

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2268

2001 SENATE APPROPRIATIONS

SB 2268

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2268

Senate Appropriations Committee

Conference Committee

Hearing Date January 30, 2001

Tape Number	Side A	Side B	Meter #
Tape #1	x		22.4 - 54.7
Tape #1		x	0.0 - 2.1
Committee Clerk Signature <i>Janice Rutsch</i>			

Minutes:

Senator Nething, Chair of the Senate Appropriations Committee, opened the hearing on SB2268.

Senator Terry Wanzek, District #29, spoke in support of the bill, proposed to fund the data envelopment analysis project. With the high transportation costs - the fuel prices - etc. this appears to be necessary for all school districts. It is an opportunity for the districts to work together -- it's amazing what can be done using the available high technology programs. He distributed copies of pages from the ESRI, ArcNews-Winter 2000/2001 (copy is attached).

Tom Decker, Director of Finance and Organization, Department of Public Instruction, testified in support of SB2268 (a copy of his written testimony is attached).

Senator Nething: Exhibit 5 -- students transported, per comparison, efficiency all appear to be objective items...but operating environment not so, more subjective? What goes into this category?

Tom Decker: Agree they are objective. But with the GIS system all roads can be rated-- a quantifiable item, allowing wide range of input/output.

Senator Nething: Example: weather? Peer comparison?

Tom Decker: Dealing with all those factors now. Some years some of the districts will come up short -- some districts benefit.

Senator Tallackson: There are so many things to consider -- still consider first one on, last one off?

Tom Decker: Yes, the capability of computer system factors in anything the district wants. Some districts will have some unique items.

Senator Tomac: 5 children on a route..how could it be more efficient? 1 road to follow? The benefit of this bill to that district? Will you come back next session with the efficiency rating for each school district? Do what? Be same as now?

Tom Decker: Over the long haul the district will be better off -- need to build in incentives for school systems. Peer groups should lead -- some routings will be small, some big -- need to take into consideration how the bus costs effect the system. There is a tread for less children, the riding time is a concern -- each district need to look at the mix involved. Montana for example: will take their buses on major roads only, the parents are responsible to bring them to the bus.

Senator Tomac: Throw in 100 thousand dollars --- for policy decision to net efficiency? I've had calls regarding big buses used in an area for small number of students (67 cents mile -- this problem been addressed -- wouldn't a smaller bus be cheaper to run? I'm told the larger buses stand up better, are cheaper to purchase as used vehicles; so in the long run cheaper for the district. Considering all the variables - determining an inefficient system -- does this really address change? Does what for us 2 years from now?

Tom Decker: Could be considered micro-management ..but we feel it would move towards more efficient systems. May need to implement over a few years. More years for adjustments and analysis of data -- but this all moves to efficiency.

Senator Bowman: Why aren't you currently looking into this without this bill? School administrators and boards, your department should be looking constantly? What different with this bill?

Tom Decker: The current payment system has no incentive to be efficient. We have been pushing transportation studies through NDSU since 1989 -- need this bill to allow more leverage for financial efficiency.

Senator Thane: Reorganization of school districts -- when some districts are dissolved -- does this make for more efficiency; have to provide transportation?

Tom Decker: Need to continue door-to-door; but need to discuss policy regarding efficiency -- relatively effective-- every district may have different issues -- but need to have the most efficient vehicle systems -- push to check with peers.

Senator Thane: Efficiency out the window with reorganization of school districts?

Senator Nething: We'll hear more when we consider the bill.

Senator Holmberg: Was this request made by the department to OMB and then not funded? Why separate bill? Know your bill is being heard on the House side now.

Tom Decker: Optional request item when we submitted the department budget to the governor.

Senator Nething: Perhaps you'd like the OMB personnel to answer?

Senator Holmberg: Yes.

Sandy Paulson, OMB Analyst: It is not my agency, but I will find out and report back with the information.

Senator Holmberg: Don't suppose we can design a perfect system -- but some things that you are talking about are already being done -- my niece and nephew call the neighbors when they will not need the bus to come to their stop on a particular day --- not sure if the mileage is adjusted that day by the driver? Do you check things like that?

Tom Decker: Add another zero or two and perhaps we can audit the school transportation systems.

Senator Andrist: Do you envision some flexibility? Buses too big? Not enough people? But no payment for purchases? Envision flexibility rates within categories. Authority for more/less vehicles -- the size etc.?

Tom Decker: Flexibility is inherent -- every district is different . The program can have all the flexibility you want to build into it -- we don't want to penalize the past decisions.

Senator Tomac: Line 6 -- continue project ----doing some now? Will this have legislative input -- an interim committee formed for you to report to?

Tom Decker: Possible -- this is a high, complex mathematical system -- which Dr. Nygard has already completed-- we would plan to continue working with him and the districts. They have done some studies in the Carolinas and Texas. We requested this support in prior years, were back in '99 (received zero) -- are back again.

Hearing closed on SB2268 by Chairman Nething.

Subcommittee assignment: (Information Technology) Senator Solberg, Chair;

Senator Schobinger and Senator Robinson.

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Senate Appropriations Committee
Bill/Resolution Number SB2268
Hearing Date January 30, 2001

February 15, 2001 Full Committee Action (Tape 3, Side B; Meter No. Second of three bills acted on 0.0 - 10.7)

Senator Nothing reopened the hearing on SB2268.

Discussion on the bill.

Senator Solberg moved a DO PASS; Senator Tallackson seconded. Roll Call Vote: 11 yes; 2 no; and 1 absent and not voting.

Senator Solberg accepted the floor assignment.

Date: 2-15-01

Roll Call Vote #: _____

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2268

Senate Appropriations Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen Solberg

Seconded By Sen Tallackson

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac					
Joel C. Heitkamp	✓				
Tony Grindberg	✓				
Russell T. Thane		✓			
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist		✓			

Total Yes 11 No 2

Absent _____

Floor Assignment Sen Solberg

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

REPORT OF STANDING COMMITTEE (410)
February 15, 2001 5:18 p.m.

Module No: SR-28-3592
Carrier: Solberg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2268: Appropriations Committee (Sen. Nething, Chairman) recomn.ands DO PASS
(11 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). SB 2268 was placed on the
Eleventh order on the calendar.

2001 HOUSE APPROPRIATIONS

SB 2263

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2268

House Appropriations Committee

Conference Committee

Hearing Date **March 12, 2001**

Tape Number	Side A	Side B	Meter #
1		x	1003 -2609
Committee Clerk Signature			

Minutes:

HOUSE APPROPRIATIONS COMMITTEE HEARING ON SB2268.

Tom Decker, Director of Finance & Organization, Department of Public Instruction.

(Followed Written Testimony and answered questions after testimony)

Rep. Timm: Tom, do you have a copy of what you just read? Response was that he would get a copy for the clerk after the hearing.

Rep. Aarsvold: Do we have enough data available in terms of routing information to really make good judgments about this? I'm thinking in my own area for instance, does Ken Neigard know that from Bill Mahers to my place for six months out of the year? Our buses have to travel and extra five miles to make that movement.

Mr. Decker: We have a considerable amount of data in terms of financial data on cost of operations, the size of buses, the age of buses, we also have the capability of linking up the Department of Transportation's new GIS system which lists all roads in North Dakota down

through several layers, basically down to township roads, so we have a great deal of data available but in fact some of the local circumstances that you talked about will be local judgments based on changing conditions of roads and North Dakota's unpredictable weather.

Rep Aarsvold: The lack of that data would surely impact pure comparisons that we would make and conclude, would you not agree?.

Mr. Decker: We believe that in fact the effect of that exact idea of unpredictable weather and road conditions is in fact reflected in every districts cost of operations at the present time. Every district to some degree puts up with this on a yearly basis and it is reflected in the cost of operations, so it would be reflected in our analysis of loops of peer districts.

Rep. Heuther: You said some of the districts, can you give us an example of some of the districts that have had this study done and then what was the savings if they implemented that?

Mr. Decker: Its been a couple of years and I'm not sure I remember with great detail what would have happened in individual studies. In a number of those studies we were able to park one or two buses, and we were able to limit ride time and we intentionally set a priority of 1 hour for ride time and we were able to achieve that, so if we idled one bus and still maintained 1 hour of ride time we would have made some gains, it varies from district to district but the primary point here is that the fundamental operational basis for transportation in North Dakota today is not oriented toward efficiency and a system that was orientated efficiency would lead districts themselves without outside pressure to annually look at their operations to see if there were efficiencies that could be gained.

Rep. Kerzman: Did this study look at a bidding process for busses or district owned equipment or did it just look at mileage and students?

Mr. Decker: In the analysis of all districts, we would look at all of their costs and basically what were going to be comparing is input functions, districts have choices, what were trying to get to is a payment basis that leads districts to make choices about those operational modes that are most cost effective, but yes, we would look at all of the different modes.

Rep. Timm: Tom, do you have any idea of that \$100,000 your going to spend, do you have any idea of what the study will cost you? The way the bill reads, you appropriation \$100,000 or so much of the \$100,000 that you need.

Mr. Decker: We would expect that the full amount of this study in a contract with North Dakota State, who does the work, we work with them and we would define what we need to bring to the legislative committees in terms of final product.

Rep. Timm: Would this be the Great Plains Institute?

Mr. Decker: Dr. Ken Nygard and the division of computer science through the state university directly do this kind of work.

Rep. Byerly: When you talked about, and one of the things you barely touched on, was the things like the size of the bus and so on, the appropriateness of the bus for the route, because one constant things that we always hear about, that the school districts go out a put a 60 passenger bus on a 10 student run so they can get the 67 cents instead of the 25 cents. Do you anticipate as a result of this study being able to come back to us with some guidelines that maybe we can do some things in law will make it more efficient? Or is this purely a method of coming up with a formula to disperse money?

Mr. Decker: What we want to come up with is a payment structure that in and of itself pushes districts toward efficiency on an ongoing basis. When your in set of pure districts where your payment basis is rated off the most efficient outfit in the operation your going to be pushed to

