chairman Ruby: So, some that have been getting additional funds would see more the next time because not only are they getting the funds that are injected into the fund for the next biennium revenues, but also that past reapportionment of those funds. Is that correct?

Steve Salwei: That is correct.

Vice Chairman Owens: The last line of the bill says "transit coordination". Would you define that?

Steve Salwei: Transit coordination is a process that allows an individual to call in, and the transit coordinator would coordinate which provider would pick them up. Sometimes a transit provider in an area only runs their route a certain day of the week. If another provider goes right by the individual's home on another day of the week, the coordinator would be able to inform the individual of the different options that are available to him.

Chairman Ruby: Didn't we set up a pilot project for that?

Steve Salwei: Yes, we are currently working on that.

Representative Vigesaa: How have you previously handled unspent funds?

Steve Salwei: They just go into the next biennium's budget, and we have not been able to redistribute those funds.

Chairman Ruby: Along with the five years of amounts, could you also add a list of the providers that returned the funds?

Steve Salwei: Yes.

There was no further testimony in support of HB 1122.
There was no testimony in opposition to HB 1122.

The hearing was closed on HB 1122.

The committee will wait for the information from Steve Salwei before making a decision on HB 1122.

2013 HOUSE STANDING COMMITTEE MINUTES

House Transportation Committee Fort Totten Room, State Capitol

HB 1122
01-18-13
Job #17403

Conference Committee

Committee Clerk Signature



Minutes:

Attachment #2

Chairman Ruby brought HB 1122 back before the committee. He referenced information received from Steve Salwei that answered questions that were brought up in the hearing.

Chairman Ruby: The reference to "county" on line 21 is correct. They could only go back three years for the information that we requested. You can see in 2009 there was \$202,463.00 returned, and then it dropped to \$47,180, and back up to \$64,519. The amount of money changes, but they have additional use for the money to redistribute to other public transit entities. Some have turned back some every year. As we were told, the extra money does go back into the formula within transit, so the money is not really lost to them. But, there might be some areas that they need to be able to move the money around. The other issue was with the transit coordination purposes. This is sort of an expansion of their funds. I was told that it may become a Federal issue; that states will have to have transit coordinators. I believe that the state is already moving in that direction. Some don't think that it as valuable as others. They think that it doesn't work in all situations to coordinate every region.

Representative Weisz: We developed the formula for the transit fund, but it cannot fit exactly with every public transit. The way we do it now, the ones that don't use it all to start with are going to get a little extra the following year, because it will get added into the total pot. So, that way we don't fix the small inequities in the formula. With this bill we will fix those inequities because it says they can take the \$64,000 and spread it out among the twenty four that need more.

Chairman Ruby: What does it do for the provider that falls short, requests additional funds, and gets them in that year? What does it do for the next year? Do they get their money according to the formula?

Representative Weisz: They will get what the formula says in the next year. For example, if the formula says \$5.7 million the next biennium, it will be divided up by the formula. It will have no effect if they got more this biennium. Next biennium instead of getting \$5.7 million, it would be \$5.76 million that would be distributed. The twenty-four that spent all their money will get more, and the remaining twelve get less. That makes sense because they are not using all their money now. If Wild Rose, for example, which has turned money back

every year, has their demand go up, they won't have any turn back. Then they could become part of the group that gets the excess. If all the funds get expended, there will be no money coming back, and the formula just works the way that we set it up initially. If there is a cut, each group will take the same cut.

Chairman Ruby: I don't have a problem with them using it and adjusting it overall. We have expended the dollars for transit. The dollars have to be spent according to guidelines; maybe some had to turn back dollars because of that.

Representative Kreun: On line twenty-two it says "may be redistributed under guidelines established by the director". Does that mean that it goes to administration?

Representative Weisz: The guidelines are the formula.

Representative Becker: It seems that there will be potential benefit, if there are excess funds, and they accumulate, when the time comes for the coordination director, then the money would be there. If the director sees fit to distribute the extra funds amongst some of the providers that need more money than what the formula was supposed to give them, they are going to have to come back to us for more money to have the coordinator.

There was no additional discussion. **Chairman Ruby** asked the wishes of the committee.

Representative Weisz moved a DO PASS on HB 1122.

Representative Gruchella seconded the motion.

A roll call vote was taken. Aye 12 Nay 1 Absent 1

The motion passed.

Representative Fransvog will carry HB 1122.

FISCAL NOTE
Requested by Legislative Council
12/27/2012

Bill/Resolution No.: HB 1122

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 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

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

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

This bill allows redistribution of Public Transportation Funds not spent by a transit provider during a contract period.

- 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.*

This bill has no direct fiscal impact to the State Public Transportation program, but may impact individual transit programs through redistribution of funds. Also, it allows the director to use any of these unexpended funds for coordination of the program.

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.*

House Bill 1122 may impact appropriations if the unexpended amounts to be redistributed are from previous contract periods that are not within the current biennium. These amounts cannot be determined at this time.



Name: Patty Schock

Agency: NDDOT

Telephone: 328-1933

Date Prepared: 01/08/2012



Date: 1-18-13
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1122

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 Weisz Seconded By Gruchalla

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	A				
Rep. Curtiss Kreun	✓				
Rep. Mike Schatz	✓				
Rep. Gary Sukut	✓				
Rep. Don Vigesaa	✓				
Rep. Robin Weisz	✓				

Total (Yes) 12 No 1

Absent 1

Floor Assignment Frantsvog

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

REPORT OF STANDING COMMITTEE

HB 1122: Transportation Committee (Rep. Ruby, Chairman) recommends DO PASS
(12 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1122 was placed on the
Eleventh order on the calendar.

2013 SENATE TRANSPORTATION

HB 1122

2013 SENATE STANDING COMMITTEE MINUTES

Senate Transportation Committee Lewis and Clark Room, State Capitol

House Bill 1122

2/22/2013

Recording job number 19387

Conference Committee

Committee Clerk Signature

Dous & Pérez

Explanation or reason for introduction of bill/resolution:

To amend and reenact section 39-04.2-04 of the North Dakota Century Code, relating to public transportation funding

Minutes:

attached testimony: 1

Chairman Oehlke opened the hearing on HB 1122

Steve Salwei Transportation Programs Director North Dakota Department of Transportation (DOT) This bill will allow the department to redistribute unspent funds back to the providers that show need for additional funds. See attached testimony #1

Chairman Oehlke How do they not spend all the money? Is it a certain community?

Steve Salwei It is not always the same providers; it varies from year to year. I am unable to answer why.

Senator Flakoll Why should we set aside some of it for the transit coordination purposes? If that were to occur in the next session you will come looking for state funds to pay for that and then remove this language?

Steve Salwei There is a very strong push from the federal government for states to have transit coordination in place. We added that language to allow North Dakota the ability to do that, should that mandate come from the federal government. Last summer we were asked to do a pilot coordination project. We are currently in the process of getting that in place. In Grand Forks area they already have a regional transit coordinator and we will monitor that during the next biennium and will be reporting back on the outcome. We would try to utilize the resources on the federal side if we could, this would give us the ability to utilize unspent state money.

Senator Sitte Since five members of this committee are new this session would you provide some background?

Steve Salwei What a regional coordinator does is: there would be one number to call for a ride and the coordinator would determine which transit provider would be best to provide that ride. Example if you live in a rural community and you have transit provider A which

would come, say to Bismarck, on a day of the week that may not be convenient for you. There are other providers in the state who would probably drive by your community on different dates. The transit coordinator would coordinate with the other providers in the state to allow for flexibility on dates on which you can catch a ride in your community.

Senator Sitte How much of this is federal money, how much is the state match, how much flexibility do you have in the way things are funded?

Steve Salwei I don't have the exact numbers. I know that the federal portion has increased; it is around \$10M that is coming to the state. The fixed route system is funded directly from FTA not thru the North Dakota Department of Transportation (DOT). The ones we are referring to are more the rural providers.

Senator Campbell It excludes city buses? Is it just for the rural and senior citizens buses? What else would it include?

Steve Salwei These state funds go to local providers, some of the funds. Each county receives a base amount of 4/10th of 1% of the appropriations for the program plus \$1.50 per capita of population in the county based on the latest census. If there are multiple providers in that county then the base amount gets split equally amongst those providers and the per capita amount is split based on percentage of elderly and handicapped ridership provided by that transportation provider.

Senator Flakoll The contract period you are talking about, is it one calendar year that you can redistribute funds, is it a biennium?

Steve Salwei We are trying to give the director the ability to set some guidelines. We would work with the providers to determine the best timeframe to redistribute those funds. It may be on a yearly basis. There may be instances where they know there will be some funds available early; we are looking for the ability to set those guidelines in place.

Chairman Oehlke There are some dollars out there right now that nobody knows what to do with them?

Steve Salwei Now, at the end of the fiscal year, any unspent dollars roll over to the next biennium and go into the redistribution to all providers. We can only distribute what we have. If local providers are short they have to make up that thru their local revenue source somehow.

No additional testimony. Hearing closed.

Vice Chairman Armstrong moved DO PASS **Senator Sinner Seconded**

Discussion followed regarding the need for an emergency clause. Not needed because they are on a rolling budget.

Roll call vote: **Yes 7** **No 0** **Absent 0** **Carrier: Vice Chairman Armstrong**

FISCAL NOTE
Requested by Legislative Council
12/27/2012

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Name: Patty Schock

Agency: NDDOT

Telephone: 328-1933

Date Prepared: 01/08/2012

Date: 2/22/13
Roll Call Vote #: 1

**2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL NO. 1122**

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 Vice Chairman Armstrong Seconded By Senator Sinner

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

Total (Yes) 7 No 0

Absent 0

Floor Assignment Vice Chairman Armstrong

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

REPORT OF STANDING COMMITTEE

HB 1122: Transportation Committee (Sen. Oehlke, Chairman) recommends DO PASS
(7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1122 was placed on the
Fourteenth order on the calendar.

2013 TESTIMONY

HB 1122

HOUSE TRANSPORTATION COMMITTEE
January 17, 2013

North Dakota Department of Transportation
Steve Salwei, Transportation Programs Director

HB 1122

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 1122 which was submitted at the request of the DOT.

Presently, state law identifies how funds appropriated to the public transportation fund are distributed. The funds must be used by transportation providers to establish and maintain public transportation.

The current section 39-04.2-04 of the North Dakota Century Code does not address how funds not expended by the transit providers would be redistributed.

For example, the amount of funds distributed to the 36 transit providers in 2011 was \$3,151,211. However, some of the transit providers did not spend 100% of their apportioned amount of funds. The amount of funds left unspent in 2011 was \$64,519. These funds currently get added into the appropriations for the next biennium and get distributed based on the current formula.

We feel it is necessary to modify state law to allow the unspent funds to be redistributed back to the providers that show a need for additional funds, by inserting the following:

“Any funds not expended by a transit provider during a contract period, or previous contract periods, may be redistributed under guidelines established by the director. In addition, any unexpended funds may also be used by the director for transit coordination purposes.”

This change in the bill does not affect current distribution of funds, operations or budgets of the 36 transit providers. It allows the DOT to redistribute funding to transit providers that need additional funding at the end of the year.

Mr. Chairman, this concludes by testimony and I will be happy to answer any questions the committee may have.

HOUSE BILL NO 1122 Testimony Clarification

Representative Ruby and Members of the committee:

This morning during my testimony there was a question whether the word county in line 21 was correct or if it should be Transit Provider (per my testimony). After further review we feel the word county should stay as written.

Section 39-04.2-04 of North Dakota Century Code is written such that the funding is split using the following formula:

“Each county shall receive a base amount of four-tenths of one percent of the appropriations for the program plus one dollar and fifty cents per capita of population in the county based upon the latest regular or special official federal census. Each year the director shall increase or decrease the one dollar and fifty cents per capita amount in order to distribute all funds appropriated for the biennium. If there are multiple transportation providers in one county, then the base amount must be divided equally among the providers and the additional per capita amount must be based upon the percentage of elderly and handicapped ridership provided by each transportation provider within the county.”

Because we split the funds by formula per county we feel it appropriate to leave the word county in line 21 of the proposed amendment.

This morning you also asked for some additional information as to how much money was turned back the past 5 years and who was turning the money back. Unfortunately our contract management system only goes back 3 years therefore attached you will find the most recent 3 years' worth of information.

There appeared to be some questions as to why we included language to allow the Director to utilize unexpended funds for transit coordination purposes. There is a very strong push from the Federal Government for States to have transit coordinators in place. For this reason we included the language to give the Director that ability should the Federal Government mandate we have transit coordinators.

I hope this answers your questions. Should you need any additional information you can contact me at:

Steve Salwei, P.E.
Transportation Programs Director
North Dakota Department of Transportation
608 East Boulevard Avenue
Bismarck ND 58505-0700
(701) 328-3689
SSALWEI@ND.GOV

House Bill 1122 Additional Information

July 2011 - June 2012

Agency	<u>Unexpended</u>
Bis Man Transit (Burleigh, Morton Counties)	\$1.50
Cavalier County Transit	\$25,410.85
Devils Lake (Ramsey County/Eddy County) Transit	\$2,757.00
Elder Care (Stark County)	\$0.50
Golden Valley/Billings County Council on Aging	\$12,725.50
Nutrition United/Rolette County Transportation	\$3,016.77
*Tioga (Williams County)	\$521.28
Turtle Mountain Transit (Rolette County)	\$11,183.00
West River Transit (Burleigh, Morton, Grant, Mercer, McClean, Oliver Counties)	\$2,133.22
Wildrose Senior Transportation (Williams County)	\$6,769.87
Total 2012 Unexpended	<u>\$64,519.49</u>

July 2010 - June 2011

Agency	<u>Unexpended</u>
Dickey County Transportation	\$3,478.00
Glen Ullin City Transportation (Morton County)	\$2,964.00
Golden Valley/Billings County Council on Aging	\$4,645.00
Cavalier County Transit	\$7,830.00
Nelson County Transportation	\$3,878.00
Spirit Lake Transit (Benson County)	\$8,926.00
*Tioga (Williams County)	\$3,982.00
Turtle Mountain Transit (Rolette County)	\$8,133.00
Wildrose Senior Transportation (Williams County)	\$3,344.00
Total 2011 Unexpended	<u>\$47,180.00</u>

July 2009 - June 2010

Agency	<u>Unexpended</u>
Glen Ullin City Transportation (Morton County)	\$114.00
Golden Valley/Billings County Council on Aging	\$989.00
*Mercy Medical Ctr (Williams County)	\$2,598.00
City of Minot (Ward County)	\$43,736.00
North Central Planning Council (9 Agencies) Benson, Spirit Lake, Cavalier Co, Eddy, Ramsey, Rolette, Turtle Mountain	\$108,606.00
Pembina County Meals & Transportation	\$33,230.00
Southwest (Adams, Bowman, Hettinger, Slope Counties)	\$4,945.00
*Tioga (Williams County)	\$2,946.00
Trenton Indian Services Area (Williams County)	\$1,464.00
Wildrose Senior Transportation (Williams County)	\$3,835.00
Total 2010 Unexpended	<u>\$202,463.00</u>

*No longer in service

SENATE TRANSPORTATION COMMITTEE

February 22, 2013

10:30 a.m., Lewis and Clark Room

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

HB1122

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Mr. Chairman, this concludes my testimony and I will be happy to answer any questions the committee may have.